



First Session — Thirty-Fourth Legislature
of the
Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS
(HANSARD)

37 Elizabeth II

*Published under the
authority of
The Honourable Denis C. Rocan
Speaker*



VOL. XXXVII No. 25B - 8 p.m., MONDAY, AUGUST 29, 1988.

**MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fourth Legislature**

Members, Constituencies and Political Affiliation

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	LIBERAL
ANGUS, John	St. Norbert	LIBERAL
ASHTON, Steve	Thompson	NDP
BURRELL, Parker	Swan River	PC
CARR, James	Fort Rouge	LIBERAL
CARSTAIRS, Sharon	River Heights	LIBERAL
CHARLES, Gwen	Selkirk	LIBERAL
CHEEMA, Gulzar	Kildonan	LIBERAL
CHORNOPYSKI, William	Burrows	LIBERAL
CONNERY, Edward Hon.	Portage la Prairie	PC
COWAN, Jay	Churchill	NDP
CUMMINGS, Glen, Hon.	Ste. Rose du Lac	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DOER, Gary	Concordia	NDP
DOWNNEY, James Hon.	Arthur	PC
DRIEDGER, Albert, Hon.	Emerson	PC
DRIEDGER, Herold, L.	Niakwa	LIBERAL
DUCHARME, Gerald, Hon.	Riel	PC
EDWARDS, Paul	St. James	LIBERAL
ENNS, Harry	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Laurie	Fort Garry	LIBERAL
EVANS, Leonard	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen Hon.	Virden	PC
GAUDRY, Neil	St. Boniface	LIBERAL
GILLESHAMMER, Harold	Minnedosa	PC
GRAY, Avis	Ellice	LIBERAL
HAMMOND, Gerrie	Kirkfield Park	PC
HARAPIAK, Harry	The Pas	NDP
HARPER, Elijah	Rupertsland	NDP
HELWER, Edward R.	Gimli	PC
HEMPHILL, Maureen	Logan	NDP
KOZAK, Richard, J.	Transcona	LIBERAL
LAMOUREUX, Kevin, M.	Inkster	LIBERAL
MALOWAY, Jim	Elmwood	NDP
MANDRAKE, Ed	Assiniboia	LIBERAL
MANNES, Clayton, Hon.	Morris	PC
McCRAE, James Hon.	Brandon West	PC
MINENKO, Mark	Seven Oaks	LIBERAL
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold, Hon.	Rossmere	PC
OLESON, Charlotte Hon.	Gladstone	PC
ORCHARD, Donald Hon.	Pembina	PC
PANKRATZ, Helmut	La Verendrye	PC
PATTERSON, Allan	Radisson	LIBERAL
PENNER, Jack, Hon.	Rhineland	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren	Lac du Bonnet	PC
ROCAN, Denis, Hon.	Turtle Mountain	PC
ROCH, Gilles	Springfield	PC
ROSE, Bob	St. Vital	LIBERAL
STORIE, Jerry	Flin Flon	NDP
TAYLOR, Harold	Wolseley	LIBERAL
URUSKI, Bill	Interlake	NDP
WASYLYCIA-LEIS, Judy	St. Johns	NDP
YEO, Iva	Sturgeon Creek	LIBERAL

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, August 29, 1988.

The House met at 8 p.m.

COMMITTEE OF WAYS AND MEANS INTERIM SUPPLY

Mr. Chairman, Mark Minenko: I call the committee to order. We are considering the resolution before us with respect to Interim Supply.

Mr. Reg Alcock (Osborne): I would like to ask the Minister of Finance (Mr. Manness) whether he was able to get the information we requested this afternoon.

Hon. Clayton Manness (Minister of Finance): Is the Member for Osborne (Mr. Alcock) asking specifically with respect to a greater breakout of detail on pages 66 and 55 of the Supplementary Estimates in Community Services? Is that the information about which he was asking?

Mr. Alcock: Yes. The information was that there were grants listed on both those pages and we wanted the figures for this year, because the figures that are listed are there for the previous year.

Mr. Manness: I am unable to provide them at this time. I indicated to the Minister of Community Services (Mrs. Oleson) that detail was sought. She indicated to me she would provide it in her Estimates whenever that item came forth.

Mr. Alcock: I would also ask the Minister of Finance (Mr. Manness) for the information on the capital relative to the Department of Health.

Mr. Manness: I have been unable to meet or discuss with the Minister of Health (Mr. Orchard) that particular issue. He is not in a position to be asked that question at this time, so as soon as I have an opportunity to pose that question to him, I will.

Mr. Jerry Storie (Flin Flon): I yield the floor to my colleague from St. Johns.

Ms. Judy Wasylycia-Leis (St. Johns): My apologies for not getting up more quickly. I, too, would like to ask some follow-up questions from this afternoon's Session, of the Minister of Finance (Mr. Manness). I understand the Minister of Finance was in the meeting in negotiations with the Foster Parents Association. Would he be able to give us an update of the situation and inform us of any details pertaining to any new position brought to the attention of the Foster Parents Association, and how negotiations are going?

Mr. Manness: I cannot provide greater detail. I would invite the Member to pose specific questions to the Minister of Community Services (Mrs. Oleson) tomorrow. I can indicate to the House that negotiations are continuing and will continue over the next number of days.

Ms. Wasylycia-Leis: Could I ask for a clarification from the Minister of Finance? Has one round of negotiations in this latest turn of events been completed for the evening? Are they still ongoing? Could he elaborate on what he means by negotiations being ongoing, and when he sees what kind of deadlines have been set and when he hopes to have some resolution of the matter?

Mr. Manness: My statement stands. The deadline we are working toward, of course, is the one in which there is a threat of a moratorium in place. And there still is a deadline that we have in place; that has not changed. The Minister is presently preparing herself for additional negotiations that will continue over the course of the next number of days leading to September 1.

Ms. Wasylycia-Leis: Has another meeting time with the association been scheduled? What is the next stage in the negotiations?

Mr. Manness: The answer to that question is yes, and I would ask the Member for St. Johns to direct any specifics associated with her question, or what I would think would be her next question, to the Minister of Community Services (Mrs. Oleson) tomorrow.

Ms. Wasylycia-Leis: I appreciate the response and we certainly will look forward to tomorrow to hear more from the Minister of Community Services on this critical issue. We certainly wish for the best in terms of this critical situation.

I would like to ask one more question for now of the Minister of Finance, pertaining to an earlier statement he made about funding for non-profit organizations and any potential cuts and so on in the non-profit sector.

Could he indicate with respect to the decision by this Government not to continue funding for the Manitoba Committee on Wife Abuse, where that \$189,000—I think it is \$189 thousand—is going? Is it being reserved for some possible plans around continuing funding for an advisory umbrella group on issues pertaining to, of critical importance in the realm of battered women and spousal assault?

Mr. Manness: I know that the Member knows that funding decisions do not work in that fashion where specific dedications are made of reduced spending decisions, whereby dedications of those savings are put aside in some trust account, or even on the ledger for that matter. The numbers themselves may exist as a recognition of a by-gone commitment that one may want to make to a certain agency or group, or interest group. But as the Member is well aware, when we made the announcement with respect to the funding of the Child Abuse organization, there was a great increase in funding associated with some of the other announcements that went along with that decision.

It all comes from the same fund. It all comes from the Consolidated Revenue Fund. I know the former

Minister is aware of that and to specifically dedicate funds for a renewed area; no, that has not been done. But again, I remind her that there were increased funds that went along with that announcement, specifically in the service that was provided to abused women.

Ms. Wasylycia-Leis: That answer begs probably a good number of other questions, the first being, to set the record straight, while there may have been some increase from this Conservative Government's original plans around the whole area of battered women and spousal abuse.

* (2010)

In fact, there is a clear decrease in terms of projected spending from the Budget of the previous administration, the NDP administration. So to suggest that money was necessary to meet new initiatives in this area sponsored by Members opposite is just hogwash. I asked a specific question, and that is has money been set aside and dedicated for the purposes of establishing some advisory groups, some non-profit community group, that could serve as an umbrella organization, that could provide advice, that could provide important supports, that could be an educational body in terms of this whole area of battered women and spousal abuse? The Minister has danced around the whole issue. I would like to know specifically if he can give us assurances today if money will be set aside to see if it is possible to see if the desire is out there in the communities to see if the necessity is there to establish such an umbrella organization?

Mr. Manness: I have never been accused of being a good dancer, so I feel quite good about really the comment that came forward.

Let me state for the record, the defeated Budget in all essence did not exist. The defeated Budget was a document that was defeated. The people of Manitoba, through their representatives, defeated that Budget. It has no substance. We made our decision based on what we knew were actual expenditures for last year. The announcement made by the Minister for Community Services (Mrs. Oleson) clearly indicated our increased commitment in the area of wife abuse. That is where we are coming from in this respect. The savings associated with the reduction of funds to the Committee on Wife Abuse, they, it is a well-known practice to the former Minister, she knows this, are not dedicated sitting somewhere, indeed the rules of accounting of wealth for that type of activity.

So to answer her question: are we earmarking funds specifically in lieu of activities that were done previously by this particular committee in a fashion that was similar to what they did at this point? No. Our increased enhancement went to providing this service, and we are proud of that.

Mr. James Carr (Fort Rouge): I would like to ask a series of questions if I could to the Minister responsible for Constitutional Affairs (Mr. McCrae). We have asked repeated questions in the House about the timing of the hearings for the 1987 Constitutional Accord, and

as I look through Hansard, I do not think I can find any answers, so I thought maybe I would try this forum and come at it from a slightly different angle.

