

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 21 April, 1987.

Time — 1:30 p.m.

OPENING PRAYER by Madam Speaker.

MADAM SPEAKER, Hon. M. Phillips: Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MADAM SPEAKER: The Honourable Minister of Employment Services and Economic Security.

HON. L. EVANS: Yes, Madam Speaker, I have a brief statement to make.

Madam Speaker, I am pleased to inform the House that our government will be sponsoring job referral and placement services for students, youth and employers throughout Manitoba again this summer.

On May 4, doors will open at 34 Manitoba Youth Job Centres which will be operated by local sponsoring committees with financial support from my Department of Employment Services and Economic Security.

Each of these offices will be run by a student Manitoba Youth Job Centre Manager, assisted by the local committee which is made up of representatives from various sectors in the community, such as school, business, farm, youth and women's groups.

Also, on May 4, student coordinators hired by the province will join their Federal Government counterparts in 10 Student/Youth Employment Centres operated jointly by the two levels of government.

The student coordinators and managers at all 44 centres find summer job opportunities for students and youth by alerting businesses, organizations and the community that young people are available to work and need jobs during the summer months. They also refer registered students and youth to employers looking for help, and also assist them in conducting their own job searches.

The Manitoba Youth Job Centres and Student/Youth Employment Centres play an important role, along with our major provincial job creation programs, in helping young Manitobans to obtain summer jobs and valuable work experience.

In 1986, over 12,000 students and unemployed youth found summer jobs through our 43 provincially sponsored job centres.

We anticipate, Madam Speaker, that the centres will be very active again this year, helping students, youth and employers make the connections they need to fill their summer job requirements.

Thank you.

MADAM SPEAKER: The Honourable Member for Brandon West.

MR. J. McCRAE: Madam Speaker, we on this side thank the Minister for his statement this afternoon, and

as one who attended the opening of one of these youth centres, job centres, a year ago, I can say that I think this type of thrust does have some support in the communities and does, indeed, go some distance toward helping employers and employees get together.

On the other hand, Madam Speaker, programs like this, as laudable as they may be in creating short-term summer work for students, which is important - as a father of students and one who lives in a neighborhood where there are a number of them, I can tell you these kinds of programs are needed - however, as a substitute for real jobs strategy, I think that we should be looking at other methods of creating work for people in this province.

We talk about creating a healthy economy for working men and women and young men and women. Well, Madam Speaker, that's going to be very difficult to achieve unless we do something to create a better investment climate in this province generally. I refer, for instance, Madam Speaker, to the tax regime in this province which, as I understand it, is at least the second worst in this whole country; and we are told by the Canadian Federation of Independent Business, whose members create most of the jobs in this province, that this province is the worst place in all of Canada to invest.

And so, as far as honourable members on this side of the House are concerned, we feel that this government has a very long way to go, Madam Speaker, to repair much of the damage it has done with all its taxes and its anti-business labour laws, and as we have found out recently, anti-worker labour laws. This government still has a long way to go, and until we see some progress that way, I suppose we will be seeing more of this type of program in the future.

But it is short term, Madam Speaker, and doesn't in any way serve to provide this province with the kind of economic climate we need to put Manitobans to work.

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, I have a statement to make.

I want to express my great disappointment and concern about the significant decline in Wheat Board initial prices for the 1987-88 crop year, which were announced yesterday.

A further 18 percent average decline on top of last year's already low prices will inflict further economic and social hardship on many thousands of Western Canadian grain and oilseed farmers.

At these prices it will be largely impossible to cover cash operating costs, let alone service debt and provide family living.

Last year's drastic price reductions cancelled out any special measures undertaken by the Manitoba Government to counteract the decline in farm income.

This further reduction now places grain and oilseed farmers in the worst income situation they have faced since the 1930's.

My government had called for holding the initial prices at last year's levels. Even those levels required the Federal Government to supplement existing support programs with the special \$1.0 billion payment.

The interim Western Grain Stabilization Plan payment also announced by the Federal Government is, of course, of small consolation to the 17 percent of producers who are not in the program.

At the farm gate, the new initial prices amount to about \$2 per bushel for wheat and about \$1 per bushel for barley. How can any government expect farmers to remain viable with today's costs when they receive 1930 prices for their product?

My government has called for a more effective protection against the devastating impact of the U.S. Farm Bill and the tradewars on Canadian grain farmers. We have proposed major changes in the Western Grain Stabilization Program which would tie support more closely to the cost of production. We have also proposed that the plan should provide for individual farmer and crop support.

If the Federal Government is not prepared to immediately implement these changes, then I call on my colleagues in this House, and members opposite, to join with me in pressing the Federal Government for retaining initial prices at their 1986-87 levels.

Many farmers have had difficulty obtaining operating credit due to the declining grain prices of the last few years. These problems prompted all Provincial Ministers of Agriculture to call for a national operating loan guarantee program to supplement provincial programs. These lower prices will create even greater difficulty for farmers who have been having trouble obtaining operating credit. In addition, a new group of farmers will now be unable to obtain operating credit without a government guarantee.

With this latest drop in grain prices, the potential costs of operating a loan guarantee program are greater than the resources of any Provincial Government. I ask members opposite to join with me in asking the Federal Government to establish a national operating loan guarantee program. To not cooperate in this area, Madam Speaker, would be a great disservice to Manitoba farmers who need all the assistance government can provide at this time of economic difficulty.

MADAM SPEAKER: The Honourable Member for Virden.

MR. G. FINDLAY: Thank you, Madam Speaker.

I thank the Minister for his statement here this afternoon, although it's awful late in coming. We've been in a debate for help for agriculture in Manitoba for well over a year, since the last election, and this government has yet to come forward with any constructive program that would match what Saskatchewan and Alberta have been doing.

Madam Speaker, agriculture is a joint and shared responsibility under section 85 of the Constitution, and the Minister knows this full well. If he looks to the west, Saskatchewan and Alberta have, in 1986, recognized the problem and put in place very significant farm support programs for operating loans, particularly in Saskatchewan, for fuel rebates, for fertilizer rebates, for incentives to invest in the livestock industry.

Madam Speaker, these are very depressing times in terms of the ability of this country to produce and sell grain on the export market. There is no question about that, every farmer knows that. The reality of the initial price announcement yesterday is indeed very devastating.

Madam Speaker, this province needs to get together with the two western provinces and go to Ottawa and ask for a new extensive special grains program similar to what was done in 1986, and it appears now that the amount of money the taxpayers of Canada must put up to keep our farmers on the land is going to be about double what it was last year.

This Minister would be serving the farmers of Manitoba better today if he came forward and said that he supports that sort of program, that sort of additional financial income for the farmers of Manitoba in 1987, Madam Speaker. Instead, he has not done that; he's asking for something else that is already in place in the Province of Saskatchewan and, to some degree, in the Province of Alberta.

We have, in the Province of Manitoba, federal money coming in through the Western Grain Stabilization of some \$130 million in the interim payment announced yesterday; over \$150 million in the combined payments in 1986; and a special grains payment coming into the province, \$151 million, Madam Speaker. It's time the Province of Manitoba started to put some money up themselves.

The total federal contribution to agriculture in this province last year, Madam Speaker, was over \$530 million, and this Provincial Government put in well under \$100 million. I think it's time that this Provincial Government came forward with some meaningful programs to try and do its fair share of supporting the agricultural industry of this province, Madam Speaker.

I would ask the Minister if he would like to make another statement, to stand up and say whether he supports the special grains program for 1987 and is calling upon the consumers of Canada to contribute through this in an extensive fashion?

Thank you, Madam Speaker.

MADAM SPEAKER: Notices of Motion . . .

INTRODUCTION OF BILLS

HON. A. MACKLING introduced Bill No. 18, An Act to amend The Securities Act; Loi modifiant la loi sur les valeurs mobilières.

HON. R. PENNER introduced Bill No. 19, An Act to amend The Limitation of Actions Act and The Highway Traffic Act and to Repeal The Unsatisfied Judgment Fund Act; Loi modifiant la Loi sur la prescription et le Code de la route et abrogeant la Loi intitulée "The Unsatisfied Judgment Fund Act."

INTRODUCTION OF GUESTS

MADAM SPEAKER: Before moving to Oral Questions, may I direct the attention of honourable members to the gallery where we have 58 students from Grade 11 from the Warren Collegiate. The students are under the direction of Messrs. Jake Wiebe and George

Shableck. The school is located in the constituency of the Honourable Member for Lakeside.

We have 30 students from Grade 11 from the Sisler High School. The students are under the direction of Miss Debbie Perih and the school is located in the constituency of the Honourable Member for Inkster.

We have 30 students from Grade 6 to 11 from the Ralph Maybank School, under the direction of Mr. Helgason, and the school is located in the constituency of the Honourable Member for Fort Garry.

On behalf of all of the members, we welcome you to the Legislature this afternoon.

ORAL QUESTIONS

Sugar beet industry - assistance to laid-off employees

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Madam Speaker. My question is for the Premier.

Last week, the Premier received a letter from the president of B.C. Sugar Company, who are the owners and operators of the Manitoba Sugar Refinery in Fort Garry. The letter said: "I must stress that there is no possibility of being shut down for just one year and maybe reopening in 1988 or later. The industry once shut down is gone forever. I am saying this so there will be no misunderstanding by anyone on the finality of closure."

My question to the Premier is: Has his government put in place any plans to assist the 93 permanent, and 150 part-time workers, the 68 workers in the trucking industry, to find alternate employment because of the impending shutdown of the Manitoba Sugar Refinery in Fort Garry as a result of his government's stubborn refusal to enter into and sign a Tripartite Stabilization Agreement with the producers in Ottawa to save the sugar industry for Manitoba?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, I see the Leader of the Opposition continues to negotiate on behalf of Ottawa, and continues to present the case on behalf of his friends in Ottawa. Madam Speaker, the Minister of Agriculture has, on numerous occasions, indicated his willingness to provide in excess of \$3 million over the next 10 years, commencing with a payment of some \$315,000 this year, towards the sugar beet producers in the Province of Manitoba in order to permit them to plant a crop.

Madam Speaker, in fact, on the basis of that assistance, on the basis of 1985 assistance, which was purely at that time a federal program of assistance, the amount of assistance would far outweigh, far exceed the amount of payment which is expected for the grain producers of this province.

Sugar beet industry - tripartite agreement

MR. G. FILMON: Well, Madam Speaker, I'm sorry that the Premier refuses to stand up on behalf of the workers and the sugar beet producers of Manitoba.

Given the concern that was expressed just a few moments earlier by his Minister of Agriculture for the plight of the grain producers of Manitoba, a concern that I think rings hollow given his stubborn refusal to enter into a tripartite agreement; given that current weather conditions, Madam Speaker, would see the seeding taking place this very week in Manitoba to ensure that our crop of sugar beets is seeded; and given that every day that the weather persists and the sugar beets are not allowed to be seeded, the quality and indeed the production of the crop are disappearing right before our very eyes, will the Premier set aside his partisan, petty differences with Ottawa and stand up for the workers of Manitoba, stand up for the sugar beet farmers of Manitoba, and stand up for the industry of Manitoba and sign the tripartite agreement today?

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, if I ever saw the Leader of the Opposition repudiating the comments made by his colleague, the Member for Brandon West, it is in his statement in terms of standing up for workers. It is his Member for Brandon West who has continually attacked the right of workers to organize.

Madam Speaker, let it be clear that on March 20 of this year we made a proposal to the Federal Government, and it was the Federal Government that did not acknowledge or even want to discuss that proposal. Madam Speaker, we had met with the Federal Government on March 30 of this year at which time the Federal Government did not want to even discuss the merits of our proposal, and it's been those members opposite who have continually attempted to negotiate on behalf of Ottawa in this House.

Madam Speaker, the announcement by the president of B.C. Sugar is that clearly the other shoe of the layoff notices that they provided to workers indicated that, in fact, we're going to put some more pressure on the negotiating of this program.

Madam Speaker, over the weekend we finally, at our request, met with representatives of the Federal Government, the Hon. Charlie Mayer and the Hon. Jake Epp. They have indicated that they are now prepared to reconsider their earlier position and staff are to be meeting and reporting to us. That meeting should have been held weeks ago, Madam Speaker, and this situation certainly would not have developed. I continue to ask members opposite to talk to their colleagues and not negotiate on their behalf.

Hospitals - closure of beds to control deficit

MR. G. FILMON: Madam Speaker, I regret that the Premier won't stand up for the workers of Manitoba. We'll see the industry disappear before he overcomes his stubbornness.

Madam Speaker, on another matter of great concern, there of course were continuing reports over the weekend - and this is again a question for the Premier and I hope that he'll consider responding to this one - of bed closures at hospitals and pending bed closures at hospitals throughout the province: Health Sciences

Centre intending to close 100 beds, most of them permanently, within the next couple of months; the Brandon General Hospital, which closed 29 beds permanently last year, is planning again to close 49 more this summer; Victoria General Hospital is planning, Madam Speaker, to close 48 beds on an indefinite basis; Concordia, 30 on a temporary basis; Seven Oaks, Grace, St. Boniface and Misericordia are also considering bed closures.

MADAM SPEAKER: Does the honourable member have a question?

MR. G. FILMON: My question to the Premier, Madam Speaker: Is it his government's policy to propose and approve the closure of active treatment and surgical beds in the hospitals of Manitoba as the best way of saving costs for our health care system?

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Madam Speaker, it's quite obvious that the Leader of the Opposition got too much material because all he can do is repeat, repeat and repeat. Therefore, I will give him the same answer that I gave him last week and the week before.

MR. G. FILMON: Why don't you give it to your Premier, so he can . . .

HON. L. DESJARDINS: He knows it, but you don't. You're the one who repeats the question.- (Interjection)- No, but I have the responsibility for the Department of Health, my dear friend.

MR. G. FILMON: He makes the final decision, so he's going to approve the closures, eh!

SOME HONOURABLE MEMBERS: Oh, oh!

HON. L. DESJARDINS: Madam Speaker, what I did say, we are meeting with the hospitals. We agree with our honourable friend that we have to be careful with the deficits and, therefore, the hospitals should be careful with their deficits, and they are now proposing to us how to stay within their budgets. That will be considered, a decision will be made. It is not the suggestion that comes from us as you said; it is a suggestion that will come from the hospitals. We will look at the proposals and we will give an answer to them and also make sure that the public of Manitoba knows the answer.

MR. G. FILMON: Madam Speaker, my further question is again to the Premier and I would hope that he would have the courage to answer on behalf of this government.

Madam Speaker, the proposals that have been put forward by all the hospitals that I listed in the preamble to my first question involve the closure of well over 200 active treatment and surgical beds in Manitoba over the next few months.

Will his government approve the closure of these beds as the way in which to save money in the health care system of Manitoba today?

MADAM SPEAKER: Order please.

That question is substantially the same as the previous question.

Hospitals - gov't approval of bed closures

MR. G. FILMON: May I just indicate that the Minister of Health indicated that it will be the government's prerogative to review that matter. It's not the Health Services Commission's proposal.

My question to the Premier is: Will he and his government be the ones to make the final decision on approval of the closure of well over 200 beds of active treatment and surgical beds in Manitoba?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, the Minister of Health dealt with that question. The difficulty with the Leader of the Opposition, he continues to repeat the same questions from day to day. It does become very monotonous, I think, for Manitobans, as a whole, to hear the same questions day after day, the same answers day after day, rather than fresh questions and fresh answers.

MR. G. FILMON: Madam Speaker, given that the Premier refuses to answer whether or not he will take the responsibility for the closure of . . .

MADAM SPEAKER: Order, order please.

References to whether a Minister answers a question or not are not in order.

The Honourable Leader of the Opposition.

MR. G. FILMON: Madam Speaker, will the Premier tell us, is this his idea of fulfilling his campaign promise to preserve and enhance the quality of health care in Manitoba, to close over 200 active treatment beds? Is that his idea of preserving and maintaining the quality of health care in Manitoba?

MADAM SPEAKER: That question seeks an opinion. Would you like to rephrase it?

The Honourable Leader of the Opposition to rephrase his question.

Hospitals - gov't policy re bed closures

MR. G. FILMON: Yes, Madam Speaker.

Is it the policy of this Premier's government to allow the closure of over 200 active treatment beds as a way of fulfilling his promise of preserving and maintaining the health care quality in this province?

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Madam Speaker, again it's the same question. I told my honourable friend that the suggestion and the proposal of hospitals will be reviewed by the Manitoba Health Services Commission who will make the recommendation.

Madam Speaker, it is obvious that they don't want to take any responsibility at all. They're trying to make cheap political . . . We will accept the responsibility.

We have increased in a very few years the budget of this department by 175 percent. The Federal Government has cut down their contribution and, Madam Speaker, it is going up and up and up. We will look at better ways to keep on the standards we have now, to improve the standards and to cut down on the costs. There is no way in the world that we can keep up with that, but you don't give a damn. You're just trying to make some political . . . and if we have to deinstitutionalize, we would deinstitutionalize . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please.

HON. L. DESJARDINS: . . . but if there is a way, and if there is a way to have surgery without having all those beds open, we will close some beds, but we will retain the health service . . .

MADAM SPEAKER: Order, order please.

HON. L. DESJARDINS: . . . one of the best in the world right here in Manitoba, even if you don't want to help and you accept the responsibility for that.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please.

May I remind honourable members that questions and answers are to be addressed through the Chair, not back and forth across the House at each other.

Child abuse - tabling of internal review re deaths

MADAM SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Thank you, Madam Speaker. I have a question for the Minister of Community Services.

The External Review Report, by Dr. Sigurdson and Professor Reid, indicated on pages 3 and 4 that the review team's analysis of child deaths reveals the need for not only a reliable risk assessment tool, but also standards to which the agencies are accountable, and a willingness to review all child abuse deaths in a fashion that permits the system to learn from its mistakes.

Madam Speaker, in view of this recommendation, would the Minister undertake to table in the House the internal review of her department into the role of her department's policies and procedures and the role of child welfare agencies in the death of four infants last spring?

MADAM SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: Madam Speaker, I think the comment about the risk assessment tool, the development of standards, and the role of the Chief Medical Examiner was raised last week, and I indicated my support for the recommendations.

With regard to the application in these particular child deaths of last year, the reports that are shared with

the agencies can be developed in some reform and made public. We would welcome the role of the Chief Medical Examiner should an inquest be deemed desirable.

Again, of the five deaths that were investigated, three of them, there is no court action pending or contemplated; one there has already been a sentencing; and in another case there has been a finding of negligence against the mother and the sentencing remains to be done.

But we welcome the involvement of the Chief Medical Examiner in reviewing any of these deaths in future. For some reason, historically, children's deaths have not been treated in the same way as adult deaths and we think it's time for the total system to tighten up and give an exhaustive review of children's deaths.

Child abuse - Chief Medical Examiner, inquests into deaths

MR. G. MERCIER: Madam Speaker, I didn't really get from that answer whether the Minister would table in the House the internal review of her department, but the review study does indicate the staff of the Department of Community Services have no training in investigative functions in child deaths, and that is the basis for the recommendation that the Chief Medical Examiner be authorized to investigate the role child welfare agencies in her department has played in deaths where the children are in care.

Would she be prepared to request the Chief Medical Examiner to conduct inquests into these four or five children's deaths?

HON. M. SMITH: Madam Speaker, I've already said I have no problem with the inquest. Whether it's appropriate to have an inquest after the court hearings is something that I'd need some legal advice on.

With regard to the investigative role of people in the department, it's our belief that there is a multi-disciplinary role here because we're dealing not only with medical issues but with social issues, indeed with legal issues.

All along we have said that our commitment is to build a multi-disciplinary committee that can work cooperatively, each contributing the wisdom of their particular discipline to, in time, prevent child abuse, we devoutly hope, but in the meantime to do the very best we can to have a system that gives timely and effective support to the children.

Child abuse - Chief Medical Examiner - review of dept's role

MR. G. MERCIER: Madam Speaker, I'll ask a final supplementary question, a very simple one, and hopefully we'll get a very direct answer.

Will the Minister table the internal reviews in the Legislature, the whole reviews, and will she request the Chief Medical Examiner to conduct an independent review of the role her department and the child welfare agencies played in these deaths, particularly in view of the comments I referred to her that are contained in the review by Dr. Sigurdson and Professor Reid?

HON. M. SMITH: Madam Speaker, I said that the report was shared with the agency and that we are prepared,

after they've had their discussion of it, to present a summary of the report and make it available to members opposite. But it has been the custom, where we're dealing with specific staff and with specific families, to observe the confidentiality, and I think that that is an important factor.

Again, with regard to the review of the Chief Medical Examiner, I repeat, we support the role of the Chief Medical Examiner, but just want to identify that there is a social system, a legal system, as well as a medical health system that has to undergo review, and it's going to be the multi-disciplinary review that's going to come up with the most appropriate recommendations.

Special Needs children - discussion paper

MADAM SPEAKER: The Honourable Member for Fort Garry.

MR. C. BIRT: Thank you, Madam Speaker. My question is to the Minister of Education.

For some time we, on this side, have been arguing and pushing the government to allow greater parental involvement and input into the decisions as it relates to special needs children in the school system. Recently, the Minister of Education sent out a paper called "The Appropriate Education Student Placement and Parent Involvement."

My question to the Minister is: When was this document prepared, who prepared it, and what sort of distribution has it received?

MADAM SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: Yes, Madam Speaker, the paper that the Member for Fort Garry is referring to was prepared by the department, people in Child Care and Development, and has been distributed to groups who have expressed an interest in the issue of special placement over the last number of years. It is intended as a discussion paper and, hopefully, the groups who have received a copy, or individuals who want a copy, will be providing advice and points of discussion for the preparation of a policy for distribution throughout the province.

Special Needs children - public input re discussion paper

MR. C. BIRT: As of last week, MAST, the Provincial Home and School, MARL, the Visually Handicapped, the League for the Physically Handicapped, the Manitoba Learning Centre and other people who have been involved and would be interested in this paper have not received a copy of this particular document.

I would ask the Minister that he give wide circulation to this particular document, and also ask if he'd be prepared to consider - it says at the end that they want comments by June 1 of this year so that they can finalize guidelines for June 30 of this year to put in place for the fall of this coming year - I would ask that the Minister give consideration to wider circulation to those people who have, perhaps, a greater stake in this particular

document; and also ask if he'd consider extending the time to allow greater public input so that a full policy position can be developed by the public and the Department of Education?

HON. J. STORIE: Madam Speaker, of course the member knows the dilemma that he places us in when he makes that request.

I'm certainly prepared to share the discussion paper with anyone who has an interest. I've indicated that the groups that have contacted us and indicated a special interest in this on a continuing basis have been provided with a copy of this discussion paper. It is an important issue, one that has been discussed in many forms over many years.

I would be somewhat reluctant to see a delay in this discussion phase because the longer we delay it, the more unlikely it is that we'll be able to have in place by December a form for parents who have special placement problems to ensure that their involvement, their participation is active and real, and that's the real goal.

If there are additional concerns about any policy that's finally developed, obviously there will be ample opportunity over the intervening months and subsequent months to amend the policy.

Special needs children - Charter of Rights Review Committee

MR. C. BIRT: A final question to the Minister of Education.

He has indicated in the past that there is a Charter review team he created in the Department of Education, and I believe also that there is a subcommittee in the Attorney-General's Department.

I would ask if the Minister has had an opportunity to have this position paper reviewed by one, or both, of those organizations and what comments, if any, have they made of it, or have they had an opportunity to review this position paper?

HON. J. STORIE: Madam Speaker, the Charter of Rights does not now, or never has, spurred all of the interest of parents in education.

The fact is that this is a policy that I think many people will deem to be an appropriate one regardless of the implications of the Charter on The Public Schools Act or any of the regulations that flow from The Public School Act. This is an important policy. It's being dealt with not because of any necessity on the part of fear of a Charter compliance case; it's being followed because I think it's good educational practice. It's good for the parents; it contributes to the sense that people can be involved in the educational system; and I assume that most of the groups who have expressed interest, expressed an interest on that basis, not because of any perceived threat or necessity coming from the Charter of Rights.

Highways Review - request for refund of fee paid

MADAM SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Thank you, Madam Speaker. I have a question for the Minister of Municipal Affairs.

In view of the fact that he spent \$55,000 of taxpayers' money to hire a former colleague and Cabinet Minister to carry out a report, Madam Speaker, which reported that Manitoba needs a long-range funding program for roads and bridges, a fact that every Manitoban, every councillor and everyone in the province knew, except the Minister of Municipal Affairs, will he ask for the \$55,000 back from that former Cabinet Minister?

Madam Speaker, in view of the fact that the Minister has spent \$55,000 of taxpayers' money to support a former - plus expenses - Cabinet colleague and we get nothing more than a phony consultant's report that doesn't even have a firm dollar value to it as what his recommendations would cost, will he ask for the \$55,000 back from that individual, plus expenses?

MADAM SPEAKER: Order please.

That question repeats in substance a question already answered or to which an answer has been refused.
The Honourable Member for Arthur.

MR. J. DOWNEY: Madam Speaker, believe you me, I'm serious. If the Minister doesn't think I am, I am.

Highways - future contracts

MR. J. DOWNEY: A further question.

Is the Minister of Municipal Affairs carrying out another contractual agreement with that same individual for the coming year and, if so, how much money are we paying him this coming year?

MADAM SPEAKER: The Honourable Minister of Municipal Affairs.

HON. J. BUCKLASCHUK: Thank you very much, Madam Speaker.

It's indeed interesting to note my critic's views about the needs of rural Manitoba. I want to assure him that the report is a very good report.

Madam Speaker, I rise to give an answer and I can't even hear myself for the noise from the critic.

The report, in fact, is a very good report. I will be releasing it within a couple of weeks, and the member will then be assured that it does reflect the needs of rural Manitoba as enunciated by many of the elected officials from rural Manitoba.

Secondly, there is not a further contract with that individual from the Department of Municipal Affairs.

Anstett, Andy - future gov't contracts

MADAM SPEAKER: The Honourable Member for Arthur with a final supplementary.

MR. J. DOWNEY: Madam Speaker, to the First Minister. Will his former Minister of Municipal Affairs, one Andy Anstett, be getting a contract from any other department of government for the coming year?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, I'm not sure, but I would certainly welcome the services of Mr. Anstett at any time. Mr. Anstett has provided, I think, innumerable services to the Province of Manitoba as a Minister of Municipal Affairs and also has done a good job of providing service to the Province of Manitoba during the past year.

Churchill Public Housing - eviction of teachers

MADAM SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Madam Speaker. My question is to the Minister of Housing.

Can the Minister tell the House if her department is continuing its pursuit of the eviction of the teachers from the Churchill Public Housing Project?

MADAM SPEAKER: The Honourable Minister of Housing.

HON. M. HEMPHILL: Madam Speaker, I'm pleased to report to the House that when representation was made to my department indicating that there was some concern over moving teachers out in the middle of the academic school year, that we agreed with the concerns that were raised and indicated that the teachers would not have to be moved until the end of the school term.

Churchill Public Housing - lease for teachers

MRS. S. CARSTAIRS: A supplementary question.

I thank the Minister for her fine sense and treatment of teachers during the academic year, but I would like to pursue the issue. The question is:

Does she still maintain that the contract for the housing in Churchill was based on a temporary permission for teachers to occupy it, whereas I have a letter, as does she, which indicates that the original contract was in fact a 50-year lease for the teachers in the Churchill School Division?

