



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. 49B - 8 p.m., Monday, October 3, 1988.



MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fourth Legislature

Members, Constituencies and Political Affiliation

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LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, October 3, 1988.

The House met at 8 p.m.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY—COMMUNITY SERVICES

Mr. Chairman, Harold Gilleshammer: On item No. 3., Community Social Services, we are on item (c) Manitoba Developmental Centre, (1) Salaries, \$17,653,500.00. Shall the item pass?

Ms. Avis Gray (Ellice): Mr. Chairperson, could the Minister tell us if she has had the opportunity to review the recommendations in regard to MDC which were presented in the most recent Ombudsman Report? Could she tell us which one of these recommendations have been implemented?

Hon. Charlotte Oleson (Minister of Community Services): I should indicate to the Member, as I believe she asked if I had a chance to read it, yes, I have. All the recommendations have been acted upon except two. One of them is the capital expenses that were recommended and they are ongoing. They are being built into the system. The Government Services Department, of course, is responsible for capital improvements to the building. When that department is debated, which I believe it has been this afternoon, then questions could be asked in that department of exactly what renovations were taking place. There is an update taking place of the human resources plan which should be finished shortly.

Ms. Gray: Could the Minister indicate although capital expenditures would be part of Government Services, since the Manitoba Developmental Centre is under the purview of her department, have there been budgetary allocations for capital expenditures for MDC?

Mrs. Oleson: Yes. As I indicated before, there have been but they will be in Government Services.

Ms. Gray: Have these capital expenditures been allocated for specific renovations within the Centre?

Mrs. Oleson: Yes. I could give the Member a list of the capital projects for MDC for '88-89 if the Member wishes. I have a list here of major projects and their estimated cost.

Fire and safety upgrading of cottages, \$620,000, and that is ongoing; Southgrove, air-conditioning, \$345,000, and that is near completion; fire and safety for the nurses' residence, \$30,000, and that is for this current year. Under maintenance, there are roof repairs of Oak and Maple Cottage, \$78,000 for the current year, and that is under way; replace windows in all cottages as required and that is ongoing; parquet flooring all cottages, \$70,000, and that is to be done in this current year; upgrading of plumbing, all areas, \$100,000 over

two years; painting, two staff full-time, and that is \$400,000 and that is ongoing over a period of 10 years. That is done on a regular scheduled basis. Minor maintenance is listed as \$12,000, and that of course is done under the Government Services Department.

* (2010)

Ms. Gray: One of the recommendations which the Ombudsman's Office identified was the concern over staff-to-resident ratios. Could the Minister indicate to us what the staff-to-resident ratios currently are at the Manitoba Developmental Centre, and have they improved since the recommendations came out by the Ombudsman's Office?

Mrs. Oleson: The ratio as of March 31, 1988, is 1.1 staff to 1 resident.

Ms. Gray: Could the Minister tell us is this a change or improvement from what the staffing ratio was when the Ombudsman did his report?

Mrs. Oleson: Yes, I understand that is an improvement. Could I further add, I said that was an improvement. At the end of December 1986, the ratio was 1.0 to 1; at the end of March 1987, it was 1.04 to 1. As I indicated, at the end of March 1988, it was 1.1 to 1.

Ms. Gray: One of the concerns outlined in the report from the Ombudsman's Office was the increase in injuries of residences, and he indicated a dramatic increase from 1986 to 1987. Does the Minister have any further data as to whether in fact the number of incidents are related to resident injury, if there has been an increase or a decrease since the incidents which were recorded in '87 by the report from the Ombudsman's Office?

Mrs. Oleson: I could indicate to the Member since the Ombudsman's report, No. 1, there was considerable more movement of residents in 1987 than in previous years which lends to resident unrest and aggressive behaviour. The movement of residents was necessary to accommodate the closure of Northgrove Building. No. 2, the reporting method was changed in 1987 whereby the category of aggression was changed to include a number of incidents previously included under lacerations, abrasions, or emotionally abusive incidents. Previously, the aggression category included only incidents of aggression without injury. No. 3, the focus on the use of psychoactive drugs by the medical staff and resultant decrease in their use has probably led to increased aggression in some residents. This is something that has to be continually monitored which it is to balance the use of psychoactive drugs against the safety of other residents from aggression. It is expected that the number of incidents of injuries should decrease with stabilization of resident moves and proper utilization of psychoactive drugs.

Ms. Gray: What is the current number of individuals now living at the MDC?

Mrs. Oleson: Five hundred and eighty-five at the end of August 1988.

Ms. Gray: Could the Minister tell us, is there a plan to reduce that number by a certain ratio or percentage within the next fiscal year?

Mrs. Oleson: I believe I have answered that on several occasions. There is not a number. We have not assigned a number of people who will be moved. There will be people who move out into residences when they are available, but there is not a targeted number that says "X" number of people will move.

Ms. Gray: Is the Minister's department encouraging or promoting the deinstitutionalization or movement of people from the school, actively promoting it?

Mrs. Oleson: What we want is appropriate placement for individuals and, if they wish to move, they should be given the choice. I believe we have discussed that on several occasions.

Ms. Gray: Could the Minister tell us, of the 585 people, how many of them wish to move?

Mrs. Oleson: No, I do not think we could give you a clear answer on that.

Ms. Gray: Could the Minister tell us are there any directives which have gone to MDC or to senior staff in regard to actively planning for discharge for the clients in MDC?

Mrs. Oleson: There have been no changes. There is assessment of each person by staff if they wish to move. The usual process that has been in place is still in place.

Ms. Gray: I understand that before, with Welcome Home, there actually were some sort of numbers of individuals who they would like to see move out of the school. I am not sure how they arrived at the 220, but the Minister has now indicated that there are not numbers, so therefore that is somewhat of a change. I am wondering again, how are staff made aware or are staff made aware that they should be actively planning for residents who they feel might be ready for discharge into the community.

Mrs. Oleson: The Member mentioned that there was a target of 220 or 225, whatever it was, with the Welcome Home Project, but the Member should also remember that there was one residence there, Northgrove, that had to be closed because it was deemed to be uninhabitable. That was part of the reason why there was a projected move of a certain number of people, because they had to close that particular residence.

Ms. Gray: The Minister has indicated that those number of individuals were being moved because of the close

of a particular part of the residence. Since there is no other portion in the residence that is seen to be closed, I am still unclear what—the Minister said there is no change in policy. What exactly is the policy with which there has been no change?

Mrs. Oleson: The policy is that people will move, and with what is in the best interests of the particular individual. There is, as I said before, no targeted number. If there is a space available, if there is a residence available and the committee feels that the resident can move, then they will move.

Ms. Gray: Who initiates the process? Who within the MDC says, yes, I think this particular individual might be a candidate for community living? Who within the school initiates that?

Mrs. Oleson: It could be a family member who might initiate the suggestion to move. It could be a caseworker. Staff within MDC might feel that person would be a good candidate to move. It varies with the individual.

Ms. Gray: When a caseworker within the MDC—perhaps first the Minister could clarify, who does she mean when she says "caseworkers in the MDC"?

Mrs. Oleson: Social workers.

Ms. Gray: Could the Minister tell us specifically what duties or what jobs these social workers do within the Manitoba Developmental Centre?

Mrs. Oleson: We could table a job description if the Member wishes one.

* (2020)

Ms. Gray: Under Activity Identification, it indicates that "communication, life skills, behavioural and pre-vocational training services are provided for the residents." Individuals who would assist in those areas, are these the social workers that she refers to?

Mrs. Oleson: They would manage the cases but there are specialists within the centre who provide a different component of life within the centre.

Ms. Gray: Is each resident in the MDC assigned a social worker?

Mrs. Oleson: Yes, that is the case.

Ms. Gray: When a social worker decides that they think a resident is ready for community living, what do they do? What is the process that they would follow?

Mrs. Oleson: They would initiate an Evaluation Clinic and they also contact the region.

Ms. Gray: Could the Minister tell us, is that the total process or is there more to it than that?

Mrs. Oleson: It would be a multidisciplinary team and these teams evaluate the case of each resident once a year at least.

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Ms. Gray: When someone is identified by a worker in MDC and this Evaluation Clinic proceeds and a region is identified, does then automatically someone from a regional office become involved in that discharge or Evaluation Clinic?

Mrs. Oleson: Yes, that is the case.

Ms. Gray: Could the Minister tell us how many individuals within MDC have been identified as potentially ready for community living, who may be in some stage of the process for discharge planning?

Mrs. Oleson: There are about 24 at the moment and there could be a waiting list. It is a matter of evaluating each case.

Ms. Gray: What does the Minister mean by "waiting list"?

Mrs. Oleson: What I meant was potential candidates to go into the Transition Unit, if that was the case that they were going to move and would go into that. The Transition Unit takes 24 at the moment.

Ms. Gray: When a client is identified as possibly ready for community living, is it mandatory that person would go into—at this point in time, I understand that unit is under review—the unit before being discharged into the community?

Mrs. Oleson: No, they could go directly into the communities. It varies with cases, but it is not mandatory to go into the Transition Unit.

Ms. Gray: Just to clarify, the Minister has indicated approximately there are about 24 or so individuals who have been identified as possibly ready for community living?

Mrs. Oleson: Yes, there is that number that the Transition Unit is working with to prepare them for a move.

Ms. Gray: Are there individuals other than the 24 that the Transition Unit is working with who maybe are at the beginning stages where a worker has identified that they could potentially be candidates for the community?

Mrs. Oleson: Yes. I indicated before there are others who are not in the Transition Unit who could be ready to move or whose planning is that they could be moved.

Ms. Gray: Does the Minister have information as to how many readmissions were made to MDC over the past year?

Mrs. Oleson: I said earlier in the afternoon, responding to questions possibly to the Member for St. Johns (Ms. Wasylycia-Leis), that we could get that information.

Mr. Chairman: Item 3.(c)(1)—pass; 3.(c)(2)—pass.

Item (d) Programs: Provides program direction, standards and evaluation for care, accommodation,

rehabilitation and assistance to physically and mentally disabled persons. Section (1) Salaries, \$1,026,200.00. Shall the item pass?

Ms. Gray: In the information that the Minister had tabled the other day regarding adult day programs and vocational rehabilitation, I am wondering if the Minister could tell us what the program coordinators do.

Mrs. Oleson: They help define standards and guidelines, and monitor and evaluate programs.

Ms. Gray: Do these individuals have direct relationships, or do they have any responsibilities with workshops and facilities who operate day programs?

Mrs. Oleson: Yes, they do.

Ms. Gray: What is their responsibility with respect to these day programs and other facilities?

Mrs. Oleson: They monitor the programs and look at the standards. They work with the regions.

Ms. Gray: Do these individuals work with the facilities or workshops directly?

Mrs. Oleson: Yes, that is possible.

Ms. Gray: What specifically is the nature of the monitoring of programs that they do with the workshops?

Mrs. Oleson: They help define and interpret the standards and the guidelines and monitor and evaluate aspects of the programs.

Ms. Gray: Could the Minister indicate to us how many different or separate adult day programs are there in Manitoba?

Mrs. Oleson: Mr. Chairman, there are approximately 60 adult day programs in Manitoba.

Ms. Gray: Would these staff have a direct liaison function with all 60 of these workshops?

Mrs. Oleson: Yes.

Ms. Gray: These program standards that the Minister refers to, are these standards outlined in any type of manual that is available to all the workshops?

* (2030)

Mrs. Oleson: There is a working copy that is in present use but it is being updated. The regions do have guidelines.

Ms. Gray: I understand that as part of these guidelines previously, and I think I have mentioned this before, there was a move toward having workshops identify clients who could be integrated into the community in various job placements in that there was a move towards having the workshops have, and I believe the

figure was 10 percent, I am not sure, but a percentage of individuals move within community placements in a given year. This information that I am presenting, is that part of these program standards that are still being used?

Mrs. Oleson: Yes, that is part of it. It is a target.

Ms. Gray: Does the Minister have information as to how many of these 60 workshops are meeting that target?

Mrs. Oleson: It is not a requirement of the workshops. It is a goal that they might wish to achieve with having people going to the community, but it is not mandatory for people to go out into the community.

Ms. Gray: Does the Minister have information as to how many workshops are meeting the target?

Mrs. Oleson: That is part of the study we will do before next year's Estimates is to find out just where they are in moving people, if people are getting jobs and how they are operating.

Ms. Gray: Another study. Which study is this one?

Mrs. Oleson: It is not a particular study. Every year, when the budgets are worked out, you have to look at all aspects of it. It is not a particular study as such. It is an ongoing work of the department to see how things are working.- (Interjection)- Right.

Ms. Gray: Could the Minister tell us, are there any incentives which are given to workshops or day programs to develop programs which would, where appropriate, integrate clients into community placements or into community jobs?

Mrs. Oleson: No incentives as such. What did the Member have in mind? Is she suggesting some type of incentive program?

Ms. Gray: I could probably think of one if you give me a couple of days.- (Interjection)- No. For the Member for Arthur (Mr. Downey), all incentives do not have to be in monetary terms. There are other ways of having incentives.

Mr. Chairperson, in regard to the monitoring of program standards, could the Minister tell us are there any workshops which are currently not meeting program standards as outlined in the working manual?

Mrs. Oleson: Not that we are aware of.

Ms. Gray: What is the process for monitoring to ensure that these standards are met, given that there are few staff and there are 60 workshops across the province?

Mrs. Oleson: Mr. Chairman, there are ongoing evaluations to make sure that programs are in place. There are workers in these workshops from time to time, workers who are involved with clients and, from time to time, a workshop may ask for an evaluation

to be sure that they are fulfilling the role that they have set out to fill.

Ms. Gray: Could the Minister indicate, have there been any proposals that have come to her attention since she took office where various groups are asking for new adult day programs to be instituted?

Mrs. Oleson: There are often proposals that come from time to time. In fact, always someone is coming forward with some proposal or other.

Ms. Gray: Could the Minister indicate if there are any existing day programs which have also put forth proposals for new projects or for more day program spaces?

Mrs. Oleson: Yes, there are some. Some have asked for more spaces to extend their programs.

Ms. Gray: Over the past few years, there oftentimes seemed to be a differing philosophy or difference of opinion about workshop size and the number of people who should be within a workshop setting. I am wondering if the Minister could indicate to us what her department's philosophy is or what the policy is in regard to size of workshops?

Mrs. Oleson: There is no set policy on size, but they have to be economically viable.

Ms. Gray: Is the Minister indicating that for some of the larger workshops, if they wish to increase to 300 or so, the Minister's department would look favourably upon that?