Can the Minister inform the House how much money has been put aside for the funding of the public hearings to discuss the 1987 Constitutional Accord?

Hon. James McCrae (Attorney-General): . . . \$450 and I found out moments ago that the Honourable Member would be raising issues respecting the Meech Lake Constitutional Accord and other matters related there too, and when it came to the funding for the public hearings, which our Party and our Government is committed to, which I suggest other Parties might take more of an interest in, in terms of the democratic process in this country, I am told that the funding for those hearings will be sufficient to get the job done.

Mr. Carr: Another question to the Minister of Constitutional Affairs. Does he anticipate that the job to be done will be a week, two weeks, a month, two months, six months? Are the funds set aside \$1,000, \$10,000, \$100,000.00? We would appreciate some specificity from the Minister in this regard.

Mr. McCrae: A little while ago in the House I think it was the Honourable Member for St. James (Mr. Edwards) who started coining names or expressions to be used to describe the various Ministers here. He referred to me in a certain way, and I think we could refer to the Deputy Leader of the Opposition as the Honourable Member against Meech Lake as opposed to Fort Rouge or somewhere else. It makes for interesting discussion, of course.

The Honourable Member asks questions tonight that have been raised a number of times. Already during the Question Period in this House we have been quite consistent in our answers. We have said that the number of hearings will be in accordance with practice and in accordance with consultations as opposed to any number of items that the Honourable Member might raise. We have said that we recognize that the minority Government that we have in Manitoba will be reflected in the way we do our business, and that will call for a consultative approach.

Mr. Carr: I would like to ask the Minister whether or not transportation costs are built into the budget for air travel to Thompson, The Pas, Flin Flon, Churchill, whether buses will be rented for Members to travel to small communities in southwestern Manitoba?

Will the Minister inform the House as to the duration of public hearings and the method of transportation that he envisages? -(Interjection)- The Honourable Member for Lakeside (Mr. Enns) says years. I hope he is right. July of 1991 might be appropriate. But Members opposite do not want to seem to give these kinds of questions the seriousness and the sober second thought that they deserve. Can the Minister give the House some indication as to the travel budget that has been built into the Estimates for the public hearings to discuss the 1987 Constitutional Accord?

Mr. McCrae: I do appreciate the Honourable Member's reference to sober second thought because right away

it brings to my mind images of a real Senate, of an elected Senate, of an equal Senate and of an effective Senate. That sober second thought does conjure up images in my mind of an effective Senate that represents our part of the country far more effectively than it is able to do now. When that picture in my mind's eye is drawn for me, I am encouraged indeed to hear the Honourable Member refer to the possibility of Senate reform which, of course, we intend to convince the Honourable Member is not going to happen unless there is some kind mechanism put in place to bring Quebec into the constitutional arrangements of Canada.

Some have suggested that Quebec is part of the constitutional arrangements of Canada. I recognize that Quebec is very much a part of Canada and, in reality, is and always has been a part of Canada. But when we are drafting constitutional changes over the last few years, somehow Quebec has been left out whether by the wish of Quebecers' political leaders or by some other way Quebec has been left out of those formalized constitutional arrangements. So the only way we are going to see real Senate reform in the future is to include Quebec in the discussions about Senate reform.

* (2020)

As an avid Senate reformer, I look forward to those public hearings. The Honourable Member continues to ask the kind of detailed questions that he continues to ask ad nauseam and ad infinitum, and the Honourable Member will find that those questions will be more than satisfactorily answered as we engage in that consultative process to which our Party is committed. That process includes consultation with Manitobans. It is unfortunate that Members of the Official Opposition in this province seem to have their minds made up prior ever to listening to what the people of Manitoba have to say. The people of Manitoba will obviously have a word or two to say about that themselves when they are given the opportunity.

Mr. Carr: I am delighted that the Minister is prepared to engage in some debate over the subject. I am a little discouraged, however, that he continually refuses to answer my questions, but, having embraced the subject of Senate reform, let us talk about it for a minute. Let us talk about the national political Party that—

Mr. Gary Doer (Leader of the Second Opposition): It is not a good week to talk about Senate reform.

Mr. Carr: The Honourable Member for Concordia (Mr. Doer) says it is not a good week to talk about Senate reform. Why is that, Mr. Chairman? That is because his Party wants to abolish the Senate. They will not even be able to abolish the Senate after the Meech Lake Accord is ratified, and we on this side of the House do not for a moment—now, the Honourable Attorney-General (Mr. McCrae) says we cannot negotiate Senate reform until the Meech Lake Accord is signed. Okay, then why do you say that you are going to listen to the people of Manitoba?

You are prejudging the public hearings. You are making a commitment in this Chamber tonight to sign

the Meech Lake Accord, so why do you not stand up and say it? The negotiating ground all of a sudden shifts dramatically in this province. Now, you cannot have it both ways. Are you going to sign the Meech Lake Accord, or are you going to listen to the people at the public hearings? I know—I cannot hear the heckle from the Minister of Agriculture (Mr. Findlay). I would like to hear it.—(Interjection)— Not paying attention to the discussion in the past. If the Honourable Attorney-General would like to borrow my file on the Constitution, if he would like to read —(Interjection)— The Minister of Finance (Mr. Manness) says I bet it is that thick. I do not know how Hansard is going to record the gesture. Six hands, he says, so it will be on the record. He is right; it is at least six hands.

An Honourable Member: . . . tiny horse. I like them about 17 hands, myself.

Mr. Carr: The Honourable Members opposite want to put the cart before the horse.

Now, if the Honourable Attorney-General would like to share the file, it would be my pleasure to do that, because I could show him letters from women's groups across the country and in Manitoba, from aboriginal groups from across the country and Manitoba, from those who believe in a strong central Government.—(Interjection)— Now, I am glad that the Member for Concordia (Mr. Doer) gives me a chance to put something else on the record.

It was his irresponsible discussions with the press that established an anti-French nuance to this debate. It was not the Liberal Party, Mr. Chairman, that established —(Interjection)— He says what hypocrisy. When we get a letter in our file that suggests that the Meech Lake Accord should be fought because of an anti-French or an anti-Quebec sentiment, do you know what we do? We write a letter back saying no, thank you, we do not want any part of that. Liberals in Manitoba do not have to take any lectures from New Democrats about bilingualism in this country.

I would like to ask the Honourable Attorney-General (Mr. McCrae) a question. The Honourable Attorney-General talks about the need for Senate reform and indeed he is a supporter of a Triple-E Senate. Let me see if I can read his mind. He believes in a Triple-E Senate because he thinks there has to be regional participation at the national level. He wants to take a say for Manitoba and imbed it in the national political system. That is why most people want an elected Senate, particularly in western Canada, but I distinctly heard the Prime Minister last night on television—the Member for Arthur (Mr. Downey) says he is a good man. He can take that message on the campaign trail and we will see what the people have to say. But I do not want the Member for Arthur to make me lose track of my thought.

The Prime Minister of Canada last night said, and I cannot quote it because I do not have a transcript, but the meaning was clear, that the purpose of the Senate—the only purpose of the Senate—was to provide sober second thought.

In fact, it was the expression "sober second thought" that generated a rise to the Attorney-General's (Mr.

McCrae) feet, so he could wax eloquent about the role of an elected Senate and how he, indeed, is a Senate reformer.

May I ask the Attorney-General (Mr. McCrae), and I know that it is treacherous because I yield the floor and what I might get back will take 10 or 15 minutes, but I will take a chance and ask him anyway.

Has he or the First Minister (Mr. Filmon) had conversations with the First Minister of Canada or the Minister of Justice or the Minister in charge of Federal-Provincial Relations about the role of an elected Senate and how soon it may be negotiated into the Canadian Constitution?

Mr. McCrae: The last time I had a conversation with the Prime Minister of Canada was when he was visiting my town of Brandon and making commitments respecting Brandon University. It was not all that much later that Brandon University did indeed benefit greatly from the Prime Minister's commitment. The people of Brandon are aware of that and other things that have been done.

While we are talking about federal political leaders, I daresay that when I think of one Pierre Trudeau and the record of -(Interjection)- Just for the record, the Leader of the Opposition (Mrs. Carstairs) in this House has referred to Mr. Trudeau as being a good man. I remember not so long ago, I guess about two years ago in my inaugural speech in this place, warning the Leader of the Opposition in this province, as she then was the Leader of the third Party in this House—to not get herself entangled too closely with the record of failure of the Trudeau years.

Now, it is one thing to suggest that the Trudeau years, and Mr. Trudeau himself is a good man when you are discussing an issue that you might find to be somewhat in your own favour, but when we stack up the record of that particular gentleman and compare it with the present Prime Minister's, I will take the record—economic and otherwise—of the present Prime Minister, over that of Mr. Trudeau any day of the week. So will most Manitobans and most western Canadians.

The Honourable Member for Fort Rouge (Mr. Carr) suggests that we would try to have it both ways and when I speak about reformed Senate, somehow I am speaking definitely in favour of Meech Lake. Well, is it not interesting, the Honourable Member opposite can speak in favour of a reformed Senate and speak against Meech Lake so which is it? What is the difference? We have opposing views sometimes about how we might get to a certain place. The Leader of the Opposition (Mrs. Carstairs) and I agree on this, I believe, that very often we are headed in the same direction. We are trying to bring about reforms that are good for Canadians and we often disagree about how we should get there. But the fact that we want to get there should not be lost on any of us and it is unfair. Certainly, I will give the Honourable Member every opportunity to set the record straight on this.