HON. M. HEMPHILL: Madam Speaker, as I indicated before in the House, that when the housing was first built it was built at a time when there was not optional housing available for the residents of that community. When it became clear that one of the greatest needs for that housing at that time, and there was no other housing available for them, was for the professionals - and that would be the teachers and the nurses, and we know how important it is to have teachers and nurses come into northern and remote communities - at the time, there was not a waiting list or a need for the original purpose for building the housing - and that was social housing - so an accommodation or an agreement was made, Madam Speaker, that we would provide that housing at that time because there was no alternative housing. Now there is, Madam Speaker, for the teachers and nurses to be accommodated in other housing.

Because we now have a waiting list for people that are entitled and qualify under the social housing criteria, it's important that they also have options, Madam Speaker.

Churchill options - housing for teachers

MRS. S. CARSTAIRS: With a final supplementary to the same Minister, Madam Speaker.

The housing was built for teachers, with teachers involved in the planning of that housing accommodation. Will the Minister provide teachers also with the option of where they will live in the Town of Churchill?

HON. M. HEMPHILL: Madam Speaker, the teachers now do have some alternative housing available to them that was not available before, and one of the reasons that there are now options for them, and for other people, including some special supports for mortgages, is because this government has taken the position that it is very, very important for us to have alternative housing, other than social housing, available to residents of northern and remote communities.

It's because of our programs that housing has gone into that northern community and to other communities throughout the province that had no alternative housing before, and we will continue those programs.

Home Care - guidelines to receive

MADAM SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Madam Speaker, my question is to the Minister of Health.

The Premier last week proudly indicated a 40 percent increase in the estimates for home care year over year.

Can the Minister of Health indicate whether there have been any changes in guidelines, requalification, for people who qualify for home care?

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Madam Speaker, no, we're not contemplating any changes. In fact, we hope to improve and enlarge the home care program so it could take care of some people who in the past have not been taken care of even if they were in the hospitals or personal care homes. We hope that we could afford these people to live at home and still get the home care possible to make this possible.

MR. A. DRIEDGER: To the same Minister, Madam Speaker.

Is the Minister indicating that there are no cutbacks in guidelines which restrict people from qualifying for home care?

HON. L. DESJARDINS: Yes, that's what I'm saying.

Headingley - study re secession from City of Winnipeg

MADAM SPEAKER: The Honourable Member for Charleswood.

MR. J. ERNST: Thank you, Madam Speaker.

On March 27, I forwarded a petition from a group of citizens in Headingley to the Ministers of Municipal and Urban Affairs requesting an implication study on the secession of that community from the City of Winnipeg.

I would ask the Minister of Urban Affairs if he is now in a position to respond to that request and to advise when that study might be undertaken?

MADAM SPEAKER: The Honourable Minister of Urban Affairs.

HON. G. DOER: Yes, thank you, Madam Speaker.

I haven't had an opportunity to discuss it with my colleague, but I certainly intend to do so. We're discussing a number of items that arise out of the City of Winnipeg review and arise out of our White Paper dealing with urban sprawl, and I would be prepared to advise the member opposite accordingly.

City of Winnipeg Act Review - tax assessment

MR. J. ERNST: A supplementary question to the Minister of Urban Affairs, Madam Speaker.

Given that up to this point the government has refused to deal with the question of untoward taxation in the community of Headingley and other areas of the city, and the fact that now he's not going to deal with this, as I gather, unless he's dealing with it in the same context as the rest of The City of Winnipeg Act review, will the Minister now address the question of the problems of the people of Headingley, of South St. Vital, of South Transcona, and deal with this issue immediately?

HON. G. DOER: We did have extensive public consultation at the committee stage on the bill. Madam Speaker, we are concerned about the situation and we've said we would study it with the City of Winnipeg over the next year and discuss it with the Minister of Municipal Affairs.

I think it's important to remember, Madam Speaker, when we're talking about unfair taxation, that many of the people, notwithstanding some of the hardships that may present, are being assessed at six cents per square foot for their land when somebody on Magnus Avenue is being assessed at \$2 per square foot for their land value. So, Madam Speaker, let's keep the record straight in terms of fairness and taxation in terms of assessments.

Lotteries Foundation - discrimination re umbrella groups

MR. J. ERNST: I have a new question, Madam Speaker, to the Minister responsible for the Manitoba Lotteries Foundation.

On March 26, Madam Speaker, I asked the Minister to look into a case of alleged discrimination between two umbrella groups under the auspices of the Manitoba Lotteries Foundation. The Minister at that time indicated she would respond; to date she has not. Can she now respond?

MADAM SPEAKER: The Honourable Minister responsible for Lotteries.

HON. J. WASYLICIA-LEIS: Thank you, Madam Speaker.

I would be happy to provide the Member for Charleswood with any information he requires. I've looked into that particular issue raised by the member and did not find any case of discrimination, so did not feel it necessary to report back to the House, Madam Speaker.

Virden - landfill site - tabling of correspondence

MADAM SPEAKER: The Honourable Minister of the Environment.

HON. G. LECUYER: Thank you, Madam Speaker.

I wish to table for the House, in response to a question, documents or letters that I've had with the town of Virden in response to a question raised by the Member for River Heights on April 9.

Library funding - City of Winnipeg

MADAM SPEAKER: The Honourable Member for Springfield.

MR. G. ROCH: Thank you, Madam Speaker. To the Minister of Culture, Heritage and Recreation:

Given the desperate situation of the City of Winnipeg's public library system which has only experienced one marginal increase amounting to 33 cents per capita in six years of an NDP Government; and given the fact that there are serious deficiencies in the national comparison specifically regarding the number of volumes acquired per capita, where Winnipeg runs the lowest, and there has been a documented attempt by the City of Winnipeg to rectify this disastrous state of affairs by providing additional funding; and given the fact that this government has expressed a commitment in the Throne Speech towards the library system in Manitoba, will the Minister grant a request made by the Manitoba Libraries Development Committee, and I quote: "That the Minister of Culture, Heritage and Recreation immediately establish a \$2 per capita grant from the Manitoba Lotteries Foundation for the purchase of library books and materials."?

MADAM SPEAKER: The Honourable Minister of Culture and Heritage Resources.

HON. J. WASYLICIA-LEIS: Thank you, Madam Speaker.

I'm pleased to have the opportunity to clarify this government's record with respect to libraries in this province and to clearly indicate that our record on this matter is major and significant and outstanding by any other record across this country.

Madam Speaker, we have responded by providing a sizeable per capita increase to the City of Winnipeg Public Library as well as responded to a very sharp need in rural Manitoba.

Madam Speaker, I would suggest that the member raising this question look at the facts, and I would be glad to table the facts as we have ascertained them, which clearly show that the Province of Manitoba

provides among the highest per capita increases to any city public library anywhere in this country while the City of Winnipeg is at the bottom of the heap.

I would be quite happy to table this information so that all members could peruse the facts and to determine the situation and know that we have acted responsibly at a time - and members opposite will know - when it is fairly difficult to provide increases of this nature. So I think our record stands on its own.

Library funding - double standard

MR. G. ROCH: A new question to the same Minister.

The City of Winnipeg library system's annual provincial grant of \$2.33 per capita, in comparison to the rural Manitoba provincial grant per capita of \$4.25, clearly raises a serious question.

Why does his NDP Government choose to perpetuate a double standard when it comes to the much needed funding for library services for the benefit of all the people of Manitoba?

HON. J. WASYLICIA-LEIS: I'm again pleased with an opportunity to present the facts to members opposite and clear up some obvious misunderstandings on their part. Let me repeat the facts, Madam Speaker.

This year saw a grant increase of approximately \$160,000 to the City of Winnipeg. That follows on the heels of a \$500,000 one-time-only grant for book acquisitions provided or just received in January, as well as a previous 12 percent increase in the per capita increase.

Madam Speaker, I think the member would be foolish to try to compare the Winnipeg public library system with the rural library system. There are clear differences and a much greater need in rural Manitoba. I make no apologies for ensuring that the rural public library system keeps pace with the kind of increases that are provided to the City of Winnipeg, regardless of the fact that that makes a difference in per capita arrangements, Madam Speaker. It's like comparing apples and oranges, or like comparing a Cadillac with a Volkswagon, and I think the member should understand the situation in rural Manitoba before making those kinds of conclusions.

Library funding - urban and rural

MR. G. ROCH: Madam Speaker, I fully understand the situation in rural Manitoba much more than the Minister.

A new question to the same Minister, Madam Speaker: The Minister has acknowledged in the past, and I quote from Hansard of 1986, page 3314, "... an area that has an intrinsic role in the education and development of people in the community is the continued support of Manitoba's public libraries.

How can the people of Manitoba maintain any trust in this government when the Minister increases the rural per capita grant by a mere 21 percent when book prices alone have increased by almost 60 percent over the last four years?

HON. J. WASYLICIA-LEIS: I'm having a little difficulty understanding that question, but I'll certainly try.

Madam Speaker, we have taken our commitment to improving library services throughout Manitoba very

seriously by providing a significant increase for both the Winnipeg public library system and the Manitoba rural library system. Both increases are well beyond the cost of living and will make it possible to see major improvements in the library system.

I would suggest, Madam Speaker, to the member opposite, that if he does understand the needs in rural Manitoba, then he will understand that the need for a significant increase in that area is desperately needed.

MADAM SPEAKER: The time for Oral Questions has expired.

ORDERS OF THE DAY

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Madam Speaker, I move, seconded by the Minister of Finance, that Madam Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Burrows in the Chair for the Department of Agriculture, and the Honourable Member for Lac du Bonnet in the Chair for the Department of Health.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - HEALTH

MR. CHAIRMAN, C. Baker: Committee, come to order. We're starting with 3.(a)(1), page 90, Community Health Services (Operations). The Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Chairman. Mr. Chairman, I believe but I couldn't find it in my notes or in Hansard, but I believe we've already discussed the three SY's who were, last year, under the appropriation of Operations Support. Now I recall an answer where two went to Northern Health and one went into the Regional Services. Is that correct?

HON. L. DESJARDINS: There are five to Northern Health now, and two for . . .

MR. D. ORCHARD: No, no, let's not get into that. Specifically the change in Estimates this year over last is Operations Support, three SY's are no longer there. We simply have Regional Services.

Where did the three SY's from Operations Support go?

HON. L. DESJARDINS: One went to Mental Health and the other went in along with the ADM, the director and a secretary of health. That's Robson, the new executive director.

MR. D. ORCHARD: Was Robson one of the three SY's in Operations Support last year?

HON. L. DESJARDINS: Yes, he was.

MR. D. ORCHARD: And he and, presumably, a secretary are now part of the SY's under Regional Services?

HON. L. DESJARDINS: In the Program Support.

MR. D. ORCHARD: Okay.

Mr. Chairman, can the Minister give us - like there's from last year the print estimate at 685.75 SY's, we're now being asked to approve 740.25 SY's for an increase of 54.5.

Can the Minister indicate where these people are to be located in Regional Services?

HON. L. DESJARDINS: In 1986-87, there were 25.5 SY's approved for resource coordinators at home care, 5 approved for vacation relief in home care; 14 transferred from mental health centres to the regions, 4 transferred to program directorates - I don't know what that means - then in 1987-88, there'd be 7 more - and you've got that - 5 to support Northern Health New Initiatives and then 2 to support Limestone New Initiatives, for a total of 51.26.

MR. D. ORCHARD: Mr. Chairman, what regions are those staff located in?

HON. L. DESJARDINS: Which ones are we talking about now, the new ones for this year or what?

MR. D. ORCHARD: Mr. Chairman, last year, we had 685.75 SY's; this year, we've got 54.5 more. What regions did they go into? What's the breakdown between the three Winnipeg regions and the seven regions outside of Winnipeg? How many SY's went to Winnipeg? How many went to the seven regions outside?

HON. L. DESJARDINS: I can give you the total - 740.25 - where they are. The distribution as now, I haven't got where these extra people went. I can get that. Right now I can give you the regional distribution of staff. I can give you the 1985-86 adjusted, the 1986-87 adjusted, and the requests. So you'll have it then, the changes.

Regional directors, Winnipeg region in 1985-86 - that's the first one I'll give you - is 256.75.

The next one that I'll give you is the adjusted in 1986-87, the 292.75, and the request for this year is 292.75.

Westman: 90, 92.40, 92.40. Eastman: 57, 58.30, 58.30. Central: 55, 57.40, 57.40. Interlake: 61, 63.80, 63.80. Parklands: 64.5, 64.70, 67.70. Norman: 55.5, 56.70, 57.70. Thompson: 44, 44.20, 47.20.

On allocated, there weren't any in 1985-86. In 1986-87, there were 3 requested, for a total of 683.75, 733.25 and 740.25.

MR. D. ORCHARD: Mr. Chairman, do I take from that answer then that 36 SY's - I didn't total the ones outside of the City of Winnipeg, for the seven regions outside of the City of Winnipeg - but am I correct to assume from those figures that there are 36 additional SY's in the City of Winnipeg, year over year?

HON. L. DESJARDINS: Yes, 256.75 to 292, that's right.

MR. D. ORCHARD: Mr. Chairman, we'll discuss those numbers after I get a little more information.

Mr. Chairman, in terms of the detailed Estimates, page 64, we have, on Severance/Vacation Pay, a 214 percent increase on severance and vacation pay. Why the substantial increase in Severance/Vacation Pay on termination?

HON. L. DESJARDINS: The increase is required to bring the allotment more in line with actual expenditures. The actual 1985-86 was 122.9 and 1986-87 was 212.7.

MR. D. ORCHARD: And Overtime/Standby pay is up by 100 percent; well it's doubled over last year. Why is Overtime/Standby pay double over last year?

HON. L. DESJARDINS: The increase is required as part to bring the allotment more in line with actual expenditures - actual in 1985-86 was \$90,000; in 1986-87 was 107.3 - and also to provide for increased overtime in some regions due to the inability of staff to take compensatory time off due to staffing levels being unable to keep pace with caseload increases.

MR. D. ORCHARD: Are either one of those two items that we've just discussed primarily paid in the Winnipeg region versus the other seven regions?

HON. L. DESJARDINS: Yes, most of the change would be in the Winnipeg region.

MR. D. ORCHARD: Mr. Chairman, we've got a new allowance in here, Remoteness Allowance, for \$216,000, rounded. To whom is that to be paid, for what purpose, and why is it a new item this year?

HON. L. DESJARDINS: This was something that was taken out of Salaries before, and we were instructed to have a special explanation, a line for that, which we hadn't had in the past, and that's 215.8. That would be in remote stations such as nurses up north.

MR. D. ORCHARD: Mr. Chairman, if that was accounted for as Salaries last year, where was it in Salaries - in managerial, professional, administrative support, term, all four or none of the above?

HON. L. DESJARDINS: It would be in the latter two, the professional and technical and some administrative support and also some in term.

MR. D. ORCHARD: That would make for an interesting . . . now presumably then, the \$215,000 in the adjusted vote of \$15,773,212 includes the remoteness allowance that was paid last year.

Is that correct?

HON. L. DESJARDINS: I didn't get the figures on that. That includes out of the 21, did you say and the 23. Or the 15 on professional?

MR. D. ORCHARD: Yes.

HON. L. DESJARDINS: Yes.

MR. D. ORCHARD: Mr. Chairman, can the Minister provide me with organizational charts? Three things I'd like to request; first of all, the regional map of Winnipeg which shows the three new regions. Those weren't available last time, last year, at Estimates time. And if the Minister could provide to me an organizational chart of the Winnipeg region before the reorganization, as well as an organizational chart which would indicate the regional organization under now three regions and an executive director.

Could those three pieces of information be available now? And I'll turn the floor over to anyone else who might have questions.

HON. L. DESJARDINS: Three or two? You asked for the chart, the region chart in Winnipeg. Oh, the two before and after, yes; including the role if any, when there's a dual role of the community services.

MR. D. ORCHARD: Yes. And the breakdown in terms of the areas that Winnipeg's been physically divided into the three regions now. The regional map. And I would peruse those whilst, if anyone else had questions, I'd just . . . that information.

HON. L. DESJARDINS: Yes, we'll get it for today; at least for tonight.

MR. D. ORCHARD: We may have to flip back for a few questions if we happen to pass this item.

HON. L. DESJARDINS: Fair enough.

MR. CHAIRMAN: The Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Mr. Chairman. Can the Minister tell me what were the new initiatives in Northern Health which required the new five SY's?

HON. L. DESJARDINS: Regional program development initiatives in the Northern Health Program, you want to know where, not the function of those . . .

MRS. S. CARSTAIRS: No, I wanted to know what new initiatives there were.

HON. L. DESJARDINS: Oh. I'll give you the function then also. It was to provide access to early diagnosis, treatment and follow-up of disease for residents of northern and difficult-to-access communities, and then to provide comprehensive public health services in maternal and child health, health promotion and communicable disease control programs.

The activity identification would be primary care clinics; 24-hour emergency first aid service; referral to position where indicated; home visiting; well-baby and three-year-old assessment clinics; individual and group counselling; immunization; screening for early disease detection. The result that we expect from that would be provision of public health services in north and difficult-to-access communities; surveillance, treatment and follow-up of communicable diseases; increased attendance at the well-baby clinic. They are in Parkland

Region, one in Pelican Rapids, one in Ebb and Flow, Crane River, one Waterhen and Mallard; Thompson Region, one in Wabowden; Norman Region, one in Cormorant.

MRS. S. CARSTAIRS: In amongst these initiatives, is there anything in the northern communities which is encouraging Native women in particular to nurse their babies? I raise this because it's come to my attention that what is happening with the removal of many of these northern mothers from their Native reserves and moving them into communities that we are, yes, having a much lower mortality rate, that the delivery is much safer and it's far better as far as the child is concerned. Then the child is going back into that community with bottled formula and that bottled formula is not continued. The child is then going on a mixture of sugared water, Tang and goodness knows what else, and we are losing - in fact, these children are having all of their teeth removed at the age of two by dentists because they're afraid of the massive infection in these children's mouths.

Do we have any kind of program going on now which would encourage the nursing of these infants so that their long-term health, not their immediate birth health, is better protected?

HON. L. DESJARDINS: . . . give you in details of what is actually going on, I guess we'd have to find out from the people in the North that are delivering services, but I can tell you that we've had discussions with some of the reserves over there and they are quite concerned with the same, not only that, but other reasons of the high mortality. They have suggested that we train nurses and it was felt that the best way would be to train Native nurses from The Pas and they're asking for a baccalaureate and that's being discussed with the Minister of Education at this time.

MRS. S. CARSTAIRS: Is the Minister contemplating, in the area of Regional Health Delivery systems, going to a use of midwifery in the northern or remote communities?

HON. L. DESJARDINS: I have no problem with the principle and it is done in other areas. I don't classify this the first priority because right now I'm concerned if there's a surplus of doctors, that is something that's supposed to be discussed between the medical profession and the MMA and the nursing profession. The fact is that if it's an add on, then it's not a priority, do you know what I mean? If you just have the doctor and a midwife and so on, I don't think we can afford it at this time, certainly. So we're looking at it, as I say it's not the first priority. We'd sooner start to see what the nurses could do in primary care. I think that's first, delivering some of the primary care in maybe community clinics and so on.

The Advisory Council on the Status of Women have a committee that is working on the paper on that and we, the Manitoba Health, was represented on this subcommittee by a consultant from our Child Health Directorate, and the paper should be released in the office of the Minister responsible, in the spring of '87, but what I said still stands. I'll be very careful to make

sure that it's not an add on, but the principle, I have no problem with it, providing they're trained people. I'm not talking about quacks or somebody that has a gift and so on, I'm talking about properly trained nurses.

MRS. S. CARSTAIRS: I think the Minister and I are under the same wavelength here. I'm talking about nurses who then had advanced midwifery training, who would be then placed in the remote communities with the idea of in fact providing the care, not adding on to the doctor's bill by providing two levels of care, midwifery and obstetrician. I'm talking about replacing the obstetrician with, in fact, the midwife.

HON. L. DESJARDINS: That's our main concern right now and some people feel that it shouldn't be a priority. If you have a surplus of doctors at this time, there's not much point.

MR. D. ORCHARD: Mr. Chairman, last year when we were discussing Regional Services, we spent a fair bit of time talking about the pending breakout of Winnipeg into three regions as compared to one regional service and we got into an extended debate on how that might be done.

Mr. Chairman, I'm at a bit of a loss to ask some specific questions without the organizational charts available or with the regional map of Winnipeg. In view of the fact that we want to speed along with the Estimates process, I'd just like the Minister to indicate whether the breakup of Winnipeg as one region into three regions has been successful, and if things are working well and if services are being delivered in an orderly fashion, as a result of the breakup?

HON. L. DESJARDINS: As I stated, we'll try to give you the information as soon as possible. We should have it for this evening anyway. So far we're pleased. The results seem to be going in the right direction, but the three regional directors have been in place approximately seven months now and there are still some of the transfers taking place and that won't be all finished until approximately June or so, so we'll know better next year than we know now. But so far we're satisfied with the direction, the way it was going, because it wasn't going well at all before that.

MR. D. ORCHARD: Mr. Chairman, let me understand whether I have the idea of what the system used to be. The system used to be a regional director for the City of Winnipeg, one individual, and there were six, presumably, area directors who had presumably suboffices throughout the City of Winnipeg providing their services from those offices. I believe they were called - I'm not sure - but I think they were called area directors, yes, area directors. Now those have been replaced by an executive director of the region, Mr. Robson, and three regional directors.

My question to the Minister is: In placing your three regional directors who have been in place for approximately the last seven months, can the Minister indicate whether any of the individuals who served as area directors under the old Winnipeg system where Winnipeg was one region, if any of those individuals (a) applied for the regional director's position, the three

of them; and (b) whether any of those individuals were successful in the competition to be hired?

HON. L. DESJARDINS: Some applied, not all of them, and those who did apply were not successful.

MR. D. ORCHARD: Mr. Chairman, that begs the question: Where did the three successful regional directors come from? Were they within the system in Manitoba or were they outside the system, outside the province?

HON. L. DESJARDINS: One was from within the system, and second one worked for the AFM, and the third one was a former Winnipeg nurse who had been in Calgary for awhile and who applied from Calgary

Now, this is just an observation. It's easy to say this at this time, but we were hoping that certain people - the people who were in region before - applied. We felt that they would have probably had a good chance of being selected, but for some - a wrong reason or they were not interested in applying.

MR. D. ORCHARD: Mr. Chairman, it's my understanding that right now you are in the process of - because you had six basic area directors before and now they're replaced by three regional directors

HON. L. DESJARDINS: Excuse me. Let me make that correction, it was five, not six. Wait a minute, no, sorry, my mistake. No, you were right, six, I was thinking of something else.

MR. D. ORCHARD: Mr. Chairman, given that there were six area directors before and now they're replaced by three regional directors, are there any floating supervisors currently on staff?

HON. L. DESJARDINS: What do you mean by floating? They're all assigned to regions. All the supervisors are assigned to a region.

MR. D. ORCHARD: Is there such a position as a floating supervisor within the department, within the regions of Winnipeg?

HON. L. DESJARDINS: Do you mean from programs to programs or from region to region?

MR. D. ORCHARD: That would be my next question when I find out if in fact there are floating supervisors.

HON. L. DESJARDINS: First of all, they're all assigned to regions and some of them have responsibilities for more than one program area; but there's no floating, the way I would understand the word "floating."

MR. D. ORCHARD: Then does that mean there are in fact floating supervisors in each of the regions, in each of the three regions in Winnipeg?

HON. L. DESJARDINS: Not the way I understand the word "floating." They are assigned to a region and

some of them though are responsible for a number of programs in the same region.

MR. D. ORCHARD: Okay. Let us get into more specifics then, Mr. Chairman. You've got three Winnipeg regions. Are there three offices in each of the regions?

HON. L. DESJARDINS: Could we wait until we give you the charts on that?

MR. D. ORCHARD: Maybe, Mr. Chairman, what we should do is move off Regional Services and deal with that this evening when the charts are here.

HON. L. DESJARDINS: Let's do that, let's wait.

MR. D. ORCHARD: Mr. Chairman, on the understanding that we'll be dealing with the Regional Operations this evening, then we can move to presumably the next item on the Estimates.

MR. CHAIRMAN: 4.(a)(1) Mental Health Services, Program and Management Support.
The Member for Pembina.

MR. D. ORCHARD: I would make a suggestion to the Minister. Of course we can do it under Program and Management Support, but why would we not deal with this area in general terms? Mental Health has been subject to

HON. L. DESJARDINS: Yes, it's the same people, it's all right.

MR. D. ORCHARD: Yes, because you've got the same people in place all along.

Mr. Chairman, last year when we dealt with the Mental Health Estimates, the Department, I have to admit to you, and anyone who may take the time to read Hansard, to indicate that I'm not an expert in the delivery of mental health. I have discussed with a number of people in the mental health field areas regarding the program delivery of mental health, and that stimulated last year's discussion, whereby we talked and we made a comparison in general about Saskatchewan and their method of delivering mental health as compared to the Province of Manitoba and our system that we use in Manitoba.

The striking feature between the two, and this is what struck me last year when I went into full discussions, the striking feature last year in mental health when you compared Manitoba and Saskatchewan is the very dramatic difference that Saskatchewan had in the fact that their program was very much decentralized, very much community based, very much away from the institutional format of program and service delivery.

Mr. Chairman, when we take a look at statistics, and subsequent to last year's discussions in Estimates, just recently CBC has done a documentary on that very comparison that we talked about last year in Estimates, indicating that there is a very, very dramatic difference in the per capita costs and in the method of delivery between Saskatchewan and Manitoba.

I'm trying to find my chart, but Manitoba, if I can find the right breakdown of figures - Manitoba has a

system whereby institutional care for mental health services consumes 87.5 percent of our budget, leaving 12.5 percent of it for basically what one would consider to be community-based or non-institutional mental health services.

It has been identified I think in a number of reports - the most recent one of course being the Pascoe Report - that it would be an aim of the government to move toward a community-based mental health system. The government, the NDP have given that approval in principle, and I guess I have to say that after last year's discussions I thought that we were maybe making a move along the lines of providing more community-based care, but that doesn't seem to be the case.

The Minister might recall that I used as a specific example that he could choose, for instance, the Parklands Region as a region that he already has established in rural Manitoba to start first with the community-based delivery mode in Manitoba to see whether it has application, to see whether it is workable, to see whether it could happen.

I also suggested that one of the three regions that the Minister was newly creating in Winnipeg could likewise be set aside and used for a similar experimental basis, if you will, in Winnipeg. The Minister indicated some interest in that concept, but I note in both Throne Speech, Budget Speech, Minister's opening remarks that there's no reference to any efforts to move along those lines.

Mr. Chairman, we've got a government that constantly cries poverty when it's talking about any program, any service in the Province of Manitoba and is constantly saying that they don't have money to fund mental health, or fund health in general. I guess recent figures in Saskatchewan indicate that they spend, in total, somewhere in the neighbourhood of \$100 million for delivery of mental health programs in the Province of Saskatchewan, somewhere between 90 and 100, when you make the full comparison.

In Manitoba we spend \$150 million for the delivery of mental health services. A Minister who is crying poverty and is searching for ways of finding cost containment and improving service delivery should legitimately take a look at the Saskatchewan system, because I don't think anybody argues with the fact that it is a superior system. It's probably one of the better ones for mental health delivery in North America. It's well supported by the citizens of the province, by professionals who are working throughout the length and breadth of Saskatchewan, not simply primarily in Winnipeg as we have in Manitoba.

It would appear as if the Saskatchewan system is a very cost-effective system. Saskatchewan per capita costs are reported to be, according to compilations from Statistics Canada, \$38.29 per capita. That's one of the lowest in Canada; I believe it is the lowest in Canada. No, pardon me, the Yukon Territories is lower, but basically, in terms of the provinces outside of the Territories, it's the lowest in Canada. Manitoba has, again, the luxury if you will; luxury is certainly the wrong way of being the highest cost per capita for psychiatric care of all the provinces in this nation. This has similar ringings and echoes to the health care system, the hospital system where once again we're above national averages in terms of our cost per patient day in hospital.