Mrs. Oleson: No, I am not indicating that would be approved. That would be too large.

Ms. Gray: Is the Minister then indicating that in fact there is some guideline as to what is considered a reasonable size for workshops?

Mrs. Oleson: It is based on the community need and the approved budget of the department. As I indicated—I do not remember now what day it was that we were discussing this—there were 57 people on the waiting list who would like to get into day programs. Of course, they are from varying communities within the province so one particular program would not meet the needs of all 57 of those people.

Ms. Gray: With the various day programs that do provide some sort of day activities for the clients in the community, has the Minister's department been able to identify, is there a particular level of client where in fact there is a real gap in day programs?

Mrs. Oleson: Could the Member be more explicit in what she means by level?

Ms. Gray: I understand that for some clients with multineeds and clients who would be considered at a Level 3 and 4 that the day programs that are available

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to them are much more limited than for clients who are at a Level 1, 2 and 3.

* (2040)

Mrs. Oleson: There may be a gap and not spaces available for people who are severely handicapped and have psychological problems. There could be a gap there. It is more difficult to place those people.

Ms. Gray: With the day programs, is each day workshop licensed or approved for taking in clients who are at certain levels? In other words, can they exceed that level of client into the workshop?

Mrs. Oleson: They are approved for certain programs and approved for the number of spaces.

Ms. Gray: Have there been any exceptions to this rule or any workshops that have done any pilot projects as to dealing with clients at a higher level other than what the other clients were at?

Mrs. Oleson: There may be that type of workshop but we may not be paying for it. They may be getting their funding elsewhere. So there could be pilot projects of that nature, but we are not paying for it.

Ms. Gray: Could the Minister tell us, there was a program operated by a board called Montgomery Centre. Did that program go under or disband?

Mrs. Oleson: I understand that particular one disbanded.

Ms. Gray: I understand that program did deal with people who had a higher level of need as far as needing a day program so it is unfortunate in some respects that this program has disbanded. Does the Minister have information as to the reasons that this particular centre folded?

Mrs. Oleson: Apparently that centre was not viable for a number of reasons and the board made a decision to disband it.

Ms. Gray: Could the Minister tell us if one of those reasons was they felt that the per diems which they were allowed were not enough to sustain a program?

Mrs. Oleson: I understand that was one of the reasons, yes.

Ms. Gray: Has the Minister's department taken a look at, for instance, that type of program and the reasons why it disbanded, and is there a move toward trying to rectify what some of the concerns would be of providing day programs for these higher-need people so that when community groups do bring in further proposals that there can be perhaps more of a success rate?

Mrs. Oleson: Yes, it is being looked at. Of course, it has to be budgeted for. As I indicated one other day when we were discussing this, all of the rates and per

diems are under review as part of the budgetary processes for Estimates for next year.

Ms. Gray: Could the Minister tell us, is the concept of bridging back of clients in terms of funding, is that available to day programs?

Mrs. Oleson: Could the Member explain what she means by bridging back?

Ms. Gray: There was a concern expressed and there has been over the years by some workshops and by some parents as well that when an individual seems to be ready to move out into an integrated job setting that the concern and the fear of the parents and in some cases the individuals themselves is that once they move out of the secure setting of the workshop and go into a new work situation, if for whatever reasons that particular job placement should not be successful or that they get laid off or whatever the reasons may be, then that person is totally out of a day program placement because they have lost that space at the workshop.

There was a concept at one time that some workshops were trying to look at the concept of bridging back where that individual would have the opportunity to still have a placement at that workshop and not have to go on the bottom of a waiting list and wait three or four years for a placement. I am wondering if the department has addressed that concept.

Mrs. Oleson: Mr. Chairman, yes, I understand that many of the workshops do this, and it is something that we are looking at to see what degree they do it because of course there is a cost attached to it.

Ms. Gray: Is there a minimum standard as to what the staff participant ratio is in day programs?

Mrs. Oleson: Because of the variety of programs, it is hard to set a rigid ratio.

Ms. Gray: When a workshop decides to set up a program and puts in a proposal to the Government, if there are no guidelines as to staff-client ratio, how does the department advise these potential day program providers as to what might be a reasonable staff-client ratio?

Mrs. Oleson: Differential guidelines are in place for varying levels of need, so they would have to look at who they were going to serve in order to set any guideline for levels of staffing.

Ms. Gray: I understand that some of the workshops, and one example is Sturgeon Creek Enterprises, has a fairly high staff ratio to client ratio, in that a lot of the programming done there is on a one-to-one individual basis. Could the Minister confirm that?

Mrs. Oleson: They are no doubt able to do that because they get funding from other sources. I think, in the case of Sturgeon Creek, they get some federal funding. I am not sure what other funding they get as well.

Ms. Gray: Could the Minister tell us, how does she see the whole idea of normalization fitting into how she would structure her policies around adult day programs?

Mrs. Oleson: I think it is important to consider the capacities of the individual so it would be hard to set a rigid rule or set numbers of who was going to be, as the Member used the term, "normalized." It would be very good to have everyone fulfill the utmost of their potential by going into the work force and doing various things and that is the goal we would set. We would not want to force someone into a work setting who was not ready or was not capable of taking part in that sort of a setting. It would have to vary with the individuals who you are working with.

Ms. Gray: Does the Minister agree with the concept of integrated work settings for the mentally handicapped?

Mrs. Oleson: Yes.

Ms. Gray: What initiatives has her department undertaken to promote that concept of integrated work settings?

Mrs. Oleson: We are looking at the per diems to see if this is possible and we are looking at the supports that are available for people.

Ms. Gray: I have some further questions in the Programs area. Just to clarify again, the Minister had indicated that the two program coordinators deal with monitoring of programs and standards. Is there anyone in particular in the regions who they would have direct consultation with in regard to if community day programs are meeting those standards?

Mrs. Oleson: Yes, the regional supervisors and coordinators.

Ms. Gray: Under the adult day programs, it indicates also program analysts. Could the Minister tell us what do these program analysts do?

Mrs. Oleson: They are financial analysts.

Ms. Gray: What specifically do these analysts do in regard to the Department of Community Services?

Mrs. Oleson: We could give the Member a fuller description in a few minutes if you want to go on to another question.

Ms. Gray: Under the Financial Assistance, where the Supplementary Estimates have broken down the assistance in regard to Residential Services and it indicates Special Placements, could the Minister explain what is involved with the Special Placements?

* (2050)

Mrs. Oleson: These are for individualized programs for people who cannot take part in the regular programs. Something individual has to be designed for them.

Ms. Gray: Does the Minister have information as to how many clients would be served by the Special Placements?

Mrs. Oleson: We do not have the number at hand, but we could get it for the Member.

Ms. Gray: Would the Minister also be able to get information—these Special Placements, this is residential. What type of living arrangements would be involved in these Special Placements?

Mrs. Oleson: This could be a proctor program or it could be additional staffing in the regular programs to allow them to stay there.

Ms. Gray: The Minister is indicating that as well as a proctor program, it could also be extra assistance to allow someone to stay in a community residence placement?

Mrs. Oleson: Yes, in a residence or in their own home, but it would mean hiring extra staff to assist them.

Ms. Gray: What are the guidelines around Special Placements for clients, parents and staff knowing how to apply for Special Placement versus the other residential areas indicated?

Mrs. Oleson: These are individual cases that have been identified. It is possible that they may have to go back into an institution if they did not get this additional help, but it would be identified through their caseworker and various other ways. But they are individual cases that we are looking at here.

There are placement guidelines that we could table at the next sitting if the Member is interested.

Ms. Gray: Yes, I would be interested in that. Could the Minister indicate these Special Placements, is there a maximum dollar amount that can be attached to an individual for a Special Placement?

Mrs. Oleson: They have to be approved by the assistant Deputy Minister and, for the numbers that we are looking at, it is only about 18 to 20 people at any one particular time that we are talking about here in these cases.

Ms. Gray: Is there a maximum dollar amount with which the assistant Deputy Minister can approve these placements?

Mrs. Oleson: No, but it has to be approved within the total budget.

Ms. Gray: Do regions have budgets specifically for Special Placements?

Mrs. Oleson: No, it is a centralized budget.

Ms. Gray: Could the Minister tell us what that budget is for '88-89?

Mrs. Oleson: \$562,600.00.

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Ms. Gray: What was the actual expenditure for '87-88 in that line?

Mrs. Oleson: I understand it was lumped in with Other Expenditures last year, so it is difficult to get the number. We can get an approximate number for the Member.

Ms. Gray: This Special Placement, would this be the line where if an individual who was mentally handicapped wishes to live on their own in an apartment or in a house, but requires basically 24-hour care and/or supervision, is this the line with which an application would be made to get dollars for Special Placements?

Mrs. Oleson: Mr. Chairman, there is a line for Supervised Apartment Living which amounts to \$429,200 for '88-89 but, if there was some special needs over and above that, then some Special Placement funds could be used.

Ms. Gray: Mr. Chairperson, I was referring to individuals who would require 24-hour supervision. I was under the understanding that Supervised Apartment Living was for individuals who were fairly independent and did not necessarily require 24-hour care.

Mrs. Oleson: Mr. Chairman, yes, that is correct and that is why I indicated that then over and above that we would have to look at Special Placement dollars.

Ms. Gray: I would think that there might be a number of parents in the community who, if they felt that there were these dollars available for Special Placements where their young adult could live on their own independently in a house and receive 24-hour care and supervision, there may be a flurry of applications. How does this department decide on which people would be prioritized for these types of placements?

Mrs. Oleson: Mr. Chairman, yes, we could not possibly meet all the needs. There are guidelines for this which we could table with the Member later and, of course, there would be the budgetary restraints as well, so everyone who applied, it would be impossible to give them assistance.

Ms. Gray: Would these individuals, would we be looking at people who were multiple-handicapped and required a high level of care and supervision and had a high level of health needs, or would the Special Placements be more designed for individuals who were not at that high level of care and had less health needs that had to be met in the community and less multiple needs?

Mrs. Oleson: Mr. Chairman, the Special Placements mainly refer to day programs. There is some residential component but this is mainly for day programs.

Ms. Gray: Mr. Chairperson, if the Special Placements is mostly for day programs, is she then referring to where special proposals or applications go through to provide an individualized day program for a client and they would be approved through these dollars?

Mrs. Oleson: Yes, that is the case.

* (2100)

Ms. Gray: My question is then, where does it fall within the budget for individuals who do require 24-hour care and supervision but are living on their own in the community with these 24-hour supports? Where within the budget line would those individuals be?

Mrs. Oleson: Mr. Chairman, they would be assisted through additional care and support and through Special Placements. It seems to me that it is rather fuzzy and that we will have to have a look at it before we do next year's budget.

Mr. Chairman, I am reminded that there is also—social assistance comes into this picture too.

Ms. Gray: The reason for my line of questioning, Mr. Chairperson, is that I was of the understanding that in fact there were a number of individuals, perhaps a very few, who were living in the community who had multiple needs and did require extensive care and supervision on a 24-hour basis, and that this was one of the programs that was provided through the Department of Community Services. So I was attempting to find out if these situations still existed, if applications for this type of program were encouraged and again where within the budget line they fell. Also, was there a maximum amount of dollars that would be considered reasonable to spend per day for providing this type of care and supervision and independent living for these individuals?

Mrs. Oleson: These programs are relatively new, so their standards and funding is all developing. It is something of course that will be looked at for our next year's budget.

Ms. Gray: Will the Minister be able to get information for us about whether there is a maximum amount of dollars, or is there anywhere a maximum amount of dollars that is considered reasonable to spend for an individual per day. I am including day programs, residential, recreation, etc.? Is there sort of a maximum amount that is considered reasonable to spend on a person per day?

Mrs. Oleson: I can give the Member the guidelines for Additional Care and Support. The others that she was asking about are still being developed. For Level 2, for instance, up to \$8.39 per day; Level 3, up to \$16.78 per day; Level 4 up to \$25.17 per day; and Level 5 up to \$33.56. As of March 1, 1988, service was provided to 699 adults under the Additional Care and Support Program.

Mr. Chairman: Shall the item pass?

Ms. Gray: Can the Minister tell us, there was a project inclusion that was one of the projects through the Welcome Home Program. Is that project still in existence?

Mrs. Oleson: It was discontinued when the federal funding was discontinued.

Ms. Gray: Does the Minister have or would she be prepared to table the information as to the number of pre-vocational day activity programs there are, and the other types of day programs that there are throughout the province?

Mrs. Oleson: We can table that at the next sitting.

Ms. Gray: Thank you, yes, that would be appreciated.

We spent some time talking in Estimates about waiting lists for day programs. Does the Minister have information as to what waiting lists there are for people entering community residences?

Mrs. Oleson: I understand there are very few, if any, on the waiting lists.

Ms. Gray: When she says "very few," what does she mean by very few?

Mrs. Oleson: We are not aware of absolute numbers of people on the waiting list at the moment, but this could change. I mean, it changes from time to time.

Ms. Gray: If there is no one on the waiting list and there are 24 people being serviced in a Transition Unit, are there 24 vacancies in the community for placements for these individuals?

Mrs. Oleson: Not at the present time, but people do come and go, so there could be vacancies open up from time to time. No, there are not 24 vacancies at the moment.

Ms. Gray: These individuals who would be in this Transition Unit at MDC, has the process been started in an attempt to secure some sort of residential community placement for them?

Mrs. Oleson: There may very well be some placements for them, but we finished that line on MDC and the administrator has left, so we cannot get you that clear answer.

Ms. Gray: Certainly would not the Programs Branch still have information as to the number of people on waiting lists? Do the regions keep waiting lists of people wishing to enter community residential placements?

Mrs. Oleson: We could get the information from the regions. They would have waiting lists perhaps. When someone is going to move, they have the information and the input so we could get information from the regions for the Member.

Ms. Gray: I would think that there are individuals out in the community, particularly where parents or a parent is aging, who are hoping that their adult son or daughter can be put into a community residential situation. So I would be surprised if there was not planning being done or if there were no waiting lists. Could the Minister indicate to us if any community groups or agencies have applied for opening up of new community residences?

Mrs. Oleson: We have approximately four groups right now who have applied to initiate a residence.

Ms. Gray: Could the Minister tell us what the status of those proposals are?

Mrs. Oleson: There are two formal proposals and two Letters of Intent.

Ms. Gray: Are these formal proposals by well-established community groups?

Mrs. Oleson: Yes, they are.