I think he can look around at any public statements that have been made by me or by my own Leader, the First Minister (Mr. Filmon) and I do not think he will

find that anything we have said will have any effect in terms of the public hearings and will have any effect in terms of prejudicing the outcome of those public hearings.

So the Honourable Member opposite might do the same, give the people of the Province of Manitoba the same credit that I and my Leader are giving the people of the Province of Manitoba, giving them an opportunity to be heard.

Indeed, I can tell the Honourable Member that I myself have been involved in discussions with groups in Manitoba, one particularly in my own area I remember very well, which is not all that enamoured of the Meech Lake Accord and the Honourable Member should recognize that has been and began as a federal initiative. He has got to remember the history of the whole matter. It began with—I remember the headlines in Winnipeg, not so long after the CF-18 affair, the headlines in Winnipeg read that all was forgiven by the previous Premier of this province in terms of his relationship with the federal Prime Minister as a result of Mr. Pawley's being a signatory to the Meech Lake Accord. At one time that honourable gentleman felt pretty good about the achievement arrived at that day in 1987, or that morning or whenever it was that the Meech Lake Agreement was actually signed. The Honourable Member wants to try to put words into my mouth, and I would like very much to set that record straight. I do not think he can find anywhere where I have made the assertion that the Meech Lake Accord is a fait accompli in Manitoba.

I do single out the issue of Senate reform, and I say that as a Senate reformer, and I say speaking also for myself at this point in time, that the Meech Lake Accord would assist in getting Senate reform talks on the rails, and as long as we are not talking about Senate reform, not much is going to happen. So, speaking for myself on that particular issue, I think the Honourable Member, if he checks the record, will not find that I have said anything remotely resembling what he has suggested.

* (2030)

Mr. Harry Enns (Lakeside): Meanwhile, back on the farm, I would understand that measures for the Drought Relief Program are included in the Interim Financing Bill that we are approving here, which I suggest we ought to be able to approve some time tonight, but I would like to address a few concerns that I have with respect to the drought program to the Minister of Agriculture (Mr. Findlay). I see he is present in the House.

I have nothing but applause for the overall program. I think the Greenfeed Program, which has proven so successful in the years 1980, has again, certainly in my area and throughout the Interlake, indeed many parts of the province, is a fast, efficient, effective program, relatively easy to administer, and relatively fair. People with poor crop productions, people who have suffered under the drought with efforts to produce grain, have had two avenues open to them, to take advantage of the scheduling of time to plow under a crop that was not emerging and plant a suitable substitute to take advantage of the Greenfeed Program;

and, as I understand the program, also those farmers who have gambled in the hope that perhaps a poor crop would nonetheless yield an economic grain harvest. But then I found out that otherwise they have been able to call in the crop adjustors and get a crop adjustment made on that grain crop and still enter into the Greenfeed Program and role up some of this crop for the forage production, for the Feed Security Program, which I think has done an excellent job, as I said. I really believe that in Manitoba we will not suffer certainly the same extent of damage that southern Saskatchewan, indeed the northern States, southern Alberta, particularly the livestock producers are suffering.

The one area that I am concerned about is the feed security support, the direct support program for the cattle producers as announced under the program. I want to caution the Minister, I want to caution this Government, while not for a moment suggesting that they would have anything other than honourable intentions, but it has come across my mind that even a Conservative Government from time to time is prone to taking advantage of propaganda announcements that make a program sound great in its initial introduction and then, partly because of the administration of the program, or because of the lack of fine tuning of the program, the assistance proffered or offered at a time of need not really living up to its expectations. And I say this not unkindly to my colleague, the Minister of Agriculture or to other Members of the Government, but there is in my judgment a distinct possibility that some of the sums that we are voting in this Interim measure, financing measure, will never be spent because of the nature and the way the program is set out.

I have discussed privately these concerns with the Minister. I would ask him to take this opportunity to put on the record that his staff and his people are aware of these concerns, not just expressed by myself, but I am sure have thought about them themselves as the program evolved.

The essence of the program is that if the area of a municipality finds itself in a deficit forage production situation, the magic number is 30 percent. If it is to take advantage of the maximum assistance made available to cattle producers of \$60 per mature breeding animal, then that assistance will be forthcoming.

But I want to tell the Minister and the Government that Mother Nature does not always follow municipal boundary lines. There are areas in this province that have a significant number of cattle producers. Usually they travel in a kind of a stretch—northwest. I have a situation that I should put on the record; I would not want to have any mistake made about it. I speak with a vested interest as a cattle producer, but certainly I speak for a number of cattle producers from that area, from starting the south of Marquette through to Lake Francis, through to Lundar, to St. Laurent, to Oak Point, that have had very little rainfall.

In my own situation, my alfalfa crop certainly produced less than 20 percent, and that is the case for a sizable number of farmers within that region that I just described. But because of the situation where

more adequate rainfall fell in the eastern portion of the same municipalities, we will likely not receive a great deal of assistance out of this program.

I take this opportunity to say this to the Minister because I am concerned that the good intentions of the Minister, the good intentions of this Government are fully realized by those in need. There is the distinct possibility that a cattle producer who is suffering extreme hardship from drought, producing less than 10 percent of his hay crop, is being asked to give the Minister or to give this Government \$1,000 for the privilege of enrolling in this program and not receiving a single cent of assistance. That is a possibility under this program.

The program is so designed that unless it is carefully monitored, if two-thirds of my municipality has had adequate rainfall and the other third which happens to house most of the cattle producers has had the low standard rainfall, those who are attempting to join the program, first of all have to commit themselves to enter the Crop Insurance Program for the coming year—and that is the \$1,000 that I am speaking about—and yet very likely will not receive any assistance because of the rainfall in the other portion of the municipality.

I am citing perhaps an extreme situation. I have raised this, as I have said, privately with the Minister, but I have been asked by a number of my cattle producers to make it clear to my Government and to my Minister that this is a legitimate concern that they have. I understand this is not solely restricted to that portion of the Interlake that I am concerned about. Perhaps this is just in pockets throughout the province.

But when a Government and when a Minister is prepared to offer assistance to those persons in need, they raise the level of expectations of those people. If those expectations then are not met, then I think there is a double jeopardy in the support of Government because they feel that once again perhaps a well-intentioned program has failed to hit the nail on the head. What I am asking is for the Minister to take the time between now and Fall, when the final computations are made for the administration of the program, that he makes every effort to wield a steady hammer and to in fact hit the nail on the head, and to, what I think most Governments would like to do more of, make sure that we target those taxpayers' monies, those hard-earned taxpayers' monies, in the areas that require it.

* (2040)

The converse is also true. It is also quite possible that a rancher who has had above-average rainfall and has had an excellent alfalfa crop is going to receive maximum benefits under the program, not needing them because he happens to find himself in an area where he and a few of his neighbours perhaps have had just the appropriate, the right showers, the right rainfalls at that time, that have caused him to produce an excellent forage crop.

If the adjoining area has been in a deficit situation with respect to moisture and makes that farmer then eligible, makes the whole area eligible for the program, and it is these kinds of anomalies that back on the

farm, when the boys are talking in the coffee shops say, Governments try. They do their best, but they somehow never seem to get it right. I want some assurance from the Minister of Agriculture that this Government, this Minister, is going to get it right.

Hon. Glen Findlay (Minister of Agriculture): I thank the Member for Lakeside for that question. Certainly a number of the things he mentioned there have been raised in different angles from producers and from councillors. I would just like to assure him that we are doing a number of things and I will detail them in a moment to try to address those concerns and also be fair to the taxpayers of Manitoba and Canada.

With the Greenfeed Program, we had targeted \$9 million, 50-50 federal-provincial. When we went into the program, we arrived at the \$9 million because we figured approximately 6,000 producers, maybe 600,000 acres, a ton-and-a-half per acre works out to \$9 million.

As for the up-front calculations, I will tell the Member that we have 5,800 producers enrolled, 200 off target. We have 630,000 acres enrolled, 30,000 over target. If the yields come in at approximately the predicted figure and we know that the minimum payment is \$15 per acre on seeded crops, we also know that a lot of salvage crop was rolled up as greenfeed and good quality because of the dry summer. We think that the overall, the target of the money committed there is going to be fairly close.

I say that first, because that one was maybe a little easier to predict because of the 1980 program, but we certainly had no idea how many producers might enroll. It was a well-received program. I think it has done a good job of stimulating the—as the Member said, putting a crop into feed instead of turning it down when it was really no good as a grain crop. It has done a good job of stimulating extra feed.

It has kept the lid on feed prices and has allowed some grain farmers to produce a crop that had a good market, and a lot of that crop is going to be sold outside of the province in Saskatchewan and in the United States. That is an export crop that is bringing revenue back into Manitoba, into those communities, and particularly into the pockets of the person who produced the feed.

On the Per Head Payout Program, certainly there are a few extra unknowns in this program of some \$17 million. When the program was conceived back in early June and announced in late June, we had no idea at that time as to whether it was ever going to rain again or if it was going to rain a lot, where the areas of worst hurt would be. At that time, really, it looked like the whole province might be in fairly good shape and in Saskatchewan it looked worse. As it has turned out, the southern 100 miles in Manitoba has been severely impacted with lack of feed production, and producers down that way are going to need some money to buy feed to transport cattle. Maybe some of them will spend some money to build some fences this past year to fence off crop that they wanted to graze, and a variety of ways in which producers had to spend money.