Mr. Chairman, when the CBC aired this documentary, I think they put sufficient research into it and I don't

think they erred very far in terms of their presentation of the numbers. So that I think we can assume the figures put out in the CBC documentary, which are backed up by Statistics Canada and backed up by other available sources of numbers, aren't too far wrong, that Saskatchewan has a much more economic system for mental health. They have done it because they chose primarily to de-emphasize the institutions.

Weyburn at one time, I believe, when the Premier of Saskatchewan, I believe it was T.C. Douglas, had something like 2,700 residents in his home consistency of Weyburn and he chose to embark upon this experiment in mental health, if you will. It's been followed by successive administrations, has given us a system in Saskatchewan where now I believe the residents are down to less than 200 at Weyburn, or 180, or something like that. The economic impact of that on Weyburn no doubt was substantial. Because you don't take a facility with 2,700 people and reduce it to less than 10 percent without a sizeable impact on the community.

Now a similar trend in Manitoba would mean that, for instance, Brandon and Selkirk would be wound down essentially, because if it can be done in Saskatchewan, presumably it can be done in Manitoba.

I know the Minister of Health may take exception to this, but I think one of the larger problems in terms of providing community-based mental health in Manitoba is resistance by the Premier of this province. I don't believe, No. 1, he understands the potential; and, secondly, as was evidenced over the weekend, where an industry that's in some difficulty in the Premier's constituency comes in and meets with him, I think the Premier is very much afraid to go to a community-based system in Selkirk, because it would mean substantially a very dramatic reduction in the level of activity at the Selkirk Mental Health Centre. I have no question the jobs that are currently there in the community of Selkirk would be distributed throughout the Province of Manitoba.

Now, two things have been a hallmark of this administration under Premier Pawley: first of all, has been a centralization towards Winnipeg of a lot of services, certainly away from rural Manitoba. Land Titles Office is one example, and we can take other examples. The Premier and this government don't appear to be willing to take the necessary steps to fully integrate mental health into the communities. I think that is an attitude that will exist as long as this Premier is the Premier of the province, because he hasn't got the political courage that his mentor, who he often mentions in the House from time to time when it's convenient, former Premier Douglas from Saskatchewan, this Premier Pawley doesn't have the courage and the political will to do what his mentor did in Saskatchewan. At a time when the number of things are impacting on the health care system, I find it absolutely unacceptable that the Minister and the government would not be undertaking some initiatives along the lines of moving mental health services into the communities.

I had opportunity this winter - and this is a personal aside - to spend overnight with an individual. The individual is a retired gentleman; he and his wife live in one of the smaller communities in rural Manitoba. He had a malignancy which was operated on, and the family was under a considerable amount of stress, and

he had a mental breakdown. He just couldn't stand all the pressures put together. The last thing he wanted to do was leave the home and leave the family and go Brandon, but he did make that decision. It was a very tough one for him; it was a tough one for the family. After a reasonably lengthy period of time he received the care he needed and was back home.

The point I'm making with this is that in Saskatchewan that same individual would not probably have had to drive more than 50 miles to receive his treatment in a community-based setting. The family, which I don't think there's a more important aspect of mental health than family support, support from friends and families. When you have people from Northern Manitoba, you have people from Swan River, from Westman - not so much Westman because Brandon is relatively close - but still you have people driving considerable distances away from family and friends to receive mental health services. That by itself has to add to the length of time it takes for the patient to recover and add the cost to the system. I think that's one of the main reasons why you have Saskatchewan with a vastly superior system costing Saskatchewan residents over \$38 per resident, where ours cost \$139 per capita for a less useful system.

So my question to the Minister is: When will we see some evidence that the government recognizes there are dollars to be saved, No. 1; No. 2, that there are improvements in the service and the level of delivery of service that can be made through a community-based mental health system? When are we going to see some evidence from the government that they're going to move? We've heard the commitment. I think this is the third set of Estimates. We didn't hear it as much this time as maybe we had last year, where the Minister started out on mental health with a statement to the committee.

So my question is, out of frustration, to the Minister: When are we going to see some action?

HON. L. DESJARDINS: I'd like to thank my honourable friend for his remarks and I agree with him in many of the things that were said, and other things of course I disagree.

Let me say right from the start that we realize and we agree that the Saskatchewan model is the best in Canada. There's no doubt about that. It took them 25 years to get that program though. And also that they're in somewhat of trouble now. They're cutting down on staff and cutting in areas; they're in a bit of trouble. In other words they face pretty well the same problems that we do.

Now one thing that should be corrected immediately is the false information that came out, because of the CBC documentary, that gave the wrong figures. And now my honourable friend stated, well, that was fair game, that I should have been on the CBC myself. I purposely suggested, it was a very busy time and when I was approached, I said get staff; the staff could go ahead and they will give you those details that I haven't got, but if you want to talk to me about the policy, I will after. But the details, I'll have to bring somebody with me and so on because they have been working on that and I haven't got all the latest.

Now let me say this, that as soon as that program was done, I received, and I'd sent our ADM and asked

him if he'd go and he went for us. And he was very forthright, very honest in his answers. Now he was disturbed, and those are his words, he phoned me after and told me that he was disturbed with the way that some of the things were quoted. Not everything. And it is obvious that we didn't get the true figures from Saskatchewan or some other provinces when you say we're the highest. We've measured; and Saskatchewan will go, one minute it's 3820 then it's 111. Different figures than they give.

Now these CBC documentary figures were quoted on the per capita cost to Manitoba of \$139.24 and in Saskatchewan \$38.20 based on the total cost for Manitoba of \$152.2 million and Saskatchewan \$39 million only.

Now Saskatchewan figures did not include (a) psychiatric components of four general hospitals; (b) psychiatric components of personal care homes and Manitoba costs include these. The revised figures obtained for Manitoba and Saskatchewan include Manitoba total costs, \$154.8 million - that was mental health programming 155.2; social allowance to the mental health client 2.6. And Saskatchewan the total cost when all components are added is \$155 million. And these revised Saskatchewan figures were obtained from the Executive Director of Mental Health for Saskatchewan.

So, yes, Saskatchewan has a very good plan. It took them 25 years. It's not perfect. But let's remember that they're doing, they've done some of the things we're doing. I'm not saying it's wrong, but they have taken certain residents and called them psychogeriatric residents. And that's fair enough. There's some people that are a certain age and there's a lot of people in personal care homes that are senile also and therefore, they are people that qualify, that should be in personal care homes. They're psychogeriatric but they're still in some institution. It's a change.

Now there's also a concern that we have. Apparently when this was done, it was done quite fast at that time, and although I said they had 25 years to do it. But they apparently have had a lot of people still hanging around Regina. And we have to be very careful. I said that we started that a few years ago, I'm not talking about the Saskatchewan model, that we wanted to deinstitutionalize in the time of Tulchinsky and so on. But we had nothing in place. You heard me quote this and this was in this area of mental health. And that is a dangerous thing, and we had to reverse our stand and that set us back.

We weren't ready. First of all, the community wasn't ready to accept that. The community in those days, were hiding the mentally ill somewhere, the seniors and so on. And that is changing some. And then the proper staff. And you have in certain countries, in certain cities in the States - not only in the States, here also, many of the bag ladies and bag men and so on are people that are mentally ill, that are walking around. And you can't forget that, and I'm told that there was a certain amount of that in Saskatchewan too. Maybe you can't help it when you change. I don't know. But that is a concern.

I want to say something else. Well, you know, I can't help but think of the questions, the irresponsible questions of the Leader of the Conservatives and I say the Leader because he's the one - I haven't seen those

kinds of questions here yet. The question about deinstitutionalizing the other hospitals and trying to make a big thing and try to say that we've decided already about closing beds. And it's the same principle that we're doing here. We've talked about - there was something that I think is greatly unfair and I'm going to deny this immediately that it is the Premier of the province that doesn't want to go in that direction. That is absolutely false. I've never had any directive to change that at all. We are committed in principle, the Pascoe Report, I'm not talking about the amount of money, the Pascoe Report was accepted, I made an announcement and a speech and that becomes the policy or the principle of this government.

We've moved in many of the recommendations that we were given. Not as fast as I would like to, I'll repeat that again. I haven't had all the money in this area because we are behind times, that I would like to have. But we're moving in that direction, we will have a 100 bed psychogeriatric hospital in Brandon fairly soon that we'll move away from the hill, and that is not more beds, that is we'll transfer the staff and the 100 patients from the hill in that area.

We're also working, trying to set up 15 psychiatric beds for acute care patients at the General Hospital in Brandon. So we're moving in that direction. Not as fast as I'd like to but we are moving in that direction nevertheless with the funds that we can get. I have now a plan -(Interjection)-

Yes, these are some of the things that happened in '86-87. The Mental Health Directorate was strengthened by the hiring of two additional staff persons and the transfer of two staff from other areas, bringing the total staff complement to seven.

The Proctor Program was further strengthened by the addition of 17 spaces, bringing the total number of spaces to 39. It's not that much but at least we're moving. The program is further refined and now covers group as well as individual programs. Funding was provided to the Self-Help Society, a self-help group for mentally ill persons formed through amalgamations of Phoenix House and People At Last.

Funding was provided to the CMHA to develop 15 spaces for support of housing for mental health clients. There was an addition of 15 spaces to the existing Independent Group Living Program offered by Winnipeg region, a total of 30 new spaces in support of housing and a role study is being completed at the Brandon and Selkirk Mental Health Centres. The objective is to clarify the roles of the centres and to identify patients who could be relocated to live in the community.

There's some of the things that were changed. We started setting up an advisory committee, a very good advisory committee, very representative. We've had good meetings, a very interested chairman and a five year plan proposing new direction in the development of mental health services has been prepared. It has been given to this advisory committee. The plan is currently being reviewed by that committee. In fact, that is finished now, I think we've got the paper and their recommendations. I met with them again, and some of the staff. It includes representatives from groups, professionals outside of government following which will be, in fact that has been presented to the committee of Cabinet now.

A committee has been established and is working in developing a model for delivery of psychogeriatric services.

Standards have been developed for residential care facilities for our mental health clients. Plans for a short-term acute care forensic unit at the Health Sciences Centre have been finalized.

Construction of the 100 beds, I've talked about that, the Rideau Park in Brandon and the same 100 bed construction in Selkirk to be known as Thomas Prince. That will close and we'll get 100 people out of these institutions.

Senior staff of the Mental Health Division has visited Saskatchewan to obtain a closer understanding with the Saskatchewan mental health system. The Mental Health Advisory Committee is beginning its second year of operation and will be providing policy advice on several significant issues. A psychogeriatric assessment unit is being started at Brandon Mental Health Centre.

Outreach services of Selkirk Mental Health Centre have been transferred to Winnipeg Region and the Mental Health Directorate has developed models for a spectrum of residential care services in respect to a day program. A major study of the Community Mental Health Service system is to be in very shortly to identify clearly and accurately the existing and future needs for community-based services. There is another project of six additional beds, project growth, as another project in Winnipeg.

Now as far as decentralization, I will say without any hesitation here, and I've never had any directive from my leader, the Premier of this province, to do anything else, that we are going in the direction of, if anything, to decentralize. So I certainly don't want to centralize and that might involve some of our regional staff and so on. Now that's not going to be done in a day or so, but we're moving in that direction. So, as I say, I have no hesitation in endorsing, and I'm speaking for the government when I say that, the program in Saskatchewan. As I say, it's not perfect, but it's a good program. We have no directive, and I can assure you the Premier is not saying, no, because of Selkirk, we can't do that.

MR. D. ORCHARD: I have no doubt that the First Minister, the Premier, has not sent any directive around saying that you don't touch Selkirk Mental Health Centre. I would fully expect he hasn't. But the Premier presumably is the one who provides government leadership, direction and my simple observation is that this First Minister does not have the political courage to actively pursue the development of community-based mental health services when it would be in all likelihood at the expense of a major institution in his own back yard.

It's not a case, Mr. Chairman, of the Premier having any directive about saying don't touch Selkirk Mental Health Centre, of course not. But the Premier does not have to do that. All he has to do is simply not express any desire or interest and nothing happens. That would appear to be what in fact is the kind of leadership being offered by the Premier - nothing is happening. I hate to be that blunt and that tough with this Minister, but that is the reality of the last three years. The Minister makes reference to 100 bed facilities in Brandon and Selkirk and additions to the psychiatric unit in Winnipeg in the Health Sciences Centre.

Again, Mr. Chairman, that follows the pattern which has been established and continues over the last

number of years of (a) institutional care; and (b) institutional care based in the communities it is currently based in: Brandon, Selkirk and Winnipeg. Because every one of those facilities, and additions, are in the major centres in those three communities. There is no branching out into the Dauphins if you will, or the Thompsons or the Swan Rivers, or branching out to provide additional services, for instance, in Winkler, Morden, where Winkler has Eden Mental Health Centre.

We are tending to concentrate still, all of our services, in three major centres and primarily one major centre, namely Winnipeg. That's always been the argument that's been made. Every time you approve new initiatives in mental health, it is generally in those three communities. There has not been any, for instance, expansion beyond those three communities, Winkler being the exception, Winkler being the sole exception.

Mr. Chairman, it's my understanding that in terms of - and I know, that's why I said earlier on in my opening remarks, the figure isn't simply \$50 million of expenditures in Saskatchewan. I know that. The figure is not simply a \$50 million expenditure for mental health services in Saskatchewan, it is higher. That's why I used the figure around the \$100 million mark.

HON. L. DESJARDINS: It is the same as Manitoba, a little more.

MR. D. ORCHARD: Mr. Chairman, you indicated the same as Manitoba. I don't have figures that indicate that.

Mr. Chairman, part of the Saskatchewan system is that, for instance, in a regional hospital - and I'll use the example, maybe I'm using the wrong communities, but it's my understanding, for instance, in Swift Current, the Mental Health Services Division of the Department of Health will negotiate for bed space so that they have, not necessarily a free standing psychiatric unit in Swift Current, but rather have it as part of the hospital administration so that they have staffing, support staff expertise in Swift Current. The same thing applies in Weyburn; the same thing applies in Yorkton; the same thing applies in North Battleford; the same thing applies I believe in - it slips me now but the northern community where John Diefenbaker was from - Prince Albert, and of course Regina and Saskatoon as well.

Now, Mr. Chairman, we don't have this Minister, three years after the Pascoe Report moving in those kinds of directions. We don't have, for instance, Dauphin, where there is a keenly interested group willing to take on the challenge of community-based mental health delivery. There is no format, there is no opening for them to cooperate with the government. It's almost as if their interest has been shelved. You know, it isn't as if this is a partisan political issue because I suggested to you last year, why don't you approach them, make Parklands Region an example. Mr. Chairman, the Minister last year thanked me for my remarks. He said he agreed with most of them, but we're still here looking at inaction and nothing happening.

Now I appreciate the Minister's got financial problems and I appreciate the potential political problem that the Premier might have, even the political problem that the Minister of Economic Security might have representing Brandon East, even the problem my own

MLA would have representing Brandon West if Brandon and Selkirk were de-emphasized.

Mr. Chairman, I don't have access to the Minister's latest figures that he used, but I think there is no question that the Saskatchewan system, if not more economic to deliver - which all figures outside of the latest ones the Minister has given me seem to indicate - certainly it is a better system in that you have professionals and support people in practically every region of Saskatchewan, and I think the figure is 50 miles. If you don't go further than 50 miles for expert help in terms of mental health, either psychologists, psychiatrists, mental health workers, now that is vastly different than what we have in the Province of Manitoba. You know, that is the area that I don't see any focus, any planning, any discussion to see how you resolve that problem.

I'd like the Minister to tell me if there are some initiatives in the works to provide support staff in the various regions of this province for the delivery of mental health.

HON. L. DESJARDINS: Yes, I did say last year and I'm saying again that I agree with a lot of things that were said. I also stated that - if my honourable friend doesn't want to believe me, I can't force him to - not only in our directive, but that the First Minister is going along with the recommendations that we are making. Without any hesitation, I'd be very careful, I wouldn't close doors, you know that. I've been around for awhile and you've been around also and I wouldn't close doors. I can tell you, without any hesitation, that we want to go in that direction.

One thing I can be criticized for and I can always be criticized for that, we're not going as fast as people would like us to go, no doubt. But then I think the members around this table know the problems that we're facing now - and people who have been around government for awhile who think you can do all kinds of things in a year, it takes a long time to do that.

There is the political consideration, there are all kinds of things. But I can tell you this, that we are, for instance, let's look at Selkirk and I'll put this on the record. There are approximately 350 patients - 325 to be exact. We're going to take 100 of them to put in the psychogeriatric ward. Don't forget that we're not going to move directly what Selkirk takes care of and just close every bed and start building somewhere else. We haven't got that luxury, that would be kind of stupid.

So we are saying, all right, there are going to be 100 beds then for that area, we will have roughly 45-50 beds of acute care beds. That's getting people out of the institution, psychiatric acute care beds in the Selkirk Hospital, that's the next concern. Then you'll always have an institution.

You'll have an institution for people with brain damage and some of the people there for awhile, but we can cut that down to maybe 100 or so eventually, and then the other areas, we're moving. We started moving with 100 beds in Brandon and 100 beds in Selkirk, of psychogeriatric beds, away from that administration, and the next thing probably we will consider certainly other beds, some acute care beds in different areas in the rural areas, and that is a recommendation of the five-year program that we have. I think that you'd

be maybe surprised, well, pleasantly surprised, when we can announce the recommendation of Cabinet, when Cabinet makes a final decision on the five-year program on mental health that we have.

So I can assure you that you will see things moving, maybe not as fast as you'd like, or as far as I'm concerned, not as fast as I'd like to see, and that's because of lack of funds and the organization. We want to make sure to get things properly done.

MR. D. ORCHARD: Mr. Chairman, you know, again the two examples that the Minister has used of basically deinstitutionalizing is to basically move from institution (a) in Selkirk to new institution (b) in Selkirk, 100 people, and the same thing as in Brandon.

HON. L. DESJARDINS: Well, if that's what you're saying, you have to admit that is exactly what was done in Saskatchewan, so don't think that all the people of Saskatchewan were out. Some of those people, in other words, that is the first phase and that's why some people feel we're not going fast enough, but that is the first thing. There are some people who will not be able to go anywhere else and, because you're being mentally ill, there are some people who normally would be in a personal care home also.

It's psychogeriatrics, that's completely accepted; so call it an institution, if you want, it is. Where are you going to put those people? Where are you going to put these people? I mean certainly it would be a crime to let them run around the streets and become bag ladies and bag men like we have now in some of the major cities, and we don't want that.

I certainly don't apologize for that if you want to call it - it's certainly deinstitutionalizing that institution, that is, the mental hospital. Then the acute care beds, some beds there will take care of people who will go into the community, but they will need the treatment, exactly what you were saying about that friend of yours, and we want to do that not only in those centres. Bring that in the North and all through the different regions where there's a population to do it, at least in certain centres, not every single community, of course.

Then you will always need the institution, but a much smaller institution, and part of that should be instead of putting it all in one area, fine, it could be the next step. If we see that we need more psychogeriatric institutions or hospitals, whatever you want to call it, fine. The next one could be in the North or Thompson or somewhere else; and I might say that our staff, Mr. McLean, especially the ADM, and Mr. Walters, the director, are discussing with Dauphin and all the areas that you mentioned. We're not moving as fast as they'd like to see, that's granted; I haven't got the money to move that fast.

MR. D. ORCHARD: Mr. Chairman, the issue, well, basically in terms of the Pascoe Report, a couple of questions here. I think we have to remember that the Pascoe Report now was accepted in '84 by the government. We're now into '87 and I think the Pascoe Report laid out a five-year plan, and I hear the Minister indicating now that basically you're developing a five-year plan in consultation with the community, etc., etc., to plan to implement certain things.

I guess I simply say to the Minister I believe that's what the Pascoe Report was designed to do back in '84, was to give you a planning target, a goal, a framework to utilize in terms of provision and reform in mental health - provisions of services and reform in the mental health system. Now, three years later, what we're doing as a result of Pascoe is yet again doing some more studying to implement some five-year plan.

HON. L. DESJARDINS: But that was part of the recommendations.

MR. D. ORCHARD: Mr. Chairman, the Minister indicates that was part of the recommendations, and you know there were a number of recommendations there, including the expenditures of more monies in terms of community base. The Minister has indicated that he hasn't been able to meet with those expenditures, and that is considered by those people in the mental health community to be a repudiation, a failure to carry out what Pascoe had indicated.

Now, in that regard, Mr. Chairman, the other day I asked if the Minister and staff, and the ADM provided me with the mental health estimated expenditures out of Research and Planning Directorate, which took us up to '85-86.

Are there any preliminary figures that are available for '86-87, because what they tend to give one, when you follow them line by line, is basically a continuation of the same trend; i.e., the institutional model of care.

Now I asked Mr. McLean, when he gave me this on Thursday, if I could just take a normal percentage increase, and he thought that would be a reasonable extrapolation of '85-86 figures to get to '86-87; i.e., basically no shift from the spending patterns that were laid out.

Maybe I should pose that question if that's basically correct.

HON. L. DESJARDINS: You won't show any shift now. What you'll have in the Commission then is the Eden Mental Health. We can give you that. Linden Place, we can give you that pretty well. Then we should be able to give you Brandon and Selkirk.

I want to say something about the Pascoe Report. I know the Canadian Mental Health Association talked about the money. At no time, and make that very clear, when I said we accepted in principle the Pascoe Report, I made it very clear at that time that we were not talking about any money which was a suggestion - this is what we'll be needing so much a year. We accept the recommendation in principle, not the amount of money, which you don't do anyway. I don't know of any government that's going to say you're going to do that and obligate somebody else.

Many of the main recommendations were to change an act that's going to be presented to you today - not today. Did I say today? I meant this Session. Also, one of the first things they wanted us to do was set up the advisory committee and the main advisory committee, the Minister's advisory committee, and the community committees also.

And what we're saying, whether we set up this committee to work with us, we've looked at this, and now we're continuing with what we have in front of

Cabinet because it was vague then. Of course, before you talk to those people, we want to develop that with those people. This is what we're suggesting, that we work with them and also, certainly, we've started to work with the Minister's advisory committee.

So that's what I mean. We're not reinventing the wheel or starting all over again. We're just going from there to bring in suggestions and something more concrete as we go along.

MR. D. ORCHARD: Mr. Chairman, maybe some specific questions because we can debate the philosophy of how quickly the Minister is moving and how rapidly they're progressing.

Mr. Chairman, in the Treasury Board Submission where the \$8 million overexpenditure for home care was brought forward, one of the cost containment measures that was approved under the Treasury Board Submission was the deferral of Mental Health New Initiatives of \$103,000.00.

What new initiatives were those that were deferred and when were they deferred to?

HON. L. DESJARDINS: First of all, that, of course, as I say, is part of the recommendation that's going in front of Cabinet. This is not approved by Cabinet yet. This is what the recommendation is going on and it's something that is known, our position on that.

Currently there are 725 patients - 325 in Selkirk and 400 in Brandon. We are going to transfer to psychogeriatric beds 100 from the community of Selkirk and 100 from Brandon. That will be 200. Then we will need in those areas acute care beds. The acute care was taken care of in the Brandon Mental Hospital and also in Selkirk. That will be now at the General Hospital the way it is everywhere else. So that will make another 100 or so.

Then in the community there will be another further 120. That is at the end of five years, that is going on, and this is what happens. There will be another 120 that will be taken out of Selkirk and 120 from Brandon. That will be 240. That will leave those remaining in the smaller institutions a total of 185.

So that's going from 725 to 185 in five years; that's what we intend to do.

On your last question, in the the ADM's office there is an operation there of \$16.8 thousand that are underspent.

The Chief Provincial Psychiatrist, 68.6 - that was salaries because that position is not filled at this time because he was only part time.

The Mental Health Directorate, the operating was 460.5 and the External Agency, 142 . . . - (inaudible)-

For Forensic Services, in salaries there was 68.6 underexpended and 15.1 overexpended in operating.

In Child and Adolescent Mental Health Services, 153.9 in salaries underspent and overspent 11.1 in operating.

Brandon Mental Health, in salaries underspent 282.4, and in operating there was actually 72.6 overspent.

In the Selkirk Mental Hospital, the salaries, there was 71.1 underspent and in operating there was 23.5 underspent.

For salaries, that was 635.5 underspent, and operations 544.4 underspent.

Now the salaries, there was the Chief Provincial Psychiatrist, position vacant; Forensic Services, there

was a position vacant, that's medical; Childhood and Adolescent, there were two; Brandon Mental Health Centre is seven; and Selkirk Mental Health Centre, one. Actually the programs that we didn't go ahead with this year, we weren't ready with the Proctor Program. We're underspent, but we did go with 20 more in 1985-86 and 39 more in 1986-87.

In Community Residences, we've got 12 the first year and 51 more, although we're underspent. They are a result of a delay in filling the vacancies and a director for a position devoted to Community Residences and Day Programs, and the development of the new programs was further delayed by the time it takes to obtain community involvement and commitments that we have.

MR. D. ORCHARD: Mr. Chairman, that doesn't answer the specific question about what was the Mental Health New Initiative - New Initiatives, plural - that were deferred as a cost-saving measure?

HON. L. DESJARDINS: You've got the amount of money and where, but you want to know why. Is that it?

MR. D. ORCHARD: I want to know what it was. Like, what were the Mental Health New Initiatives that were deferred?

HON. L. DESJARDINS: There were three programs that were partly deferred, I mentioned what was done. There's the Community Residences, the Proctor Program and the Day Program. They received approximately \$1.2 million, and there was 400 and something that was expected.

MR. D. ORCHARD: Mr. Chairman, that gets us right into the nub of the issue. When I expressed a lot of alarm over the \$8 million overexpenditure in Home Care and the fact that, presumably, your internal audit people indicated that there was lack of financial control - the program was out of control - I made the point with you, within Regional Services, that you had programs in Services to Seniors, Gerontology being one of them, Hearing Conservation, Health Promotion, where the Other Expenditures were reduced in order to tailor your spending to the \$8 million overexpenditure.

The same thing has happened here. I'll just read to you from your Health Estimates Book. Under the Mental Health Directorate, one of the activity identifications - well, okay, I'll read the objectives first off: "To develop, coordinate and promote a comprehensive range of mental health services in both the community and hospital sectors." Part of the Activity Identification: "Ensures interaction and coordination of institutional and community-based mental health services; Develops a comprehensive range of alternatives to institutional care . . . "and a number of other initiatives. And Expected Results: "Expansion of community-based services, including residential and day programs; improved coordination of mental health services."

Now when we go through the over and underexpenditures, we find that in Mental Health Directorate, which has those goals as a department or as a division of your department, while salaries are

going up, we find that Other Expenditures were decreasing by some 37 percent, resulting in the curtailment of programs which move Mental Health Services into the community delivery mode. That's where, Mr. Minister, as I've urged on you before, you have to know within your department that things are running well. If you can't offer that assurance, other programs and other people in Manitoba suffer because of a program being financially out of control. Here, sir, is another example.

Your Treasury Board Submission says you had to defer Mental Health New Initiatives, some of which were Proctor Program, the Community Residences Program and the Day Program. Those are programs which put services into the community to get more to a community-based mode of mental health delivery, all of which were not expanded at the rate you expected last year to do for a number of reasons, one of which is you had to tailor your spending to come up with money for an out-of-control expenditure in one division of your department, and this is where \$460,000 came from.