Ms. Gray: Have these proposals gone through the RIC process?

Mrs. Oleson: That is where they are right now.

Ms. Gray: Could the Minister indicate, has there been a need identified by these proposals? I mean there must be a reason why they have sent in a proposal. I am assuming they have identified a need. Is that the case?

Mrs. Oleson: The sponsors have identified a need and the committee is reviewing it.

* (2110)

Ms. Gray: Could the Minister tell us if there have been any initiatives in her department to increase the number of Supervised Apartment Living situations?

Mrs. Oleson: The field staff are always working on finding those type of arrangements. There are 119 Supervised Apartment Living situations right now, 1-9-0, sorry, not 119—190.

Ms. Gray: The Minister said there are 190 apartment living situations. With the budget that she has indicated for '88-89, has she allowed for an increase in those Supervised Apartment Living situations?

Mrs. Oleson: Yes, there is room for a modest increase in there.

Ms. Gray: That modest increase, approximately how many individuals might that increase accommodate?

Mrs. Oleson: About 20.

Ms. Gray: With the residential care situation, other than the Supervised Apartment Living, with the increases in budgets where the Minister has indicated in her budget, approximately how many new residential placements would there be other than the 20 that she has indicated for the Supervised Apartment Living?

Mrs. Oleson: Could the Member rephrase the question, please?

Ms. Gray: The Minister has indicated that the modest increase, under the Supervised Apartment Living line, would amount to approximately 20 placements. Could

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the Minister indicate to us, other than Supervised Apartment Living, there would be additional care and support and base in capital for community residences? Approximately, is there any increase in that budget line to allow for new placements under the additional care and support and base in capital?

Mrs. Oleson: Yes, the budget has gone up, if the Member would care to look at that line, from \$3,523,800 to \$4,721,200.00.

Ms. Gray: The question is, how many placements would that mean? How many new placements for this year would that increase accommodate?

Mrs. Oleson: Seven.

Mr. Chairman: Shall the item pass?

Ms. Gray: No. The Minister has indicated approximately seven new placements for residential care plus the 20 for Supervised Apartment Living, which is 27. The Minister is not aware if there is even a waiting list for community residences. We have added 15 new spaces for day programs. She said there is a waiting list already of 57. Could she explain the discrepancy in that logic?

Mrs. Oleson: There is no discrepancy. Those are the funds available and we will be making use of it the best we can.

Ms. Gray: The Minister has indicated she is not aware of any waiting list for community residences. Yet she has admitted there is a waiting list at least of 57 for day programs. Why would the dollars go into the community residential line, where she does not seem to think there is a waiting list, and not into the day program line where there is a waiting list?

Mrs. Oleson: Because there are elderly parents with family who may not be able to look after them very much longer. There are also 24 people in the Transition Unit who could possibly move into the community. That is why that funding was made available.

Ms. Gray: If there are 24 people in the Transition Unit ready to move into the community and there are 20 Supervised Apartment Placements or an increase allowed for that and only seven community residents, I still find that difficult to understand the numbers, because I would certainly think that for those individuals in the Transition Units at MDC that certainly their needs would be fairly complex. They would probably not be candidates for Supervised Apartment Livings, but rather at least for a community residence.

So I am still at a loss to understand how the Minister has come up with these figures where we are allowing 20 for Supervised Apartment Living and only seven for residential care, when we have got 24 people in a Transition Unit who may be waiting for placements.

Mrs. Oleson: The 24 people will not all get placed at once and there are different expenses involved in different programs. Also, the Member should be aware

the money can be moved around within this apportionment. If it was not used for one purpose, it could be shifted to another. But these are the projections that are made at the beginning of the year of what the needs would be or how we could meet the needs. But there is always the possibility of moving funds within this apportionment.

Ms. Gray: I would assume, when this budget was developed, there was a rationale for why the dollars were allocated on various lines. What was the rationale for allocating these particular dollars in the Residential Care area?

Mrs. Oleson: These projections were due to taking into consideration annualization and known child welfare people coming out of that system into this system, and also the system is not static. People move around, come and go from programs. So it is not something that is absolutely static and that can be predicted with absolute accuracy.

Ms. Gray: Could the Minister explain what she means by "people come and go from programs," and how that relates to residential care?

* (2120)

Mrs. Oleson: One example could be someone who is in residential care may move into Supervised Apartment Living or vice versa. That is one example of the changes that could take place.

Ms. Gray: Could the Minister tell us what the turnover rate is of people moving out of community residences?

Mrs. Oleson: We could get that information for the Member. We do not have it here but we could get it.

Ms. Gray: How many people would be on a waiting list or have been identified in the child welfare system who would be ready to move into the adult M.R. system and would require some sort of residential placement?

Mrs. Oleson: Six to twelve.

Ms. Gray: With the budget lines for the Residential Care—and the Minister has indicated that dollars can move from one line to another. To clarify, can dollars move from one region across the province to another as well?

Mrs. Oleson: Yes, they can.

Ms. Gray: Under the line where it says Special Grants and it indicates Administrative Support, \$535,200, could the Minister explain that?

Mrs. Oleson: Under administrative support—that was what the Member was asking about—provides funding for an annual administrative grant for day programs. Administrative support will also be provided to assist operators of multiple programs in meeting actual costs. With the implementation of Welcome Home, the number of external providers operating multiple programs has

increased substantially, straining the administrative capacity of these agencies. The funding for that was, in '87-88, \$519,600 and, in '88-89, \$535,200.00.

Ms. Gray: Do all the workshops receive some form of administrative support grant? What is the amount of the grant or the support? What is that based on?

Mrs. Oleson: Yes, they do receive it. It is based on fixed costs, salaries and rental, that sort of thing.

Ms. Gray: Would this administrative support—the Minister has indicated is based on salaries. Does that mean that the number of staff per workshop would mean probably a higher administrative support grant to that workshop?

Mrs. Oleson: It is based on an average.

Ms. Gray: An average of what?

Mr. Chairman: The Member for Ellice (Ms. Gray) to clarify.

Ms. Gray: To clarify my question, the Minister had indicated that part of the determination on the amount of administrative support was based on salaries. Could she explain what that means?

Mrs. Oleson: The administrative costs the Member was asking about is for the director and other administrative costs within the facility which is overhead.

Ms. Gray: Therefore that administrative support would have nothing to do with other salaried staff in the workshop?

Mrs. Oleson: No, it would not be in relation to the number of staff at the facility or the programs.

Ms. Gray: When the Minister indicates overhead, what all does she include in that?

Mrs. Oleson: Mainly space and heat.

Ms. Gray: Therefore, would I be safe in assuming that the larger workshops, such as Versatech, receive a larger administrative support grant than do some of the smaller workshops?

Mrs. Oleson: No, that is not the case.

Ms. Gray: Could the Minister then explain that I would think larger facilities might have a larger overhead. Am I wrong, or are capital costs of the building included in that as well?

Mrs. Oleson: These were originally designed to help smaller organizations with their overhead. It was felt that they needed more help. It maybe has over time become a little fuzzy, I will admit. I understand that the larger centres could perhaps, through marketing or other means, support their administrative endeavours more easily than the small centres.

Ms. Gray: In discussions with some of the workshops, in Versatech in particular, I had understood that they did receive an administrative support grant, and they were mentioning that the grant was a mere pittance and did not cover a lot of the administrative costs. Is the Minister indicating that this administrative support requires some review?

Mrs. Oleson: Yes, I would think that would be a fair statement, yes.

Ms. Gray: Could the Minister tell us the next line, under Special Grants, special needs grant to day care centre, what day care centre is that in reference to?

Mrs. Oleson: That provides grants to rural day care centres to provide staffing and training for children with disabilities. Funding is available for this same target population by child day care for Winnipeg region. These are for rural day cares.

Ms. Gray: Could the Minister tell us how many children would be accommodated through this grant?

Mrs. Oleson: Yes. In Central Region, the regional allocation is \$79,000, and the number of children as of March 1988 was 25; in Eastman, \$70,000, 18 children; Interlake, \$70,000 for 27; Norman, \$40,000 for 8; Parklands, \$21,000 for 5; Thompson, \$58,000 for 13 children; and Westman, \$127,000 for 25 children; which is a total of \$465,000 for 121 children.

Mr. Chairman: Item 3.(d)(1)—pass; item 3.(d)(2) Other Expenditures, \$170,300—pass.

Item 3.(d)(3) Financial Assistance, \$21,853,000, shall the item pass?

Ms. Gray: No. Under the External Agencies area, there are a number of grants that are indicated, and the Minister had handed out as well an indication of the new grant amounts. Could she tell us, the Brandon Citizen Advocacy Incorporated, what is the nature of that organization?

Mrs. Oleson: Mr. Chairman, I understood we did not pass (3) Financial Assistance. That is the line we are on. If you wish to pass that, then we could get to External Agencies.

* (2130)

Ms. Gray: Okay, sorry, pass.

Mr. Chairman: Item 3.(d)(3)—pass.

Item 3.(d)(4) External Agencies, \$9,513,300.00. Shall the item pass?

Ms. Gray: No. Would the Minister indicate to us the Brandon Citizen Advocacy Incorporated, what the purpose of their organization is?

Mrs. Oleson: The grant is to assist this organization with the administrative costs of recruiting, training and matching volunteers to assist primarily mentally

handicapped people in day-to-day living in a big brother or a big sister fashion. This organization services Brandon City and surrounding districts.

Ms. Gray: With the grants that are given to the external agencies, is this funding given in a block funding, in one lump sum?

Mrs. Oleson: Mr. Chairman, it is sometimes given quarterly and sometimes annually. It depends on the size of the grant and the organization and cash flow.

Ms. Gray: In the granting of these dollars, are there specifications that are attached to the giving of these monies in terms of certain specifications or expectations that these external agencies must meet?

Mrs. Oleson: They acquaint us with their programs and their objectives. They usually have a board in order for us to grant them funds. They, as I say, provide us with the objectives of their organization.

Ms. Gray: Once these dollars are given out by the department, does anyone in the department monitor these funds to assure that they have been used appropriately throughout the year?

Mrs. Oleson: Yes.

Ms. Gray: Who does that?

Mrs. Oleson: Program staff.

Ms. Gray: Are these the program analysts who carry out that function?

Mrs. Oleson: Yes, that is the case.

Ms. Gray: With the dollars that are given out to the Association for Community Living, Manitoba Division, what types of activities does ACL carry out?

Mrs. Oleson: They provide coordination, supervision, consultation and evaluation functions for programs delivered by 26 local branches. The ACL promotes welfare and education of the mentally handicapped, acts as a central resource for information concerning the mentally handicapped and is a link between local branches in Government. Community Services provides an annual grant to the ACL and may purchase specific services on a contract basis, the example being staff training, community development, as required.

Ms. Gray: Does the Minister have information as to what types of contract services have been contracted from ACL in the last fiscal year, and also has there been any contractual arrangements with ACL for this fiscal year?

Mrs. Oleson: We do not have any currently and we will have to check to see what it was last year. We do not have that with us.

Ms. Gray: I understand that ACL also has been involved in providing training to paraprofessional staff or staff

who might work in community residences. Could the Minister confirm this?

Mrs. Oleson: Yes, I understand they performed that function a couple of years ago.

Ms. Gray: Is the Minister aware if ACL is currently performing that training function?

Mrs. Oleson: They are, independently.

Ms. Gray: Does part of the money that ACL receives from the Government, is that noted that some of that may go for training?

Mrs. Oleson: It is part of their objective to supply training to their member agencies.

Ms. Gray: Does the Minister know, are ACL involved at all with a training program jointly through Red River Community College?

Mrs. Oleson: They are on the advisory committee. That is the input they have.

Ms. Gray: Which advisory committee is the Minister referring to?

Mrs. Oleson: They are on a course committee involved with Red River Community College which provides the course.

Ms. Gray: What criteria is used to determine the amount of money that each of these, not individually, but how is it determined or what criteria is used to determine the amount of monies that these external agencies will receive?

Mrs. Oleson: It has been in the past based on requests and what sort of funds are available. Things that you can take into consideration are what programs they provide.

Ms. Gray: Could the Minister tell us, is the association for community living funded at all for their advocacy role on behalf of the mentally handicapped?

Mrs. Oleson: They can perform that role with the funds they get. It is a sustaining grant and they can provide advocacy within their objectives.

Ms. Gray: The funding that goes for ACL, is that part of the understanding of this Government, of the Department of Community Services, that some of the supports they provide are in the area of advocacy?

Mrs. Oleson: They promote welfare and education of the mentally handicapped and they act as a central resource for information concerning the mentally handicapped. They are a link between local branches and Government and that implies advocacy.

Ms. Gray: Are there other external agencies that would also be funded for their advocacy role with the mentally handicapped?

Mrs. Oleson: Another one would be the Manitoba Council of Rehabilitation and Work. There is another group, the Society for Manitobans with Disabilities, but theirs is a great deal more than advocacy. So I think probably the main group would be the Manitoba Council of Rehabilitation and Work.

Ms. Gray: The Minister had indicated earlier, not within Estimates but in other statements she made, that her department might be looking at the role of advocacy groups and that perhaps there would be a move toward not funding advocacy groups. Could the Minister indicate, are there any external agencies that have been listed for '87-88 or '88-89 where that role of advocacy will not be considered in the funding?

* (2140)

Mrs. Oleson: I do not really know what statement the Member is referring to, but this department is mainly a service department and of course that is our major role, to be of service to people. I do not know what context she is talking about that I said that we would not be funding advocacy groups, because there are certainly a great many advocacy groups in this department and my other department that are receiving funds.

Ms. Gray: The Minister has indicated the Manitoba Council of Rehabilitation and Work in ACL who, in part, are advocacy groups. Could the Minister indicate the other advocacy groups that this department funds?

Mrs. Oleson: Mr. Chairman, there are about 20 groups that I have listed here that are listed on page 55 of the Supplementary Estimates that have some advocacy role. That is not their only role, of course, but there are many of them that do have an advocacy role, so there are groups within this department that are funded and do have an advocacy role.

Ms. Gray: My question was specifically, given that a lot of these organizations or agencies do play an advocacy role, does the department recognize that to the extent that advocacy role is considered in the funding that is given to these groups?

Mrs. Oleson: It is recognized by the funding that is provided for them.

Mr. Speaker: Shall the item pass?

Ms. Gray: No. Could the Minister tell us what the Independent Interpreter Referral Service is?