To determine the people that were hardest hit, we had to select the program that would allow us to develop

a criteria that would target the money to the areas that needed it the most. We chose the Feed Security Program under crop insurance which every year measures the amount of hay production in each municipality. We set the guidelines of 70 percent for zero payout, and anything below 70 percent of normal production would trigger a payout down to 100 percent payout, or \$60 per cow, 30 percent of normal forage production.

This is where the Member is somewhat concerned that maybe the selection of those figures is not going to properly reflect the ability of certain areas to produce hay, and have enough money to do what they have to do to retain their basic cow herd.

Also some concern the Member has about whether half a municipality is going to be affected negatively and the other half positively. We have had these problems in the past with the Feed Security Program, and if you think back to when this program was initiated some two to three years ago, there was not enough previously supplied information to determine normal level of production. The province jumped into it, maybe a wee bit prematurely, but we are into the program, and we have had some problems in the past with different municipalities, and the farmers in those municipalities complaining that my side of the municipality had poor hay production, the other side is where the monitors were, therefore we did not get a payout under the Feed Security Program. Just for the Member's information, the normal Feed Security Program under crop insurance pays out at the 70 percent trigger.

I can assure the Member that we are aware of this. About a month ago, I met with crop insurance staff and I said that was one of our major areas of trouble last year and that the municipalities were unhappy with the monitors selected. So we talked to crop insurance staff about the feasibility of sending out a letter to the municipalities before the measurements are made, and normally they are made in late August, September, and as late as early October, the measurements of feed in the various monitoring farms. We talked about sending a letter to the municipalities asking them to determine if the monitors that had previously been used in their communities were reflecting in the average of the municipality. That letter is going out, and I spoke to some municipalities over the last couple of weeks. I have told them the letter is coming, and I have asked them to conscientiously look at it before the measurements are made, to be sure that they are satisfied with who are going to be monitored in their particular municipalities. If the event develops that a large municipality got one half that had good rainfall, the one half that did not, crop insurance is prepared to look at, monitoring the two sites separately. That is a bit of a break from the norm, but we want to err on the side of the farmer, particularly in this program at this time.

Just for other Members' knowledge, I would tell you that it is difficult to always target everything perfectly to the satisfaction of every farmer. You think of some other stabilization programs that are in place, Western Grain Stabilization covers all of western Canada. It is

one area, one large area, and you could be lucky and have a good crop on your farm, and a poor crop in all of Saskatchewan, and you end up with a payout. Crop insurance for normal crops is done in crop insurance districts. We have 19 in the province. The Per Head Payout Program or the Feed Security Program is done on a municipality basis, which is 120 municipalities in the Province of Manitoba—120 different districts. So it is broken up into pretty small blocks.

But there are still problems with it and, for next year, we hope to be able to put in place a program where the boundaries will be drawn on what we call traditional climatic lines, which if implemented, if we can get it in place, will amount to about 160 districts in the province. Some of them will be in municipalities as we are now, some of them will cross municipality lines because of the climatic boundaries that will exist, and hopefully if we go to the 160 districts, we will get away from some of the problems the Member has identified in the Interlake or along the lake. If you are close to the lake you have heavier rainfall than if you live further away. That is what we are trying to do. We hope that the program works out as we had planned it and if it does not work out precisely we are prepared to relook at the guidelines after the measurements are in. They will be in late September or early October. The idea is to target the money to get it to the producers who need it the most.

With regard to enrollment for crop insurance in '89, the requirement that we put on the program, I think it is in the best interests of the producers to protect themselves from risk. This year two-thirds of the money from the '88 program will be paid out before the end of the calendar year based on the measurements from the Feed Security Program. The remaining one-third will be paid out about March of next year if producers enroll in either the Feed Security Program for 1989 or the Forage Insurance Program if they have field hay. They have one of those two options, and all we are asking is that they enroll for '89, because we know with the low rainfall this year the probability of good forage production next year is in doubt. When they enroll for '89 there is no requirement for any payment for the '89 Feed Security Program until the end of September of 1989, so there is no deduction off the '88 pay outs for the '89 program, no financial deductions at all. We only require that they enroll at some level of risk protection so that they are protecting themselves from the probable extension of this drought into 1989.

I think that the crop insurance staff have done everything possible to be looking after the producers and we constantly try to if we are going to err, let us err on the side of the producers that are hard hit by this drought. I would thank the Member for the opportunity to address this right now because it is an area that we believe needs a lot of attention for this year and next year, and I can assure him that the Crop Insurance Board is going to be very actively doing what it has to do to get the Feed Security Program and crop insurance in general on a good footing in this province.

Mr. Carr: Mr. Chairman, I would like to direct a remark or two and perhaps a question to the Deputy Premier

(Mr. Cummings). May I first ask the Deputy Premier if he can enlighten the House as to the budget set aside in the Estimates for this fiscal year for the Meech Lake hearings?

Hon. Glen Cummings (Deputy Premier): It seems to me, Mr. Chairman, that answer was provided by the Attorney-General previously and that is that we can be assured that sufficient funds to make sure the hearing process is adequately carried out will be made available.

* (2050)

Mr. Carr: I would like to get a comment or two on the record and invite a response from the Deputy Premier. The Attorney-General (Mr. McCrae) in one of his answers alluded to the importance of a signed Meech Lake Accord before there is any advance and Senate reform. He also says that Members on this side of the House are prejudging the public hearings by making comments, by making suggestions, by showing a little leadership. Our Party is on the record responding already to what the public has said in response to the 1987 Constitution. Well, the Minister of Highways and Transportation (Mr. Driedger) says Meech Lake is dead. If he is trying to throw back a comment made by the Leader of the Opposition (Mrs. Carstairs) on this subject, let me take advantage of this moment to set the record straight. The Leader of the Opposition said she was anxious to improve the Accord, that Meech Lake II is better than Meech Lake I and Meech Lake III would be better than Meech Lake II.

An Honourable Member: She never said that.

An Honourable Member: Let us get on to some real issues.

Mr. Carr: Our party has—the Member for Concordia (Mr. Doer) says, let us get on to some real issues, as if the 1987 Constitutional Accord is not an important issue facing Manitobans and Canadians. I would like to ask the Deputy Premier if he can give the people of Manitoba and Members of this House any inkling, any clue, any scintilla of evidence as to what his Party and his Government's position is on a Constitution for Canada. Does he agree with women's groups across the province that the Accord threatens the established rights of women through the Charter? Does he agree with Native Canadians who believe the same thing? Does he believe, along with the Yukon and Northwest Territories, that the amending formula is inflexible? Does he believe that the amending formula means that the chance for meaningful Senate reform is lost to Canada? Does he believe that the Charter of Rights should be supreme? In all of the questions that we have asked about the Accord since we sat in this House on July 21, we have not had one single answer that enlightens the people of Manitoba as to this Government's position on the most important document facing us in this Legislature in decades.

Mr. McCrae: Why did you not say that during the campaign?

Mr. Carr: The Honourable Attorney-General (Mr. McCrae) says, why did we not say that during the

campaign? During the campaign, we had a clear position for the Liberal Party vis-a-vis the Meech Lake Accord, a clear sense of where we wanted to take that constitutional amendment. My question for the Deputy Premier (Mr. Cummings): Can he give us any sense at all as to what his Government's vision is for a Constitution for Canada?

Mr. Cummings: First of all, Mr. Chairman, I do not think there is anyone in this room who would not want to see Quebec back in the Canadian family.

Further, there are many of the points which the Member has raised which are obviously going to be subject to the opinions of the people who come forward at the hearings. The question that the Member opposite is asking is whether or not we are going to lead public opinion in whatever direction we wish to move it, or whether or not we are truly going to accept the weight of opinion that is brought at the hearings. I think that it is only fair to suggest that, if we want the hearings to be anything more than a mock show or a false show of interest, then we have to listen to the public and the feelings that they have. We have to listen to the opponents and the concerns that they have, and a lot of their concerns are being expressed through the Liberal Opposition. At the same time, there are many of us who have feelings regarding Meech Lake and some of the promises that it holds.

If we were to put forward a Government unanimity on the position and force Meech Lake forward, saying that we as a Government feel it must be dealt with in a particular manner, then we are telling the people of the province what we want them to say at the hearings. We want to hear their views and we want to hear the views of experts who may be willing to bring the facts of constitutional law into the eyes of the public.

I will give the Member opposite a brief example of why I think that is important. I have been quoted in the paper on this particular topic so it is not that I am going to be saying anything new, but there is a body of opinion that says that, if women's rights were to be dealt with again in Meech Lake, that would in fact denigrate the rights that they were given previously in the Constitution, and they were considered so inalienable as they need not be dealt with again. That is the kind of information and the kind of discussion that we think needs to come forward at the Meech Lake hearings.

If the Member is suggesting—and I am not sure if he is, but if he was suggesting that we are not demonstrating leadership on this side of the House, I think we in fact are demonstrating prudent reasoned leadership inasmuch as we are required by law to have hearings in this province on any constitutional changes since the debate on the French language issue. I think, if I remember correctly, it was forced very strongly by the Conservative Members at that time. That was one of the things that they were able to force and achieve.