Mr. Chairman, now I think the Minister can see how we go full circle where I've asked him consistently, can you assure me that the dollars that we are approving for you to spend every year are spent efficiently? Are they reaching the people who you want to serve and to help, who we as elected people and the taxpayers want to help? Are the services reaching those people who need them?

Mr. Chairman, when you've got Home Care Assistance out of financial control, you can't offer that assurance. But at the same time, we can come to innumerable lines in your Estimates where your staff costs are the same or up, but the Other Expenditures (i.e., the monies they have to deliver the programs we hired the staff to do) are being drastically cut, and you're not seeing the expansion of community-based mental health, in this case, as we didn't see with Health Promotion, etc., etc.

That's how serious it is within the department, Mr. Minister. That is where I consistently will be coming to you, asking for those kinds of assurances because as a government - and Opposition had no difficulty. We've never argued with you that you should not go to a community-based system. I think we've consistently encouraged you to do that.

I think whenever we have approached elections, I think we have, by and large, told those who survey us for opinions prior to elections as to what direction we as a political party would move in. The Progressive Conservative Party has endorsed the implementation of community-based mental health services. We haven't run interference; we haven't thrown any roadblocks in your way; we've given you support. But yet, Mr. Minister, you haven't been delivering on the programming.

You say that you would like to deliver faster, you'd like to have more money. Mr. Minister, that argument is running very hollow because you didn't expend your \$160,000 that members of this committee approved for you last year, most of it in new initiatives to provide community-based support in mental health. We gave you the authority to do it, we gave you the encouragement to do it, but you didn't deliver.

That is where, I think legitimately, the members in the mental health community who are pushing you are

saying you failed and your government has failed, and \$460,000 is proof - 37 percent underfunded. And I go back to you and I say that the prime reason for it, no doubt, is the fact that home care was financially out of control and you had to come up with the money somewhere.

HON. L. DESJARDINS: Well, Mr. Chairman, I would hope that the members of this committee would be consistent and, yes - I think I'm getting a dirty look. The member feels that he has been consistent. Let me explain. Yes, it's true that he has been making a case; the one that I say unfortunate remark that was exaggerated when they say that it was completely out of control. Now I say that the money was well spent in home care. I'm saying that it leaves the system a lot to be desired. We had all these arguments last week and I agree with that; it could change.

Now, my honourable friend is talking as if all of a sudden this is something brand new. This has been done ever since I've been in the House. There have been some areas that you felt you thought you were going to spend at a more faster pace which that hasn't been done. Now, why did we have to underspend? For a number of reasons. Some it, we were too optimistic. We were thinking that we could go ahead at this time and it was wishful thinking. It takes awhile to discuss with the community.

The same thing, for instance, I had a five-year capital program. Some areas, no matter what, was supposed to be ready for construction this year, and that's done every year by every government, unfortunately or fortunately, whatever the case might be, that they are not ready when they think that they would be, and that happens in here, too. Even if we would have had all the money in the world, some of this money wouldn't have been spent.

No doubt when we realized that we were going to have a deficit, all right, then there was effort in the last few months or so, that was done a number of years, to say, hey, where are you now, where are your programs? That money hadn't been spent up to now, not because we were waiting to spend it on something else, because we couldn't move fast enough. So they say you haven't spent that, maybe some of that money would have been spent in the last two months or so. They said, no, all right, you'll have a big enough deficit, you don't do it anymore.

Now, if we want to talk about out of control and so on, in the way that we've been funding home care, when you have a program like home care, it's going to be impossible, and I've said that, and it's going to be the same thing next year. It's going to be impossible to have it right. Fine, I hope that we can improve the system, and I hope that we can improve our objective, but the situation is that we won't be right on because you don't know who is going to be sick. You don't know when it's going to be needed and as you go along, will I wait another year to change things if I can, and if we can deinstitutionalize something and if I need more home care? Then, all right, I will spend it because I'm saving money.

Where I said you're not consistent, you can't have it both ways. You can't criticize us and make your own point of all this discussion and of these Estimates on

a thing that we are out of control and we then are spending more money in home care, and then in question period crucify me because I'm talking about getting the hospitals to stay within their budget. If it's poor business for me to be overspent, isn't it poor business from the hospitals also? But that then is the Opposition, not so much this member, but the members of his party are using and are having it both ways. That's exactly what I said to these people, you've got to be responsible. You're getting "It's worse and worse and you're spending all kinds of money that you haven't got, you've got to stay within your budget."

(Mr. Deputy Chairman, M. Dolin, in the Chair.)

Now, purposely some of the members of the Opposition are saying that you're cutting - they call it cutting - and they make a list, two or three times a week, want to make sure to scare the public, that these are the beds that we want to close. I'm not talking about individual members, all the members are doing that. I think that my honourable friend who is the health critic knows a little better and is not going to do that, not as much, because he knows we have to do that. He knows that and that's what we're trying to do, but his leader is going out and making some irresponsible statements like he did today in saying and listing, wants to make sure it's in Hansard. I mean it's obvious, we weren't born yesterday. You know what he's after; he wants it both ways. We're being criticized because we don't stay within our budget. We're being criticized for saying, well, hey, we spend enough that we can't have that much a deficit, we've got too big a deficit we're told, so the money that wasn't spent at a certain date, that is being done by different governments, different colours of government who say, okay, you don't spend any more. If you haven't spent that, that's too bad. If you don't spend it this year, you'll have to wait. So that's a delay of a few months. It's not the end of the world. And why? Because there's another priority. Yes, there's a priority. That is a priority and fortunately, sure, you wonder if we had more money.

Too bad we didn't know in the Roblin years and the Schreyer years what was facing us. We could have maybe done, we should have done more for prevention and so on. But right now, when you've got a certain amount of money, you've got to go with the priorities, and home care is a priority and will be a priority. It was supported and was financed by overdraft, the same things as hospitals were for a long time, that a certain amount of the deficit was approved and practically all of it. Well, it's getting out of control there, too. If there's any place that's getting out of control, it is the deficit in the hospitals. We have to pay for that, too. It's not just for home care; it is to pay for the deficit of the hospitals that we've cut some of these programs also, to help, so we won't go too far in the deficit.

So it is a very difficult situation. We're getting in an area where the Federal Government is saying we can't go on with the deficit and it's okay for them to say that. Now we had a responsibility, we started this universal program but unfortunately we're not going to pay any more. Now that we've got all these things set up, all these hospitals built because of the way that they were only financing acute care beds, so people built too damn many acute care beds because they

were only paying 50 cents on a dollar. They couldn't care, build personal care homes, that wasn't covered. There wasn't a penny spent for mental health for years in this country and we're paying for it now. We're going through a very difficult situation and we're trying to say we're going to keep the best program in the world, the best universal program in the world, but we'll have to change the way of delivering that, and that could improve facilities but we have to do certain very difficult things.

I was chastised, the opening remarks, that I'm not providing leadership and then if we try to do something, well, then I get the kind of help, which is fair enough, that's what they want. Again, I say my friend hasn't been too vocal in the House in question period, not like some of those other members. I don't know if it's purposely done but half of them are the guys who are saying what, the deficit?

Well, I don't know if it's still a battle between the right wing and the left wing. I don't know if that still goes on or if that's patched up. But in the meantime we're told you've got a big deficit and the other people are saying spend more, and people are saying you don't know how to run, you couldn't run a peanut stand, you've got a deficit on home care, but what the hell, why are you cutting the hospital's deficit? Because it's good business for hospitals to have deficits, but not for us. So fine, that's not the kind of thing that's going to help the people of Manitoba. It's going to be hard enough to make these changes and to try to keep that, that we have to work together, but don't point this out as if we invented the system, that's the first time that was done. That was done before, and the tougher the years are the worse it's going to get, and this year it could be the same thing.

So this year it could be that you're not spending all the money at a certain time. The Minister of Finance and Treasury and Cabinet might say hey, this thing is getting away from us. We didn't think we'd get that kind of deficit. We'll have to raise taxes and so on. So cut down, and you don't spend the money that you've got left. You should have spent it earlier or something. So that happens every year ever since I'm here and no matter what the government. It shows more this year because you were given more - I don't know who the idiot was, and it might be a colleague of mine, to give you all that information. That was stupid, as far as I'm concerned. I had enough trouble before without giving you all that damn information. But all of a sudden, that's what you're finding out now, so you're having a field day on this. But that was done before, let me tell you, by the previous government also.

MR. D. ORCHARD: Mr. Chairman, we don't have time to debate this as it should be debated. Maybe we'll get into a free-wheeling debate some day in the House where we can take the gloves off and involve some of your other members. But I just simply point out to the Minister that, on Thursday, I asked a question involving the proposed bed cuts in Winnipeg, as my leader asked today, no inconsistency.

HON. L. DESJARDINS: Well, then, I regret that I gave those kind words to you.

MR. D. ORCHARD: Then you considered my questions to be quite responsible, and I trust that applies to my leader as well.

Mr. Chairman, the issue is not how things are - you see, the Minister gets himself into a jackpot all the time, and he starts trying to explain his way out. I've been consistent in my questioning of the Minister as to whether he can satisfy himself, which he should do as Minister responsible, as to whether he has sufficient financial controls in place within the department to assure that monies are being expended efficiently.

HON. L. DESJARDINS: What about the hospitals? Should I do the same thing with hospitals?

MR. D. ORCHARD: Mr. Chairman, that is why we are currently questioning this Minister because, when we get through with the Health Services Commission, part of the discussion we intend to get into there is the question as to whether the only alternative in terms of hospital efficiency is to cut beds, to close beds. You see, it's the same argument that I'll place to him when we get to Hospitals. I don't want to waste the time today because we're short on time in dealing with Mental Health.

But until you can assure us that you've got efficiency in the expenditures within your institutions - and whilst we're on the line, I intend to ask the Minister a couple of questions very shortly. You know, the Minister has given us - and we're dealing with the whole works of it, so I'm skipping from appropriation to appropriation.

HON. L. DESJARDINS: You mean on Mental Health?

MR. D. ORCHARD: In terms of Mental Health, we've got 631 SY's at the Brandon Mental Health Centre with 400 patients. That's over an SY-and-a-half per patient. Now we go to the Selkirk Mental Health institution and we've got 464 SY's to 325 patients. Now that's not quite an SY-and-a-half per patient.

Mr. Chairman, that begs the very obvious question, our dollars - and this is a sizeable amount of the Mental Health appropriation. Now I will confess, I have not taken the time this year to break out the percentage of expenditure in Brandon and Selkirk, as compared to the rest of the department. But, Mr. Chairman, I simply take my honourable friend to his chart in the Estimates Book where you see Brandon and you see Selkirk with the expenditure lines. They are increasing rather dramatically compared to all other aspects of service within the department, and they are taking by far the major portion of the funds.

Now that's the argument that's been made, that the institutional-based care is incredibly expensive. As a matter of fact - and I only want to mention this because, and I'll mention it with the qualifier that when a person is taped for an interview on CBC, you may not always have the information that you've put out used appropriately. But your Assistant Deputy Minister when he was on said the reason for the inordinately high per capita cost or cost for mental health delivery in Manitoba is because we are institutionally based. Now whether there should have been something added to that, I don't know, but that was the comment that was made.

Now, Mr. Chairman, that's exactly the proposition I'm making. When you take a look at your institutions where you've got a person-and-a-half, a staff-and-a-

half, looking after each patient in your Brandon and almost that in your Selkirk, you have to start asking yourself, is that the most efficient way to spend by far the largest lump of our mental health budget. Until you can answer that, Mr. Minister, you can't tell us whether you're getting efficiency in spending.

That brings me to a question. Is it correct that both Brandon and Selkirk have been reviewed interdepartmentally, the two institutions, as to what their future role is in terms of delivery of mental health?

HON. L. DESJARDINS: My honourable friend is saying that we want to make sure that we spend wisely. Well that should be true of every department every year in every government, and that all departments will end the private sector, business in the private sector and so on, and times change. Then of course, when this is done, if we're successful with deinstitutionalizing - and my honourable friend has said, I welcome what was said, that we will look, when we talk about the Commission, at the Commission's budget. We looked to see. At no time did we say that the only thing was to close beds, but it's certainly a big factor. I would welcome that, and I would like to see something positive and some ideas from members of this committee. I would welcome that.

Now having said that, we know that certain things are very costly and we're looking at exactly that. We are already - and I don't know how many times I can reaffirm that, that we want it deinstitutionalized. We've done that work. We've looked and we've come out pretty good on the staff in both areas. In fact, I think it recommends that maybe we should have a little more staff in Selkirk. You know, we're talking about 24 hours a day, every day of the year out there, dealing with some people who need a lot of care.

Then as far as the role, especially we looked at the patients - and that's being refined now, and that's pretty well what I gave you - how many could go in a psychogeriatric hospital? How many should stay in an institution such as we have now? How many would be taken care of in the community if they could go on an acute care basis, if they had more facilities to go in this area? And how many should go in the community in smaller areas? Then you'll have some people talking about six to a cottage is too much. Some people are advocating that there should be six at the maximum, and other people are saying, well no, that's too costly.

I really don't know. I know that this is quite costly. I don't know if, as far as those people in the cottage of six, it will be cheaper. I think what will be cheaper is people who will go home, serviced, in other words, with the help maybe of acute care beds and some programs and some day care. I think that's where you'll save money.

Now I'm not saying that they won't in the other way, in the other area. But if we're just talking about the same people with two choices, either being in Selkirk or Brandon or being in a cottage with six, I'm not too sure that we're going to save that much money. That's only my observation because that is quite possible with the staff that you will need there at that time to deal, depending, you know, I'm talking about the same people with the same needs and the same level of care needed. And you will have the same thing as we were talking

Tuesday, 21 April, 1987

a while ago about home care, that we said if it costs, and it was my honourable friend that made the observation that at times that it's too costly, you should be in the institution. It's the same thing with this. In some areas it would be so costly that they will have to be in an institution. They can't all be left alone to go home with the proper staff and so on; they care, then if it becomes that costly.

So I have no problem with that. We're doing that now and we're going to keep on doing that. Now, it's just the level at times, you might say, well, and I know I've used the same argument in Cabinet also but it doesn't work that way. We'll say, well, okay, we need the money. Now because it's costing us more money the way we're going but it takes a while, you can't change things from one day to the next.

MR. D. ORCHARD: Mr. Chairman, you know, I guess maybe we could debate this back and forth, and back and forth, and really not resolve anything. But surely if the Minister was intent and it was government's policy to community base certain mental health services he would already have been able to answer the question of whether a residence of six versus an institution of Brandon or Selkirk is more or less costly and more or less efficient. That should be known. That shouldn't even be a question we should be talking about.

HON. L. DESJARDINS: But it is a debatable point all over.

MR. D. ORCHARD: But I mean it's a debatable point, but surely with a research directorate you would have those kinds of reasoned arguments prepared. But we don't and I'm not going to dwell on that. But the Minister did not answer the question as to whether both Brandon and Selkirk were currently or had a study undertaken . . . - (Interjection)-

HON. L. DESJARDINS: I did. I said that, well, with the staff, that in fact they suggest maybe we should have more staff in Selkirk and I said that then there was the role study of every patient and that is being refined and we'll get an idea. Pretty well so far what we have is what I mentioned, those who could go in a psychogeriatric hospital, those who could go in the community with certain services, those who could go with the acute care beds, and that's what I say. It's debatable, because it is not that easy to get all the information if you're just talking about now.

If we changed to all the different systems, including day care and more acute care beds, it probably will be cheaper. But I was talking about staying in an institution, those who have to either stay in an institution or in a cottage in an area with six, because at times you're comparing apples and oranges. It has to be people who need exactly the same kind of care.

Now we want to look at the patients in the community who are already there to see if those people are, first of all, if they're getting the services to be able to remain in the community and that's an important thing or if they should be in an institution without that.

We don't want to make the same mistake as I think it's one of the biggest problems that they have in the States in some of those large cities where there are

so many people who have no homes at all who are walking around, not only in the States, even worse, in a place like India and places like that where many of them are mentally ill.

MR. D. ORCHARD: Well, Mr. Chairman, a couple of more questions in terms of the regionalization concept. Have any advisory committees been struck? The Minister is indicating he's talking to community groups, that certain discussions have taken place. Have there been any regional community service groups or community-based regional advisory committees struck so that they are beginning on the process of planning noninstitutional delivery of mental health?

HON. L. DESJARDINS: That are what? I didn't hear the last thing.

MR. D. ORCHARD: That presumably are planning for the implementation of noninstitutional delivery of mental health in the communities.

HON. L. DESJARDINS: Well, there is that report that has that recommendation that we have in front of Cabinet now. That has been at work with the people in the community, the advisory committee, but as far as the community committees, that would be the next step, to work with them once we know if we had the approval of Cabinet and so on. And that was the thing that was holding - I shouldn't say holding it back - they were doing their work, and they did it quite well with the advisory committee without any interference from government at all. They've looked at it and they made their . . .

MR. D. ORCHARD: So the advisory committee report has been summarized and is before Cabinet for their consideration. Is there a time schedule for consideration of that? Do you have a time schedule in which you wish to receive approval so that you can then go and implement, presumably some regional advisor, or constitute some regional advisory committees to get on with the job of presumably planning, for instance, in a Parklands region, delivery of the service?

HON. L. DESJARDINS: Well, let me tell you where we're at. With that recommendation, that Cabinet document that is being prepared, was in front of the advisory committee who met with me and senior staff just a couple of weeks ago who are following that meeting, who are refining it and we're setting the recommendation. In other words, it is really taking consideration the recommendation that they made and that will be sent, maybe with different options, talking about different options, if we had different options in certain areas, that will be sent to Planning and Priority and any time now we should, I don't know if we've got that refined paper back.

We should have it within two weeks, I'm told, and it'll go immediately to the Planning and Priority Committee in Cabinet.

The time table, I don't know, as soon as we can because we realize also, as I confess, we're not going as fast as we'd like to so we're going to certainly do as much as we can as fast as we can. I hope that we'll do it properly.

Tuesday, 21 April, 1987

I can give you - are you interested in knowing the kind of people we have on this advisory committee?

MR. D. ORCHARD: Sure.

HON. L. DESJARDINS: All right. We had Dr. Ken McRae; A.D. Osted; Dr. Prosen; Mr. Walters, our director; Sister Jean Ell who's from Sara Riel; Dr. Toews, who is a provincial psychiatrist; Mr. Joe Cels; Mr. D.F. McLean; Lily Walker, Ph.D.; Ted Redekop, Brandon; Bruce Tefft, Ph.D.; and Mr. Billinkoff.

The regional work groups will have the specific task of determining regional needs and making submissions for regional plans for the development of services. This is what you were referring to a while back.

MR. D. ORCHARD: Okay, then that group that you just listed, the individuals you just read the names off, they've got presumably got a report which is currently before Cabinet.

HON. L. DESJARDINS: We met with them, we had a discussion, that has been refined and I should get it, I'm told, within a couple of weeks. Mr. Nick Kalansky is the able chairman of this committee.

MR. D. ORCHARD: Then does the Minister require - in here I'm asking procedure. After you get the refined report from your advisory committee, do you then take a proposal to Cabinet or are you able, from having the refined report, to go directly to setting up the regional advisory committees?

HON. L. DESJARDINS: No, it's kind of a gamble that I did, because with the understanding that this was a confidential exercise with the advisory committee, it was the only way that you can go - they agreed with that. They are giving us the best recommendations they had, and I wanted that from these experts before going to Cabinet, so I'm coming with recommendations of the experts in the community. So then Cabinet can decide to accept some recommendations, all of them or none of them, or to all of them, but saying well, we're not committing to do it in so many years or so.

MR. D. ORCHARD: At what stage - and here I'm curious - at what stage will this recommendation be made open for public discussion, because there's a lot of interesting - or is that the nature of the document?

HON. L. DESJARDINS: Well, you're curious but you're getting me to maybe open up a little too much. The situation is that . . .

MR. D. ORCHARD: That's never happened.

HON. L. DESJARDINS: Oh yes, it does everyday; I talk too much. The situation is that we're going to make certain recommendations to Cabinet, and one of them might be that we just throw it wide open. That's a gamble that we might take or Cabinet might decide no, this is the policy we want. I'll have to take my chances.

MR. D. ORCHARD: No, no. Mr. Chairman, I'm not fingering the Minister to tell me what he is going to

recommend to Cabinet out of this advisory group's series of recommendations. I'm not . . .

HON. L. DESJARDINS: You mean the policy of government?

MR. D. ORCHARD: I'm not asking him to tell me what the policy is going to be.

But you've assembled a group of experts, and some of the names I'm familiar with and I know that they're the leaders in the field, in the Manitoba mental health community. There are other people that maybe would have contributed as well; I don't know.

What I'm asking is: Is the nature of that document such that it can become public for debate amongst the interested groups in the community so that they can see the range of recommendations that are being made? Because I guess there's always the danger, like you get tagged with saying well, this is government policy if you release a recommendation. That happens all the time in Ottawa; it happens all the time. There is a danger of that; I recognize that, having been a Minister myself at one time.

But what I'm asking the Minister: When is there a report that public discussion can focus on, and what will that report be?

HON. L. DESJARDINS: That will have to be decided; I can't anticipate what Cabinet will decide. It's going in planning priority. They could take the whole thing and say fine, we're going to approve it in principle, but let's have a White Paper for the public to discuss at this time. They might decide to say well, all right, let's take it the way it is now and put a White Paper to see what the public - set your community committees, discuss it with them and come back; that's a possibility. Or they might say all right, this is what we're ready to do at this time.

They could take part of it and the rest they might say now discuss that, refine that, discuss it with the community, see what the communities want after all if you're going to set these committees. So Cabinet will have to decide on this, but I would imagine that some of it, certainly, if we were going through - if we're serious about setting up these committees - many committees will certainly discuss some of the things with them.

MR. D. ORCHARD: You see that's the whole point. If you're going to end up with presumably - let's call it a "master plan" in terms of mental health delivery that your advisory committee has put together for you - you're going to pick and choose at the Cabinet level, presumably, certain aspects of it.

I would presume, then, when you're moving to your regional advisory committees for their assessment of needs, they've got to have - like the demand would be unlimited if you just said tell us what you want and we'll give it to you. You've got to have a framework under which they're going to be, presumably, determining community needs and how they can be met within a certain resource target that you're going to be able to allocate towards regional delivery.

You see, we can get ourselves into a protracted planning and study thing that's going to last forever with no target out to the community to those interested

individuals in the community to say, yes, I agree with Recommendation No. 1, but I think Recommendation No. 3 doesn't wash. It won't work in our circumstances in Dauphin or in Morden or in Winkler or wherever, and I admit there's some risk in involving that, but it's not your risk, Mr. Minister.

It is a group of people, presumably, who understand mental health better than any other group you could have assembled; otherwise you wouldn't have brought them together to give you this report. I don't know what's in the report, but you might consider that being one of the pieces of information used to focus public attention because it's not your report. It's a report compiled by everybody from the head of Psychiatry throughout the community.

It would give those interested individuals something to focus debate on, and I think that's maybe what's lacking, because right now I'm telling you you're not moving fast enough, other people are telling you you're not moving fast enough. You're saying your resources are limited.

We don't really know - well I suppose we do know what we'd like to see - but until we have a White Paper, a target proposal, to evoke community debate and say this is good, this is bad, we think we can go with this, we think we shouldn't go with that, then you're going to get probably a better assembly of opinion and support for any changes you're going to make, because unless you have support in the community, you can't make the system change.

HON. L. DESJARDINS: Mr. Chairman, I recognize that. I recognize also the other concern, though, that we also on the one hand let the people discuss it, but don't reinvent the wheel and start it at one, and with the point that you made, that it then becomes an excuse not to do anything and keep on forever and a day. So that's what I said, that we accept in principle - that's a given - the Pascoe Report, the recommendations.

And we're very close; in many ways we agree. I mean that's why I say there is no doubt that we want to deinstitutionalize as fast as possible and as much as possible. That's something we agree with.

But it might be that certain things we might not want. There might be certain things in the recommendations or something and we'll say okay, this is a given, and then some guidelines also so they can discuss something but we don't reopen the whole thing.

I think it is necessary, and it's so true that no matter how good the program is, if the community is not participating or if they don't buy it, even if it's the best program in the world, and if they don't buy it, well, then you're not going to sell it, of course, and it's not going to succeed. So I would hope that there is at least a certain amount of time for discussion and prioritizing in different communities. It might be that different communities might want to move in not exactly the same way or at the same speed.

MR. D. ORCHARD: Mr. Chairman, before moving on and we approach five o'clock, some specific questions again.

Page 67 of your detailed Estimates, under Other Expenditures, Supplies and Services have gone up from \$5,100 last year, 1986-87, to \$117,400.00. As well,

Professional Fees were non-existent last year and now are \$110,000.00.

HON. L. DESJARDINS: That's the Review Board for this change in the act that we're proposing, that we'll propose this year.

MR. D. ORCHARD: The Mental Health Act?

HON. L. DESJARDINS: Yes, a new Review Board. Prior to that, it was brought in even, you know, and it was so costly at the time and there should have been - it was never proclaimed. There are two staff to support the Review Board also.

MR. CHAIRMAN: The Member for River Heights.

MRS. S. CARSTAIRS: I'd like to go back, Mr. Chairman, if it's possible, to a more general discussion for a few minutes. We have dealt, to some degree, with our orientation to an institutionalized mental health system as opposed to a community-based mental health system.

What I'd really like from the Minister is the specifics year-to-year, in other words, last year to this year, as to what is available in the mental health community today that was not available a year ago. For example, how many more day care spaces do we have? How many more community-based resources do we have, community residences, if you will? How many more opportunities are available for people who are suffering from mental illness today that were not there one year ago?

HON. L. DESJARDINS: Okay, well Proctor, we had 20 and we have 39 now. The total, I think it was \$1.3 million. There were 6 more spaces in Schomes - 15 spaces at the Schomes Incorporated - there are 6 new spaces there. And 15 from the community residences - we took 7 of supporting housing from CMHA and added another 8 - there are now 15. That was on stream, but it was the full-year cost. For CMHA in the Westman, 6 spaces; and Friends of Schizophrenics, 6 spaces - those are things that were on stream, but we had to pay for the full year - Eden Residential Care Services, 8 spaces; Sara Riel, 19 spaces.

The Day Program, the YMCA, there are 15 spaces that they run five days a week; the YMHA Rehab Program, there are five groups of approximately eight people to each group. They work with the YMCA and YWCA. Residence Langevin, there are eight spaces there that are run by the Kiwanis in St. Boniface; and Society for Self-Help, those are the two groups that we helped to amalgamate. The Salvation Army, the Haven, that's for a partial year. It's establishing for the future, they have a big residence. There are program workers and there are about 30 residents. Then there are day programs at 189 Evanson. We give them some extra money there also. Then there was the CMHA Grant and the Mental Health Research Foundation Grant also.

MRS. S. CARSTAIRS: So if we took all of those figures, and then I'm just going to do a rough calculation, are there 100 more people in Manitoba now today receiving

community-based mental health who were not receiving it a year ago?

HON. L. DESJARDINS: No. We're practically ready to open this thing we've heard so much about, the 100-bed Psychogeriatric Hospital in Brandon. That should be open this year. It's a guess, but that's a pretty fair figure really, not counting those 100 who had to move from . . .

MRS. P. CARSTAIRS: Well, with all due respect, I don't consider the psychogeriatric beds in Brandon and in Selkirk to be community-based programs. I mean, all you have done is move one institution out of an institution and moved it into another institution.

HON. L. DESJARDINS: But it's still part of something that has to be done, if you're going to deinstitutionalize and get away from the mental institutions. It's like building more personal care beds in that area.