Mrs. Oleson: They provide a service to facilitate communication between the hearing impaired and a wide range of social and health providers. For instance, if a Government department wants someone to interpret for hearing impaired at a meeting or something like that, this is the service that we would call upon to provide that. They provide service to a wide range of people in the province.

Individuals, as well—in fact I just met with them last week so I am a little conversant with their activities

and it was very interesting to talk with them about the service that they provide. For instance, one thing that they can provide, if a person who is deaf goes to their doctor, they could provide someone to interpret for them and make it very much easier for them to get service from the doctor or from other agencies. It is mostly a referral for meetings, that type of thing. If you are having a conference where you wanted that type of service, these are the people who could provide it.

Ms. Gray: The agencies CNIB and Society for Manitobans with Disabilities, the funding that goes to these agencies, is this money for administrative staff or is there any money as well that go for specific programs that these agencies might undertake?

Mrs. Oleson: The CNIB provides service to approximately 1,600 blind persons in Manitoba. The agency provides vocational assessment, training, counselling and job placement services, plus an adjustment training program for daily living. In addition, information programs, specialized library services and recreation programs are offered. An annual grant is provided in support of these programs. The grant for this year is \$1.18 million.

The society is the agency designated by the province as a primary provider of rehabilitation services to physically handicapped children and adults. Services are provided to over 8,000 individuals during a year and include counselling, psychological assessment, medical diagnosis and assessment, vocational assessment, training and job placement. The grant is provided in support of these services.

Ms. Gray: Does the Department of Community Services basically totally fund these two organizations or do they receive substantial grants elsewhere?

Mrs. Oleson: Approximately 80 percent of the funds that they receive are from us. They do get money from other sources. I think United Way would be one. They may get some program assistance through Core Area Initiative in some cases. There is other funding available to them.

Ms. Gray: Do these two organizations, particularly SMD, do they have access to VRDP monies through our department?

Mrs. Oleson: No, VRDP is a cost-sharing agreement for individual clients, so this is not part of their grant.

Ms. Gray: The money indicated under these grants would not be part of that. But do these two agencies, do they send applicants or send applications to the same VRDP Committee that our staff do in terms of gaining approval to have dollars allocated for certain clients and certain programs?

Mrs. Oleson: Yes, they do to the Vocational Training Committee.

Ms. Gray: How is it decided whether an individual would use the Society for Manitobans with Disabilities as their

advocacy or, let us say, use their caseworkers to gain approval through VRDP versus using our VRS program?

Mrs. Oleson: They are the main agency for the physically handicapped.

Mr. Chairman: Shall the item pass?

Ms. Gray: No. The EPC, Employment Preparation Centre, what is the target population that this centre—what target population do they serve?

Mrs. Oleson: The evaluation and training centre in Winnipeg operated by the Society for Manitobans with Disabilities. It provides vocational assessment and training and sheltered employment to approximately 175 physically handicapped persons each year. The grant is in support of these services.

Ms. Gray: Individuals eligible for EPC, does this centre receive referrals through other sources other than SMD?

Mrs. Oleson: SMD would do the majority of referrals.

* (2150)

Ms. Gray: Could the Minister indicate then for individuals, is it only for individuals who have a physical disability who are eligible for EPC, or can an individual have other disabilities, such as mental illness or mental retardation?

Mrs. Oleson: They would be referred elsewhere, possibly to other programs. This is primarily for physically disabled.

Ms. Gray: The EPC, they do receive referrals though from regional offices, do they not?

Mrs. Oleson: Yes.

Ms. Gray: Therefore, there must be individuals who have other than physical disabilities since the regional offices would not pick up clients whose primary disability is physical?

Mrs. Oleson: It would depend on individual need.

Ms. Gray: Does the Society for Manitobans with Disabilities exclusively service individuals who have a physical disability and no other disabilities? In other words, are there any situations where in fact SMD may not pick up these individuals but where regions do?

Mrs. Oleson: They also service the sensory handicapped.

Ms. Gray: Where an individual had a physical disability and was a Treaty Indian, does that make a difference as far as if SMD will work with those clients?

Mrs. Oleson: No, that does not make a difference.

Ms. Gray: Does then the Society for Manitobans with Disabilities, would they pick up the costs as well for

vocational training or perhaps through the VRDP joint funding? Would they pick up those costs or would the federal Government pick it up?

Mrs. Oleson: If it is known, we would make a claim to the federal Government.

Ms. Gray: The Minister indicates "we." Who is she referring to?

Mrs. Oleson: SMD provides services to anyone who comes there but, if they ask us to or if it becomes known that it would be applicable to cost sharing, then we would apply for cost sharing.

Ms. Gray: Is the Minister indicating that it is cost sharing through VRDP or through federal Indian Affairs?

Mrs. Oleson: No, I should have made that clear. I meant through the federal Government with regard to Natives.

Ms. Gray: Is there any difficulty with getting those dollars back from the federal Government?

Mrs. Oleson: We have not been claiming really, but I have no indication that there is any difficulty.

* (2150)

Ms. Gray: Moving on to another external agency, Ten Ten Sinclair housing, that particular agency is currently funded under Community Services. Is there any thought to move that funding to another department such as Department of Health?

Mrs. Oleson: Not at the present time. It is under this department.

Ms. Gray: What services do Ten Ten Sinclair provide which are funded for by this particular grant from Community Services?

Mrs. Oleson: Mr. Chairman, Ten Ten Sinclair is a 75-unit residential complex and has 50 units especially designed for moderate to severely physically handicapped adults. The complex is designated as a low rental housing and is subsidized by Manitoba Housing and Renewal.

The objective of Ten Ten Sinclair is to assess, plan and train young disabled persons to develop suitable skills so that, with appropriate equipment and support, they are able to live independently in the community. The department's grant covers the cost of assessment, counselling, training and other associated expenses other than food and shelter required to achieve these objectives.

Ms. Gray: To clarify, Ten Ten Sinclair housing then, it is not considered a long-term residential placement?

Mrs. Oleson: That is correct.

Ms. Gray: What is the average length of stay or what is the program? What is considered as a length of stay

for an individual going into that assessment and evaluation unit?

Mrs. Oleson: The department officials indicate they will have to check but they think the average is about 18 to 20 months.

Ms. Gray: Has Ten Ten Sinclair asked for any increases in their grants from this department?

Mrs. Oleson: Yes, they have.

Ms. Gray: What is the nature of the request for an increase?

Mrs. Oleson: We have not got information at hand of how much they requested, but they got \$678,300 last year and this year they are receiving \$698,700.00. Staff indicate that their request was to provide a heavier level of care.

Ms. Gray: Could the Minister indicate, in giving this slight increase this year to Ten Ten Sinclair, what was the rationale for that increase? What was it to cover, to include?

Mrs. Oleson: It is the same as most agencies, and the guideline that was used was a 3 percent increase.

Ms. Gray: Could the Minister tell us how this 3 percent guideline was developed?

Mrs. Oleson: It was reached keeping in mind available resources and trying to get a handle on the deficit. We had to limit the increases to 3 percent.

Ms. Gray: Was there a consideration that perhaps the increases should be at minimum, at the rate of inflation?

Mrs. Oleson: All Government departments are operating under the same guideline. It would be very nice to meet the rate of inflation or go beyond that, but 3 percent was the guideline that we found it necessary to use.

Ms. Gray: Could the Minister tell us, what is the waiting list for people entering Ten Ten Sinclair?

Mrs. Oleson: We would have to get that information from Ten Ten Sinclair. We do not keep that information here.

Ms. Gray: I would think though that somewhere in the Minister's department they would have that information, given that perhaps the waiting list going to Ten Ten might have some bearing on what the increase to this agency would be. The Minister had indicated earlier that they had requested more dollars because of heavier care. Is this a request to expand their facilities so that they can take in clients with heavier care, or are they concerned about the clients they already try to provide the service for?

Mrs. Oleson: No, they were not going to expand the number of beds. It was to expand the service they gave

to individuals. These are people who are coming out of hospital and there are varying levels of care required. That was one thing they had indicated that they needed to or they would like to have more funds in order to provide a different type of service.

Ms. Gray: Is there a particular per diem allowance or amount that is given per client, depending on the level at Ten Ten Sinclair?

Mrs. Oleson: This is a service grant. No, there is no set per diem. This agency is provided with a service grant.

Ms. Gray: Does Ten Ten Sinclair have to follow certain guidelines in regard to the number of individuals that they have within their residential system at any one time who may be at any given level of care? Is there sort of a minimum-maximum amount of individuals which they can care for?

Mrs. Oleson: Each resident has to sign an agreement to participate in a particular program. That is how they operate.

Ms. Gray: This service grant that we provide, does this pay for all the services that would be required to assist these individuals who live in Ten Ten Sinclair?

Mrs. Oleson: It covers the cost of assessment, counselling, training and other associated expenses, other than food and shelter.

Ms. Gray: The Minister is indicating it covers everything other than food and—what was the second one?—food and shelter. Does this service grant then include any type of personal hygienic care or medical care that these individuals may require?

Mrs. Oleson: This is strictly training in independent living, so their other needs would be financed in another way. Some of them may be on social assistance. Some may be working as well.

Ms. Gray: How does the Home Care Program tie into Ten Ten Sinclair, or does it?

Mrs. Oleson: It would be used as a follow-up, Ten Ten manages the Fokus Program as well.

Ms. Gray: Do individuals in Ten Ten Sinclair, are they eligible for home care services as well as these services that they receive in Ten Ten?

* (2200)

Mrs. Oleson: No, that is what this program provides them.

Ms. Gray: Would some of these individuals living in Ten Ten Sinclair not require orderly services?

Mrs. Oleson: It is available on site, I understand.

Ms. Gray: Are these orderlies hired by Ten Ten Sinclair? Are they part of their staffing complement?

Mrs. Oleson: I understand they are part of their staffing complement.

Mr. Chairman: Shall the item pass?

Ms. Gray: No, no.

Mr. Chairman: The hour being 10 p.m., committee rise.

Mrs. Oleson: We might as well finish this section, Mr. Chairman, if there is a will to finish it.

Mr. Chairman: I do not think there is.

Committee rise.

* (2000)

SUPPLY—AGRICULTURE

Mr. Chairman, Mark Minenko: I call this section of the Committee of Supply to order, please. We are continuing to consider the Estimates of the Department of Agriculture.

We are presently on item 2. at page 12 in the Main Estimates of Expenditure of the Province of Manitoba. The Honourable Member for Fort Garry.

Mr. Laurie Evans (Fort Garry): Mr. Chairperson, I will start off with a somewhat general question, and it relates to the fact that the federal Minister of Agriculture, or the former one, Mr. Wise, was certainly on record as wanting to have some major changes made in Crop Insurance in terms of the way in which the funding was done. I wonder whether the Minister could give us any idea as to what he sees as the potential benefits as opposed to the negative aspects of the province getting more heavily involved in premiums, and whether the Minister is still firmly of the view that the province should not get involved in the payment of premiums and should stay within the area of administration and leave the premiums to the producer and to the federal Government.

Hon. Glen Findlay (Minister of Agriculture): Certainly this proposal that the Member brings forward has been considered somewhat. It was up for discussion at the Ministers' of Agriculture meeting this past year. As I recall, there was no province that jumped up and said: "I want to pay more." Really, as far as the province is concerned right now, roughly just to use round figures here, the premiums paid by the producers are, on a normal year, about \$20 million. The federal Government then puts in about \$20 million and the administration side that we pay is about \$4 million.

In terms of the benefits, if we were to go to some other sharing relationship, it would accrue to the farmers. The farmers are now paying \$20 million and, if we were to go to one-third/one-third/one-third, the farmer would end up paying about \$15 million, a third of say \$45 million. If we went to a position where the two Governments paid each 25 percent and the farmer 50 percent, he would be paying about \$22 million. So

clearly the farmer would benefit if he was to go to one-third/one-third/one-third. Our cost would then go from \$4 million up to 415 million, an additional \$11 million cost, which clearly is something we do not have the resources for.

So generally, I would have to say that our position is like the majority of provinces, as far as I am aware, are of the opinion that we should stay with what we have got, 50-50 in the premiums between the federal Government and the producer, and the province paying the administrative side of it.

So clearly, as I said earlier, if we went to one-third/one-third/one-third, the farmer would pay less premium. You might argue that might be an attraction to bring more farmers into the program if they are paying less premium but, through the tax dollars, we would have to pick up an additional \$11 million.

Mr. Laurie Evans: I guess the question really becomes though, if the provincial Government assumes a greater responsibility for the premiums, then that is spread across all the taxpayers as opposed to it being the producer. I guess what I am really asking is, does the Minister feel that there is justification in spreading this cost across the entire taxpayer range, rather than having that large a share of it falling on the producer because I think there is—when one looks at it, obviously if there is crop insurance and the individual producers are well protected, then you are not faced with the levels of deficiency payment, or perhaps even one could anticipate that there might be a mechanism in place where there would be other subsidies or support systems that would not have to be brought into play if the crop insurance was more equally distributed and the producers found it more attractive.

Mr. Findlay: He could argue that question either way. Clearly, there are benefits to the producer if we shared it over all the taxpayers. Do not forget this province only has one million taxpayers. Ontario, for instance, has six million or more. They are much more able to spread it more thinly over their citizens than what we are.

I guess, when you consider that you are getting risk protection like the farmers have in crop insurance, I do not think it is out of line that they should pay 50 percent of the premium. I know, generally speaking, it works out to \$3 and \$4 per acre for a producer. It is not a lot of cost, but the protection is relatively good. If we get forced into a position of having to make a real tough decision on it, if the federal Government gives us notice, then we will take it back to the producers and get a reading from them as to what direction they would prefer to see it go.

Mr. Laurie Evans: Would it be feasible to go the opposite direction and argue that crop insurance is really a benefit to all citizens of Canada, and that perhaps the federal Government should pick up a larger share? If that approach was taken, would it not be feasible to expect that the major agricultural provinces in Canada could join together and put more pressure on the federal Government to still pick up a bigger share?

Mr. Findlay: Are you saying bigger than 50 percent? Well, it might be a nice thing to advance the argument, but the opportunity of winning it is extremely slim. Their position has been that they want to be paying less.

An Honourable Member: It would not be done in an election year.

Mr. Findlay: I guess we are into that right now.

Certainly there are benefits to the province, benefits to the producers if we get the federal Government to pick up a larger share, because the benefits of producing a crop and the stimulation to the economy that it produces not only in the area where the crop is produced but the transportation component, the processing component, and then the country of Canada—what percentage of jobs are directly and indirectly related to agriculture?—some 15 percent. So there are a lot of producers and also there are a lot of people who are not producers that benefit from the agricultural industry.