The Member asked: Is there any modicum of direction that you would like to get from us? Our Leader, the Premier (Mr. Filmon), has stated many times that he has a personal feeling that Meech Lake is good for

this country, but at the same time he wants to hear, as I have just said, what the public is going to say. I can tell you that, to a large degree, my sentiments lie in that direction as well.

When we keep hearing concerns being raised about where Meech Lake will create problems for us and then we keep hearing about the fact that Meech Lake is not the dragon that some people think it is, I say let us have the experts, let us have the body of knowledge that is out there brought forward into one place in a public venue to discuss the issue. Then we can all in this House intelligently deal with how this province should move in relationship to Meech Lake.

I might add that the Member opposite I am sure, because they have indicated they are such ardent students of the Pierre Trudeau school of constitutional law, might do well to study some of the things that Mr. Trudeau put on the table when he was trying to bring the Constitution together. You will find that he was giving away far more in order to achieve Quebec's signature on the Constitution than Meech Lake does. I think, if the Member opposite will honestly give that some consideration, he might wish to modify some of the arguments that he is putting forward.

Mr. Carr: I do not want to prolong the discussion but, since the Deputy Premier (Mr. Cummings) and the Attorney-General (Mr. McCrae) wanted to bring up the name of Pierre Trudeau, I think I owe it to myself as one who appreciates the kind of constitutional vision that he consistently gave Canada. Whether you agreed with it or whether you did not agree with it, to put a few things on the record, first of all, former Prime Minister Trudeau in his constitutional negotiations with the Province of Quebec never at the same time gave a package of concessions which remotely approaches what the Prime Minister of Canada gave away to all of the provinces, not just the Province of Quebec, in the Meech Lake meetings of June of 1987.

But not to prolong the debate any longer than is necessary, Mr. Chairperson, I know there are other people who want to rise and ask questions, let me simply ask the Deputy Premier with respect: When can we expect the public hearings to begin?

* (2100)

Mr. Cummings: The short answer will be quite shortly after the tabling of the resolution. I am not in a position at this time to give you a definitive date, but it will come.

Mr. Doer: My questions are to the Minister of Finance (Mr. Manness). Can the Minister of Finance please clarify to this House and indeed to the people of Manitoba what is the operative policy on approving bed closures in this province? Is it the promise of the Premier (Mr. Filmon) or is it the word of the Minister of Health (Mr. Orchard) that we heard last week? Could he please clarify, as a Member of the Treasury Bench and indeed as our Minister of Finance, the actual policy in Manitoba on this very important issue?

Mr. Manness: Mr. Chairman, the Member knows fully well that the final authority is the Premier (Mr. Filmon).

Monday, August 29, 1988

I mean, the Premier speaks for the Government. The Member, having been a Member of the Treasury Bench before, certainly knows that is the proper protocol and that the final authority indeed is the Premier.

Mr. Doer: I would concur on the final authority. My question becomes: What is the policy that Manitobans can interpret in terms of the Government's policy on the closure of beds. The Minister of Health (Mr. Orchard) has stated publicly that the promise was poorly worded. Now I would like to know: Is that the case? Does the Government feel that the commitment was poorly worded, and is there a policy on closure of beds that is somewhat different than the commitment made on April 9 and the commitment of course that we, up until the Minister of Health's (Mr. Orchard) words, were interpreting as the commitment and policy of this Government?

Mr. Manness: I am not going to engage, quite frankly, in any open speculation as to what appears to be a difference, in the mind at least, of the Leader of the NDP (Mr. Doer) as between a stated election commitment under his interpretation and an action that has happened subsequently.

Let me say that this Government does not want to see hospital beds close. In the sense that we can find all the funding that we would love to be able to find and to direct it towards semi-autonomous hospital boards who ultimately make these decisions, we would love to be able to say that we guarantee without any doubt there never would be a bed closed. But nevertheless, that is our hope.

We believe that, through bringing forward a good Budget, we believe in sending the signal out to the business community that Manitoba now has a new environment. The economic order is going to be restored. There will be economic activity generated such that there will be profits generated, such that there will be tax revenue generated and, therefore, we will have the needed revenue to maintain our social system. That is our mandate. That is in essence what is behind most of our commitments.

But, Mr. Chairman, while I have the floor, the Leader of the NDP (Mr. Doer) has had great fun with respect to CPR.

An Honourable Member: Boy, it sure bothers you, does it not?

Mr. Manness: Well, really it does not bother me at all, but I think it is time to lay some facts on the line. I will tell you, it did not bother me at all but it is beginning to bother me a little bit when I hear the Opposition Party beginning to use the same song and dance and the same story.

You see, what we have got here is we have two Parties who are desperately trying to find the alternative because of course, to have any credibility when they talk about or indicate that we should spend more in certain areas, they have to have some source for that additional spending. So what the Leader of the NDP (Mr. Doer), the Member for Concordia does, he says

that we could have found that source if we had gone through with the defeated Budget's determination to tax greater the CPR, particularly in the area of motive fuel tax.

Right today, the motive fuel tax rate that is directed toward the users of that energy source is 13.6 cents per litre. The defeated Budget, the one that I said previously has no substance in fact, wanted and proposed that rate go up to 15 cents per litre. We chose not to increase that tax for these reasons. Firstly, the current tax is roughly triple, not two times but triple, that in effect in every other province except Saskatchewan. But the Manitoba tax has increased from 4.8 cents per litre in 1983 to 13.6 cents per litre. That is a threefold increase in the space of eight years—actually, four years.

We believe that doing that operates in a way that is in conflict with Manitoba's greater interest. Let me explain why, two reasons. Firstly we have a very valuable transportation centre in this city, in this province, and particularly in this city. Saskatchewan does not have any portion of that and you can bet that they would lust to have it. Look at the jobs that are created by the presence of the—well I should not say the head offices anymore, but still very senior offices in the City of Winnipeg—right here servicing and, to a large extent, all of Saskatchewan and western Canada, although to a lesser extent because the mountain region services Alberta. So there is a great wealth created in this city by the railways, CPR and the CNR, through high-paying jobs, and of course all the other activities. They are paying their fair share of payroll tax, their share of provincial income tax and so on and so forth. Why then would we want to increase that motive fuel tax to a point equivalent to Saskatchewan, again three times greater than every other province.

But I think there is another reason. It was the essence of the answer I gave to the Leader of the Opposition (Mrs. Carstairs) the other day. That rate, that increased charge on motive fuel tax is almost certainly passed on to the user. The user in Manitoba's case, in large measure, is the farmer of this province, the farmer who today cannot sustain an increase to transportation cost or in any costs. So the decision not to increase the levy on motive fuel tax as directed towards the railways was made in clear conscience. It was made for good reason, for the reasons I have listed here.

So if the Members want to react to the rationale, so let them, but then let them explain why it is that the users, the Manitoba farmers, should pay more. Let them explain why it is that these companies should look around elsewhere to locate their head offices because of the tax load they are paying in this province. Today, both of them, CNR and the CPR in my view, are pretty decent corporate citizens, and I find it strange that the Leader of the NDP (Mr. Doer) would begin to pick on them in the sense that they are fair game as they have been over the last 100 years.

Mr. Doer: Actually, when I saw you holding onto your book this afternoon and just eager to get those answers out about the CPR, I thought you had a little clunker in there for us that we would have to be worried about.

Monday, August 29, 1988

I am quite disappointed with the rationale the Minister of Finance (Mr. Manness) brings forward.

If there was any correlation between job loss and railway tax, New Brunswick would not have thousands and thousands of workers laid off by the federal Crown corporation, one which, I dare say, is going to cost Conservative MPs their seats in this next federal election, thousands of jobs in terms of the lay-offs in the Crown corporations in those communities with, if you would look at your facts, quite a bit different locomotive tax in terms of this province.

Secondly, to argue that this tax, which will go up to the same level as the Province of Saskatchewan, is somehow against farmers is really quite a condemnation to the Premier of Saskatchewan who is also the present Minister of Agriculture of the Province of Saskatchewan, a person who perceives himself as a friend to farmers. So the tax which would only go to the same level of that of Saskatchewan, which is a province that perceives itself at least to be a friend of the farmer, is certainly defensible in terms of the farmers of Saskatchewan in terms of the level in that province.

* (2110)

I think the Minister of Finance (Mr. Manness) is sensitive about this issue. CPR does make \$166 million a year. It has tons of land in the middle of this city that it has not paid taxes on for years. It has done quite well, thank you very much. I believe we should treat corporations like that as good corporate citizens, no question about it, but there is no reason at all for the Minister of Finance leaving millions of dollars on the table that he could obviously use in other very vital areas in this province, including the Pharmacare deductible program which he raised \$1 million; the foster parents situation, he could use another \$1 million or two on that very important issue. Perhaps other areas which are very vital to the social fabric of this province could probably have a little greater need than the CPR corporate offices in the bottom line.

The CNR made \$43 million last year, if the Minister of Finance (Mr. Manness) is aware of the financial statement. Although many of the dollars that the CNR made was the sale of their hotels, I would like to see their report this year. Certainly, in terms of job loss, the major job losses in the CNR have been a direct result of capricious and whimsical treatment by the federal Government and the federal Minister of Transport which will manifest itself, I would suggest, in losses of seats, but we will see. The jury will be out till we see the results of those federal elections.