MRS. S. CARSTAIRS: But, Mr. Chairman, you're dealing with an issue here where you may have somebody from Thompson who was put into a mental institution in Brandon. They're now going to be put into a psychogeriatric unit in Brandon. That does not bring them back to their community. I'm concerned about the community mental health facilities where individuals can remain in their community.

I think we have to deal with the reality here. To some degree, I have sympathy with the Minister's position that he did not want to move when Saskatchewan moved because he didn't believe that the community was ready to accept the mentally ill within their society. I think that there's good indication that perhaps he may be correct, that 10, 15, 20 years ago, the society as a whole were not prepared to have mental health patients living in their community next door, if you will.

But one of the most exciting elements to me of the Winnipeg South Family Study, and one which I don't think was ever anticipated, was the reaction of the general public, that they are now ready to have community-based mental health clients, because I think it's a better word than patient, within their community. Not only were they willing to have them within the community, they were even willing to have them in the same block.

That is, I think, if you will, a major change in the social policy of Manitobans and Canadians as a whole. There is now a recognition that a great many of us, in fact, every single family in Manitoba, will in fact be in a situation at some point where a family member will in fact suffer from a mental disease. Whether it's short term or long term, we are all going to experience it. Therefore, we had better move towards community-based services because that is where individuals want those services delivered.

What I don't see happening - and again we go back to timing - fast enough is the movement to the kinds of supports that I think need to be made. Now, if we look at the approved vote over the adjusted vote from 1986-87, four community residences such as Sara Riel, Eden, Manitoba Friends of Schizophrenics and down the long list, the actual grant for those external agencies for this coming year will be down. Now, why will it be down?

HON. L. DESJARDINS: While staff are looking for this, there's something that I didn't quite understand. I don't know if the member said that I did not want to move when Saskatchewan moved?

MRS. S. CARSTAIRS: You had made an indication earlier that you did not want to create "bag people" on the streets of Winnipeg, and I agree with you absolutely, and I think there is frequently a time when you can move to a community-based service and a time when you can't move to a community-based service.

HON. L. DESJARDINS: I agree. The point that I made is, first of all . . . Well, that had nothing to do with Saskatchewan. Saskatchewan started 25 years ago, but some people suffered because of that. They weren't ready. That might have helped prepare the way for people to accept. Now what I did say is, in the days of Tulchinsky, when we were talking about the deinstitutionalizing, it'll be the same thing in what we're talking about in ordinary hospitals, but that was the mental health, and we weren't ready and the people did not want to accept that.

In fact, that certainly helped. Since that day we've been selling that and, not only us, the Canadian Mental Health Association has certainly been pushing that and things have changed. I don't know if I agree with the honourable member that the people say, yes, let's move them next door. Right now the step is it's a great thing, bring them into society, but not next door to us, on another street. I've seen an awful lot and we've had problems with that when we tried to build some of those. In all fairness, that's in the Schreyer years I'm talking about and things have changed.

We also brought in an act without proclaiming it. As a teacher, you know yourself that the teachers didn't want some of them, didn't want any part of that, and some of the parents didn't want their kids . . . so that has changed and that's true. I have no argument, and I said I could be criticized for not moving fast enough.

As far as the geriatric people, I said that there are some who have been there long enough and there are some - and they're not all from Northern Manitoba, there's some from that area. So we said we'll start the first thing and that's got to be done in an orderly way. It's not a glamorous thing because you're right. You're still moving from an institution, but that has to be done, so that is going to be under the control of this institution. It's a personal care home. Those people have been identified that they would be, if they were anywhere else, if they were in an acute care bed or if they were in a community they would be identified as people that should go in a personal care home, and we're building some of those.

Then there's other groups that will go out; they'll be back in society and so on, but they need the acute care beds so when they have a breakdown they can go. Acute care bed is for a short term; it's not the same as this, so that's going to change. We're talking about building these acute beds in Selkirk and Brandon, but I'm also saying there's another 250 or so that will have to be taken out of there and go in the community, and those are the ones that you were talking about. That is in our plan and what we have in front of Cabinet

now. We're not moving fast enough - well, I've already covered that.

The External Agencies went from 931,000 to 1,219 in 1985-86 to 1987-88. They will get less than forecast, but not less than spent. That's the point you're making, isn't it, from last year?

MRS. S. CARSTAIRS: The adjusted vote is higher than what they're going to get this year.

MR. CHAIRMAN: The hour now being five o'clock, we'll adjourn until this evening for Private Members' Hour.

SUPPLY - AGRICULTURE

MR. CHAIRMAN, C. Santos: The Committee of Supply will please come to order. We have been considering Item No. 3, Manitoba Agricultural Credit Corporation. The Honourable Minister.

HON. B. URUSKI: Mr. Chairman, I'd like to provide members opposite with a brief overview of some of the activities in the last year. MACC activities in loans and assistance to our farmer clients for the 1986-87 fiscal year totalled \$62.1 million. This was \$4.6 million lower than the . . .

A MEMBER: . . . a copy of that.

HON. B. URUSKI: No, I don't. I just have one. They are just in point form, Mr. Chairman, comparing the '86-87 fiscal year to the '85-86 fiscal year, there was a \$6.1 million decrease in guaranteed operating loans approved and a \$1.1 million decrease in interest rate relief payments. There was an increase of \$1.8 million in fixed rate loans approved. During the 1986-87 fiscal year, 708 fixed rate loans were approved for a total of \$34 million and 421 farmers received guaranteed operating loans for \$26.1 million. For the fiscal year 1986-87, \$1.9 million was returned for farmers under the Young Farmer Rebate Program.

MACC also administers the Commercial Fisherman's Loan Program on behalf of the Minister of Natural Resources. In the last fiscal year, 144 new loans and 925 supplemental loans were approved for a total of \$3.4 million. Over 50 percent of the approximate 2,500 commercial fishermen have loans with MACC.

Mr. Chairman, as a result of the adverse economic and climatic conditions experienced by Manitoba farmers over the past five to six years, there has been a marked increase in the lands reverting to the Corporation by way of voluntary quitclaim. Some of these farmers are good managers and could possibly turn their financial circumstances around if given the opportunity to lease back their reverted property for a three- to five-year period. This would be possible due to lower costs of leasing as compared to the costs of servicing land debt. Where it is assessed that a borrower has the managerial skills to operate a viable unit under a lease agreement, MACC will now be leasing back the reverted property for periods of up to five years with the client having the option to purchase.

MACC is in the process of developing a leasing or rental rate model based on the contribution principle

and which other lending institutions we hope can be encouraged to use. We're looking at leasing model as well as examining the possibility of looking at a model dealing with set aside and a principle based on actual cash flow basis to operate the farm unit based on whatever principle the farm can carry during these economic times. We have not finalized those discussions and, as soon as they can be concluded, I will be making those public and notifying both members of the House and the people of this province.

As well, Mr. Chairman, I'd like to indicate that MACC will be showing leadership again in assisting farmers who have mortgages in excess of double-digit interest rates, those mortgages which were purchased or taken out in the years '80-83 when long-term interest rates hit a high of between 16 and 17 percent. As members know, we allowed a buy-down portion financed on the short-term basis to farmers in 1982, and there were mortgages totalling approximately \$52 million and, if all farmers had exercised their option to purchase their saving over the life of those loans, would have been a saving of \$18 million. The buy-down cost to producers was slightly in excess of \$1 million to buy those interest rates down to the then interest rate which was at 13 percent, the long-term borrowing rate.

We are now announcing, Mr. Chairman, the program that we are offering farmers and we'll be communicating with each individual client because there will be differing benefits to differing farmers - the Corporation will be offering farmers a buy-down for farmers with interest rates of more than 12 percent who have loans with 10 or more years of payments remaining. Those will be the main beneficiaries, Mr. Chairman. The buy-down rate will be to 8 percent. That will be the new rate of financing, more than 2,100 of such loans with a total worth of \$108 million would be eligible for the buy-down. Many of these loans, of course, are to young and beginning farmers. The fee for buying down the interest rate may be paid either in cash or through a supplementary loan with the Corporation.

The supplementary loan will be made at the MACC's current interest rate of approximately 9.5 percent. The government intends to provide MACC with an additional \$29 million in capital supply to accommodate the program.

The Corporation has calculated that an average MACC client with a \$51,000 loan balance at a 12.1 interest rate and 18 years remaining to pay would save at least \$10,500 over the life span of the loan by participating in the program. This saving would be achieved even after the cost of a supplementary loan were paid. If a client paid the buy-down fee in cash, of course, his or her savings would be higher, recognizing that the amount that farmers may be strapped, we are prepared to provide a supplementary loan.

Just to put that into perspective, an example of the cost and benefit of the MACC client with a loan of 51,000 which is about the average loan of the Corporation, \$51,187 and an interest rate of 12.1 percent amortized over 18 years would be as follows: the current annual payment is \$7,098.00. The revised annual payment at 8 percent would be \$5,462.00. The savings per year would be \$1,636.00. The total savings over the term of the loan would be \$29,448.00. Now the fee to buy down the interest rate to 8 percent if

paid in cash would be \$9,857.00. However, if it was to be borrowed and tacked onto the loan, the supplemental loan used to pay the fee of \$9,857 amortized over 15 years at 9.5 percent would provide an annual supplemental payment of \$1,259 for a revised payment and supplemental loan payment of \$6,721.00. Calculating the saving over 15 years, there would be an annual saving of \$377 or a net saving of almost \$400 per year, total savings over the term of the loan of \$10,563, Mr. Chairman, to put the average loan into some perspective.

There will be cases where the interest rate may be below the 12.1 and the amortization period much below, so in those cases there would be of course considerably less benefit. Each farmer will have to assess what benefit there is in terms of this program, but if all farmers decided to take the program, as I have indicated, we would require approximately \$29 million of new capital to deal with this buy-down.

Mr. Chairman, over the past five years, several programs have been introduced to assist young, beginning and expanding producers and producers in financial difficulty. This of course included (1) the Interest Rate Relief Program which was introduced to help ease the burden of high interest rates of farmers in financial difficulty; (2) the Guaranteed Operating Loan Program which was implemented in 1983, when it became apparent that many farmers were having difficulty obtaining operating loans; (3) the Comprehensive Refinancing Program was introduced in 1985 to consolidate and restructure debts of farmers in financial difficulty; and (4) the Interest Rate Buy-down Program in 1983, followed by two years of interest rate reduction programs, where the interest rates of MACC clients were reduced to 8 percent.

MACC accounts for only approximately 12 percent of the total agricultural credit activity in Manitoba. It's certainly hoped, Mr. Chairman, that by MACC taking the initiative in the leaseback program and providing a lower interest through the buy-down program, that other lending institutions will implement similar programs.

On several occasions, Manitoba, along with other provinces, asked the Federal Government to establish a national Guaranteed Operating Loan Program and of course to restore the Farm Credit Corporation to its rightful place as the dominant farm credit agency. This, Mr. Chairman, I will continue to pursue.

I believe this is a brief overview of the Corporation, Mr. Chairman. We'll attempt to answer as many questions as possible.

MR. CHAIRMAN: The Honourable Member for Virden.

MR. G. FINDLAY: Mr. Chairman, as the Minister says, the MACC accounts for about 12 percent of the money that's borrowed by Manitoba farmers. The credit unions and banks, I understand, account for about 52 percent, and that leaves FCC with a fair chunk of the activity in Manitoba. I notice also that FCC interest rates are now down to 10 percent for five years, and commodity based loan mortgages are down to 8 percent and 8.5 percent.

I guess one of the most common complaints that I get about MACC is the long time it takes to process

a loan. That comes up repeatedly, and the comparisons that are given to me, and I'd like the Minister to comment on why MACC is so slow on processing loans; but in general I'm told that it takes up to two months, maybe three months for FCC to process a loan, and the banks about the same period of time, whereas at MACC it's four months, six months, and in many cases a year after the initial application is put in before the client knows whether he's going to be funded or get the mortgage from MACC. I'd like the Minister to comment on why that is so.

I know it was so a year ago and I haven't been given any information that would indicate that there's been any speed-up in the process. When I look, I have the 1985 report or 1985-86 Annual Report in front of me and there's 19 different MACC account categories listed and the Minister is now adding about two more this year with the interest buy-down and the other one he announced anyway. So there's more workload on the people that work for MACC and it's more difficult now to get appointments at the offices. I'd like the Minister to say what he plans to do to try and improve the turnaround time for clients applying for a loan and increase the opportunity for clients to get to see their agent.

HON. B. URUSKI: Mr. Chairman, we have been, and I have been sufficiently concerned with that question the member raises for some time as well, and the executive staff of the Corporation have attempted to do everything within their power, based on the current staff complement that we have.

We instituted a management review this last summer, an internal review between staff of our department and the Corporation, to attempt to look at, I guess what I would consider some of the blockages that might occur in the process of turnaround time. There is no doubt that we have been, quite frankly, in terms of long-term credit, for many farmers, the only game in town. When I say the only game in town - (Interjection) - well, of course. The member says, if you can't get a loan it doesn't matter. But when your interest rates are running from .75 to 1.5 percent lower on the long term, than FCC, than your national counterpart, Mr. Chairman, guess where farmers are going to head? They're going to head right for your door, and I make no bones about it and I make no apologies that the amount of applications that we've had coming in over the past number of years have in fact been - in fact, I believe last year, the first three or four months, three-quarters of those applications were from FCC clients, and there is no doubt that we've added significantly to the number of programs that MACC field staff have in fact been operating.

We are slowly trying to move out of some of the areas, but I want to tell you that there is resistance on the other side and I'll give you the example. An example was the Cash Advance Program under the Beef Program, where the initial intent of the program was to provide a transition for farmers who wanted to finish off their cattle, either by feeding them on their own farm or in fact putting them into feedlots and have them commercially fed, but were strapped during the interval for cash, and we provided a source of credit for them to make this transition.

Tuesday, 21 April, 1987

Mr. Chairman, what has occurred is that now we're probably one of the lowest, maybe not the lowest, but one of the best credit agencies in terms of providing operating credit on an ongoing basis to a large number of cattle farmers who in fact are using that avenue too, I guess I would say, and I have no difficulty with that, but it moved away from the initial intent of the program. Farmers are using the program, basically to finance other aspects of their operation, primarily the grain portion of their operation where they have payments to meet and/or crops to put in and are using this program. That does and has put an awful lot of staff time onto the workload that they've had.

So, Mr. Chairman, we have been concerned with this; we hope that some of the changes that we've made in the internal review will speed up the process, but I don't want to leave the impression that all of a sudden we'll be able to in fact process a loan . . .

Mr. Chairman, just a bit of information from my honourable friend, and here's where I guess we'll always have the debate as to the completeness of an application, and this is some of our own internal work, having the application totally completed to the satisfaction of head office. In fact, we are in the process now of revitalizing our whole credit manual so that the credit manual for our own field staff is much clearer than it has been in the past. We've never had a concise credit manual. When that is complete, we hope that the process that field people take will be consistent, and if everything else is complete, we have moved the turnaround time in head office roughly from a 50-day time frame now to about 15 to 20 days, but bearing in mind that the application form has to be completed, that all the aspects of it have to be complete. What has, I know, taken a lot of time in the past has been questions that have been raised by head office, going back out, the credit agent having to contact the farmer and the time lag in between. That's been one of the major problems that we have had in the past besides additional workload.

MR. G. FINDLAY: Mr. Chairman, I'd like to ask the Minister if MACC has seconded any staff in the last year to speed the process up at different times of the year and if, yes or no, also as to whether he plans to do that in the coming period of months because with the interest rate buy-down program that he's introducing there needs to be a lot of discussion with farmers to decide the options and make the decisions as to what to do.

HON. B. URUSKI: Mr. Chairman, in terms of handling the buy-down program, we will be getting some term staff to assist in that workload, but what will occur in this program is that there will be a number of options provided for the producer and the calculations on each option based on the term of his loan, on the amount of the loan remaining to be paid and each option will be itemized. If the producer, of course, requires some assistance in understanding what each option means, our field staff would be available, but we would not be making recommendations to the farmer as to which option he or she should choose. It will be a financial decision that the farmer should and may be advised to consult their accountant as to examining the financial

changes that they in fact should be making and/or whether they in fact should be making financial changes at this stage of the juncture.

Mr. Chairman, we, as well, have hired in the past some term staff during summer months to relieve our field staff on holidays. We are in fact examining whether or not we will be able to hire an additional field staff to be, I guess of what I would call, almost a roving or a floating field rep who will move from area to area to fill in during higher application or higher workloads in areas around the province. That's the concept we are looking at presently. We have not finalized whether or not we'll have that position; that option is being examined.

Mr. Chairman, there have been and there are ongoing a number of secondments to MACC from our department dealing with the computerization of the system. There are a couple of people there and will be there for, I would say, the next number of months until our entire financial system is placed on computers, and that staff have been working there for the last number of months on a full-time basis. As well, MACC has hired, where feasible, per diem staff, primarily appraisers and clerical people, to assist in the field and in head office with the application process to basically try and keep the system moving and not provide the kind of holdups that we're uncomfortable with and I'm sure farmers are.

I believe and I'm sure the honourable member believes that good, bad or indifferent, we should be in a position to say, yes, we'll take you, or no, we can't take you and here are the reasons. That's what we're trying to achieve especially with financial pressures being placed on farmers from other institutions and saying, well, if you're not going to get this loan from MACC, we're not going to carry you. Those kinds of pressures. And we recognize the kind of pressures farmers are under, but we're as well trying to resist some of those pressures and not to be stampeded into making rapid decisions so that in a short term it may be a quick decision, but in the long term a wrong decision for the applicant.

MR. G. FINDLAY: Do the staff in the various MACC offices have the authority to inform potential clients that their situation doesn't look like it will be approved as a loan, or do all applications have to be approved or rejected at head office?

HON. B. URUSKI: Mr. Chairman, the staff, in terms of the working relationship to head office, have not only got the authority, it is our requirement that they basically call a spade a spade. That's not to say that farmers will be deterred, if MACC happens to be sort of the last door that they've come to, from saying, well, look, will you consider it anyway? What our staff have been advised to do is to advise farmer clients the likelihood or the nonlikelihood of the success of an application. Given that advice, the farmer can go out and see whether he can make alternative arrangements or tap into other sources of credit that may be available. But I venture to say that there will be cases where we may be the sort of the last door that the farmer is going to and he will not want to take that advice from our field staff and will be demanding that there be an

assessment at least made by head office. And that, of course, doesn't add to the turnaround time.

MR. G. FINDLAY: Mr. Chairman, I'd like the Minister to give us some idea on how a farmer proceeds with an application. It is my understanding that loans are made on the basis of whether they will cash flow or not, and that's been a change in procedure over the last few years and I would like him to tell us what the Corporation is using as its guidelines in grain prices for filling out these cash flow projections.

HON. B. URUSKI: Mr. Chairman, essentially what occurs is that the farmer approaches our field rep and provides him with an overview of what his potential application or his requirements are. In discussions with the field rep, if it is determined that the proposal in fact is meritorious and can in fact be handled or considered, then an application form generally is provided to the farmer after that discussion.

The farmer then makes his projections and fills in his application form and provides it to MACC, to our field rep. At that stage, the field rep discusses those projections in line with generally what we have established as a criteria and that being the case, if everything else is up-to-date, an appraisal is made of the farm property and of what the security is going to be on that loan application. That being done and completed, the application then is forwarded to head office for consideration.

In terms of the price support or price level at which we're using and calculating our loan figures on presently, we're looking at wheat, No. 2 and 3, at \$90 a tonne; feed wheat at \$65 a tonne; Durum at \$95; barley at \$60; malting barley at \$140; flax at \$170; canola at \$180.00. Special crops would range from a low of \$110 a tonne to a high of \$374 a tonne for lentils. Field peas, corn, favabeans, sunflowers, mustard would have a price range in-between there.

Any payments made under the Western Grain Stabilization Fund are to appear as a separate revenue item and, of course, that would increase the value of the product that the farmer would have as added income to his operation.

Mr. Chairman, in every office, our field staff are using computer technology now in MACC, and we have a calculation based on the computer model. That computer model can be used to provide a farmer and to arrive at an individual producer's expected benefits, given his participation level. So the information that we require for the analysis and approval of our loans can be put together fairly quickly, because of the use of computers and having the model in the system at the present time.

MR. G. FINDLAY: We're in about the same position we were a year ago where you're using figures for cash flow projections at MACC, which are lower than what a farmer can insure his crop for through crop insurance, lower dollar per tonne figures or dollar per bushel figures.

It's kind of ironic that you, as Minister, will allow your Corporation to use figures that are below the low, Mr. Minister, the recently announced initial prices for the coming year. You've already reduced the initial price

of grain and acknowledged that it shall be so and yet, you stand up in the House and tell us initial prices should be held up at last year's levels.

You had gone through a reduction in terms of instructing the Corporation some months ago in how they're going to allow farmers to develop their cash-flow projections. It's extremely ironic that you don't give the farmer the benefit of the doubt. This is what farmers run into. You can't get a good hearing from MACC, because values that you're allowed to use restrict your ability to cash flow your application to a horrendous degree.

Then the next question comes: Is there a limit to the amount of yield that a farmer can put on his application, his projected yield? Does the Corporation have an upper limit to the yield allowed, or can he put down what yield he believes he can get, because all this affects his ability to cash flow his loan?

HON. B. URUSKI: Mr. Chairman, the members opposite want to have it both ways, and they're comparing apples and oranges.- (Interjection)- Mr. Chairman, I listened to the Honourable Member for Virden quite closely, and he made the comparison that, look, you're going to insure under crop insurance at a higher level and a higher dollar value. Mr. Chairman, the only time that dollar value will be paid is if there is a complete wipe out. Crop insurance coverage and any insurance coverage is not there on the assumption that there will be a total wipe out, Mr. Chairman, none whatsoever. The honourable member is attempting to compare a total wipe out of what a farmer would receive on the basis of what realistically the marketplace can, in fact, provide him.- (Interjection)- well, realistically.

So, Mr. Chairman, in terms of yields, to follow up on his further question, the farmer can put whatever yields he wants to, but he would have to be able to back it up with historical evidence that his farm actually produced the "X" number of bushels of whatever particular crop over historic pattern. But if in fact the historic pattern of an area, say, is 20 bushels and the farmer is putting 40 bushels down as his production capability, obviously if I was a credit manager in that field, I'd ask, show me. I am a "doubting Thomas." Show me that you've been able to sustain that production and we'll use it, if you've consistently outproduced what the historical average is of your neighbours.

MR. G. FINDLAY: In many cases, you'll have young people coming forward for a loan because the majority of loans come through MACC for young farmers. Will the Corporation accept data from the fellow's father or from the farm unit that he's probably going to be part of as the base line for establishing yield for the young farmer applicant?

HON. B. URUSKI: Mr. Chairman, I think my comments still stand. If it's realistic, yes, they will.

MR. G. FINDLAY: In the process of going through an application, an appraisal is done on the land - we'll talk land right now - is it done by private individuals separate from the Corporation, or is it done by Corporation staff? What percentage of the appraised value is now being used for developing the mortgage?

Tuesday, 21 April, 1987

HON. B. URUSKI: Mr. Chairman, we will allow up to 80 percent of the current market value, and the appraisals are done by our field staff, and up to 70 percent if we're in a second-mortgage position.

MR. G. FINDLAY: It appears to me that, because of the tight economic times and the extreme difficulty it is for any farmer to cash flow an operation, no matter what degree of equity he has in his operation, I would think he must be running into difficulty in finding farmers who can qualify for a loan on a cash-flow basis and still be under the \$185,000 equity ceiling.

A lot of comments that have come to me have been related to that ceiling. I've had people say that, you know, I worked out my net worth at \$167,000 or \$175,000.00. Then an appraisal was done and they bumped me up over the \$185,000, so I no longer qualify for an MACC loan.

I would think that the Minister should surely be considering raising that limit because, as I see the Corporation and the things it's done in the last few years, its desire is to have sound clients who can pay their bills, not ones who can't pay their bills. Therefore, I would think that you would want to attract more people with a higher equity position, because they are obviously the ones in a better position to pay their mortgage as time goes on. I would like to hear the Minister's comment on the \$185,000 ceiling, which now appears from my point of view to be a little bit unrealistically low.

HON. B. URUSKI: Mr. Chairman, depending on what perspective you take on the role of respective institutions in agricultural credit, it would be not very hard for us to move to doubling it to \$400,000.00. But quite frankly, what would happen is that we would be basically taking the Farm Credit Corporation off the hook from their traditional role. There has been that traditional split of business - and I acknowledge, Mr. Chairman, with land values escalating, the level of the \$200,000 limit when land prices were going up, asset values, that we were considered as being just a very small lender. But quite frankly, Mr. Chairman, as asset values are starting to drop, boy, that picture changes mighty quickly. You'd be surprised as to the size of the farming operation that you can in fact mortgage today that you couldn't even look at three years ago, so depending where you are in that pendulum and how you perceive the role of your own institution versus other institutions in the field.

We also, in terms of the clientele - and everyone, of course, is looking for clientele who can repay their debts. We're no different than anyone else. Mr. Chairman, we've recognized that part-time farming is a fact of life, so we instituted the Part-time Farming Program. In fact, the use of farm income, not only for the part-time farmers that we have on but for other farmers who have had to resort to off-farm income, is of course an area that we certainly have kind of moved to that niche, but the niche in the market of MACC historically has been for young and beginning farmers. Once you get into above that \$200,000 range, it may be, at the upward trend of the inflation cycle, we were considered very small but now, on the downward trend of that cycle, it's a completely different story, Mr. Chairman.

MR. G. FINDLAY: Mr. Chairman, the Minister awhile ago mentioned in the mortgage application that Western Grain Stabilization payments were in a separate category. It's been said to me by people who have been making applications that they don't feel they are being given credit for income they believe is coming from Western Grain Stabilization or income that's coming from the deficiency payment or the Special Grains Program or the money that they will get back, the up to \$2,000 Young Farmer Rebate. That cannot be considered in the cash income that farmer is going to achieve over the next year, because they are told that the Corporation doesn't believe it's a guaranteed income.

Well, once an announcement is made by a level of government, I'm pretty sure it's a guaranteed income. Announcements like yesterday, you know what the Western Grain Stabilization is. We know what the deficiency payment is going to be. The announcement was made a couple or three months ago and, if you're a young farmer applying and you fill out the application form, you can certainly calculate what his Young Farmer Rebate is. Can all those figures be used in the application form?

HON. B. URUSKI: Mr. Chairman, where we definitively know that there will be income in a particular year, the year during which the application is being made, we will include it in the application for the farmer.

I'm not sure, did the honourable member make the statement that we should be including income from the Young Farmer Rebate? -(Interjection)- Mr. Chairman, the Young Farmer Rebate Program, the rebate is only earned if the payments are made. If the payments are not made, then the rebate is not earned. There has to be some incentive for the payments to be made. I know now, Mr. Chairman, and I may as well say it, that we've had inquiries from farmers, for example, who have seen us providing quitclaim and lease-back opportunities. Some farmers have now made the mental calculation, maybe this is the route that I should go. I will pay off my other creditors, and I'll leave you sitting so that you in fact can do the same for me.

So, Mr. Chairman, the parallel of that to the rebate program is very much evident in what the honourable member is suggesting. Mr. Chairman, we would not be taking that kind of suggestion and putting it into effect. The payments have to be made to earn the rebate. That is a bonus and that clearly is - it's a help, but it is a bonus if all the other conditions are met.