Any money that goes into the farm economy, whether it is in paying for grain or livestock produced on the farm or whether it goes in as crop insurance or any other kind of Government money, it goes right through the economy and it benefits everybody. There is no question about that. But I think the opportunity of winning that argument, of getting the federal Government to pay more, would be a tough uphill battle.

Mr. Laurie Evans: Can the Minister give us any rationale as to why the provinces that are already participating in the premium payment did that? It seems to me that is sort of a thin edge of the wedge. I think you have indicated there are two provinces, I believe, Ontario and one in the Maritimes, is it?

* (2010)

Mr. Findlay: Yes, the two provinces are Quebec and Newfoundland. But I guess in their particular circumstance the cost of administration is so high relative to the premiums paid, it is cheaper for them to pay 25 percent of the overall cost than it is to pay just the administration part of it. For those provinces, they consider it to be the better deal for them.

Mr. Laurie Evans: I believe in reading the annual report, the comment is made that there is no charge for the buildings and the physical facilities that are used. Why is this not somehow or other calculated into the provincial input so that the figures are a little more comparable? In other words, what you are saying that the province provides is really an underestimate without those being included, and is there some reason why that is not added in?

Mr. Findlay: In Portage, Beausejour, Dauphin and Virden and some other centres, we are located in a Government building and are not paying any lease. Right now, we are not paying postage, but next year the corporation will be paying its postage. The perceived costs that were being saved by not paying the lease would appear to be somewhere in the vicinity of

\$300,000 to \$400,000 of lease benefits that we are receiving from the Government.

An Honourable Member: I think it was the head office.

Mr. Findlay: Yes, it does include the head office.

Mr. Laurie Evans: Moving into some of the more specific things again, in dealing with the spot hail insurance, can that be purchased on acreage that is not insured if the person requesting that insurance is a participant by having some of his acreage covered? In other words, can you get hail insurance on anything that has not got All-Risk on it?

Mr. Findlay: The answer basically is no. You can only get Hail Spot Loss coverage on acres that are under the All-Risk that you have recorded under All-Risk. But the Part II Hail, which is the Additional Hail, can be purchased on any acres whether they are covered by All-Risk or not. There are two options in hail insurance: No. 1, the Hail Spot Loss only on acres that you insure; Part II Hail can be on any acres on the farm whether they are covered by All-Risk or not.

Mr. Laurie Evans: I just wanted to get that straight. So a producer who is not participating in crop insurance at all can come into the corporation and get hail insurance?

Mr. Findlay: No, he must hold a contract to get Part II Hail. But when I was referring to a producer, let us say he has 1,000 acres in total crop but he only insures 600 through the All-Risk. He can only insure 600 on Hail Spot Loss but, on Part II Hail, he can insure 1,000 acres.

Mr. Laurie Evans: On the basis that the producer essentially pays all of the cost of hail insurance, what is the rationale for not allowing them to participate in hail insurance if they do not have crop insurance for other than hail? Why the restriction on allowing the purchase of hail insurance?

Mr. Findlay: Really the Hail Spot Loss is pretty low-cost hail insurance and is put in there as a benefit to the producer that actually puts those acres under All-Risk. If I recall my own case, Hail Spot Loss was about 1.8 percent, Part II Hail would be about 3.6 percent. You can see that if you allowed that to happen the producer would cover very little acres under All-Risk. It would put a whole pile of acres under the Hail Spot Loss because of the advantage of that low premium. In the Part II Hail, we are competing with all the province's companies that supply hail, so we have to make that part open to the producer for his entire acreage because they are completely separate. You are saying about the administrative costs covered by hail insurance, that is really only on the Part II Hail, not on the Spot Loss.

Mr. Laurie Evans: Another area that I noticed in reading through is the—and I think it is becoming more of a problem—whole issue of pesticides. I think it is quite clear in there that there is no coverage for pesticide

damage but I wonder whether this can be completely separated. Is there not a possibility that you are already covering for some pesticide damage in terms of crops that do not properly emerge, that may be in fact emerging rather poorly because of residual effects? I can anticipate that this might be a more serious problem in the spring of 1989 in the drought areas.

Mr. Findlay: There are very few claims that are denied because of that, just the odd one per year. Certainly the staff that are out there, the adjusters, are looking for both post-emergence damage and damage from a carry-over of a residue in the soil. Their objective is to identify either kind of pesticide damage. Certainly what the Member is saying is very true that, because of the dry soil conditions, there is going to be a lot of potential carry-over of Treflan, things like Glean and Tordon certainly could create problems.

It is the job of the adjuster to look at the sequence of crops relative to the chemical history, if he suspects that there has been some degree of damage on that particular crop because of a residue, either pre-emergence or post-emergence. So the adjuster is to look for both and actually it is more easy to detect some than others. The yellowed-leaf situation is fairly easy to detect, but a stunted crop sometimes if it is—say the crop is retarded by 10 percent or 15 percent or 20 percent, it might be hard to detect that. If it is retarded to the extent of 50 percent or 60 percent or 70 percent, it is much easier to pick up.

It could be definitely a bigger problem, and I think it is going to have to be the objective of the department as spring approaches, say around about April, to start getting some news releases out warning producers of the potential risk of certain residue carry-overs from the previous year, particularly in the dry southern area. It is the job of Extension to get that message out loud and clear, and maybe even earlier than April. Our farm meetings throughout the after-new-year period, get that message out.

Mr. Laurie Evans: This is moving into a little different area, but I think it is probably a logical time to dwell on it. It is the whole question of pesticides. I think there are a lot of producers out there now who feel they really have no recourse when they have purchased herbicides, have used them in the manner that is prescribed, and either find that they have unexpected crop damage or they do not have the efficacy of control of weeds that they expected.

* (2020)

They are hung out to dry, in a sense, because I think the chemical companies, in particular in this drought year have—I think I have seen them quoted where they said, if you do not get enough moisture, you do not expect a good crop. Why should you expect the chemicals to work perfectly if you have abnormal environmental conditions? I think a lot of producers feel they should have some recourse if they are not getting the type of response from chemicals that they anticipate. Do you see any mechanism where this can be looked at, or is it something that should be done entirely separate from crop insurance?

Mr. Findlay: Crop insurance adjusters are instructed to look at a field, and they figure maybe the person used a chemical and it did not work. If they can see the same chemical on other farms in the same area and the same kind of response occur, that the chemical did not work, they will not penalize the producer for bad farming practices. But if they find that his is the only field in a particular area where that sort of crop did not respond to a chemical, then they will look at assessing bad farming practices because of a lack of knowing how to use a chemical.

Certainly I think you are getting at a much larger question than the ability of producers to get reimbursed for improperly acting chemicals. It has been a long-standing situation that farmers have not been happy when they approach chemical companies because, say, Treflan did not work or Hoe-Grass did not work, which are two of the more common ones for wild oats and millet. As the Member well knows, we now have trifluralin-tolerant millet, which does not help the situation any, and so it becomes more difficult to assess. That is out in the southwest part where millet seems to love the dry conditions. So we are going to have a real problem in the future in that particular area.

Certainly, there has been a voice out in the farm community saying, let us have some leverage on our dealing with the chemical companies to get reimbursed for improperly acting chemicals because, nine times out of ten or maybe, say, 98 times out of 100, where a farmer takes a complaint to a chemical company rep, the standard answer was you did not follow the directions. You did not incorporate right, you did not spray under the right conditions. That is the standard answer.

I tell you, many farmers have now taken the position there is no sense of bothering to lay a complaint for an improperly acting chemical. You are just wasting your time because they know they are going to get the runaround, and they are very unlikely to get any kind of proper settlement when they go to the company.

So this past year, the Weed Section under Barry Todd picked out three cases to try to find a method of arbitrating between the farmer and the chemical company, some degree of proper compensation for lack of activity. This is further on in the Estimates but I think that, as I recall the discussion, the three cases where three of them were picked to represent three different kinds of conditions: one for pre-emerging chemicals, one for post-emerging chemical, and I just do not spot the third one. They have gone through two reviews, reviews on two of them. The general opinion of the Weed Section is that it is not working satisfactorily, the voluntary arbitration or mediation to get resolved in those circumstances is not working properly at all.

The Member may recall a particular case in southern Manitoba here where it went to court and the person was awarded damages by the court. I think the person's name was Mr. Clarence Siemens. I see the Member smiling. He knows a bit of the history behind that name, but he was awarded damages by the court to some significant amount of money. I do not recall the amount off the top of my head but it was a significant amount of money which may cause chemical companies to look

more closely at how they are making recommendations. If the Member has some way, knows of some way we can get a better settlement process for farmers who have a case for a chemical that did not work when they followed all the instructions, that is a tough one to answer.

I can tell the Member that this past summer was probably one of the classical summers. Because of the heat and the stress that the crop was under, because of drought that the plants, not only the crop did not take up the chemical very well, neither did the weeds. Certainly producers who sprayed anywhere between ten in the morning and six at night probably did not get very much control, but those who went at four in the morning or sprayed from eight to ten at night did receive somewhat better kind of weed control. So there is an onus on the producer if he is spending the money to try to do his very best to apply the chemical at the right time and under the right conditions.

I think there is also an onus on the chemical companies to know more about how their own chemicals respond under these kind of varying climatic conditions that we get. There is no such thing as a normal year anymore. It is either too windy, too dry, too hot, too wet or too something. I think, as far as I am concerned, that one of the chemicals that has had the greatest problem of doing the job it is being sold to do, and that is Hoe-Grass.

There are a tremendous amount of unhappy producers for about three years in a row now, a chemical that when it first came out, under more normal growing conditions, did a tremendous job. So many producers went from pre-emergent wild oat control and millet control to post-emergent. Now they have been burnt, by and large, two out of the last three years particularly with the conditions under which they have been applying it. I do not think the chemical company has really responded with recommendations to try to offset the impact of the climactic conditions. But so far, the process of trying to voluntarily negotiate some degree of adequate settlement has been extremely unsuccessful from the farmers' point of view.

Mr. Laurie Evans: Could the Minister elaborate a little bit on why there has not been success? Is it the chemical companies themselves that are reluctant to allow this system to work or just what seems to be the hold up there?

Mr. Findlay: I guess I could answer the question briefly. I would suggest that the staffpeople who should be here to answer the question will be here under 4.(d) under Soils and Crops. But really, it has been the chemical companies' reluctance. They are selling a product and the idea is to not get involved in costly settlements. Probably they believe in their own line that they are right and the producer did something that was not totally correct according to the label instructions relative to the weather and all that sort of thing. Actually, you cannot blame them for fighting to protect their chemicals. If they ever got started into a series of settlements, one thing it would do, it would certainly cost them a lot of money. You know what will happen, in the long term, they turn it around and they add risk

factor into the price of the chemical. Everybody at the producer level eventually ends up paying. It is difficult to say which way a guy should go. In the short term, yes, you go after them for settlements but, in the long term, who pays for those settlements? It is the producer who uses those chemicals in the future.

I guess I tend to believe that producers who are spending money have to spend a little bit of time considering what they are applying, what the conditions are and try to adjust. If the conditions are not right today, can you wait two days for maybe cooler weather or whatever? If you are spending a lot of money, you have to do your best to try to get the control. If you do not get the control, you lose. You lose in terms of crop competition this year, the weeds go to seed, you are spraying that weed for how many years to come because of the weed infestation going into the field. So a producer has a lot to gain by being sure that the money he has spent is well used in terms of weed control. Whether we pursue the companies through a legal route, we get settlements now, you know as well as I do who is going to pay in the long run because the risk factor will be added into the price of the chemical.

Mr. Laurie Evans: I do not want to pursue this issue too much further. What is the Minister's instruction to his own staff when they are confronted with the possibility, and I guess in many cases, the probability of having to appear as expert witnesses in these cases that do go the legal route. I know this is certainly a concern with the faculty that they get into these things when they really do not want to.

* (2030)

Mr. Findlay: As professional agrologists, all they can do when called forward if they are subpoenaed, they must appear. They must give the technical information as best they know as agrologists. They are not there to falsely protect the farmer or falsely protect the chemical company. I believe they are there to assess the situation as they see it as professional agrologists and give expert opinion, basis the information as they see it. I do not think they are there to protect any particular side. They are there as third-party technical people.

Mr. Laurie Evans: I guess there are two questions in the same vein. One is, is this becoming a significant time factor as far as staff are concerned in getting involved in litigation? Secondly, I have heard a few producers suggest a possibility of a herbicide hotline where there would be a contact where they could phone into a central office and get advice on a particular herbicide on a particular day, that type of thing, which would I suppose have some similarities to the Hort Line. With the number of chemicals that are now available, many of them identified as being capable of doing much the same job, I think it is asking quite a bit of a scientist and a producer to be on top of all of these chemicals so that they can give a quick answer. Maybe there is a necessity for having a central resource where farmers can make a call and get some expert advice on short notice.

Mr. Findlay: We cannot honestly give you an answer on what amount of time. I think when Barry Todd is here we will be in a better position. He will have a better handle on it. In terms of a hot line so that a producer with a particular question, a particular day, a particular chemical, a particular crop, he goes out and sees conditions and he wants to know something, I think he has one of two things he can do. The first thing he should think of is calling the ag rep. If the ag rep does not have the answer, he should immediately refer him to the Weed Section here in Winnipeg, to Barry Todd or somebody in that department. The second thing he could do is call the Weed Section directly, the producer, so there is a hot line available. Maybe it is not well enough publicized and maybe we need to beef it up somewhat in terms of people because there is a tremendous variety of questions that could come forward on very short notice.

Those are tough questions to answer, as you can appreciate. You think yourself answering those questions, and you know that thousands of dollars are riding on that answer you give. Can you go any further than just reading the recommendation that is on the can? Can you, in terms of legal liability, should you, as giving advice, go any further that, because there is potential liability on your part as a department person if you say anything different than what is on, either published in the recommendation guide—the nice bible that every farmer carries with him, a very good booklet, excellent information.

I do not know if you dare do anything but read that or read what is on the label of that particular supplier's chemical. If you do anything else, there is a probability you could get sued because you gave him false information. I do not know how you protect yourself if you get sued from a technical point of view. You always like to say, you know if you do this, this will probably happen or Joe Blow did this and he got away with it. When you are on the end of the telephone and you do not know the guy on the other end, my recommendation to staff is stick with what is printed because of the potential liability because that guy could come back at you.