My question again to the Minister of Finance (Mr. Manness), coming back to some issues on health care: Can the Minister of Finance inform this House and indeed the people of Manitoba whether the planned expansion of Concordia Hospital which is right now presently serving the third-busiest hospital in the province due to the increased area in northeast Winnipeg, will the planned expansion of the extended care beds proceed on schedule with Government funding in support and be completed on target in 1989-90?

Mr. Manness: In all honesty, I cannot answer the question. I cannot recall all the detail associated with the capital budget of Health. Indeed, if I did have that answer close by, I still would want to seek clearance from the Minister of Health (Mr. Orchard) to release that information. I am sorry, I cannot provide that.

Mr. Doer: I have a number of questions on Health. It is one-third of the spending, Mr. Chairperson, of Government. Quite frankly, the purpose of these Estimates and Interim Supply is to look at the spending level that we as MLAs will have to approve. Would the Minister of Finance (Mr. Manness) tell us whether there was any change in policy in terms of the capital budgets of the health care system in terms of the Estimates we are now reviewing?

Mr. Manness: Let us set it straight for the record. I am expecting that Interim Supply is going to continue tomorrow and probably most likely Wednesday.

I honestly believe that the Minister of Health (Mr. Orchard) will be here to answer those questions directly. I do not think that I serve any good purpose in speculating, in trying to draw from memory—the Minister is well aware of the number of figures that I see in a daytime when I sit around Treasury Board. Mr. Chairman, I do not have enough of a command of that particular capital item and, if I did, I still would want the Minister of Health to respond to that question.

Mr. Doer: Continuing on with major issues that I am sure—and I respect that, and we will ask those questions to the Minister of Health (Mr. Orchard).

Can the Minister advise us whether there is going to be any implementation of the chief executive officer compensation plan that was passed over in the transition period; and secondly, what is the level of salary that he or Cabinet has approved for the selection of the CEO of the Public Insurance Corporation of Manitoba, which the Minister indicated was going to be announced “shortly” last week?

Mr. Manness: I think it might be better that the Minister directly in charge of MPIC answer the latter question.

With respect to the former question, the general policy, we are looking at all items as we are preparing our legislation dealing with a better way of making Crown corporations accountable to not only the Members of this House but the people of Manitoba. As we are drafting that legislation, we are looking at all areas of accountability, and we are also including looking at the general policy of remuneration to senior executives there.

Hon. Glen Cummings (Minister responsible for The Manitoba Public Insurance Corporation): I wonder if the Member would repeat the last part of that question, please.

Mr. Doer: Given the fact that the Minister is in active recruitment for the CEO of the Public Insurance Corporation, which would require a level of funding for the salary of the CEO, can the Minister please advise

Monday, August 29, 1988

us of the range of compensation for the CEO that he is attempting to recruit on behalf of Manitobans?

Mr. Cummings: Mr. Chairman, I would think that the Member who asked the question is probably quite aware of the range that was given to Woods Gordon by the previous administration when they set out with the search for chief executive officer.

I would rather not put that figure on the record at this time because as we are very close to signing a new CEO, while he is probably very much aware of the range, I will be quite prepared to make that public knowledge as soon as I can. But I think it would be quite inappropriate to put those dollars in the public record right now while there are very critical negotiations going on in the signing of a CEO for the corporation at this time.

Mr. Doer: Can the Minister confirm whether that range is over \$150,000 a year?

Mr. Cummings: Did you say in excess of?

Mr. Doer: Yes.

Mr. Cummings: No.

Mr. Richard Kozak (Transcona): I have a few questions for the Minister of Finance (Mr. Manness).

Phase 1 of the Review of Government Accounting Policies and Financial Obligations conducted by Stevenson, Kellogg, Ernst and Whinney was to be brought in by July 25, 1988, at a cost not to exceed \$197,000.00. I wonder if the Minister could tell us in fact that date and cost were met.

Mr. Manness: The cost, yes. The cost was \$197,000 or less. The reason I hedge a little bit is because I have not seen the billing, but I have been told that it will be 197,000 or less. The date that the summary for Phase 1 was presented to us was basically four or five days, as I recall, before the Budget so that would be in very early August that it came to us.

Mr. Kozak: I wonder if I might ask the Minister of Finance (Mr. Manness) if there would be any penalty to the consulting firm for late delivery of the Phase 1 report, given the fact that it was presented apparently rather late to be conveniently available for the Minister's Budget.

* (2120)

Mr. Manness: I think not because there were some expanded areas that we asked the outside review team to look at, with some very, very late notice on our part. We know the herculean effort that they put in, particularly in those last two weekends. They brought resources from all across Canada, public sector accountants. That is a pretty specialized area of accounting. I know the outside firm brought them in all over Canada to try and help them meet that date. Although we had very much a preliminary—we had a

preliminary report by that date, but we still did not have the final draft until a few days before the Budget.

For the House, I am still hoping to table the very detailed Phase 1 report, which gives much greater detail with respect to the 43 entities that were under study. I hope to be able to do that this week. As a matter of fact, I am surprised that I was not able to do it today.

Mr. Kozak: Phases 2 and 3 of the study being performed will quite likely have an impact on the structure of the delivery of Government services, following the Government's digestion of Phases 2 and 3. I wonder if the Minister of Finance would anticipate that these impacts might be felt during the current fiscal year or if it is quite likely that they would be introduced at about the time of the next Budget next March?

Mr. Manness: Mr. Chairman, firstly with respect to Phase 2, we are activating it and hope to be calling for proposals in the first week in September. It will be tendered. Again I say for the record, had Cabinet not in its wisdom decided to bring forward the opening of the Legislature and also the date of a Budget presented to the people of the province, Phase 1 would have been tendered also. I have no difficulty saying—I would have much preferred to have tendered out Phase 1 of the report.—(Interjection)—Can you tell me a Government that would not know that it was coming into the House three weeks before you were coming into the House. Naturally, so we knew as a Government that we were coming into the House three weeks before the end of July—of course we did.

In response to the question, Phase 2 is going to look at a selected number of areas within Government which we deem, after much consideration, to be very essential. In the sense as to how it is delivered, it may take on the form of a management audit. It could take on the form of a program effectiveness audit, but we have earmarked six or eight areas at the most of Government that will come under very, very focused scrutiny within those areas. We will commission some firm after the proposals come in, hopefully by the middle of September, to go to work immediately thereafter, a report to the Government, I would think, about a month-and-a-half after that. Action will be taken immediately if there is anything found untoward.

Phase 3, which again is more in the area of comprehensive accounting and a system of accounting that forces certain departments of Government or certain Crowns to set up their accounting in a fashion where they have to report in great detail every two or three years, whatever is recommended by the outside auditor will find itself coming more into play next Budget.

Mr. Kozak: Mr. Chairman, I would like to thank the Minister for his very helpful answers.

There is no reason not to commend Stevenson Kellogg Ernst and Whinney for what is essentially a very valid and useful piece of research. There is one area within the report that has to be a matter of grave concern, however, to all of us as legislators, and that is the item that might be titled unfunded liabilities of the provincial Government.

Unfunded pension liability of the provincial Government is stated by the consultants as of December 31, 1987, to be approximately \$1.17 billion. As the consultants state, this liability has not been accounted for in the financial accounts, and I suspect there is not one Member of this Legislature who does not feel a certain anxiety about that \$1.17 billion in liabilities that have not been taken into the accounts.

I wonder if the Minister of Finance (Mr. Manness) has given some thought as to a strategy for addressing the unfunded liability? This is not a problem that is unique to this Legislature or this province. Many private corporations find themselves in a similar situation of unfunded liability and many other Governments do, but the problem should be addressed nonetheless.

Mr. Manness: Mr. Chairman, I am delighted that the Opposition Finance critic brings the issue up. I was actually happy also that the outside audit directed the attention that it did. No doubt, Mr. Jackson, in reporting as to the activities of Government for the year '87-'88, will want to also again comment on that area. I welcome that, I welcome a greater understanding of where it is. I welcome the input from the Opposition benches as to how Government, not only in Manitoba but throughout this land, should begin to address this massive problem.— (Interjection)— Yes, in the number of \$100 million. If we wanted to fund our share of it for this year, we should put \$100 million into the Budget to do that.

I can indicate to you that I cannot imagine one province acting on its own and yet, theoretically, I believe that once all the provinces of Canada realize that this is a potentially explosive, massively explosive issue, that they may come to their wisdom and be prepared to act in unison and begin to reflect the true cost of pensions in a budgetary sense from year to year.

I really wonder how it is that, for instance, the Government Employees Association would not demand that Government become more cognizant of their liabilities in this area and begin to fund —(Interjection)— well, hindsight is always perfect, it is always 20/20. I am glad that we do not have the \$14 billion liability that exists in Quebec. I do not feel good that ours is only \$1.1 billion. In reality, in the guarantee that people who have put in service on behalf of the Government, the only guarantee they have today is a number in a ledger and of course the hard work of citizens to come in future generations. That is the only guarantee that there will be pension money there. I question whether that is sufficient.

When the Member asks what strategy is in place, I see it importantly, first of all, that the Member raises it; secondly, that it takes on a higher profile with respect to the outside review; thirdly, that the Provincial Auditor continues to highlight it, that the media begin to see what it is we are talking about—we have been talking about this issue for some number of years; and then fourthly, cooperatively as political Parties in the Manitoba context seriously try to do something in a non-political sense to deal with it, and correspondingly that happened across Canada. It is going to have to happen. We are going to have to begin to set aside,

in my view, some hard cash in support of these pensions which are going to come due in the not too far distant future.