MR. G. FINDLAY: Beyond the stabilization and deficiency payment then, what you're saying is that, once they are announced, they can be included in an application. But you're obviously going to have people caught in the situation where they had an application in a little bit early. It was in before the announcement. He wasn't allowed to use those and, in many cases, those make the difference between cash flowing or not, acceptance or not. You know, you've caught some people in a very difficult situation by not allowing them to be incorporated into the application during the course of the winter, rather than at this point in time.

HON. B. URUSKI: Mr. Chairman, as I've indicated, the use of federal support payments such as Western Grain,

which are in fact statutory, but they are using the avenue of making advance payments under Western Grain, the Corporation will in fact use those payments for the year in which they're made. Now if the application, let's say, was in '86, the projections of course would use the '86 payments in terms of the cash flow. If they were made in '87, they would be using the announcements in '87 in the year that they appeared.

We as well are fairly cautious and fairly conservative in terms of projecting future payments. That's where, in the longer term, the prognosis of markets and the ability to cash flow the operation without massive federal support, in the longer term, is the assumed method. But in terms of the short term, they are taken into account during the year in which they apply to or that the application is made.

MR. G. FINDLAY: What you're saying then is that you're not allowed to work them into your projection a year or two ahead. You're allowed to put them in this year, but not in a year or two ahead. As Western Grain Stabilization and deficiency payments are now being structured, it amounts to one-quarter or one-third of a farmer's cash income. That's a significant element of his income, and it was not included in year 2 and year 3 of the projection, it puts you in a very difficult position to demonstrate that your operation is viable, and I would like to see you give some consideration to utilizing them a little further down the road to give the farmer the opportunity to put his real income, because that is real income now, unfortunately, in the grain industry.

HON. B. URUSKI: Mr. Chairman, my honourable friend has just made my case for restructuring western grain and I thank him for that.

Mr. Chairman, obviously, and I don't disagree with what he is indicating that it should be done, but I ask my honourable friend whether he can predict what the payments will be two and three years down the road, in the way the program has in fact been put into place.

I don't believe we can in fact even put into play the Special Grains Program in some parts of the province, and I'll give you the parts - eastern region and the Interlake that was flooded in 1985. We've been given verbal assurances that they will be considered and payments will be made as a result of fields which could not be seeded in 1986, and no crops were planted. But to this stage, we have had no communication that in fact those applications will be accepted on the basis, because of the extreme wetness, they could not seed, and they would have seeded had the conditions been different.

We have been given verbal assurances that they will be accepted, but we cannot go. I think our staff of course would say, well, on what basis do we put those payments on those acres when we've had no firm commitment that those payments will be made to those farmers, and there's the practical example of how do you make those projections and the difficulty in that. You're doing the best you can, but at best it is a good guess.

MR. G. FINDLAY: Mr. Minister, in all seriousness, pretty well every farmer that deals with MACC also is probably

dealing with a bank, with an operating loan or some other type of loan. We sit down and we go through a farm plan for a year or two or three and we have to utilize those figures on the basis of the fact that they're structured on a formula, Mr. Minister. I think you know, as well as anybody else in this House, what the prognosis is for grain price increase in the next two or three years; and you know as long as the grain price stays down, you know the expenses of the farmers' operations are not going to come down any measurable amount, so you know the formula that was struck is going to trigger a payout time and again for the next two or three years.

I say, when a farmer's sitting down with his banker looking at the potential of these payouts and he's putting them on his cash flow, what is the difference between doing that than putting down the payments that he might get from the Beef Plan if he's enrolled in it? As you said, it's the best guess. Well, he's doing exactly the same thing with the Beef Plan, supposedly structured on a formula, Mr. Minister. What did you do on July 3 last year, effective September 1. You just threw the formula out the window and said, bang, we'll drop everything down. If all governments operated the way you do with those kind of payments, what you just said, "best guess," is probably not close enough. So you better look in your own backyard before you start criticizing other levels of government on whether they follow through on their word in terms of following a formula that's put in place. You're hurting the applicants for MACC because you don't trust other levels of government, and I say, can the members of the Beef Plan trust you in this province?

HON. B. URUSKI: Obviously, or maybe I shouldn't say obviously, maybe not to my honourable friend - he may not be aware that the Western Grain Stabilization Program, in the way that it is structured, as market prices continue to decline and the lower market prices are built into the averaging of that program . . . Mr. Chairman, the honourable member says four years. Three years? That's even worse. As those lower prices get built into the formula, the amount of support will start declining, Mr. Chairman, so let my honourable friend not say that program can in fact provide the kind of protection in income support that farmers need, and no one I think realizes it more than we have, Manitoba farmers, starting in 1980 when we had the massive drought in Manitoba, that the program in fact worked to the disadvantage of Manitoba farmers, because they were caught in a drought, rising interest rates and of course no payout, and that started building up on them.

Mr. Chairman, when the honourable member tries to compare that to the Beef Plan, let's understand that farmers may not have liked the choice. The choice was theirs under the Beef Plan in terms of the support. They either could have maintained the support they had with the reflective premiums, and some did, Mr. Chairman. Not everyone changed. That choice was each individual farmer's, but some of them felt a number of months down the road that maybe they made the wrong decision in terms of changing the support, and the Beef Commission did provide another window.

But I venture to say, Mr. Chairman, not everyone, in fact they had already made their choice to stick with

Tuesday, 21 April, 1987

the support level that was there and the premiums that reflected there. So, Mr. Chairman, let the honourable member not even try and suggest that somehow we lowered them. We basically put forward to each farmer, saying, look, you want to leave it where it is, this is what it's going to cost you.

Mr. Chairman, the honourable member raises his hand upwards, that the premiums were going to go up to reflect the market conditions and the balance in the fund that have to be balanced in terms of the program. I'll be the first to agree that they were going 'way up, but let's understand, Mr. Chairman, that those who chose a lower premium had about a 10 percent reduction in their support level, for about a 33 percent reduction in their premiums. Now, Mr. Chairman, if that isn't a benefit to a producer, I will be the first to say to producers, of course, a 10 percent reduction in support; that's what it was. But it was about a 33 percent, in around the 30 percent to 33 percent reduction in the premiums, Mr. Chairman, so the change in support and the change in premiums, was clearly, to those who made their decision, it was in their best interests to do that in terms of their own pocketbook.

But some producers decided that, no, they were sticking with the support level, and so that was their decision. No one in fact said that this is what you have to do. Their choice was theirs, and making no move was a decision in its own, if they made no recommendation on their application, and they had two chances to do that, Mr. Chairman. That was a decision in itself.

MR. G. FINDLAY: We're off on a bit of a tangent on Western Grain Stabilization at the moment, but before we leave this I hope that the Minister in the future will reflect on what he just said about the reasons for changing the level of support in the Beef Plan and the level of premiums. In other words, the premiums had to be raised to reflect the higher liability of supporting the level that was there. I hope he remembers that when the Western Grain Stabilization levy has to increase in the future to pay for the deficit in place now. I've talked with many farmers in the last weekend and there were lots of them who are very happy that the Western Grain Stabilization's in place. They realize their commitment to that is going to cause a levy increase in the future. It's 1 percent now and it's going to probably have to go to 2 percent and maybe 3 percent, and they're prepared to pay it because they've had a good benefit from it so far.

But, Mr. Minister, when you say - and I've heard you say this before - let's individualize or regionalize Western Grain Stabilization. Sure, in 1980 we had a drought in Manitoba and didn't receive a payout because the other two parts of the other two provinces had a good crop and therefore the formula didn't trigger a payout. But Mr. Minister, don't forget that Manitoba has benefited tremendously because of the drought in 1984 and 1985 in southern Saskatchewan and Alberta which did trigger a payout which Manitoba producers received and particularly the producers in the eastern half of the province, they had the good crop in terms of quality and quantity and they also got a payout because of the drought in southern Saskatchewan and Alberta so they benefited tremendously. So the farm economy in

Manitoba has had a lot of cash injected into it through Western Grain Stabilization that wouldn't have come had we been regionalized, province by province, over the last few years.

Mr. Minister, to get back onto the topics that we're supposed to be discussing here -(Interjection)- I'm looking at the reality and I talk with lots of farmers who understand the reality too, and everybody's very appreciative of that income in the last few years and are going to continue to be appreciative in the next few years.

Mr. Minister, getting back to MACC. I would like to have some idea as to at what point in time MACC decides that a farmer's arrears are at a point where they must take some action to recover on those arrears? I understood you to say earlier that the number of quitclaims have increased tremendously within MACC, and I'm sure as well as they have with other lending institutions. But how far in arrears can a farmer go? How many years can he be without making payments? Or how much interest can he accumulate that's unpaid? Before the Corporation makes a decision, we're going to have to sit down and talk with this person and find if he's going to pay the money or ask him to quitclaim, or how is that procedure handled?

HON. B. URUSKI: There are no set rules that the Corporation has. They view each circumstance, each situation on its own merits.

Generally speaking, however, if a client is in arrears two years, or two payments, then the Corporation will start looking at what options it has, in terms of the longevity of that operation, where it's headed financially and start discussing. There may be circumstances, Mr. Chairman, that even after being in arrears of one payment, if the financial circumstances of that farm unit are as such that it appears it's headed only one way, the Corporation may begin discussions with that farm operator to see what other options there are for that farming operation, seeing where it's headed.

But to say that in every case, this is the only time we begin discussions, each situation is generally left at head office, and in consultation with the field reps and action is handled in that way.

Mr. Chairman, I just want to get back to comments made by my honourable friend. I want to reassure him that I am on the record publicly at the House of Commons, Standing Committee of Agriculture, as certainly not being opposed, in fact, recommending that premiums under Western Grain Stabilization should have been increased rather than dropped.

So, Mr. Chairman, I have nothing to hide about my position on premiums. I have already said that. I think it was about two years ago when I appeared before the Standing Committee of Agriculture in the House of Commons, that premiums should have gone up in Western Grain, no playing both ends against the middle from this gentleman, not from my honourable friend, I can assure him of that.

I also want to indicate that I believe, and I said so from my seat that he is being short-sighted in his analysis of Western Grain. I can accept that farmers as well took the short-term view on Western Grain, and said leave it alone because we believe payouts are coming. Mr. Chairman, let me remind my honourable

friend, once those incomes and those prices continue to ratchet downward as they are, that \$1 billion special payment isn't going to be near enough. He made mention of that today, Mr. Chairman. He said it's got to be 2 billion.

So, Mr. Chairman, he acknowledges very clearly the inadequacies of the present program. Would it not have been better had that program been a truly income-related program on an individual and commodity-by-commodity basis, that that income reduction would have supported farmers on an individual basis when they needed it, in a timely fashion?

So, Mr. Chairman, if they're hung up and they want to continue the Liberal model, the height of irony, Mr. Chairman, was last night's newscast of Otto Lang now getting up and saying that we need a massive payment to the grain industry because Western Grain isn't going to do his job. He finally, 12 years later, admits that he did a rotten job in bringing in the Western Grain Stabilization Plan in 1975 - that he argued right across this country that was good.

Last night, he got up on television and said that we need a massive payment from the Federal Government - the height of irony, Mr. Chairman, to have a Liberal get up and chastise now the Conservatives. I will be the first to say and I hope the media prints it, that he, of all people, should in fact, be hiding under a stone about the neglect of the Liberal policies to agriculture in Western Canada. I see some smiles on the faces of my Tory Opposition members, Mr. Chairman.

So I want to tell my friend that I believe again he is very short-sighted on this question.

MR. G. FINDLAY: It must be pretty nice to have the time to go off onto these philosophical discussions on how we can solve all of the problems with one or two socialist programs.

But, Mr. Minister, we have a serious problem within MACC and the amount of quitclaims that are occurring. I would like to know how many quitclaims have occurred in the last period of time, say the last year, and what position the loans are at relative to arrears so we have some idea as to how much of a serious problem there is ahead?

HON. B. URUSKI: Mr. Chairman, I'll provide my honourable friend with the information on the arrears of MACC on all programs; this is cumulative: 1985, on January 1, these are January 1 figures:

1985, 9.3 million, 1986, that rose to 11.6 million, 1987, 17.3 million. Approximately 25 percent of our clients would be in some form of arrears, Mr. Chairman, basically, fairly close to the statistics of FCC.

Mr. Chairman, dealing with quitclaims. Presently, there are 47 quitclaims in process of being completed. That's in the last fiscal year. There's 158 being negotiated at some stage of negotiations. Of that 47, 20 - the negotiations have been completed but title has not been transferred - of that 47, 20 of those that I mentioned.

MR. G. FINDLAY: Of these 47 plus 158, how many, I guess not if they quitclaimed but how much . . . what interest was there amongst those people to go before a debt review process before quitclaiming or why did they quitclaim instead of going to a debt review process, either federally or provincially?

HON. B. URUSKI: Mr. Chairman, the quitclaims are of course a voluntary settlement. So, some of those 47 that are virtually complete now would have been negotiated long before, or begun negotiations long before the legislation. It may be in some of those instances, generally beneficial to the farm operator in terms of the write-off. There may be a lease-back provision in some of those instances, there may have been other considerations in the final settlement in terms of arriving at the quitclaim, but it would be those kinds of considerations that would be made and I'm not sure that I can provide my honourable friend any other information on that because they've been basically negotiated.

Obviously, there will be fairly substantial losses as a result of those quitclaims on those loans there that the Corporation would have to suffer. But in terms of, if the farm operator was generally a good manager, of course the benefit to that operator is that he continues and continues farming on a lease-back arrangement. So, there could be a multiple of reasons and circumstances of how they were concluded.

MR. G. FINDLAY: I would like to have some idea as to how many cases does MACC have in front of the Federal Debt Review Board right now. Of the some approximately 300 cases they have, how many involve MACC in whole or in part and in how many cases have they settled through that negotiation process? The total number of cases before the board and the number settled.

HON. B. URUSKI: Mr. Chairman, I'm advised that the number of applicants before the Federal Debt Review Board who are either in whole or in part MACC clients is 73 and of that 73, 7 have been initiated by MACC, lender initiated and, I believe that there is only one of all of those where in fact, a settlement has been reached.

MR. G. FINDLAY: Has MACC got any guidelines as to how they are prepared to negotiate in those processes? Are they prepared to write off a certain portion of the debt or is it done case by case? Is it up to the farmer to do the negotiating or is MACC prepared to negotiate in good faith with the debt review panel?

HON. B. URUSKI: Mr. Chairman, the Corporation negotiates in good faith with the panel providing, of course, the farmer is prepared to allow the panel to negotiate on his behalf. And that's what we do and, in fact, I would venture to say that the same process is used with the panel as we used with other lending institutions in negotiating new clients, in terms of whether there may be an exchange of clients in a refinancing situation. There are some negotiations that go on and we will put forward to a client who requires refinancing under what terms, or generally a range of what we would be prepared to accept, under what conditions we would be prepared to accept him or her as our client and we, of course, would do similar negotiations with the Federal Debt Review Board on refinancing.

MR. G. FINDLAY: Of the, you say 73 cases in front of the Federal Debt Review Board, how many in front of the Provincial Debt Review Board?

HON. B. URUSKI: None.

MR. G. FINDLAY: Mr. Minister, when the negotiation is going on, I would assume that there may be different staff from MACC appear at different panels. When there's 73 involved it's quite a number. Who makes the final decision as to whether a proposal is acceptable to MACC or not? Is it done by the Corporation or is it done by you?

HON. B. URUSKI: Mr. Chairman, I'm not involved in any of the direct negotiations at all. It's done by . . .

MR. G. FINDLAY: Within the Corporation, Mr. Minister, is there a panel that makes these final decisions, or is it done by the field staff out at the negotiation table on different parts of the province? Is there any system to the final decision on whether negotiations are acceptable or not?

HON. B. URUSKI: Mr. Chairman, generally, in all cases it would be a combination of field staff and our director of credit would be involved in the discussions with the review panels and proposals. If the proposals do not require a very substantial write-down and those decisions would be made at that level, in the event that there may be very substantial amounts of write-downs in the proposals and the Corporation feels that it can settle it on that basis, some of those decisions would be brought before the board, but they would be relatively few, so that the board and management would deal with those. Mr. Chairman, the majority of them, of course, would be dealt with by the credit manager and the general manager of the Corporation.

MR. G. FINDLAY: In terms of accommodating the losses that have occurred because of the quitclaims and the ones that are coming up, the 158 that are in the process of being quitclaimed, what kind of financial loss is MACC looking at and has that loss been budgeted, or is it going to be a surprise entry in the future?

HON. B. URUSKI: Mr. Chairman, if you look at the administration portion of the budget you will see an increase from 4.9 to 7.4, an approximate amount of \$2.5 million increase in administration. That \$2.5 million makes provision for in excess of \$2 million for write-offs.

MR. G. FINDLAY: Okay. If I look back in the '85-86 annual report, I notice an entry on page 9 that the province's procedures for handling doubtful accounts was changed and that the Corporation then in that year had to account for some money it owed the province. I was wondering what was going on in that change of procedure for handling these doubtful accounts?

HON. B. URUSKI: Mr. Chairman, previously in fact in our statement, we showed an allowance for write-offs, and we still do make provisions for allowances for write-offs. But the change has been that, rather than showing an allowance for write-offs, the province now, in terms of its budgeting, makes provision for the actual write-offs in the year that they will be made. That money is

put up front in every new year's budget. So the actual write-offs that we incur are being budgeted now on a year-by-year basis, notwithstanding - because we will have allowances on our books for doubtful accounts. Until those accounts are written off, those figures may be different in terms of how they're showing, but every account that we are writing off in the year will be shown in our Estimates, and every account that we're putting forward is what we expect to write off. There are no trade-offs or any horse trading in terms of the accounting.

MR. G. FINDLAY: Just to get this totally clear here, in this 1985-86 annual report, it writes that there was a net excess expenditure over revenue of \$7.6 million, so there was a deficit at that point in time. How is that being picked up or written off in the future years? When you say that there's only \$2.5 million accounted for in this budget, how much was accounted for in last budget? What I see is a deficit position from '85-86, and increasing amounts of losses as the years go by. I don't see \$2.5 million as being sufficient to pick up all the loss.

HON. B. URUSKI: Mr. Chairman, just as I explained earlier, there will be that difference in the numbers shown. Ostensibly, some time in the future, one could end up with having the allowance for doubtful accounts being the same as the write-off provision, but they're actually two separate entries. We will still be showing that allowance on an ongoing basis and it will either go up or down, depending on the provisions.

What we used to do was come to the province and not request an up-front amount of money in our budget for the write-offs. We used to do it during the year. Now we are not doing it. We are budgeting of actually what our write-offs will be and we're putting them up front in the write-off. The allowances will still be a different figure, and they may rise, as the doubtful accounts rise, or they may drop. It could be, over a period of time, that they could in fact match up but, Mr. Chairman, I doubt whether that will occur because what your provisions are and what your actual payments are, I would say from year to year, will always be different numbers.

MR. G. FINDLAY: The change in the method of handling doubtful accounts that started in '85-86, was that requested by the Auditor or why was it done?

HON. B. URUSKI: Mr. Chairman, in terms of the accounting, Department of Finance - I guess I could put it this way - operates on a cash basis. We recognize the doubtful accounts Finance recognizes on a cash basis, and that's how the change was made. Those figures will continually appear on our books but, in terms of the actual cash, we will show the cash for accounts that we will write off in our administration budget on an ongoing basis.

MR. G. FINDLAY: Now that we're into talking about write-offs, I guess we'll get into the Guaranteed Operating Loan. As I understand the GOL, the money is put up by the bank and each institution is allowed a total write-off of some 12.5 percent that's recoverable from government.

I guess the first question is: Institution by institution, how close are we to some institutions being up to their 12.5 percent in accumulated write-off? I'm not certain whether that's 12.5 percent per year or 12.5 percent for the lifetime of the agreement, but where we're at in the amount that has now been paid out in these operating loans that have been defaulted on.

HON. B. URUSKI: Mr. Chairman, I don't believe that staff have the figures on an institution-by-institution basis. Mr. Chairman, I'm advised that none of the financial institutions are at their 12.5 percent limit. We have, as of January 31, 1987, paid out \$2,553,261 in claims under the program, and there are liabilities outstanding in excess of \$6 million at the present time. What the final outcome will be, of course, it will go on year-in and year-out, but that's the potential liability now under the program.

MR. G. FINDLAY: As I understand it, there's a ceiling on the amount of money that can be out under GOL's of \$100 million. Is that right? How close are we to that? How much is out on GOL's in the Province of Manitoba?

HON. B. URUSKI: Mr. Chairman, there's \$53 million out right now.

MR. G. FINDLAY: Well of the figures the Minister has given me of \$2.5 million in claims and \$6 million in liability, that totals \$8.5 million, which is roughly 15 percent of \$53 million, the amount that's out. So you're well past the 12.5 percent in the potential liability if all these liabilities turn out to be real liabilities.

HON. B. URUSKI: Mr. Chairman, the honourable member should be aware that our potential exposure is 12.5 percent of the \$53 million that is out now. Of that amount, we have already paid out \$2.5 million, the figure that I gave.

MR. G. FINDLAY: I understand that, but you said, in addition to the \$2.5 million, there were \$6 million of liabilities which, I remember your words were, we don't know the outcome of that yet.

HON. B. URUSKI: Mr. Chairman, I may have provided the wrong impression to my honourable friend. The \$6.5 million that I gave him included the \$2.5 million. If I stated it a different way, I regret that.

MR. G. FINDLAY: If all those liabilities are eventually called, then the 12.5 percent is used up. So you know, the reason I asked whether there were some institutions up at the limit now is because you can see that certain credit institutions, if they're getting close to that 12.5 percent - I would say, even over 8 percent - they'll be very careful about carrying on with any loans under this program because all of a sudden, once they hit the 12.5 percent in terms of claims, they are 100 percent liable for all the remaining money.

So I ask the Minister, under the present conditions, whether that 12.5 percent is justifiable in terms of the ongoing nature of the program.

HON. B. URUSKI: Mr. Chairman, precisely the opposite should occur. The institutions should in fact be

increasing their use of the program to increase the size of the limit to increase the amount of the ability of coverage of 12.5 percent. Rather than having \$10 million in the program, they should be putting \$20 million in the program so the 12.5 percent should be of 20 million and not of 10. The reverse should be occurring. Rather than putting less in the program, they should be increasing their clientele on the program.

MR. G. FINDLAY: What is happening right now in terms of the utilization of that? Is there a big surge in applicants coming in this spring, or what is happening?

HON. B. URUSKI: There certainly is, Mr. Chairman, but every spring there is a surge. Whether there will be a greater amount, more than in previous years, I guess we won't know for a number of weeks yet.

MR. G. FINDLAY: This being an operating loan program, what is the requirement that a person repay the entire amount of the loan within the 12-month period from when he receives it? If he doesn't repay it, can he then apply for another one, and is it renewable? But if he is in arrears, what are the conditions for renewal?

HON. B. URUSKI: Mr. Chairman, in terms of the operating loan guarantee, there is never an end or an arrears on the program. It's an ongoing program that a farmer requires for his operating credit. Providing he has sufficient inventory on hand to cover the payments, then automatically the loan can be renewed with no question.

In the event that there is some difficulty of repaying or ending it off at year-end and requiring an additional one, then whoever is involved in the credit of that farm, both long and short term, we're prepared to go on another year onward with operating credit, provided everybody takes their share of in fact postponement of payments. So we share in it with both, if it's FCC or the banks or credit unions or whoever or us. If we have some long-term credit, we will proportionately share in the holdback, and we will go on with operating.

MR. G. FINDLAY: In the GOL, how is the cash advance handled, the cash advance that a farmer receives in the fall for grain that's stored on his farm? What has to happen to that money that he receives as a cash advance?

HON. B. URUSKI: Mr. Chairman, when it comes to the cash advance, we are no further ahead in terms of lining up as to who is secure than anyone else. The cash advance comes first.

MR. G. FINDLAY: I don't understand what you mean by the cash advance comes first.

HON. B. URUSKI: I'll use the example, if the farmer has \$100,000 worth of inventory, \$100,000 worth of operating and a \$20,000 cash advance, obviously once that inventory is delivered, the \$20,000 will be taken off, and we will not have security of the \$100,000 operating.

MR. G. FINDLAY: What I've been told is that, if he's got the \$100,000 worth of GOL and he takes out a

Tuesday, 21 April, 1987

\$20,000 cash advance, he has to put that money against a loan, every dollar of it immediately, and the GOL is effectively reduced from \$100,000 to \$80,000.00. Is that true?

HON. B. URUSKI: Mr. Chairman, I would hope so. If in fact that would occur, if that's the scenario in terms of the tightness of the loan, I would expect that, if a cash advance was taken and operating an inventory were very close, I would expect that MACC and the lending institution would want that amount of money applied against the operating loan. It's based on inventory.

MR. G. FINDLAY: Okay, let's take the situation where the farmer has a GOL of \$100,000.00. He has inventory of \$200,000, and he takes out a \$20,000 cash advance. Is that GOL still reduced from \$100,000 to \$80,000, even though he's got an additional \$100,000 worth of inventory?

HON. B. URUSKI: Mr. Chairman, the description that the member provides, I would think that likely - I don't know if anybody would be chasing anyone in that term of security. There may be an instance where that may have occurred but, generally speaking, provided the security is there and is shown, I don't think there should be any difficulty on the description that the honourable member has provided.

MR. G. FINDLAY: I'm not describing any particular case. I'm just describing the general scenario that the farmers, the two different ones who spoke to me, said that I'm required to put all that money in against my GOL and I've got no cash to carry on with my operation, even though I believe I have assets or initial inventory.

What I'm trying to get from the Minister: Is there any stringent requirement that cash advance has to be applied directly against that loan, or is it up to the farmer's discretion to use it as he sees fit? Is there anything in the agreement that's signed?

HON. B. URUSKI: Mr. Chairman, there shouldn't be any problem at all for that farmer in terms of his operating line. For example, if he has \$200,000 worth of inventory, using his example, and \$100,000 line of credit, what really should happen is in fact he should take that \$20,000 advance that he takes, apply it against his operating line which reduces it from \$100,000 to \$80,000 and continue to write cheques for the remaining 20 because he's got a guaranteed operating line. That should be the normal course of business.

MR. G. FINDLAY: I guess the question I'd have to ask the Minister then, if that's not the way it's done, will he change it to see that that is the way it's done?

HON. B. URUSKI: Mr. Chairman, I'm assuming that any financial institution, we would not be handling the day-to-day banking of that individual so that discussion and that arrangement should be there with whatever institution with which he has a guarantee but generally speaking, speaking when you apply for an operating line of credit, basically you, in fact, say that I've got X thousands of dollars at my disposal. If I bring that

limit down, I still have the difference between the limit and what I brought it down to. That would be normal business in terms of one's operating line, but those relationships are not with MACC, those relationships are between the farmer and his own lending institution.

Depending how tight they want to squeeze him, that's really what it comes down to.

MR. G. FINDLAY: What I'm looking for is whether MACC has any regulations that prevent that operating loan from staying at the \$100,000 even though grain, potential grain income is coming in through cash advance. And I've been told that MACC's guidelines are that the GOL for that farmer to that credit institution is reduced by that \$20,000.00. I would like to know if that's right or wrong?

HON. B. URUSKI: Mr. Chairman, let's understand that the guaranteed operating loan is secured by inventory and the lender will insist on it and we insist on it. And the line of credit that is provided, based on that inventory, whatever dollars that accrue from the sale of that inventory, should be applied against that operating line. And of course, if there is ample inventory in excess of that operating line still remaining on the farm, generally I would assume that the lending institution will say, well you've got, by virtue of you paying down the GOL, you still have the same amount remaining to write cheques on, provided we're well secured with additional inventory on the farm. And that's generally what I would expect that both lenders would want. We would insist on it, I believe, Mr. Chairman, that that security be in place.