It may be sometimes they will phone you with the idea they are going to get you to say something that they can use later, and those kinds of people are around. It is a very difficult question to answer. The Hort Line is fine. You are not dealing with dollars and liabilities. When you are talking chemicals, you are dealing with potential liability, and I think technical staff would be hard pressed to go beyond, as I said, what is printed either on the label or in that information guide.

Mr. Laurie Evans: One comment before I turn it over to the Member for the Interlake (Mr. Uruski), that is, while I appreciate what the Minister has said and I agree with him fully, it is creating some major problems not only with his own department, I would assume, but with the Faculty of Agriculture and others where we are almost to the point now where, No. 1, you escape the phone calls if you can, and secondly you are very reluctant to identify who is actually speaking. If you do go that far, then you have a printed disclaimer that you supposedly find out who you are talking to and send this disclaimer out.

I would love to be able to tell the Minister that there is a simple solution to this and I do not know whose responsibility it is, but it certainly must be creating lots of problems for all those who are in the Extension area. This seems to be one of the most volatile ones now because of the level, as the Minister indicates, of dollars that are involved, not only the cost of the chemical but the implications when it does not work or wherein it does a lot of damage. I have no solution to it, but I certainly agree with his concern.

Mr. Findlay: Certainly as the Member knows, there has been a vast increase in the number of those kinds of calls that have occurred in particularly this past year, and they may well continue this coming year. You are well aware of the potential problems that exist and I think, as I said earlier, recommendations to staff cannot be any different than just, "you have to be very careful of what you are saying."

Another question that often comes up is mixing. We should not mix Chemical A with Chemical B or Chemical C with Chemical D, and there are lots of producers out there doing mixing that is not recommended. They will sometimes get away with it under certain conditions, certain temperatures. Then if you recommend that to the next guy down the road, he has different acidity in his water and it may not work. I know I even tried some combinations that were not recommended that worked, but you take that risk upon yourself. But you as a professional agronomist could not recommend that to anybody. I do not think it is advisable at all. If a producer talks to a producer down the road and he finds out something and he wants to try it, that is his risk, but he has nobody to blame but himself if it does not work.

Mr. Bill Uruski (Interlake): I would like to ask the Minister, can the corporation indicate or can the Minister indicate to us what would be the additional premium cost in an estimated figure if, for example, barley initial prices were running at \$60 or the coverage level was running at \$60 and then the increase would have gone from \$60, say, to \$120 a tonne, a virtual doubling of the barley prices. What would that have meant in premium costs to farmers had a change been made by the corporation?

Let us say the federal Government was amenable to the suggestion made by myself and the Minister from Alberta that initial prices should go up - (Interjection)- or the Associate Minister, but responsible for the Alberta Crop Insurance, Shirley Cripps. Those suggestions were made. Can the corporation indicate what would have been the impact on premiums of farmers?

* (2040)

Mr. Findlay: You are referring to the initial price of barley jumping from \$60 to \$120 a tonne? Okay.

The basic reaction in terms of premium increase would be a doubling. In other words, from \$1.20 to \$2.40 per acre would be the cost of the insurance if the coverage level was to go from \$60 to \$120.00.

Mr. Uruski: Would that have resulted in increased acreage coverage based on farmers' costs of production versus what the coverage would have been?

Mr. Findlay: In any given instance where you had the same number of bushels, which is I am sure what you are talking about, the coverage would double because the dollar value doubled.

Mr. Uruski: The initial prices—maybe the Minister can clarify the contract dates and the dates that all the dots have to be crossed or the dots and the t's have to be crossed as to the timing of the initial prices when in fact they were announced this year versus any deadlines that the corporation had. Was it possible, if the federal Government was amenable, to make those kinds of changes?

Mr. Findlay: Okay, just take wheat. It is the one I can remember the easiest. The corporation sent a letter out in March, I believe it was, well before the end of April announcing what the coverage level would be if wheat was \$100 a tonne, because that was the initial price as they understood it was likely to be.

But right in that letter it said, if the federal Government increased the initial price of wheat before the end of April, which is the deadline for making any changes in the contract, if it increased by whatever amount, then the coverage level for wheat would go up by the same amount. It did increase by \$10 a tonne around the middle of April so automatically the coverage level went from \$100 to \$110.00.

After April 30, there was another increase in the initial price, maybe July or something like that so that was clearly after the contract was settled at the end of April. Therefore, there was no automatic increase and in fact no change because the contract had been set, the premiums had been set, the notices had been sent out and everything was in place.

Those have been the guidelines. That has been the standard practice for a number of years. As the Member remembers, three or four years ago, the initial price went down and crop insurance did not drop the coverage that year. They kept it up. So the farmers gained at that time and theoretically we could say they lost this time. But as we talked about it here, the time before I guess we talked about maybe looking at methods of keeping that contract open if the farmer so chooses. If he wants to keep the contract open until a later date, let us say, end of July maybe, and he settles. But if he keeps it open, he has to take whatever crop price is in effect at that time and has to pay the premium accordingly.

There are two ways for a farmer to look at it. He may not want to risk a higher premium because he may know he will not be in a coverage position. That option is something that could be offered in the future and the producer would have to decide at the end of April whether he wanted to close his contract or leave it open and accept whatever it ended up to be, whatever price level, whatever premium.

Mr. Uruski: Mr. Chairman, there is no doubt, I recall the debates in this House—I believe it was over

canola—where it was much more beneficial to be in a claim position in a canola crop, I believe in '85 I think it was, when the market prices nose-dived and the insurance coverage far exceeded the commercial value of the crop.

The Minister puts on the table certainly a concept, one that should be seriously considered by himself and by the corporation, the option of the contract remaining open. The big debate through all the years and even this year has been the inability of the corporation to take on more and more farmers. One of the most vociferous debates that we have had in this Chamber, the Minister of Finance (Mr. Manness), himself a farmer and others, that at the time of escalating costs of production that the coverage level did not cover your input costs. That was the claim made by Conservative after Conservative when they were in Opposition.

What better option to at least put on the table in these times but to say here is an option of leaving the contract open and, if the prices go down, you live with it and, if the initial prices go up, you live with it or you lock them in. Basically, the farmer has to make a decision but he does have a choice in terms of the changes that might occur in that crop year. I would urge the Minister to look at that concept very seriously, recognizing that there is no other way of operating than what has been operated for the last 28 years of the corporation in terms of where they are at.

Mr. Chairman, I want to follow up on some questions that we talked about last week regarding the financial position of the corporation. Can the Minister indicate to me whether the corporation in its history has ever been in a net deficit position of the magnitude that it is in this year?

Mr. Findlay: Before I answer that question, I will just comment a little bit on the Minister's previous comments there before he asked the question. There is never a foolproof time when a producer can make a decision. What I have said, we are going to look at and hopefully offer it as an option for this coming year for producers who choose to leave their contract open.

* (2050)

It is my feeling that all producers have to commit to a contract by the end of April. The right to enter a contract, that has to be up front before you get the crop in the ground, before you know what is apt to happen. I guess I just throw out this situation that we are in this year, particularly with canola, with producers having forward priced at an attractive price in anywhere from January through to April or even into May, when \$6 and \$6.50 looked very attractive, and they signed into contract on a certain level of production. It was securing your income, it was risk protection, it was all the right kind of things. We promoted it in the department. The lending institutions promoted it too, lock in your prices when you feel that price is good, and look what happened. A lot of producers did not have the crop to fill the contract and, for those who did have a crop, it was worth \$2 a bushel more when it came the time to sell it than what the contract they were committed to.

So you always have to live with your decisions, and that is one that has been particularly troublesome for many producers and it may end up in lawsuits with grain companies, particularly our co-ops being hard hit by producers who opt out of the contract.

But getting to the question, the answer is no, never has a corporation been in a deficit in both reinsurance pools. In 1980, the Manitoba Reinsurance went into a deficit but not the Federal Reinsurance Fund. So this time, both reinsurance funds are in deficit and it is the first time ever in the life of the corporation here in Manitoba.

Mr. Uruski: Mr. Chairman, can the Minister indicate how the financial experts identify and describe this situation in terms of the deficit position. What do you call it? Is it a contingent liability?

Mr. Findlay: According to the Reinsurance Agreement, the federal and provincial Governments will be giving advances with no interest to the corporation of the amount of the deficit in those two pools. It will show as a payable to those two reinsurance funds by the corporation. The producer will be totally paid for all his indemnities. We will have no outstanding account with any producers, they will all be paid. We will just have a repayable to insurance funds with no interest charge.

Mr. Uruski: Can I ask the Minister whether he considers that financial mismanagement on the part of the Government?

Mr. Findlay: I do not think that is a fair question, because crop insurance was set up to insure producers from the risk of crop loss and that is clearly what we are doing. We are operating according to guidelines established over a lot of years. The previous high payout was around \$55 million in 1980 and this year it is going to be, as I said the other day, approximately \$100 million. It is no fault of the corporation, it is no fault of the financial management of the corporation, or the financial management of anybody else. It is clearly a response to covering the risk element that we committed ourselves to when we signed up those producers in the spring of 1988.

The reinsurance accounts in Saskatchewan and Alberta, because of previous droughts of '84 and '85, have fairly large payouts, have been in a deficit position for the time in the last two years. The Prairies are the last province to get into this position of a deficit in the reinsurance accounts.

Mr. Uruski: Over the last number of months, we have had a lot of debate in this Chamber about the management of a claims function. We have had a debate on Workers Compensation, generally a claims-taking body that looks after injuries of workers, sets up a claims function and sets up a liability to pay claims over the next five years, 2, 5, 10 or 20 years. We had Members of the Conservative Party indicating that corporation, because of the claims function—and those were claims that did not have to be paid today. Those were claims that are on the books for the next 5, 10

or 20 years. They called that contingent liability a financial mess and financial mismanagement on the part of the previous administration.

Here we have a situation where this corporation, on its day-to-day operations, has to be advanced money because it has to pay the claims of farmers. It is right and it should be done. I am one of those who agrees with the way that the corporation operates and the way the financial instruments are set up. So I do not want the Minister to say that now I am playing the other side.

What I am saying, I want to show the Minister, Members on his side, the hypocrisy of their position, that it was okay for Workers Compensation to be financially mismanaged when there are claims—the liability in excess of \$100 million that is established over the next 20 years or longer is a financial mess. Here we have a situation which the corporation cannot buy a cup of coffee because it is broke. It needs welfare from the Government. It needs an advance from the Government to pay farmers' claims. There are no future liabilities. The Minister is shaking his head, no. The fact of the matter is the corporation needs the Government to advance it monies to operate. It cannot do otherwise. There are no reserves. Even the premium structure has to be used up on a day-to-day basis.

I want this Minister to tell me how the situation in crop insurance today is different from the situation that we have in Workers Compensation, where we have in excess of \$100 million of liabilities and the corporation is not broke. Its cash flow is there. You do not even have cash flow, so you explain it to the taxpayers of this province how you are not operating and managing this corporation or mismanaging this corporation in the way that you are handling it.

Mr. Findlay: Given what the corporation is trying to do and how it has responded in terms of dealing with the emergency in front of us of protecting the farmers from the risk of a crop loss, I consider it totally inappropriate that the Member would try to take a slam at the corporation for "mismanaging" is what you said—you used the word "mismanaging." The previous Minister well knows that Workers Compensation and MPIC, which I am sure is in the back of his mind, the losses there are at a much more predictable fashion than what we are dealing with here. You could not predict when you were in Government, nor any other soul walking on this world could have predicted what the losses would have been for 1988 any time prior to June of this year. Nobody could predict that. It is a total large—it is a completely up—what you call a roller-coaster kind of a response in terms of the risk element that the corporation faced.

* (2100)

Those other corporations, there is a predictability associated with the claims that come in. Year-to-year, the claims do not vary all that much, plus or minus 10 percent or something in that order, the magnitude is a variance. Here we are talking about the largest claim ever in the history of the corporation of some—what?—28 years. twice the previous high, absolutely twice. So

there is no way that the corporation can be faulted for the way they handled the premiums this year.

If they had raised the premiums with us in Government, you would have been the first to stand on your feet and howl because they raised the premiums, they have no justification. You cannot do it ahead of time, you know full well. The producers are not going to face a large premium increase in the coming year or two years because of the 25-year moving average that is used for wheat. I do not think it is a fair comparison at all to slam the corporation for financial mismanagement in this particular circumstance. They responding to the risk that they are there to protect the farmers from, and the farmers in a responsible way will pay the premiums of the future as they may rise down the road some two and three and four years.

Mr. Uruski: Mr. Chairman, the Minister now is attempting to twist and turn. I did not slam the corporation. I told the Minister that I agreed with the way the corporation was operating. I have no comment on the integrity of the financial position of the corporation and the way it is being managed at all.

What I am trying to say to the Minister—and he wants to put the best light he can because he knows that the statements made by his own colleagues are now haunting him. He knows that the statements made by the Minister of Labour (Mr. Connery) who now is in charge of Workers Compensation were inaccurate, totally misleading. In fact, now he wants to turn the debate to say somehow we are against farmers. We do not believe that crop insurance should be operated in the way it is. We do not disagree, I do not disagree at all. The claims are there.

I do not think the claims function, quite frankly, in crop insurance is that much different in the way the estimates are being handled. In fact, I think the corporation in the way its premium structure is handled over the 25-year period probably has greater predictability than its counterparts. It probably has greater predictability in terms of the stability of the premiums I am talking about than, say, MPIC. I was not even referring to MPIC, I was really referring to Workers Compensation. MPIC is an example that I could make the argument, but I will not, in another vein.

Clearly, Workers Compensation is a corporation which is funded directly by employers or farmers and the federal Government, and it is a claims function in terms of its mandate to handle claims of workers. Can the Minister tell me that somehow the corporation can predict how many injuries there will be in a particular workplace any more than we can predict what the weather will be next week? I think that argument that he put on the table does not wash any more on that one as it does in this one. Let him not try to leave the impression on the record that somehow we are against farmers and we are not in favour of helping farmers. That is not at all what the debate is about, Mr. Chairman. Let the Minister not try to mislead us in this House and lead us down some garden path.

The fact of the matter is the hypocrisy of the Conservative position vis-a-vis Workers Compensation

Board and the contingent liability there was a disaster. If that was a disaster, in their terms when they are in Opposition, why is this not equally so in terms of Crop Insurance?