Mr. Kozak: Mr. Chairman, I have to two more brief matters to raise with the Minister of Finance (Mr. Manness), one old matter and one new matter.

A few weeks ago, I raised in Question Period the matter of the province's foreign indebtedness. Since I raised that question and since I asked the Minister if progress had been made on strategies such as hedging this indebtedness, the Canadian dollar has fallen approximately 3 to 4 percent against the U.S. dollar and, to varying degrees, against other foreign currencies, European and Asian. As we all know in this House, every 1 percent movement in the Canadian dollar vis-a-vis foreign currencies has an impact of some tens of millions of dollars on our direct and indirect guarantee to obligations. I wonder if the Minister has had the opportunity to give some further thought to hedging strategies and other strategies that might protect us against unwanted speculative losses.

* (2130)

Mr. Manness: Mr. Chairman, we are attempting to develop that strategy right now, but I can tell the Member and all Members of this House that we have not been waiting around developing that strategy. As a matter of fact, over the last two months, we have repatriated a fairly significant portion of some of our foreign exposures. I can think of one Japanese issue particularly that we brought home about a month-and-a-half ago. There was a window of opportunity there and we moved very quickly on it and have saved Manitobans literally tens of millions of dollars by so doing. We replaced that with a Euro-Canadian dollar issue that we did in London, and at an effective rate of nine and seven-eighths percent. It really blew the mind off a lot of market watchers because Alberta went in one day after us for a \$500 million or \$600 million loan and did it at 10.25.

Then we have done two or three swaps since then that moved us out of some other exchanges. Although they moved us into the U.S. dollar, which is not the best of all worlds, I still think that the Canadian dollar relative to the U.S. some time in the next two years is going to strengthen significantly. While we are developing this strategy, we have not lost sight of the fact that our dollar has been relatively strong. We have brought three or four issues back into terms that we can handle and reduced significantly the exposure. So we have acted.

Mr. Kozak: One last question, Mr. Chairman, after I express a certain gratitude to the Minister of Finance (Mr. Manness) for a start on coming to grips with our foreign indebtedness.

The Government and the Official Opposition agree on the need to divest of certain Crown corporations which no longer serve a demonstrable purpose within the public domain. I do not think we would argue too strenuously against divestiture of ManOil and Manfor,

Monday, August 29, 1988

which are both in the works. I know too, that the Minister of Finance (Mr. Manness) shares my own feeling that the Manitoba Stock Savings Plan proposed for introduction by him a couple of months ago finds quite a lot of favour on these benches as well.

I wonder if the Minister proposes a fairly speedy introduction of a Manitoba Stock Savings Plan, and if he feels that such a plan might dovetail very nicely indeed with plans to divest at least ManOil, which quite likely could be offered to individual Manitobans who would receive a tax break under a Manitoba stock savings plan, and who would also receive the benefit of investing in this province's economy as opposed to selling this corporation outside the province.

Mr. Manness: Mr. Chairman, with respect to ManOil, no doubt the Minister responsible could probably give a fuller answer, but let me say that we are looking at all options and all instruments of sale. Certainly I understand, particularly with ManOil, there is some value associated with that Crown corporation. Although it might be enticing to try and dovetail that with a public participation instrument, I think in the first instance, if a significant going concern came forward and wanted to buy the assets as they now stand on the books, that that probably would be the cleanest and maybe the most advantageous, although that is not the final thinking on that. I honestly say we are looking at all instruments with respect to ManOil.

Manfor of course is a completely different situation. I feel badly in the sense that this province was not previously prepared to be very daring within this area because there have been a lot of different vehicles used to divest of Crown corporations. They are not cast in the same mold. They all are different. Some of them have exciting elements of public participation components to them. I hope and I expect that, although we are the last province in many respects to become involved in that process, that will not curtail us from trying to put some wrinkles in that would require something like a stock savings program. There are some weaknesses associated with that too, but we will be actively look at it through this Fall and, if we believe it is expedient to perceive, that no doubt would be the essence of announcement come next Budget.

Mr. Gulzar Cheema (Kildonan): I have a few a questions for the Minister of Health (Mr. Orchard).

My first question is in regard to free trade legislation. As the free trade legislation is being discussed in Ottawa, the implications of free trade on health care are unstudied and practically unknown, to be more specific, about the implication of extended health care and the health care management system which is very widely accepted in the U.S. and which is an extremely profit-making organization. We are deeply concerned what effects that kind of system will have in Manitoba and what steps this Minister will take or the Premier (Mr. Filmon) would take to ensure that our health care system will not suffer under that?

Hon. Donald Orchard (Minister of Health): The Free Trade Agreement has taken a lot of discussion in a lot

of circles. In general, I think it is fair and reasonable to say that, as is provided in the Free Trade Agreement itself, our social programs are not affected by the Free Trade Agreement. There are those in, I suppose, the opponent group of the Free Trade Agreement who are saying quite the contrary.

Let us basically examine the health care system of Canada versus the health care system of the United States. I am led to believe that approximately 30 million Americans have not access to proper health care. That is in stark contrast to the Canadian plan, wherein we have universal accessibility. At the same time, the level of GNP which is dedicated in Canada towards the provision of that health care is approximately 9.5 percent. At the same time in the United States, approximately 11.5 percent of their GNP is dedicated to provide health care to the population, excluding roughly one-seventh of that population from it.

So if one wishes to discuss in global terms the efficiency of a health care system, our nation versus theirs, it would seem that our system is delivering service to more people with less impact upon the dedication of Gross National Product to provide that service. That leads me to believe that the so-called American invasion of health that is predicted by those who are opposed to the Free Trade Agreement, by that very last factor, will not occur.

Mr. Cheema: I have a further question to the Health Minister (Mr. Orchard). Will the Minister tell this House whether, under this Free Trade Act, the blood bank laboratories will be able to carry out business in Manitoba?

Mr. Orchard: You are going to have to repeat the question.

Mr. Cheema: Okay, I will repeat the question. I said, under this Free Trade Agreement, will the blood bank laboratories be able to carry out their functions in Manitoba or not?

Mr. Orchard: Mr. Chairman, it is my understanding that, under the Free Trade Agreement, the Red Cross system of collection of blood will remain in place untouched as a volunteer system providing blood services, funded by Governments, providing blood services to Manitobans and Canadians at large. The American system is different in that they purchase blood. That is not the Canadian system and that will not become the system in Canada.

* (2140)

Mr. Cheema: Mr. Chairman, my question is again to the Minister of Health (Mr. Orchard).

The other day in the House I raised a question about the occupancy of chronic care beds at one of the hospitals and that situation is not uncommon. My question was that are there any specific allocation of funds for personal care home beds and I was told by the Minister to wait until Estimates.

I will need to know exactly how much money will be spent and how many beds will be created?

Mr. Orchard: Mr. Chairman, we will get into this issue in greater detail, naturally, when we hit Estimates and I have people with me from the department.

I would like to find my honourable friend's question—I believe I have it here—because I had come to expect that when my honourable friend came to the House, he would at least have his facts correct when he asked questions.

My honourable friend indicated in his question to me on Monday, August 22, a week ago today—and I will quote directly from his question—he said: "At present, a Winnipeg hospital has approximately 64 patients waiting for personal care home placement for a period of up to 263 days." That is right, up to 263 days, and it is not uncommon in other hospitals.

"It costs about \$216,000 per year for a patient to occupy a chronic bed." Mr. Chairman, that is not a factual statement. The cost is approximately one-third of that. Where my honourable friend got his \$216,000 per year to occupy a chronic care bed in a hospital, I would like to know this evening, and it would help me to find out where he is getting his information and it would help to expedite the debate in Estimates because that is not a factual number.

Maybe my honourable friend would like to indicate where he got \$216,000 a year.

Mr. Cheema: No, it is not a question of a computer again. It is a fact because we are talking about on average. Say there are 64 patients waiting for personal care home placement and if one of those patients is costing that much money, that is true, that is a fact, and we can save a lot of money by spending less in the personal care homes at a cost of not more than about \$31,000.00. It is also true that 64 patients are definitely waiting in one of the hospitals.

Mr. Chairman, my question is again to the Minister of Health (Mr. Orchard). For the in-vitro fertilization program, on the 23rd of July, when the Member for Churchill (Mr. Cowan) raised the question for an emergency debate and we on this side of the House said that we will wait during debate and also do in Estimates, my question is to the Minister of Health: What is the present status for the in-vitro fertilization program?

Mr. Orchard: Before I deal with the second question, I want to tell my honourable friend that I had his question investigated wherein he alleged that there was \$216,000 per year cost—and here is his statement, the statement in the Question Period: "It costs about \$216,000 per year for a patient to occupy a chronic bed." He made that statement as if that was the cost for 64 patients on this particular hospital's waiting list, and he is shaking his head now, but that is the exact impression you left in this House.

I simply tell you that works out to a cost of approximately \$600 per patient per day. The cost is approximately \$225 when you average across hospitals, and I am assuming that one of the hospitals for which the \$225 per day is a factual figure may be the one that he referred to in his question. Where he gets his \$216,000, I do not know.