MR. CHAIRMAN: The Member for Arthur.

MR. J. DOWNEY: Thank you, Mr. Chairman. I have a couple of specific questions but before I get into them I want to make a few general comments.

You know, I think that the general society, particularly the farm community and those people who are depending on the farm community for their livelihoods, are facing the most extreme and difficult times of their lives, and I'm sure that the staff of the MACC - and I know that we have many observing here this afternoon - that they have equally gone through some very difficult times in trying to respond, and trying to deal with some of the specific situations and the different circumstances that develop through their financial needs and through the shortfalls which occur.

My biggest concern, Mr. Chairman, is that we have a Minister of Agriculture, and a government who are sending mixed signals. And that, I think is part of the problem, a lot of the problem that not only staff and that the general farm community are having trouble dealing with. We have a Minister of Agriculture who will stand in his place, pound his chest and go after every financial organization there is in the province, in the country, and then turn around, leaving the impression that he is Almighty Saviour through the farm financial organization.

Farmers hear him talk in the rhetoric that he talks, they say well, if this Minister is so upset with all the banks and the credit unions and the financial organizations, the federal credit corporation, then they

immediately toddle off to the Manitoba Agricultural Credit Corporation for some assistance; because being the Minister responsible for it, they might find, or think they might find a compassionate lending organization, an organization that would look fondly upon them if they weren't able to live up to their commitments. Or if, in fact, if in fact they couldn't get a loan from somebody else, as I understand initially was set up under the Roblin years, it was in fact to help those people that couldn't get financial support from those organizations. But lo and behold, they come to MACC and what do they run into? They run into one of the most difficult times that they've ever run into in their lives as far as getting any support or any funding is concerned.

And, as I say, I don't blame the staff or the people within MACC, I blame the Minister, the irresponsible Minister and the Government for sending mixed signals. I really don't know whether MACC in the last year or two, with the difficult farm times, that the Minister's really sat down and said, this is your job, this is the way I want you to work with the Board of Directors and this your mandate, that there are some changes we want you to carry out as far as administration of the Credit Corporation. But that isn't happening, Mr. Chairman. That isn't happening.

For example, we now have the Minister who is saying, look, the banks should, the financial institutions should lease back some of the land to the farmers. That's what MACC are preparing to do. Well, I can assure you that I have had two or three constituents and I know the management have done their best to try and settle with these individuals to keep them on the land but my goodness, the amount of cash outlay that those individuals are asked to put up front this spring to stay on that farm, or those farms is absolutely impossible.

They couldn't settle, Mr. Chairman, because all they would be doing is saying, yes, we'll let you pay \$12,000 for this piece of property; yes, you have to pay \$6,000 this spring. FCC have agreed to the deal and come this fall you have to pay us another \$6,000.00. My goodness, the chap doesn't have a chance of having \$12,000 in the next two years with the conditions the way they are.

Why don't they come up with some policy that would give that individual an opportunity to stay on the land? Why put a cash demand on an individual that is absolutely impossible? I'm not sure whether this is the Minister's thinking, or whether it's the Corporation's thinking or whose thinking it is but I can tell you it has done nothing, it has done nothing but force these individuals either to go to the Federal Debt Review Panel -(Interjection)- that's really what it's doing. How many have gone to the provincial program? Well two, I think it reported in the paper. Zero have gone to the provincial program to have their cases reviewed.

Well, it's really the problem out there, Mr. Chairman, and I think the Minister should come to grips with it. He's either going to get sincere and serious about using MACC to help the constituents or the clients, or he's going to say look, it is our job, it is our job to be just as ruthless and in fact more ruthless than any of the other lending organizations because that's what they are today. I can take you to many witnesses who will stand before - that's why we wanted the Agriculture Committee called - that's why we wanted the committee

called -(Interjection)- No, it was called. My colleague from Virden has asked for the MACC to come before committee so we can get some clear policy answers.

Then I ask the Minister, what is the policy of MACC on their lending program? Who do they have value the land or do they say there's \$150,000 owing against this particular piece of property, a half section of land, how do we determine what rent we charge? What is the policy for determining the amount of rent paid by those individuals? Does it vary in every case, the ability to pay? What is the policy; their rate here, and I'm asking, what is the policy of MACC when it comes to lending land, whether it's on the quitclaim system or whether it's just simply on a farmer who hasn't been able to make his payments. What do they expect of those farmers? Is there any leniency or what is the policy? Because they want to know.

I have another question and I know that we want to move along with these but I think it's extremely important. I have another question - how active is the support program for farmers who are selling to either family members, Farm Start I believe the program is - how many people have actually applied or how many have qualified? Because I can tell you what's happened, and this came to me from a very reliable source.

He said here's what's happening in the farm financing in Manitoba today, and he raises a very valid point. He said that the banks are now backing away from farm financing in Manitoba because they're afraid of The Farm Lands Ownership Act where in fact the third party becomes involved. We all know the story; we told them what would happen, the banks are backing away. He said that MACC is a waste of time because it takes six to eight months to get any kind of an answer, and I want to know how many applications have been approved by MACC in the last year, and he said FCC certainly have been easier to deal with, but they really aren't as active as they should be.

Meanwhile out in the country there are people who are becoming retirement age who want to sell their farms, and, thank goodness, there are still some young farmers who want to buy land. He said the only way that farms are bought and sold today basically is that the farmer takes the mortgage back.

Okay, we have the farmer taking a mortgage back, he's on the land; the young person moves on the land for a year or two, all at once they get into financial difficulty. They go to this Family Farm Protection Board, the Family Farm Protection Board says, well, we have the power to leave you on the land. Here mom and dad have moved to town, bought a house on the strength of this mortgage, now the Farm Debt Review Panel says, look, we're going to not force this man off the land, we're going to leave the land with him and we're not going to make him pay any money to mom and dad who moved to town. Here are mom and dad in town with a mortgage on their house that they bought with the expected proceeds from their land.

I tell you, it's a very serious situation because many people are selling their farms with a mortgage back, that's exactly what's happening. If they want to sell, they have to take the mortgage back. They want to sell, because I mean if you become 65 or 70 years old you're kind of tired of feeding the rest of society for nothing and if you can eke a little bit of a final retirement out, you deserve to do so.

But now we have the financial situation in the farm community in such disarray, MACC takes six months to a year even to get a maybe. That's what the situation is as far as I'm being told. The other thing is the MACC based last year's loans on the price of wheat which dropped 20 percent, so they didn't make hardly any loans.

Can you tell me are there going to be any loans made this year or are you going to base the lending this year of MACC again on the cash flow that comes out of the price of grain? Is that the formula that is going to be used again? Because if that's the case, it's for darned sure, MACC isn't in the lending business at all, and if that's the case and if that's the policy, stand up and tell us.

Don't pretend that you're the great protector and saviour of farmers and farm financing, and then use your Corporation to just stumble along with them, because it isn't fair to the management, the people who are trying to legitimately help the farm community, and it sure as the devil isn't fair to the farm community. Let's come up with some clear-cut policies on what your intentions are, Mr. Minister. I am serious. You cannot play with people's lives in the manner in which you've been playing with them.

So I ask the questions: How many loans were approved last year; how many people applied for loans; how many were approved; how many are now waiting this spring for money to flow, so that they know whether they're in business, and what is the criteria for lending or for leaving people on the farm in a leaseback situation? Is it 25 percent of the amount of money that they owe? Is it 10 percent?

I say there's room for the Minister to show some leadership and I'll try and help him again. I've tried to help him other times. Maybe there is an opportunity to get into some serious and meaningful alternative use on a conservation basis with some of the land and leave the individual there to manage a conservation project through his department. There may be some alternatives that he should look at, and I know that he's nodded his head yes before.

Let us have an inventory of MACC land. Let us have, the Legislative Assembly, know the land in detail that is available; yes, they're in the paper. Let's get into them, let's have a look at the acreages that are available. I would seriously like to have a committee of the Legislature, the agriculture committee, and I know we aren't going to do it through this time, let's classify the lands. Let's see what land classes they are. I'm not sure whether the Minister has taken a serious look to say, well, we've got 15,000 acres of Class 5 land and lower, that really there's no ability for anything more than an X number of dollars return.

I mean let's take a hold of this thing; let's not kid ourselves any longer, because that's what we're doing, Mr. Chairman. We're kidding ourselves; we're kidding the farm community; and we're kidding the financial organizations. There's a real, real problem out there. I can tell you MACC know it, their field officers know it, they see it on a daily basis. I say their management have been very, very kind to some of the members of the Legislature when they've been called to look at some specific cases and I compliment them for it. Yes, they're not able to deal and help in all cases, and I don't expect them to, but I can tell you they're not

getting clear signals from the Cabinet or the Minister, because it seems to me as if there's some real confusion within the whole system.

I plead with you, Mr. Chairman, to the Minister through you, I plead with him to take hold of it. It's serious. People want to have some clear-cut policy decisions and they want them now. I put a series of questions on the record, Mr. Chairman, which I think it's incumbent upon this Minister to answer, not necessarily for the members of the Legislature, although it would be helpful so we could communicate with our people.

All we can tell them now - I had a person come to me yesterday and say, what about MACC, I'd like to do something. He said I'm not able to get through to them, maybe you can. Well, I said I have only got the opportunity of Estimates and committee to try and get through to the Minister and point out there needs to be some clear policy clarification.

Is he prepared to give it, or is he prepared to stand up and be what we would call the "cosmetic saviour of farm financing"? Yes, that's what he is, the clear "cosmetic saviour of farm financing" - kicked the hell out of everybody else who's trying to do a legitimate job, and then uses organization to undermine or to not help in a way in which everybody thinks MACC should. So I plead with him, Mr. Chairman, because there is an urgent and dire need out there.

Thank you.

HON. B. URUSKI: Mr. Chairman, in terms of the leasebacks, I'm assuming that my honourable friend is speaking about the longer-term leasebacks that we have.- (Interjection)- Well, okay, in terms of the short-term leases, they are tendered and of course generally the highest priced tender receives the lease.

In the longer-term leasebacks, generally what the Corporation attempts to negotiate is what can be considered the going rate of land rental in the area, and then, of course, if there are buildings on the property, and in some instances home and other buildings, we attempt to receive approximately 8 percent to 10 percent of the value of those buildings as part of the rental payment.

So there will be a double computation, in essence, in terms of the income-producing portion on the cultivated land, and some revenue from the buildings. There are cases where the home is worth a fair bit of money, so the lease rates - depending how they're computed.

In terms of the activities of MACC, Mr. Chairman, I'll refer my honourable friend to my opening remarks because we had a fairly lengthy discussion with the critic on policies and the program. I raised them when I made my opening statement on the activities of MACC over the last year.

Mr. Chairman, in terms of loan declines, we declined 148 term loans in the last year, 17 stocker loans and three beef commission advance loans in the last year. Those were the declines.

I provided the activity in my opening remarks.

MR. J. DOWNEY: Mr. Chairman, not too long ago I had written the Minister on a specific case. I'm surprised at the Member for Swan River, he may be interested in this because I referred a copy of the letter to him.

There was a difficulty with a constituent. There was one in my riding and one in the Swan River constituency and I'm surprised the Minister wasn't looking after it in a more aggressive manner. I'm sure that the constituents up there are somewhat disappointed and I'll leave it at that. There were two situations and I have a real difficulty, Mr. Chairman, with this.

As I understand it, we have two situations where people are living in buildings and, yes, there is a value to the buildings. It's also a home for those individuals, and society is providing shelter and housing for a lot of other people. I know MACC is not a welfare or a social structure, but I do think that during times like this that there has to be a little time for compassion. I know that the mandate of MACC is not to do it; their regulations don't allow them. But I would wonder why the Minister wouldn't indicate that a little bit of leniency might be applied when it comes to trying to recover maximum benefit from buildings, which in fact in a majority of cases will be left vacant and totally depreciate without people left in them.

HON. B. URUSKI: Get serious.

MR. J. DOWNEY: I am serious. The Minister says get serious. He wants to charge \$11,000 for people who, on a half section of land, because there is a good set of buildings and if they aren't there, who's going to look after them. They're going to hire somebody to look after them. There's nobody else, or I'm going to kick these people out of their homes. People in the community aren't like that. I am serious.

What I'm saying is why doesn't the Minister instruct his staff that there may be—(Interjection)—He says stupid. I'm saying stupid things because I want a little bit of leniency for people who have lived on these farms for many, many years and now, because of a Minister who is not prepared to say, look, we're prepared to back off a little bit on this because it is worth something to MACC to have the houses kept, to have the outbuildings looked after. My goodness, Mr. Chairman, and I'm stupid, I'm unreasonable! Well, I'll put that test to those people who are involved in those communities, Mr. Chairman, if the Minister thinks that I am unreasonable, saying a little bit of compassion would help and that you don't necessarily have to look at the bottom line. I can tell you I know other financial organizations that do have a little compassion and have seen it, Mr. Chairman, with their activities.

So I think the Minister better be the one who takes a look at his own self in the mirror and says just how hard can it be during these times and then stand up and be the champion of these people. Yes, that's really what he is. He has double standards.

Mr. Chairman, there are two cases which I asked the Minister to look at and I'm sure there are many others. I'm sure there are many others.

The other area that I want to deal with, and that deals specifically - and I'm not upset with the management of MACC, they have their policies, but there is one other concern that I have and that's when it comes to accepting tenders for leases of land. I believe that a postmark on a tender application, when a farmer is tendering, and maybe the policy was the same when I was the Minister, I'm not sure. If it was, it should be

reconsidered. The Minister is shaking his head, yes. I believe if it was wrong now, it was wrong then. I'm a big enough person to stand here and say, look - but livelihoods are determined on these kinds of decisions - that a person can send an application in on a tender basis, that if it's there two days later, then they qualify to be considered. If it happens to be another two days before it gets in the hands of the person, then it's not counted. For example, the application for tender was sent in on the 20th of March, as I understand it. The tender closed on the 23rd and the tender didn't get in the hands of the secretary who was opening them until the 25th even though he postmarked the tender on the 20th. The tenders closed on the 23rd, which is fine, but the person didn't get the notification until the 25th.

What I'm saying is, why shouldn't the postmark on the tender be the final decision-making apparatus? That's fair for everybody. I can tell you that a person who farmed a farm through his family for 25 years, this year isn't farming it and needs it because of that kind of a mishap, I know that the management looked at it and I know the Minister's office looked at it, I tried, but that was the rule and I accepted it. But what I'm saying is I think it's wrong. I think maybe we should take a look at the postmark that's on the tender; that makes it fair for everybody. How does the guy know, for example, he got a response back? It took two days, yet his tender took four or five days before his tender got there, so there was some reason for question. All I'm saying to the Minister in MACC, because of the postal system and because of some problems that can arise, whether the mail gets mixed up on somebody's desk or doesn't hit the right desk, let's go back to the postmark. Let's at least consider. Mr. Minister, if you would, it's too late to help the individual who lost a family farm for 25 years, but maybe it'll stop or bring some kind of consistency to the whole process.

If there's a difficulty with it, I'd be pleased to hear it. But I do say to the Minister, as much as he thinks I'm stupid in asking for a little bit of compassion in certain cases for leasing land where there are buildings involved, let's take a little more serious look at it. Because if you don't, it's not me, it's not my concern, it's those people who will be pushed off of those properties and be put either in some form of government housing elsewhere, because how are they going to live? Why not use a little compassion and keep them on the land and hopefully this thing gets over?

The other question I had that I didn't get an answer to is, what criteria are they using to base their loans on for grain lands this year? Are they using the cash flow that comes out of the current grain prices, or are they using other government payments as a basis for which they make their decisions?

HON. B. URUSKI: Mr. Chairman, the answer to his last question is, this information was provided to his colleague and is on record.

Mr. Chairman, I did call the honourable gentleman silly in terms of his comments, because I believe that he, of all people, who had the authority to be in charge of this department, should be getting up and speaking about compassion and/or lack of compassion.

Mr. Chairman, it was by policy of his administration where they moved land-lease clients and raised their

premiums and their rates in accordance with what they deemed at that time to be the appropriate market price and basically people said, well, I don't have much choice, I may as well buy. Quite frankly, what we're having to do now is in fact make the full circle and pick them up again in quitclaims and back into the same situation that we found some of them when they were in office, because, philosophically, they were hung up. They were totally hung up that because they campaigned on the issue that government somehow was bad in terms of having public policy and holding land on behalf of its citizens. They said that this government somehow was competing against farmers and we just had to do away with. Mr. Chairman, how quickly the tables are turned. How quickly those people who purport to be pragmatists and purport to be great savers of farmers are now the first ones in this House demanding huge subsidies for those people who they forced to buy land when in fact they had an arrangement -(Interjection)- that forced them to buy land, Mr. Chairman - for the Member for Emerson, forced them to buy land. I say that, all you have to do is raise the rent high enough and people will say, what choice do I have? I'm going to buy it because it's cheaper for me to buy at the existing interest rates than the land.

So, Mr. Chairman, let not members get up in this House and talk about this government having no compassion. It is silly. It really is silly for my honourable friend to get up here and say we have to be compassionate. Mr. Chairman, the one fundamental policy that this government is making, rather than chasing people off the land. Are private institutions providing five-year leases with options to buy?

MR. J. DOWNEY: They can't. You won't let them own the land . . . you donkey.

HON. B. URUSKI: Mr. Chairman, the honourable member says, you can't, you donkey, we don't allow them to own the land. We have said at least on a dozen occasions that if -(Interjection)- Mr. Chairman, I said it in the face of all the vice-presidents of the major banks of this province and credit unions, that if they were near their limit of land holdings, we would have no difficulty of them having an exemption provided that they provide -(Interjection)- Mr. Chairman, the honourable member wants to raise red herrings.

The honourable member knows that the kind of compassion he's talking about, depends on whose ox is being gored. What he is really saying, it's okay for us to have fun with you in the Legislature, and we'll have some fun in the hustings and show just how uncompassionate you are to some individuals, but don't talk about anyone else in the lending fields. It's you that we want to talk about, it's you that we want to deal with. When other provinces cut back on agricultural spending, it's okay, but you're not doing enough, Mr. Chairman, in the Province of Manitoba.

It is this government that has been the most consistent in terms of its support and its ability to support farmers of this province. That's why, Mr. Chairman, we have been suffering and we have suffered and we will continue to suffer the least of all of the three western provinces. It has been because we have been consistent. We don't send out mixed messages.

We have some difficulties, but we are not saying that a quarter of the farmers have to go, by virtue of a transition program, and get the farmers off the land.

I've said before, that announcement yesterday doubly undid - and members won't want to recognize that - everything that we have done over the last five years in terms of the financial support. Mr. Chairman, I venture to say that, when times start turning around, you will see Conservative members saying, look at the rotten job they did in financing the farm community. Look at the losses that they're sustaining in MACC. Aren't they poor managers, Mr. Chairman? That's what they will be saying.

They will not stand up and say, yes, we provided fundamental help to help hundreds of Manitoba farmers who are clients of MACC. That's the position that they will be taking. I venture to say, that's the kind of nonsense we will be hearing on the hustings, and it will come from members of the Conservative Party.

Instead, some of them now, when it's to their advantage, get up in this House and start saying, oh, won't you be compassionate, when in fact we've had to pick up farmers who were land-lease clients and whose rates were pushed up. Now he has the audacity to come into this House and say, please be more compassionate, Mr. Chairman.

I venture to say that Conservative members - I guess they haven't changed at all. I guess I would say they will like free enterprise when it's to their advantage, and they will love socialism even more when it means some support for some people. Mr. Chairman, when it comes to socialism, there is no bigger bunch of socialists than the Conservative members of this Legislature.

Mr. Chairman, look at the demands for subsidies that they're talking about, and they talk about socialism, Mr. Chairman. They are the biggest socialists around, but they want to talk free enterprise. That's the Conservative bunch in this Assembly. Mr. Chairman, they are the ones who really should examine their consciences. At least, if they had a conscience, they would say, let the market forces run. Let's not subsidize farmers \$250 an acre. Can't the free enterprise system operate, Mr. Chairman? But no, it is good. Socialism is good as long as it's for a few. That's Conservative philosophy at its best.

MR. CHAIRMAN: The hour is now 5:00 p.m. I am interrupting the proceedings of the Committee of Supply for the Private Members' Hour. The member of the committee will return at 8:00 p.m. this evening.

Committee rise.

Call in the Speaker.

IN SESSION

PRIVATE MEMBERS' BUSINESS

SECOND READING - PUBLIC BILLS

BILL NO. 16 - THE ELECTORAL DIVISIONS ACT

MR. J. DOWNEY presented Bill No. 16, An Act to amend The Electoral Divisions Act, for Second Reading.

MOTION presented.

Tuesday, 21 April, 1987

MADAM SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Madam Speaker, no reflection on you, but I think I could have gotten through the French portion just about the same.

MADAM SPEAKER: Good luck.

MR. J. DOWNEY: Madam Speaker, I rise to speak on this bill, and I ask support of the Manitoba Legislature and members of the government benches to give serious consideration to this in the best interests of giving fair and equitable representation to all regions of the Province of Manitoba.

I want to make it, at the outset, very clear that there is absolutely no reflection meant on the President of the University of Manitoba and that office in the job which has been done, but I want to make it very clear as well that, as we see - and I'll use some of the numbers that have been provided in the population shifts - I think it's absolutely imperative that the make-up of the Boundaries Commission has a clear understanding of what's happening in rural Manitoba and the lifestyles and trade patterns.

I am somewhat alarmed, Madam Speaker, when we look at the numbers that are being provided to us by Statistics Canada, a report which was made available not too long ago, where we see some reduction in population in some 60 percent of rural municipalities. I think that is not only a clear indication of the financial situation that's out there, but there is certainly evidence of lack of support, lack of incentives to maintain businesses and activities which relate to the farm community.

I, Madam Speaker, do not want to totally blame the government, but they have to carry out a certain responsibility. The Member for Lac du Bonnet, in one of his recent speeches, indicated to us the fact that he no longer has a farm machine dealership in his riding, again a major consideration which has to be given to people who represent his community. I'm sure that he would be far happier to stand in his place and say that he would be opening or has so many people in which to communicate with to truly represent. I'm not saying that he can't get input from machine dealers but, when there isn't one living in your constituency, it's a little more difficult to get the feel for that kind of a business.

I know that many of my colleagues who represent rural Manitoba have a particularly close association with a lot of machine dealers because, in the farm community, it's the machine dealers and those areas, auction sales, where farmers and MLA's congregate. We know that during activities such as that, there is a good opportunity for an interplay of those individuals with difficulties, with concerns, whether it be agriculture, whether it be municipal, whether it be drainage, whether it be natural resources. There are common places in which MLA's gather and communicate with their constituents on a normal basis.

If those kinds of activities and those kinds of things are not understood by individuals on the Commission, then I think it could, in fact, be more difficult drawing some of the guidelines.

I have a concern, you know, and my questions today to the Minister of Municipal Affairs dealing with the

whereabouts or the current activities of the former Minister of Municipal Affairs, the Premier was not clear on his answer. The Minister of Municipal Affairs made it clear that he didn't have a job for him. The involvement of the former Minister of Municipal Affairs when he was Assistant Clerk of this Assembly had quite a bit to do with drawing up the current boundaries that we now are working under. The question is: Is he now being slated or slotted again to redraw or to be involved in the drawing of the boundaries? -(Interjection)- Yes, that's right. The member said he lost. He maybe lost, but so did the people of Manitoba lose. See, there were two losses. They ended up with an NDP administration, so he can take some feelings of console in that particular fact.

I am, in all seriousness, wanting to know if this same individual will be re-employed by the government in the redrawing of the boundaries. It's a serious question and I hope that, during the debate, either the Minister of Municipal Affairs or one of his colleagues can respond to that question, because it's important to know.

I would hope that the Minister of Municipal Affairs, who represents the Union of Manitoba Municipalities, would support this piece of legislation. I would hope that he would talk to his Cabinet and talk to his colleagues to sell the idea, because I think he should be, as the Minister responsible for Municipal Affairs, equally as concerned about the representation of those bodies when it comes to a voice in the Legislature.

I don't say that, Madam Speaker, this has to apply only to rural Manitoba. I think the members for Northern Manitoba have to be equally as concerned about what is happening with the population changes and shifts. So I would advise each member who represents a northern riding, whether it be the Minister of Education, to take serious account of what we're recommending. I'm sure he would have no difficulty in supporting the change which I'm recommending, that the President of the Union of Municipalities, through the contact with some 105, at least, municipal corporations and the many towns and villages throughout Manitoba, would have a pretty good understanding of their thoughts when it came to drawing the electoral boundary lines.

I know that, in the past in some discussions with some of the former commissioners, they seem to find it necessary to start in the south-west corner of the Province of Manitoba, gather enough population that satisfies the formula which is in place, and then move on and then try to make up the differences. I'm not sure whether that's the right way to go or not, but I can assure you, being a rural representative, that I have many hundreds of miles to drive. I can tell you that my mileage and my expenses show it within the system, that it takes a lot of effort and a lot of driving to cover the kind of territory that I have to cover.

I'm sure that members in Northern Manitoba have the same difficulty and, if those are to expand and you're to lose communities of interest, that makes it more difficult to cover, then in fact your time is going to be less involved in representing those people. And after all, that's what we're here for, is to represent the people of the province in this Assembly so that they can be a part of our great democratic system. So that is what it's for. It's to enhance the representation for Northerners, for rural Manitobans in this Assembly.

I would, Madam Speaker, request the Minister of Municipal Affairs, all ministers, the Minister of Highways

from the riding which he represents would be supportive in the selection of or the appointment of the President of the Union of Municipalities. They have, through their corporation, through their spring and fall meetings, an ongoing contact with what's taking place. They have, I would say, probably one of the best communicative systems that there is throughout the province, and I think it could well reflect in their thoughts and ideas coming to this Legislative Assembly by having the proper areas, the proper boundaries drawn through that individual being on the Commission.

I have very little more to say, Madam Speaker, except that I think, in the best interests of rural and northern constituents and having a voice for them in this Legislative Assembly, to place on the Commission the President of the Union of Municipalities that represents some in excess of 100 corporations which are duly elected by the citizenry of the Province of Manitoba, by all people, that we would, in fact, have the office of the individual doing a job which no one could consider either political or unfair or lacking of understanding of the true nature of what has to be done. And I would request support from this Assembly for what I would consider a reasonable amendment.

Thank you.

MR. A. DRIEDGER: Were you going to speak? Go ahead.

MADAM SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Thank you, Madam Speaker.

I understood from the member opposite that he wanted to adjourn debate, and I feel I would like to put some comments on the record before we get to that stage.

I want to indicate that I am speaking in support of this bill, and I want to give a bit of an illustration as to why. When you consider the three people who are on the board that actually established the election boundaries in the province every 10 years - I've gone through that once already - and when you consider the impact of what has happened - and I suppose it impacts in each area a little differently.

I think this is a good bill before us here, when you consider the three people who are involved right now: the chief electoral officer, the Chief Justice and the president of the universities. These are the three people who basically make the decisions. Obviously, they have people who are working with the material and establishing to some degree, but I want to indicate to you, Madam Speaker, the shortcomings of doing it that way without having a full understanding of what happens in the rural area.

I don't know whether members have ever taken time to have a look at the Emerson constituency, exactly the way it's been cut up. Madam Speaker, I am very proud to represent that area but, when you look at the geographic make-up of that area, it is something that makes you wonder how you establish these kind of boundaries. I think it is because of lack of an understanding of what happens in a rural area.