Mr. Findlay: We are here to talk about Crop Insurance and the ability of Crop Insurance to protect the producers from risks now and in the foreseeable future. The previous Minister—I am still going to call you that I guess—wants to get into that debate. He and I can carry that out on some other day, but I do not think it is fair to reflect on the corporation when they are sitting here, that they are mismanaging in any context.

As I said previously, year after year, they offer risk protection for producers for a premium. That is what they did this year and they are responding responsibly in terms of paying out to producers for the loss of crop they incurred according to the contract that they signed prior to April 30. I think that is a totally responsible position for the corporation. It is a loss that was going to occur in 1988. The premium increase in 1989 will not be substantial, if any at all, between what it was in 1988. If you are looking at Workers Compensation, they are paying out liabilities they know now about for the next 20 years.

The corporation may not have any liability again with these producers for the next 2, 5, 10 years. There is no liability beyond 1988 so I do not think they are in a fiscally irresponsible position at this time, because two or three years down the road the reserves could be back up to a substantial level. I can predict pretty reasonably and I feel with some degree of confidence that we will have a higher level of participation next year because of the uncertainty of crop production in '89 and '90. The higher participation will bring in a larger premium take each year, the next year and the year after. The premiums paid this year are about \$40 million. If we get \$50 million in next year, we will go from a deficit of roughly 17 million to a surplus of some 33 million, all within one year. I do not consider that to be in any way a fiscally irresponsible position at all.

Mr. Uruski: Mr. Chairman, I have not argued that the corporation—and see the Minister's only defence is to try and place my argument in the context that somehow I am accusing the corporation of fiscal mismanagement. I am not. I am accusing this Minister as part of a Government of political manipulation and hypocrisy in terms of how they account publicly for precisely the financial position of various corporations. That is what I am accusing him of, not the corporation.

The corporation is handled very well, Mr. Chairman. It is only this Minister, as part of a Government now who accused Workers Compensation of being totally financially mismanaged, and he just laid it on the table. He said that Workers Compensation is showing a deficit position for claims into the future. He made the case that more workers or more employers and their workers should be covered through Workers Compensation to spread the risk in the same manner as we would like to have more farmers participate in Crop Insurance, to spread the risk, bring in more premiums and spread the risk. He has agreed with that position.

The point that I am making in Workers Compensation is they are not cash short. They are not cash short in

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terms of their current position. If all the claims had to be paid today that have to be paid 20 years down the road, the corporation would be \$100 million in the hole. If that was a mismanagement on behalf of a Government of a corporation, the Minister cannot sit here and say somehow we have allowed this corporation to go \$16 million in the red on behalf of farmers and that is responsible, because it is not responsible. Why on the one hand is it irresponsible to have a corporation that is not cash short and has a contingent liability over the next 20 years of \$100 million, and has the cash on hand and has the premiums coming in every year to pay the ongoing claims is irresponsible?

Here is a corporation which he is managing that has now no dollars to manage. He has to advance it money. He and the federal Government, he on behalf of the provincial Government and the federal Government, have to advance this corporation money to pay the claims is somehow now being responsible as a Government, not as a management of the corporation. It is your hide that is on the line, Mr. Chairman. It is your hypocrisy of six months ago that is now haunting you.

Mr. Findlay: Mr. Chairman, I would suggest that you inform the Member for the Interlake (Mr. Uruski) that, if he wants to debate the Estimates of Workers Compensation, he come to the Estimates when Workers Compensation is on for discussion. But if he wants to stand up in this House tonight and assert fiscal mismanagement by the corporation or political manipulation by this administration, if that is what he wants to allege, I challenge him to produce any evidence of that and put it on the record.

* (2110)

Mr. Uruski: We are not debating any of the points that the Minister has raised. I have not touched on any of them. What we are debating today is the hypocrisy of his Government, the hypocrisy of his colleagues, the Minister of Labour (Mr. Connery). This Minister now tries to twist and turn and put a different light that somehow we are attacking the corporation and indirectly we are attacking farmers, which is a bunch of malarkey. He knows it, but he has no other way of getting around it.

It is the hypocrisy of the Conservative Party, the Conservative Government of Manitoba. When in Opposition, it is okay to accuse a Crown corporation of having \$100 million-plus of a contingent liability of claims on behalf of workers where there are injuries that have been recorded, and they say somehow that corporation is being totally mismanaged. It is not cash short, and we have a Minister who says I have to put in \$6 million into this corporation to make it operate.

I am not disagreeing with him. I am the last to disagree that the claims of the farmers are the most severe in the history of this corporation. The farmers of Manitoba, in terms of this year's drought, have sustained the heaviest losses in incomes as a result of weather damage on their crops, and I have nothing but the greatest sympathy for the farmers of this province. I

know that this corporation is doing a good job for those farmers, but it is the hypocrisy of the Conservative Party that I am raising here today.

This Minister better understand that he is going to have to take some heat for his colleagues for the nonsense that they have played.- (Interjection)- Sure, he was standing up in the Opposition in the third row and now he has to take some of the heat for them and he has to admit to the hypocrisy that they play.

Mr. Findlay: It is peculiar the former Minister cannot have it both ways. If you are accusing the corporation of fiscal mismanagement by paying out the premiums, the indemnities, the producers have earned because of the premiums they paid over a large number of years in most cases, if he is accusing that of being fiscally irresponsible on the part of the corporation or political interference on the part of the administration, then I think he better explain himself.

Mr. Uruski: Mr. Chairman, I think the Minister obviously must have a hearing problem. Maybe you should get him a new earphone or something like that. He obviously has not heard.

He is trying to avoid the debate that will be here for quite some time and the nonsense that his Party played in this Assembly. He was part of that nonsense and he is going to have to stand up and be counted on this one. It is not the management; it is not the farmers. If he wants to use that line, that is fine, and we will stay on it as long as he continues to take that line.

I have asked the Minister, in terms of explaining his hypocrisy, how does the financial position of this corporation differ from that of Workers Compensation or even Autopac in terms of the claims situation that Autopac has, but I will leave that one aside. I just lay Workers Compensation on where that corporation is not cash short and his is. I understand why it is. I have the fullest sympathy because of those claims that farmers have had to claim against the corporation for those massive losses due to this year's drought, but that is not the debate here. It is their hypocrisy.

Mr. Findlay: As I said earlier, the predictability of injuries through Workmens Compensation within 10 or 20 percent is reasonably good. The losses per year can be predicted if the guidelines stay exactly the same. Workers may claim that they do not get adequate coverage. Certainly, employers complain when the premiums go up 20 percent and 30 percent and maybe sometimes as high as 40 percent per year. They complain bitterly about those large increases in premiums.

But I can assure the Member for Interlake (Mr. Uruski) that the way the Crop Insurance Corporation is set up, there will be no substantially large increases in premiums because of our ability and desire to protect the farming community this year because of lack of crops and because of our payouts through Crop Insurance. In fact, I only wish we had a substantially greater number of producers enrolled so we could pay out even more money, because that would be highly beneficial to the farm community and the economy of

Manitoba, and the premiums, under normal circumstances in the coming two or three years, will completely offset that and have the corporation back on a sound footing in terms of the reinsurance funds in the coming years.

That is the issue, that is what the corporation was set up to do, and that is exactly what they are going to do under this administration for the next 10 years. I can assure the Member that this administration will be here all of that period of time and operating the corporation on a sound basis from the standpoint of responding to what farmers want in terms of crop insurance.

The Member for Churchill (Mr. Cowan) may not agree, but I can assure him that he will not be the one who is on this side.

Mr. Uruski: It will not be the Conservative Government that will attest to the financial integrity of that corporation, as the Minister indicated. He knows full well that the premium structure and using the 25-year average is the formula that will keep the premiums down because of the ratio, not the Conservative Government—(Interjection)—The Minister now wants to begin to take credit for something that he cannot take credit for.

I find this Minister in this whole area very, very ineffective in terms of defending the previous arguments of his colleagues on Workers Compensation, and he is one of those who certainly has a load to carry in this whole area.

Mr. Chairman, I would like to ask the Minister, as we move off in this whole area, is there a new agreement on the Waterfowl Compensation Program? Has a new agreement been struck?

Mr. Findlay: The previous agreement expired March 31, 1988, and we are going to operate through this year on a one-year extension while negotiating goes on for another five-year agreement on that waterfowl.

Mr. Uruski: Can the Minister indicate what position the province has taken in this agreement as to a negotiating stance, coverage levels? Where are we headed in terms of the discussions? What are we agreeing to or what are we inclined to agree to, or is the agreement generally going to follow the terms of the previous five-year agreement, or are we attempting some changes in that agreement?

* (2120)

Mr. Findlay: In 1987, the maximum coverage was \$54 an acre and, this year, it is around \$57 an acre across the three prairie provinces, but what we are pursuing in the future is an agreement where we will be covering 80 percent of the commercial value of a particular crop with no dollar per acre ceiling in place.

Mr. Uruski: Mr. Chairman, let me just understand what the Minister is saying. Is he indicating that as an example, if there was a 25 percent loss in crop by virtue of waterfowl damage, the compensation payable would

be 25 percent of the commercial value of that crop at whatever it might be at that time? Is that essentially the tone of the agreement?

Mr. Findlay: Yes, you take a 20 percent deductible off the top. In other words, you get paid 80 percent. If you lose a quarter of the crop, you get a quarter of the—let us pick a figure. If your commercial value is \$100, you take 20 percent off, so the maximum you get paid is \$80. If you lose 25 percent, it is 25 percent of \$80. That is what you will get paid.

Mr. Uruski: Mr. Chairman, is there any indication that this type of formula is generally acceptable to other provinces and to the federal Government in terms of initial negotiations?

Mr. Findlay: Basically it is acceptable to all the prairie provinces, and the federal Government is basically reaching agreement on it or are very close to reaching agreement. They have shown no strong opposition to that principle, which will give a higher level of coverage. Take the previous example I gave. If the commercial value is \$400, you apply 20 percent off the top and 25 percent of the remainder is for a quarter loss, so it covers the commercial value of a particular crop. As the Member well knows, it can certainly vary.

Mr. Uruski: Mr. Chairman, I want to congratulate the corporation and the Government for pursuing that tact in negotiations. In fact, I want to indicate that we did attempt to pursue those types of negotiations five years ago and were not successful in generally the same or similar agreement along the lines that now appear to be acceptable. I want to say that I am very pleased and I want to congratulate the Minister and the corporation on pursuing that line. It is certainly one that I have advocated for a long time and, if it is successful, it certainly will be a positive move in terms of recognition of portions of damage and much more closely related to the actual out-of-pocket or at least cash value of the crop as per the loss, and I am very pleased with that.

I would like to just ask before I turn it over to my colleague here, on the Livestock Feed Security Program, I would like to find out from the Minister which R.M.s are in a pay-out position for this year. Have producers been notified?

Mr. Findlay: The weighing is going on right now, so those figures have not been established as of yet.

I will tell the critics that because of the complaints that arose in the last year particularly, there were certain R.M.s saying the monitors did not fairly assess my municipality or, on this side of the municipality, it rained and, on that side, it did not and you had all the monitors over here and none over here and all those kinds of complaints that came in. We discussed with the corporation the advisability of writing a letter to each R.M. and saying, before the measurements are made, have you got any concerns with the monitors you have or is there any way that we can adjust to more fairly do a coverage of your municipality this year in determining feed for the average feed production.

That letter went out on September 6 and, to this point in time, I would just check and see if there is any response. Of all the letters that were sent out, there are two responses verbally of some concerns. Hopefully, by giving the opportunity to express their opinion beforehand, if they do not express their opinion and the measurements are made, I do not know what leg they would have to stand on about criticizing the corporation after the fact.

We are trying to address their concerns. If they have any, bring them forward now because you know as well now as you do next January about whether there was a fair assessment in terms of the monitors being distributed across the municipalities. We are trying to address the concern up front this year if the concern is there. If they do not respond, we have to assume that they are satisfied with the monitors presently distributed across the municipality. As we well know, not only do the results that are obtained by the monitoring impact on those 1,985 producers who are in the Feed Security Program but it impacts to an even greater extent on the Herd Retention Program which pays out if it gets below 70 percent production, so there is a lot riding on these figures and how they are determined.

Mr. Uruski: Mr. Chairman, when will the Minister be in a position to indicate to us or does he know of some R.M.s now that are definitely in a claim position vis-a-vis the drought, which I am sure would have spilled over from grain to hay? Is there already a determination on a portion of those R.M.s that may be in a claim position or have no R.M.s been finalized?

Mr. Findlay: No R.M.s have been finalized at this time. You can naturally assume though that there will be some R.M.s, particularly south of No. 1, right across the province, that just have to be in a below 70 percent production. That is an assumption that is reasonably safe to make but, at this point, no R.M.s have been finalized.

You may have seen the results that Saskatchewan put out in terms of their dollar-per-head payment by municipality. They did it out there by rainfall up to the end of June and their map shows, if I remember right, from about No. 1 South, right along the border from No. 1 South, \$60 per cow. In Moosomin, which is on No. 1, I think it is \$45 a cow and, from there north, it is very little or nothing per cow. So you draw a parallel across the border. We should have comparable figures on this side of the border over at the west side.

* (2130)

Mr. Uruski: When does the Minister expect to have or the corporation expect to make its calculations public, and its announcements?

Mr. Findlay: The feeling is at this point in time that by the end of October those figures should be ready or darn close to being ready. But bear in mind that this year the quality factor will be part of the calculation. It will be incorporated into the formula to determine production.

There is an NIR, Near Infra-Red, spectrophotometer out at the feed lab which the corporation purchased, I believe, if I am not mistaken. Feed samples will be taken in there and analyzed for quality. It is conceived to be much better than TDN measurements for value of the feed. So this is the first time it has been done. We have to assume that they can get it done in this time frame that I have mentioned of approximately a month. We hope that they can do it, but we believe it is very important that the quality factor be included in the calculation because of concerns of producers in the past saying that particularly wild hay or slough hay, the low quality does not have the feed value that upland hay has. In order to incorporate the quality, it may unfortunately add a little bit of a delay again but it is an important factor to include in the calculation.

Mr. Uruski: Is a sample or several samples of hay taken from every monitor?

Mr. Findlay: I did not believe this answer myself. When they go out to monitor, they take 15 cores out of each bale. Then they composite the sample for that producer. If he has all alfalfa, it would be one composite. If he has alfalfa, if he has upland hay, if he has slough hay, there will be three composites. So there is one composite for each hay type, but each bale that is measured is probed 15 times. That is quite a few probes.

Mr. Uruski: Now you have heightened my curiosity. How many bales would be measured on a test on a monitor? How many bales would you measure on a farm that would be a monitor?