And, No. 2, I simply suggest to my honourable friend that, if he comes to the House attempting to raise health care issues, have a little more fact in your hip pocket before you lay out the accusation that is not correct. The cost is roughly one-third of the figure that you put on the record, and I will admit that it is higher than in a personal care home, but to leave the impression that it costs three times what it actually does to care for a chronic care patient in a hospital is not exactly being a responsible health care critic.

Mr. Chairman, to answer my honourable friend's second question about the In-Vitro Fertilization Clinic, it is my understanding that the hospital and the proponents of the In-Vitro Fertilization Clinic were unable to come to an agreement whereby the clinic could continue operating until approximately the end of this calendar year. It is my understanding, although I have not checked in the last several weeks, that the clinic is not operational.

Mr. Cheema: I would like to discuss the first thing as the Minister has told that my facts were wrong. That is not true.

If one patient is costing that much money, that is what I said in the House that it costs \$216,000 by the year for a patient for a chronic care bed to occupy and I think the Minister has to look into that more carefully. I have never exploited any situation so far in this House.

My next question is again to the Minister of Health (Mr. Orchard). In the early days of the House, I asked a few questions and I was told that we should wait. My question is that Brandon General Hospital and the mental health care unit has 300 beds and, for those 300 beds, there is not even a full one-time psychiatrist. How then can the Minister justify that one person can handle 300 patients?

Mr. Orchard: Mr. Chairman, with difficulty, the same difficulty that has plagued Ministers of Health for two decades in this province, as my honourable friend from Brandon East (Mr. McCrae) in whose constituency the Brandon Mental Health Centre is located. There have been difficulties, and I am reminded by my honourable friends that it is up to three decades that we have been unable to attract and retain for prolonged periods of time adequate psychiatric medical doctors for the provision of care in the Brandon Mental Health Centre.

I think that says a lot about the dedication of the staff out there. There are psychiatrists who provide service on both a full and an interruptible service basis, and I simply indicate to my honourable friend that, were it not for the level of dedicated staff out there, patient care would not be what it is. That difficulty of recruitment of psychiatrists to Brandon exists today as it has for the last number of years. That does not mean that myself, as Minister of Health, and the department are not actively attempting to recruit full-time psychiatric personnel to Brandon. That effort has been ongoing, as I say, for approximately 30 years now.

My honourable friend from Brandon East (Mr. Evans) indicates one of the problems. We are able, from time

Monday, August 29, 1988

to time, to certainly attract psychiatrists to Brandon. They spend a year to two years to three years and then they locate elsewhere, and that is a difficulty which is faced in that institution which is very difficult to resolve but efforts are ongoing to attempt to resolve that.

* (2150)

Mr. Darren Praznik (Lac du Bonnet): I would like to direct some questions to the Honourable Minister of Natural Resources (Mr. Penner), particularly regarding the fire damage situation in Manitoba in this season.

As many Members are well aware, the Forestry Industry is a major industry in our province producing thousands of jobs each year. As well, I think most Members of this Assembly are well aware that we suffered an unduly large number of forest fires this year.

My questions are to the Honourable Minister of Natural Resources. Firstly, I would like to know the extent of damage to Manitoba's forests brought on by this years rash of fires as well as the effect or the estimated effect this will have on our forest industry in the coming years?

As well, I would ask the Minister if he could provide this Committee with an estimate on the cost of fighting fires in this current season?

Hon. Jack Penner (Minister of Natural Resources): I certainly appreciate the question that the Honourable Member asks. It is certainly a concern within our Government with the fires that occurred this year and the costs that we are incurring as a Government to protect those very forests that are being affected by the fires.

However, it is not only the forests that are being affected by the fires, it is the very communities that rely on an income from those forests, not only from the cutting of wood and other activities that go on in those forests but such activities as trapping and hunting and various other tourism operations, those kind of things that are dependent on the forest for a livelihood.

We have had on numerous occasions, traplines destroyed. The Native communities that rely on these traplines for income dependence certainly have been affected. It is not only those kinds of incomes that have been hurt, it is also of course the loss of the wood lots and the amount of lumber that has been lost through these fires.

However, the greatest loss I suppose that we have incurred is not so much the lumber loss and the trees that we have lost for future generations, some of this of course will lead towards helping regenerate habitat for moose and other wildlife in those areas but it is the loss to the human loss. The property that has been lost in some of these communities that we have spent large amounts of money fighting forest fires. Of course, our department is, first of all, concerned with real property and human life in the preservation of both of those in our firefighting efforts. We tend to use large numbers of people in our efforts to fight these forest fires from our Native communities. These Native people

are trained during the course of the year on an ongoing basis to become expert firefighters.

The reason I raised some of those things is because I think it is important that we recognize the amount of monies that we had budgeted and in addition to what normally is budgeted to fighting fires should be recognized. We have added some \$13.5 million this year to our Budget to preserving our forests and our efforts to preserve the jobs that are reliant on those forests.

Again, the losses that have incurred are not so much the very material losses that we all see on television and those kinds of things, but it is those kinds of activities that are generated from the very resources that we are so dependent on.

The Budget reflects very clearly the amounts of monies that this province is spending to preserve the communities, to preserve the resources, and again preserve the employment opportunities that are generated by these resources. For that reason, I think the impact to the constituency just east of the city here, which is so reliant on our forests for dependence on employment opportunities, is appreciated and certainly I welcome that question.

Mr. Praznik: Mr. Chairman, I appreciate the remarks and comments of the Minister of Natural Resources (Mr. Penner). I would like to commend his department and his committee program, and the people of the communities who participated in the firefighting program this spring. Mr. Chairman, myself and the Honourable Member for Gimli spent quite a number of hours and days touring the area that was most affected in our two constituencies early in the Spring and we were quite shocked to learn, being new to the forestry industry as MLA, that the majority of fires are caused by human action.

My question to the Minister at this particular time would be to give an assessment on the percentage of fires that were caused by human negligence as opposed to natural causes. Firstly and secondly, were to his knowledge charges laid as a result of fires that were caused negligently by individuals?

Mr. Penner: Mr. Chairman, as you well realize numerous fires that we see in this province are created at the hands of human beings, some of them quite negligently, some by accident. One of the fires that caused a severe amount of damage this year was caused simply by somebody lighting their garbage in their backyard on a windy day and the grass catching fire and it getting away on the person. A large amount of forest was burned, as well as other property in our parks.

As a consequence it was due to negligence and it is fairly difficult to assess who is really responsible and to what extent a person is responsible during a situation such as we have seen this year. The severe drought that has caused grass to be tinder-dry and our forest to be tinder-dry certainly have led to this sort of situation. The numbers are difficult to assess as to how many fires would have actually been caused at the hands of human beings, although it is roughly about

a third of them that have been started or can properly be attributed to negligence by human actions, and that is quite high. I think it indicates that it should be a lesson to all of those who sit in this Chamber, as well as the rest of the people in this province, that we should exercise extreme care when we travel through this province, when we, in fact, take care of our everyday farming operations and other operations in our towns and villages that are so close to our forest when we deal with nature, because nature can be very severe and can be very harsh at times especially when fire ravages a community.

Mr. Praznik: A final question to the Minister, actually a final two questions which I will pose at this particular time. The first one has to do specifically with Abitibi Price's operations in Manitoba, being a major paper maker in western Canada. Given the losses to fire on the east side of Lake Winnipeg in this year, is the Minister aware of any shortage that they will encounter in this year's crop, No. 1, with respect to paper production?

My second question, Mr. Chairman, is on another matter. The Minister perhaps could update this committee at this time as to the current forest fire situation in Manitoba and what the expectations are, in terms of loss, and the number of fires from now until the end of the season this fall.

Mr. Penner: Mr. Chairman, it does not appear that there will be a shortage to Abitibi Price as far as forestry resources are concerned. I think our firefighters have done a marvellous job at containing and extinguishing fires, in those areas where we do participate in forestry activities that will supply Abitibi Price with product.

As I indicated before, we had better than 930 fires in this province to date. The situation is extremely dry out there. Any weather activity such as we have seen in the last while that have caused dry thunderstorms to move through our province, of course, create the possibility of igniting even further fires. I guess we can

only leave to our imagination as to what the final analysis of the fires will be. But it is quite apparent that we will probably expend record amounts of money this year to fight our fires and protect our forests. But hopefully the weather will turn better and we will have moisture in the province, and that will dampen the fire situation.

* (2200)

Mr. Manness: I am wondering if the House would allow us to—this is just a resolution we are dealing with. We have not even had the first reading of the Bill. I am wondering if the House would consider passing the resolution now and therefore allowing me to table, even introduce the Bill, for first reading.

Mr. Leonard Evans (Brandon East): A point of order. It seems to me, I do not remember all the details, but it seems to me we facilitated some of this earlier on. We facilitated the Minister going through certain stages about a week or so ago. Now he is asking us to go further. I would suggest that this matter be taken under advisement and we can consider this tomorrow or whenever we go into Interim Supply next.

Mr. Manness: Mr. Chairman, I know the Member for Brandon East (Mr. Evans) knows better. This resolution has to come through two committees, the main Committee of Supply and also the Committee of Ways and Means. We are in the Committee of Ways and Means now. It is just the basic resolution. We have not even presented the Bill on first reading yet. That is all I am asking is to move it along through the the 12th step of some 21 steps, with the major debate to follow.

Mr. Leonard Evans: This is such a minor detail. That could be dealt with tomorrow as easily as this evening.

It now being the hour of ten o'clock, committee rise. Call in the Speaker.

Mr. Speaker: The hour being ten o'clock, this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).