If you consider the fact, Madam Speaker, that my constituency borders the Ontario side on the east, the

American side on the south, and supposedly the Red River on the western side except, all of a sudden, we have one township that jogs in and sort of cuts out. Because it was there previous to the last reallocation, it is there again.

Madam Speaker, the rationale of that must be something that can only be - I don't know how to explain that, what the rationale would be to take one township out, splitting municipalities in half and taking one township, all of a sudden, on the east side of the river that is supposed to belong to the Rhineland constituency of all people, not the Morris one but to the Rhineland one. It makes you wonder whether the people who actually make the final decision know what it's all about. It is for that reason why, I think, this bill that is before us has much validity. What would be a more positive person to have on this board than to have the President of the Union of Manitoba Municipalities to have an input into it, to understand the geographic lay of the rural areas.

Madam Speaker, we have a problem right now when we consider that, out of 57 seats, 29 are located in the City of Winnipeg and 28 are in the rural area. That includes the City of Portage, the City of Brandon, Thompson. So, when you actually consider what is rural area, I think we have to have some input into them. What is more logical than to have the President of the Union of Manitoba Municipalities being involved to give a bit of a balance in the whole aspect of how you establish these boundaries. - (Interjection) - Well, I don't really care. Whoever the president is, that is the individual who I would accept.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. A. DRIEDGER: Now, there's an example, you know. Well, Madam Speaker, the poorest example of a Minister of Agriculture just made some off-the-cuff remarks here in the House before he stomped out, and we know where he stands in this situation. He doesn't care about the rural area. He doesn't care about the farm people. And he says he doesn't like the president, Warren Rusk, right now. He makes it very obvious in this House and he can do that in this House without having any repercussions. For weeks we've seen an example where he stands with the rural area, the way he's been treating the sugar beet industry and many other industries. So for a Minister of the government to storm out of this House with that kind of a comment is an insult.

MADAM SPEAKER: The honourable member knows he is not to make reference to the absence or presence of any member.

MR. A. DRIEDGER: Well, Madam Speaker, for a Minister of the government to make that kind of a comment in this House, when he represents a rural area and is supposed to be working with the Union of Manitoba Municipalities, I find very disgusting. I think that's degrading and I think all the municipal people should know what has happened here; certainly the Member for Lac du Bonnet, who's played a vital role in there should also take concern about that.

Madam Speaker, I just want to make some comments on the aspect of what has happened and I illustrated

my constituency with that and I think it makes common sense to have some rural input into how these boundaries get distributed. It's easy enough in the city where you have streets; everything is more orderly in terms of getting the apportionment done, we go rep by pop, Madam Speaker. It's interesting enough that when we talk about the hypocrisy sometimes about rep by pop when we talk of the Triple E representation, we want representation by region, and we have that in our province, Madam Speaker.

When you look at the populations in the northern ridings that we have, we're not being quite consistent you know. Either, Madam Speaker, I would like us to see established rules and let everybody stick by the rules, because we are not consistent right now in the way we have our ridings established. It's going to be with great interest that we will watch how members on the government side vote on this kind of a bill, because it will show how they feel about how the system has worked till now.

No disrespect meant necessarily, Madam Speaker, but I think there has been a lack of understanding and it is for that reason that this bill is here, and I would encourage all members of this House, especially the rural members, to look very carefully at this and consider it. It is not a political-type of decision that we're dealing with here, Madam Speaker, I think it is fairness that we're looking at. In that view, if everybody wants to look at fairness in terms of doing these kinds of things, that will probably serve the best purpose of all people in Manitoba.

Thank you.

MADAM SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Thank you, Madam Speaker.

Yes, Madam Speaker, I, too, would like to rise in support of the bill, a bill I think that is being introduced for very valid reasons. Madam Speaker, it allows us, of course, to also acknowledge the fact that Manitobans have, by and large, been well served in the sensitive area of reorganizing our constituency boundaries from time to time. I think it's a tribute that ought to be left on the record that belongs to the last Liberal administration this province has experienced, certainly during the lifetime of those of us in this Chamber, referring to Premier Campbell.

Madam Speaker, as I indicated, the legislation in place has served us well. What is being suggested is a very slight modification, and I think for very good reason, Madam Speaker. When my colleague first suggested this in our caucus, I certainly, as an observer of this scene for some period, would have gambled on the chances of the government accepting this rather quickly, because it makes so much common sense.

It in no way impinges or implies any criticism of the system now in place but acknowledges a new reality. First of all, when the originators of the bill were casting a vote to seek out those three fair and impartial commissioners to carry out the responsibilities of the bill, they certainly can't be faulted for looking to the Chief Justice of the province, to looking to one university president that we had, and then to looking for the hands-on experience of the Legislative Assembly, the

Clerk, the Clerk's Office, being involved in the original responsibility for carrying out the bill, who was at that time, I'm reminded, quite appropriately, the Chief Electoral Office. Those functions have now been divided and we have an electoral officer.

So, Madam Speaker, all this bill does is recognize that things have changed; things have changed in several ways. First of all, we have, through the progressive educational policies pursued by former Conservative administrations, three university presidents. All three of them were created by Conservative administrations, so why should we pick on one, Madam Speaker, as being somewhat more impartial or more competent or more fairer than the other one? That's a simple question. I'm simply saying that at the time that the original choice and the original legislation was drawn up, that choice wasn't there. We only had one University of Manitoba.

Madam Speaker, perhaps more seriously, and that I think is where we owe some specific thanks to our colleague from Arthur for drawing this to our attention, is that since that election was drawn up on this very sensitive issue of how we draw our boundaries, there has been of course a very substantial, a very massive shift in the population base in the Province of Manitoba, which has very dramatically altered the colouration of the membership of this House.

Madam Speaker, it was in the lifetime of many members sitting here that the balance shifted towards the urban in terms of total representation. It wasn't the case when I first came in the House, where rural Manitobans, rural seats were still in the majority, but the shift in populations continue. We now have the prospects certainly of seeing, in the next redistribution, a further lessening of rural seats.

Madam Speaker, when you lose seats, the choices become more difficult. For those areas that are expanding and where seats are being split in two because of expanded populations, the choice isn't really that difficult to make for anybody drawing up the maps. It's a numbers game. But when you're looking at shrinking population, rural Manitoba, and you're reaching out further and further into different communities of interests and different spheres of trading practices, different school boundaries, it becomes much more important that we have someone with a special sensitivity, with understanding, who has an open door to rural concerns to be represented on this kind of constituency.

Madam Speaker, quite frankly, I am shocked. I would expect the Minister of Municipal Affairs will take occasion to speak to this bill, if, for no other reason, to make an appropriate apology to the Rural Union of Municipalities for the entirely uncalled for attack made by the Minister of Agriculture on the executive director of that organization by the name of Warren Rusk. The contempt that he showed for him is simply not called for. It regrettably underlines the high statement, the highly politicized way in which this administration approaches virtually everything that comes into this Chamber.

Here's a piece of legislation that makes a relatively minor, yet very important modification to this bill. It takes into fact the changing conditions of the last two or three decades, a fact that 600,000 and more of our citizens have chosen to live in this one City of Winnipeg.

It takes into fact that we have three universities instead of one university, and it takes in the fact, Madam Speaker, that the next set of boundaries for those of us living in rural Manitoba become that much harder to draw because of the growing size of them. Madam Speaker, it's difficult when you have to go from one side of Lake Winnipeg to the other side of Lake Winnipeg to take in parts of what we would call the North country with southern farming country and expect one member to serve that, for that community to have some communion of feeling within that riding. That takes some understanding from somebody who has worked with rural municipalities, somebody who understands rural Manitoba.

So, Madam Speaker, I really would ask that wiser heads prevail on the other side. I would hope that those Ministers sitting in the Chamber, I would certainly hope that the Member for Lac du Bonnet, himself a reeve, who understands that before Mr. Warren Rusk could be appointed to this position, he would have to enter local politics. He would have to become a councillor. He'd have to become a reeve, and get elected to the position of President of the Union of Rural Municipalities. But to attack the concept of this bill simply because they don't like a staff member of that organization doesn't say a great deal, Madam Speaker, for their appreciation and their respect for that organization. So, Madam Speaker, I would hope that certainly the Member for Lac du Bonnet would want to speak to this bill and support it.

Madam Speaker, let me just dwell on that for a little bit. Let me indicate to the Member for Lac du Bonnet that he surely can do so without any difficulties on that side, even if other colleagues don't wish to support it. This is a kind of bill, this is a Private Member's bill. It does not impinge on the Treasury, does not impinge on any other plans the government may have. It just is a common-sense measure introduced by the Member for Arthur.

I would think that the Member for Concordia - I'm looking at the former Minister for Telephones who has, I think, some ambition in that group, that he would also sense that an option of this change would be some recognition of that ongoing and growing alienation that any minority group has in any society. Rural Manitobans are a minority group and a growing minority group, but nonetheless important.

Madam Speaker, with those few words, I think the mover of this bill ought to be commended and congratulated. I think he has brought us to date, and I would like to think that the government could set aside its knee-jerk partisan reaction to the bill and consider supporting this bill.

MADAM SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Thank you, Madam Speaker.

Madam Speaker, like the speakers before me, I would like to . . .

MR. H. SMITH: This will go well in your riding.

MR. G. MERCIER: Madam Speaker, the Member for Ellice says, "This is not going to go well in my riding."

I'm just amazed, Madam Speaker, at the attitude that the members opposite are displaying over this bill.

I had the privilege in the former Conservative Government of being appointed Minister of Municipal Affairs for a two-year period. That was somewhat unusual for a City of Winnipeg member to be appointed to that position and to have almost daily contact with municipal councils throughout Manitoba. I felt honoured to be in that position. At the same time, Madam Speaker, I understood a certain feeling of resentment that many municipal councillors outside of the City of Winnipeg felt, that their Minister should be from the rural area, and I generally agree with that.

Members opposite don't seem to recognize that the City of Winnipeg and representatives from the City of Winnipeg, I think, have to reach out, have to take an extra step to accommodate the concerns of rural Manitoba. Madam Speaker, let us just imagine if the present holders or incumbents of positions set out in The Electoral Boundaries Act were to be appointed - and they're going to be appointed shortly to embark upon this task. If this change is not made at this Session, I expect that they will be dealing with this matter later this year, Madam Speaker.

The members will be the President of the University of Manitoba - and there's nothing against any of the incumbents whatsoever, Madam Speaker, let that be clear - Dr. Naimark. He's a doctor. He's practised in the City of Winnipeg, as far as I know, all throughout his medical career and teaching in the medical field. Chief Justice Monnin is from St. Boniface, within the City of Winnipeg. I'm not aware that he has any great knowledge of rural Manitoba. The chief electoral officer is from the City of Winnipeg. You're going to have new electoral boundaries imposed by three people from the City of Winnipeg for the next change or revision in the boundaries.

I have nothing against any of those people. I'll just make it absolutely clear, Madam Speaker. I have nothing against any of those people. I respect each and every one of them for their ability, but surely it would be a small gesture to rural Manitoba for this Legislature to agree that a person, whoever the occupant is at the time, the President of the Union of Manitoba Municipalities, would form one-third of that group that will recommend the revisions to the electoral boundaries to this Legislature. Let's be clear, Madam Speaker, as far as I'm aware, we've had a practice in Manitoba that, when those recommendations are made to the government and to the Legislature, they've been followed.

Of course, we've had Conservative Governments in power in all of those times, but certainly Conservative Governments have followed exactly the recommendations of the Municipal Boundaries Commission in the past. The one good thing I suppose, Madam Speaker, in having the NDP Government having to deal with this question of revision of electoral boundaries is that no former government, to my knowledge, ever succeeded in winning an election following a revision to the electoral boundaries. It's true. You just simply look back in history, and that's what's happened, Madam Speaker.

I suppose the big question will be, Madam Speaker, whether this government will call an election before the revision or after the revision because, if you look

Tuesday, 21 April, 1987

at the results of the last election, if there is a revision of boundaries based on the results of the last election on a fair and equitable basis, that means they're going to lose at least two or three seats based on the last results. Their popular support has diminished considerably since then, so it will have a much greater impact after the next revision.

Madam Speaker, I'd like to point out something from my constituency. The Member for Ellice made a comment about how the voters in my constituency would feel about my supporting this bill. I can tell you this, Madam Speaker, that even though there were three people from the City of Winnipeg on the last Electoral Boundaries Commission, they did the people in my area no favours because of the boundaries that they chose. Now the question in the back of my mind has always been whether Mr. Anstett had anything to do with the drawing of those boundaries. I suspect, Madam Speaker, I have a deep suspicion that those boundaries for my constituency were drawn specifically by and recommended by Mr. Anstett, because he thought there was a better chance that the NDP could win the seat with those boundaries than would have occurred if logical boundaries had been followed.

Madam Speaker, the members opposite have suggested that, if this bill were to be followed, there might be some sort of bias. I'll tell you what I would really prefer. I support this bill as an improvement over what we have. But the previous NDP Government repealed some legislation that we had in effect, whereby there was an electoral commission where each recognized political party in the Legislature appointed two people to that commission. The chairman was the chief electoral officer.

I would prefer to go further than this. I would prefer to see a Boundaries Commission frankly that had a chief electoral officer as the chairman and the representatives of the political parties on the Boundaries Commission, where the political disputes could be resolved at that level. That concept has been used in other jurisdictions and has worked, and frankly, I prefer that sort of concept over any other. But as an improvement over what we have, Madam Speaker, I think it's important and I think it's very significant and I think it's right and just and equitable to rural Manitoba that someone like the president of the Union of Manitoba Municipalities be appointed to the Electoral Boundaries Commission because, as I've said, without that person there will be no rural representation on the Boundaries Commission. I think it's important that, in this particular province where we have so many people concentrated in one large urban centre, this Legislature take some steps to recognize the importance of rural Manitoba and to have them involved in the decision-making with respect to the revision of boundaries and the changes that will occur in the next revision, Madam Speaker.

So I commend the Member for Arthur for bringing forward this bill and I hope that, after the members opposite have had some time to think about this bill, they will change their views and give it the support it deserves.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Ellice.

MR. H. SMITH: Madam Speaker, I rise to speak upon this bill because I'm amazed at the type of thinking that the members opposite seem to have. For example, you know, if this was such a desirable thing, they act as if you had a great change in population just taking place now. It's been taking place for a long time. It was taking place when I lived in rural Manitoba and yet, you know, the real reason is because they want to make political hay.

Now, the second thing, they say that, you know, I shout out "bias," you want to make it one-sided by influencing, by having someone on. The fact is, the head of the Union of Municipalities is a reeve, is an elected politician. I don't think you want to have someone with an elected bias on this commission - or has recently. I gather he is presently a reeve.

Then the Member for Lakeside, he sort of explained it that it was set up because there was only one university, and therefore the head of that university joined it. That was not the reason. The reason was to find three people who were going to be fairly impartial. The Member for St. Norbert agreed, they were impartial. You know, he said he did not benefit from urban members being on this, so it's not a question of where they're from. It's a question of the type of minds and the type of attitudes that they have, that they want to be fair and impartial. That's the important factor, not just to have somebody.

For example, if some of you people represent your area, you get elected there but you don't really represent them very well. You want people who can go ahead and form - looking over the facts and figures can make wise decisions, not just someone who is political in nature.

Thank you.

MADAM SPEAKER: The Honourable Member for Charleswood.

MR. J. ERNST: Thank you Madam Speaker.

I also wish to rise and put a few remarks on the record with regard to this bill, hopefully somewhat more intelligent than the last speaker.

But in any event, Madam Speaker, when I first considered provincial politics, I asked one of my colleagues here if they could provide me with an electoral map of the province. Madam Speaker, when I looked at that map, I was amazed at the way boundaries were drawn, at the way constituencies were formed. What I thought initially and what I participated in when I was a municipal member in the city and in the boundary changes there was an underlying understanding that there would be a community of interest associated with each political district, whether it was a city ward or whether it was a provincial constituency. There would at least be a community of interest, some reason for the people who live in that district to come together as a political unit.

It would seem, Madam Speaker, that hasn't occurred in a great many instances. Now why that hasn't occurred, I really can't comment, I guess, unless to say that the people involved in that have been somehow not maybe attuned to what's happening in those individual circumstances. And there's no exclusivity in this matter. Madam Speaker, the exclusivity sort of said

that the city ones were all right and the rural ones were not. The Member for St. Norbert has indicated that his had been adjusted to perhaps suit one group over another.

In the case of my constituency of Charleswood, Madam Speaker, here is an integrated community, all by itself, separated from the rest of the City of Winnipeg by the City Park and the Assiniboine forest, a community of its own before Unicity was created, a community now that is integrated within itself. It provides all its own services, all of those things, Madam Speaker, and what happens is that about 5 percent of the land mass of the community of Charleswood is not contained within the boundaries of the constituency of Charleswood. That 5 percent of the land mass and a few hundred people, Madam Speaker, belong to the constituency of Tuxedo that has no relationship at all really, in terms of interpersonal, social or whatever, to the community of Charleswood and the community of Tuxedo - no relationship at all. But because of a requirement of population to deal with the constituency, Madam Speaker, they've just simply taken a pen and drawn a little line that says, this much of Charleswood is now going to be attached to the constituency of Tuxedo.

And in the interim, my leader's constituency has grown by leaps and bounds by the taking in of Linden Woods, which at the time that the boundaries were drawn, Madam Speaker, was a farmer's field. So there are concerns and adjustments that need to be made.

Now in terms of the rural areas, I've looked again at that map and have talked to some of my colleagues here and found that there is no community of interest. The Member for Emerson has indicated the kind of problems associated with the community of interest in his constituency, Madam Speaker. So there needs to be some representation, I think, and perhaps a little shake-up in the content of this review body is warranted.

Now, Madam Speaker, we have the Chief Justice of Manitoba, the chief law officer of the province, who no doubt has a legitimate and reasoned cause to be on that particular commission. Obviously, the chief electoral officer is necessary to be on that commission. He's the technician, the person who knows, first of all, the regulations and the rules associated with it, Madam Speaker. He also has an analysis done of population counts and has the staff to carry out much of the work of that commission by addressing population statistics, if nothing else.

Now, Madam Speaker, the president of the University of Manitoba is a very fine man. Dr. Naimark, I've known for some time. I've had an association with him through the North Portage Development Corporation, through other activities at the University of Manitoba when I was in a planning position at the City of Winnipeg.

Madam Speaker, Dr. Naimark is a fine, fine man, but he's faced with two problems. He's faced firstly, Madam Speaker, with his job as the President of the University of Manitoba, particularly when this government keeps hacking and slashing and cutting away at the funding for that University. Madam Speaker, he has to find ways and means of carrying out the function of the University of Manitoba. Madam Speaker, he has the function of carrying out the activities of the University of Manitoba, trying to find funding, trying to find ways and means of carrying out the programs and legitimate activities that the university should be carrying out, because that

government has refused to give him the money to carry it out. So, Madam Speaker, that alone is a major, major task and would preclude any, I think, major outside activities with that.

Secondly, Madam Speaker, as I indicated earlier, he is the president of the North Portage Development Corporation. Here is a corporation, Madam Speaker, that is in the process of building hundreds of millions of dollars of new construction in the downtown.

At the present time, we have the shopping centre component of that, Madam Speaker, and the parking garage under construction and anticipated to be on stream and operational by the fall of this year. But that, Madam Speaker, is the start of that particular development. We have hundreds of apartments yet to be constructed in that area, Madam Speaker.

We have other activities associated with the south side of Portage Avenue where there will be major problems perhaps as a result of the activities there that he is going to have to address as well. The impact of that development on the north side is going to have significant impacts with the rest of downtown Winnipeg, Madam Speaker, so that those have to be addressed by the North Portage Development Corporation as well.

So with the president of the university having those kinds of functions, those very major responsibilities, I would think, Madam Speaker, that to thrust another upon him through this kind of a situation maybe is not being fair, that perhaps the functions of university presidents have changed in the intervening years since he was originally appointed. Perhaps, Madam Speaker, they are now looked upon for other functions in the community besides their traditional role as university president. Now they have to be fundraiser; they have to be a variety of other things just associated with their original employment, Madam Speaker. But now they are looked upon to participate in other activities where they were not looked upon in that capacity in the past.

So, Madam Speaker, I think the Member for Arthur's bill before us today has a significant reason for addressing the question of having the president of the Union of Manitoba Municipalities, Madam Speaker, as a potential candidate for this kind of job.

Now I support the whole position of having a statutory body. Unlike my colleague from St. Norbert, I don't dispute the fact that a statutory body is good, to have people from statutory positions so it does not enter into the question of personalities at all. It's simply whoever occupies the chair of those jobs at that particular time gets to do the work.

Madam Speaker, I think that is a very good way to carry out this kind of activity. So we don't have the kind of situation where there can be political interference and political adjustments. We don't have the situation where, as the Member for Ellice has indicated earlier, there would be some kind of bias.

Here you have a situation, Madam Speaker, where you have the chief law officer of the province, you have the chief civil servant dealing with this particular issue and you have the chief executive of the municipal associations throughout the province, who understands I think better than anyone else the kind of associations, the kind of relationships that exist between municipality and municipality, between district and district, township, area, whatever. So that there would be reason, I think, reason and understanding brought to this, as well as

perhaps a political point of view, but that political point of view, Madam Speaker, could well be Conservative. It could well be Liberal. It could well be New Democrat depending upon, for instance, who happened to be the president at that particular time of that association of municipalities.

But that's the chance you take. Nobody can manipulate that. That is a simple fact of election over a period of time going through the chairs of an association and happening to hit the time that the boundaries commission would sit as opposed to the time that you are proceeding through the chairs of that association. That is interrupted or changed from time to time as well, as evidenced by the current president of the Union of Manitoba Municipalities who I think has been in the chair for some four or five years because he's been doing such a great job.

So, Madam Speaker, I support the statutory body. I support the concept and I support I think, having additional expertise attached to that. Certainly, Madam Speaker, the president of the Union of Manitoba Municipalities I think would bring, first of all, some of my other colleagues have indicated an atmosphere or rather an understanding perhaps of the rural atmosphere, of the rural understanding of kinds of relationships between municipalities, something that perhaps has been missing from that particular situation and we may see, Madam Speaker, after this latest boundaries commission, if this bill carries. I would hope that members opposite would see fit to support this bill. Lines drawn on maps dealing with provincial constituencies that will now have some relationship, some means of coming together, Madam Speaker, other than simply a line on a map across a boundary.

I don't think, Madam Speaker, in today's society where we have the kind of major problems that are facing rural Manitoba that we can afford now to fool around with arbitrary boundaries. If at any time in the past, Madam Speaker, it's now those people need to stick together. They need to pull together to come through the current agricultural crisis. Obviously they're not getting assistance from the members opposite as they should, so they will have to pull themselves up by the boot straps and they will have to pull together to bring themselves through this current crisis. So, Madam Speaker, I would hope that members opposite would understand the need to have some rural input, would understand the rationale for bringing forward the president of the Union of Manitoba Municipalities as probably the best person that we could include in a statutory capacity in order to make sure that the boundaries commission is done in a fair and reasonable manner.

Thank you.

MADAM SPEAKER: The Honourable Member for Kildonan.

MR. M. DOLIN: I move, seconded by the Member for Elmwood, that debate be adjourned.

MADAM SPEAKER: The Honourable Member for Springfield.

MR. G. ROCH: Thank you, Madam Speaker. I too rise in support of this bill by the Member for Arthur.

Like the Member for Emerson, we sort of have similar ridings in many ways. They are very diverse, very complex to represent and it would be indeed an improvement to - it was pointed out earlier that the current system works. I don't think that anybody disputes that the system has not worked well, but the purpose of this bill is to make an improvement, Madam Speaker.

My riding, like the Member for Emerson, goes from the Ontario border, obviously it does not touch the American border, but goes to the City of Winnipeg border. So in terms of geography, in terms of population, there are certain similarities, and there are many such ridings in rural and Northern Manitoba which are complex and hard to represent properly. It's often a concern of ours that people from the City of Winnipeg who have strictly an urban point of view might not be able to understand or fully understand as well as someone from the rural area what is needed to make a compatible riding, come election time.

Therefore, we find that putting the president of the Union of Manitoba Municipalities can only bring that point of view which has been acquired through years of rural representation, something which is hard to acquire when one comes from the courts or from the university or from other various areas which, although they are notable that is to be sure, they may not bring the same point of view as a person who has been a reeve or a councillor or both in a rural municipality.

The bill would also guarantee that there is always such a rural representative on the commission. Given the fact, as was pointed out by an earlier speaker, that the population in rural Manitoba has been declining, it is especially important at this point in time. As was pointed out, the seats now number 29 in Winnipeg and 28 in rural Manitoba, including the many small urban centres in those 28. So therefore it is all that much more important because it doesn't appear that in the foreseeable future that there will be a shift the other way around.

Madam Speaker, to not pass this bill I think would be not just a disservice or an injustice to rural Manitoba, I think it would be a disservice and an injustice to probably the urban citizens too, who I'm sure would like to see some kind of compatibility, some kind of way to maintain communities of interest in different ridings.

It's hard to have fair representation at all times, I realize that, but we must strive for it. This bill is an attempt to at least go in that direction although we'll never have a system which is 100 percent our ideal. We must continue to improve, continue to look for one and continue to work for one. Therefore, I would ask that members on both sides of this House, whether they are urban, whether they are rural, take a look at the merits of this bill, to see its positive points and after a thorough debate, hopefully, pass it.

Thank you very much, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Kirkfield Park.

MRS. G. HAMMOND: Thank you, Madam Speaker.

I rise in support of this bill. Quite frankly, I'm surprised that this sort of recommendation hasn't come forward

Tuesday, 21 April, 1987

before and I commend the Member for Arthur for bringing forward such a sensible suggestion.

One of the areas I think that may well have been touched on as far as representation on the commission is that the president of the University of Manitoba may well be someone who is appointed from out of province, and that often happens with universities, that they don't necessarily pick somebody from the province.

So I think that in the case of this -(Interjection)- I think that the suggestion and the bill brought forward to have the president of Manitoba Municipalities is a sensible one, because always that person will have come from rural Manitoba, will be someone that has lived there, probably all their lives and I think that this is important that when people are on this type of commission, that they understand the province that they live in.

Although no one doubts the impartiality of any of the present representatives and certainly the president of the U of Manitoba, but I do feel that someone like the president of the Union of Manitoba Municipalities would understand the natural communities, and I think that this is very important, that we have people that when boundaries are struck, it's so important in the electoral process that people have common interests through their communities, because it's very difficult if you've lived in a community, as the Member for Charleswood said, and you consider yourself someone from Charleswood and they take a little corner which there was a little jut there that they took and put into another constituency.

When you're working in elections, your friends and people that you've known all your lives, are somewhere else. They are working for someone other than the person that you consider as your friend and your neighbour. I think that although this is something that's happened in the city, it can happen in rural Manitoba much -(Interjection)- yes, in a much greater capacity that you can have parks, you can have all sorts of areas divide a rural municipality, a rural electoral boundary, and I think it's very unfortunate when natural communities get separated and someone like the president of the Union of Manitoba Municipalities would spot that type of thing immediately. It would be easier for them to look at it and understand when someone makes an appeal, what exactly has happened, because in my constituency and I live in an area called Westwood, and nobody can come into Westwood and cut through it. You have to come into it, you have to go out of it, it's like a small village; and yet, they had taken the boundary and put it right down one street and were cutting off a very small area, which would have been in another constituency and which would never have made any sense at all.

MADAM SPEAKER: The hour being 6:00 p.m., I'm interrupting the honourable member, who will have 10 minutes remaining when this is next before the House.

The hour being 6:00 p.m., I am leaving the Chair with the understanding the House will reconvene in Committee of Supply at 8:00 p.m.