Mr. Findlay: If the person arrives at a farm yard and it looks like all the bales are rather uniform, out of say 200 bales, they make pick three or four considered representative. If they look at 200 bales and they see a variance, they may choose to take a higher number of bales for an average sample. So there is discretion basis what the person who is doing the monitoring feels is representative of the person's hay production. Of course, in consultation with the farmer, they talk about where it came from and all this sort of thing.

Mr. Uruski: Are there any monitors who are in, say, the small square bales, because there will be some farmers like dairy farmers and the like, would you be monitoring square bales or even—I guess what we would call the units that they compact hay into square—the makeshift hay stacks that pump out the bales - (Interjection)- Yes, even the loose hay, but also the—I call it a hay stack but I guess it is a compactor of a huge bale, maybe a 4 x 4 or a 12 x 10 hay-stack packer. Would you have monitors of those types as well in particular areas?

Mr. Findlay: Through the course of all the monitors that are used across the province, five to ten per municipality there, you are going to encounter every type of hay storage and hay baling, but really what they are after is taking a representative number of bales, a representative number of stacks or whatever, and calculating an average weight and multiplying by the number of units, whatever they turn out to be. So,

presumably, the process is fair no matter what process the farmer uses for putting up hay.

Mr. Uruski: I would like to ask the Minister whether he has found anything horrendously wrong with the program as it stands now?

Mr. Findlay: I guess if I was to say anything horrendously wrong, we do not have enough producers in the program. That is the problem we have. There were up to maybe 12,000 livestock producers in the province or thereabouts. There were up to 4,000 two years ago. Now we are down to 1985 this year, which is one-sixth roughly of the total producers.

Some of the things that we are looking at is reviewing the monitors to be shared—I was in the process of contacting municipalities as part of that—the quality of hay, using the new infra-red spectrophotometer and looking at, for '89, rather than municipalities boundaries, using natural climatic boundaries. With municipalities, we have roughly 120 municipalities, in other words, 120 districts for Feed Security Program. If we go to what is called natural climatic boundaries, the way the map is drawn, there would be about 160 districts in the province which will more adequately reflect the differences in rainfall particularly. Also looking at—maybe we should have a higher level of coverage. A lot of producers complain 70 percent is a crop disaster for them in terms of hay production and they want to protect a higher level of their crop, looking at 70 percent and maybe 80 percent. There would have to be a higher premium. If you want more risk protection, there has got to be a higher premium. That goes with the territory.

* (2140)

Another thing that is being considered, again it is attractive, I will say, particularly to producers in my area—we have a high percentage of native hay—offering separate contracts, one for tame hay, one for native hay. The Member remembers the debate here—it must have been two years ago, I guess—where I was arguing that we were at least 80 percent native hay and we really are. Particularly this year, when field hay was so poor out there, I think we are probably 90 percent native hay. That is what we want to protect ourselves from.

Really what we want to protect ourselves from out there is flooding. We get our native hay only if the water level goes down during the summer, so that is what we need to protect ourselves from. That is what happened out in my area in '86. The one municipality got horrendously heavy rainfall in the middle of July, flooded all our native hay land and we did not have any hay crop. Then, of course, they come and make the measurements on upland hay and naturally it is good production. Those are some that I have mentioned, half-a-dozen areas which are being looked at.

In answer to the question, anything horrendously wrong, not enough producers in the program. If it continues to decline the way it has the last two years, the program is in jeopardy. We want to turn it around in terms of participation and get more producers in.

Let us face it, 1988 was a poor year for production of hay and, '89, we cannot guarantee it is any better unless we get a significant fall of rain and lots of snow over the winter.

That is the reason to ask producers to enroll next year for the final payment of the Herd Retention Program, the final third payment. Ask them to enroll, only enroll for '89. They will pay a premium for the '89 crop at the end of September which will become due in '89, to try to convince them to come into the program, protect yourself from forage loss. We will try to supply a program that will be—you should not use the word more rewarding but—more responsive to their needs of risk protection.

Mr. Uruski: Mr. Chairman, I am pleased to hear from the Minister that in terms of the program, what I have considered in the past teething problems of the program, of basically new program start-up problems, are really what is happening and what is wrong with the program. There are a number of areas that need sprucing up, need changing.

I was interested in the Minister's comment about native hay and tame hay contracts, and I am not sure. Is he indicating there is going to be a fundamental change in the program from basically covering feed production based on the number of cows, or is he talking about some forage protection which is now available? I am not sure. What is he getting at?

Mr. Findlay: What is being looked at is offering a producer, if he is very high in native hay, an ability to protect himself from losses in that. In other words, in the municipality—I guess it would be easier to think of my own. If you are 80 percent native, then the monitor should be done on the basis of the 80 percent native production and you protect yourself. As I said earlier, really the protection we need is from flooding of that production area.

I guess there is also some consideration similar to the tame forage acre protection under the regular crop insurance. You might look at ways and means of being able to ensure native hay the same as field hay under the regular Crop Insurance Program. It is another angle that is being considered and being analyzed as to whether it is something that can be offered.

Mr. Laurie Evans: While we are still on the Feed Security program, did I gather from the Minister's comment that there will be no monitoring on less than a municipal basis this year, or is there a mechanism whereby those who feel that they are in a southern part of a municipality that have suffered worse, that they have some appeal mechanism?

Mr. Findlay: There are either three or four municipalities that are split now into more than one measurement area. As I said earlier, there are only two municipalities that responded to the letter verbally, showing some degree of concern. There has been no more split this year then what has been done in the spring. We have not split any more this summer. So we are looking at either three or four that have been split because of circumstances that arose in a previous year.

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Mr. Laurie Evans: Which municipalities are these in particular? Have you got that information?

Mr. Findlay: ALonsa is split into north, south and central; Grahamdale is split into north, south and central; Hanover is split into north and south. There are three that are split.

Mr. Laurie Evans: I would just like a little more information for my own edification on this, and that is the monitoring system where you have the whole range of different types of hay produced within the same relatively small area. Is the monitoring done on a separate basis for a particular type of hay as opposed—and I am looking at a native pasture versus a grass legume mixture versus a straight alfalfa. Is the monitoring done individually, and the participants in the program compared with the monitoring of a crop similar to what they are producing?

Mr. Findlay: In any given R.M., there are up to 10 monitors that are measured. It is not predetermined to a large extent as to what they are producing. It may vary from year to year. You may have a producer who has native hay, he may have upland hay, he may have alfalfa. The next producer may only have one of those three, the next producer any combination, so it varies tremendously. Each producer's production in any given year is compared to the previous year to determine his position relative to the percentage, and it is averaged over all 10 to get an average production figure for that municipality. Then each person who has taken out insurance in the municipality is considered to have that average production of all the monitors.

So it is not a perfect science. There is no question about it, and it is difficult to get complete representation year by year because my own experience is that, depending on rainfall, your percentage of upland and field hay relative to wild hay will vary quite significantly. So it is difficult to always have the same percentage of components of a person's production.

That is why I think the consideration of the quality factor is very important because, if you go from one year of, say, 30 percent field hay and 70 percent native to the reverse, the total TDN or nutrients that you get when you have 70 percent forage or field hay is a lot more than when you have 70 percent wild hay. So I think we are getting—it is not a precise science, but I think we are getting closer to it by measuring feed quality. I think we will get even closer to doing a very realistic measurement if we can go to infra-red measurements of the level of forage production and use that as the monitor rather than the physical measurements. I would have to guess that the use of that science is at best two years away.

Mr. Laurie Evans: You mentioned the quality parameters being looked at in the use of the Near Infra-Red. In a year like this, is there going to be any automatic assessment of nitrate problems in any of the forages or is the drought not going to provoke that sort of a problem?

Mr. Findlay: The answer is no. There are no automatic measurements of nitrate determination on the samples

coming in. I will tell the Member, back in late June when we were announcing the Greenfeed Program, that crossed my mind, that climatic stress is what causes nitrate problems and not just frost. You know, the heat and the drought in my mind is potentially the cause of nitrate problems.

* (2150)

In fact, I heard of a producer in North Dakota who put some cows out on a crop pasture that had significant nitrate problems. So we instructed staff to get some samples measured to see if there was a nitrate problem with some of our crops which producers would be using as pasture in July, crops that they would turn into the Greenfeed Program and use it as pasture, or roll it up as feed. And to this point in time, we have not heard of any difficulty with nitrate, either in samples that were collected for a quick monitor or samples that producers have sent in to determine if there is a nitrate problem. I am not aware that there is any trouble, and I am glad that there is not because it would just be one more factor to compound the problems we have.

Mr. Laurie Evans: Pursuing this monitoring issue just a little further, how are the monitored sites identified? What I am getting at here is, is it strictly random or is there a possibility or even a probability that the better-managed forage stands are the ones that are being monitored? Because from my experience, there are still a lot of native pastures particularly where the inputs are very minimal on them.

Mr. Findlay: Yes, the majority of monitoring sites were picked when the program started some four and five years ago and it was done in consultation with ag reps and grassland specialists and R.M.s to try to get average producers in terms of management ability, soil type, herd size and all the factors that could be considered. So it was an attempt to get averages in representing all different production types in that R.M.

Certainly, as you can appreciate, some people will be going out of production for whatever reason, or declining production, and then there may be shifting going on every year in terms of finding monitors that are more representative of them. As a result of discussions with R.M.s, it is an ongoing process in trying to get truly representative operators and management and all other factors. So we are trying to stay with the average.

Mr. Laurie Evans: I assume, because this is a relatively new program, that all of the data would have been computerized and it would seem to me, because of the relatively small number of participants, it might even be easier in this program to go to an individual calculation basis than it would be with the traditional field crops. Is any thought being given to an individual insurance set-up here?

Mr. Findlay: I guess basically the answer is, no, in terms of individualizing it primarily because of administration costs of going out and measuring every producer. I am sure if you do the calculation, you figure 120 municipalities in an average of eight monitors per

R.M., we got pretty close to 1,000 that we are measuring now. When you say we only have 2,000 participants, it is only a matter of doubling it but certainly that is hopefully the lowest figure we will ever be at. We were at 4,000 and, hopefully next year and the year after, we are going back up towards 4,000 and beyond participants and we are trying to do that by measuring it at 1,000.

So, the administration costs are relatively high for the measurements that are being made now. It will be very difficult to go to measuring everybody, to be doing individualized programs because one of the arguments that producers have against the program is the 6 percent premium as being too high. If we take a \$60 coverage, so that is \$3.60 for your premium. If you go to the high level of \$220 per animal coverage and times the 6 percent premium is—what?—\$13.20 or something as your premium cost, so it becomes a pretty substantial premium. If you went to individualized covering and doubled your administration cost, you can see how that would cause more producers then to opt out because the premium cost would be so high.

Mr. Laurie Evans: How many instances were there this year where producers found that they had no alternative but to turn their livestock into what had been anticipated as their hay supply, and were there sufficient of those that any particular arrangement had to be made to take it into consideration?

Mr. Findlay: Certainly, what you mention has to have happened in a lot of cases for producers. I know myself, our second cutoff, we never took it off. We just pastured it because it was not enough to take off. The native pastures they were on were done so they had to go somewhere.

The corporation has only had two phone calls from monitors, phoning in to say do an assessment on my field that you are supposed to monitor because I am not going to harvest it, I am going to pasture it. Certainly those people that did that, if they did not tell the corporation, there is a problem because how do you determine how much production there was if they have gone and pastured it? Certainly the production on that field obviously was going to be low so they have done a disservice to the program if they have gone and pastured it without telling somebody in advance so a measurement of probable production could have been made. Only two phone calls have come in requesting permission to do that or requesting a monitor assessment so that they could go ahead and do it without negatively impacting on them as monitors.

Mr. Laurie Evans: This is probably a final question here for this evening, Mr. Chairman, and that goes back to what my colleague was talking about relative to the shortfall or the liability that we are looking at with the corporation this year. I do not want to get into the discussion regarding Workers Compensation and all the rest of that, but I do have some concern as to whether—and you have mentioned the fact that the premiums will not go up substantially next year because of the formula that is used for the calculation of the premiums. But what concerns me is that if—and I will

use “if” and hope that it does not occur—but if you have two or three successive years where your payouts are of this magnitude, it would appear to me that the corporation should be considering some mechanism that would trigger in a faster increase in premium rate to take that into consideration. Otherwise it would seem to me that the length of time that you are looking at is so long that you are almost asking for luck in some respects, although you have some past information that would indicate that it has worked reasonably well to date.

If we are at all concerned about some of the comments that are being made about the possible greenhouse effect and the fact that we have five of the hottest years that have ever been recorded have all been in this decade, maybe one has to assume that there is a possibility of a greater variation in crop performance from year to year. I just wonder if the Minister had any philosophical comment on what might be looked at in order to try and get around this problem of the impact on the premiums taking effect too slowly, or that could be one way of interpreting it.

* (1000)

Mr. Findlay: Certainly, what the Member identifies is a very real possibility. Nobody can predict what will happen in '89 and we certainly could have a claimable position next year, there is no doubt. That would drive the corporation potentially into further deficit. If the premiums are at \$40 million and the payouts are greater than \$40 million, the position would be worsened. There is no doubt about it. I guess my own position is I do not want to prematurely overreact.

If you look at the history of crop production, you have a bad year like this, like we had one in '61 and we had one in '80, pretty bad crops years. The next year was a rebound year. If you follow history at all, we would have to predict a rebound in '89 in terms of crop production. So I would not want to prematurely penalize the producers by trying to find a mechanism of kicking up the premiums to some degree next year to increase the revenue coming in. I think it would be a negative impact on the farm community and would deter producers from enrolling when in fact we want to encourage them to enroll. So we would be giving the wrong signal.

There is no question, I would say, that if '89 does not work out to be a good revenue-generating year from the premiums, there has to be an assessment done. I cannot predict the future but I would tell the Member that my position now, from a historical perspective, I think it is responsible to follow the formula from '88 into '89 and, if we perceive that we are into a higher risk factor thereafter, then we will have to revisit this decision and look at doing something for the year after that. But for now, I would say that my feeling is that I want to protect the producers and get the enrollment up, make the program more attractive, get higher participation and give the farmers the kind of risk protection that we want.

Mr. Chairman: What is the will of the committee?

Monday, October 3, 1988

Committee rise.

Call in the Speaker.

IN SESSION

Mr. Deputy Speaker, Mark Minenko: The hour being 10 p.m., this House is now adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).