

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, September 25, 1989.

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

TABLING OF REPORTS

Hon. Jack Penner (Minister of Rural Development): Mr. Speaker, it gives me pleasure today to present to you the Annual Report for 1988 of the Manitoba Municipal Employees Benefits Board.

INTRODUCTION OF GUESTS

Mr. Speaker: Prior to oral questions, may I direct Honourable Members' attention to the gallery where we have—où nous avons avec nous aujourd'hui de l'école Précieux Sang 15 élèves du grade 12 sous la direction de M. Bertrand Delaquis. Cette école est située dans la circonscription du membre de Saint-Boniface (M. Gaudry).

On behalf of all Honourable Members, I welcome you here this afternoon.

ORAL QUESTION PERIOD

Conflict of Interest Municipal Act

Mr. James Carr (Fort Rouge): Mr. Speaker, my question is to the Minister of Urban Affairs (Mr. Ducharme). Conflict of interest is one of the most serious charges that could be levelled at any politician at any level of Government and, for this reason, assurances that conflicts do not exist are not enough for the public. There also must be no assurances of conflict and while the integrity of a specific councillor is not in question here, the people of Manitoba nevertheless react when a conflict is perceived.

(1335)

Mr. Speaker, is the Minister of Urban Affairs (Mr. Ducharme) satisfied that The Municipal Council Conflict of Interest Act, as currently worded, protects the public interest?

Hon. Gerald Ducharme (Minister of Urban Affairs): First of all, Mr. Speaker, I know what the Member is referring to. I had my staff check today in regard to conflict, there is no evidence of any conflict at the present time. The Municipal Act was set up a few years ago to deal with it and The Municipal Act was set up to handle this conflict of information, and at the time there is no conflict of interest in regard to that decision.

Mr. Carr: There is no suggestion that there is a conflict of interest, but there is a suggestion that it could be perceived. The legislation, which is enacted by this

House, must deal also with the perception of a conflict. Does the Minister intend to introduce any amendments to The Municipal Council Conflict of Interest Act, to assure a very skeptical public that we will not tolerate in this Assembly or on any municipal council the perception of conflict?

Mr. Ducharme: Mr. Speaker, again, I must repeat, it is unfortunate that perception is out on this particular issue. We are reviewing all the amendments to The City of Winnipeg Act, and I will be introducing and giving to the individual our schedule for the next two or three years in regard to the changes in the Act. We are making several amendments to the Act.

Mr. Carr: Mr. Speaker, I am disappointed that the Minister does not understand the seriousness of the perception of conflict. Does he intend to introduce any amendments to the Act that deal with the perception of conflict, and which also will allow and ensure that all holdings of municipal councillors are made public not only when a conflict is alleged but so that the members of the community can at any time have a look at the disclosure of holdings of all municipal councillors?

Mr. Ducharme: Mr. Speaker, unfortunately, the information to the individual—I do understand the Act, I was a city councillor for six years. However, there is nothing indicating there is a conflict in the Act. As I mentioned to the individual, we will be setting many amendment changes to the Act.

Centre for Disease Control Site Selection

Mr. James Carr (Fort Rouge): Mr. Speaker, I have a new question to the Minister of Urban Affairs (Mr. Ducharme). During the summer, a decision was made to locate the Laboratory Centre for Disease Control at the Mint on the outskirts of the City of Winnipeg. The preferred site next to the Health Sciences Centre and the University of Manitoba Medical School was rejected. Did the Minister at any time approach the mayor or councillors to indicate the province's interest in locating the lab where all of the experts and an overwhelming number of Winnipeggers thought it should go, or did this Government show no interest in the decision at all?

Hon. Gerald Ducharme (Minister of Urban Affairs): Mr. Speaker, when the Minister of Health (Mr. Orchard) and myself met with the selection committee last spring, we emphasized that was our No. 1 position and our No. 1 site.

Mr. Carr: Mr. Speaker, it begs the question, if the Minister thought that was the No. 1 site and actions were taken to ensure that the site was not chosen, did the Minister approach the mayor, take any action

whatsoever, to indicate what the province would do, to ensure that site would be selected?

Mr. Ducharme: Mr. Speaker, at the time the site was unanimous with City Council, unanimous with the mayor, and the Minister of Health (Mr. Orchard), and that was the site that was best. We still go on record that that was the No. 1 site.

Mr. Carr: But, Mr. Speaker, there is no evidence that the province put a dime on the table to make sure that site would be chosen. Now, is the Minister prepared—(interjection)—

Mr. Speaker: Order, please. The Honourable Member for Fort Rouge has the floor.

Mr. Carr: My question to the Minister is very simple. Is he prepared to take some initiative and leadership, and immediately convene a meeting of himself, the mayor, and the federal Minister, to revisit this wrong-headed decision?

Mr. Ducharme: Mr. Speaker, first of all, City Council is one that decided not to utilize that site. Secondly, we did take the literature, as I must say again, we met, the Minister, myself, and the mayor. The mayor at that time emphasized that was the site that he preferred and that is what we went on record as doing.

* (1340)

Ottawa Lobby Office Architectural Costs

Mr. Gary Doer (Leader of the Second Opposition): Mr. Speaker, in the Speech from the Throne on May 18, 1989, the Government promised to enhance communications between the Manitoba Government and the federal Government with an "Ottawa office on behalf of the province."

My question is to the Minister responsible for Federal/Provincial Relations (Mr. Filmon). Given the fact that Manitoba has been cut back, and Via Rail cut back in terms of benefits under UIC, cut back in terms of clawback for senior citizens and pensions, cut back in many Regional Development grants, and other cutbacks, and proposed military base cutbacks, can he confirm that the province has spent \$20,000 for architectural work for a new "Ottawa office" and \$72,000 for leasehold improvements in a new Ottawa office that still remains today vacant.

Hon. Gary Filmon (Premier): Mr. Speaker, I cannot confirm those exact figures but I will say that our Government is very committed to opening an office in Ottawa to ensure that we identify opportunities for procurement and other business opportunities for Manitoba suppliers, manufacturers and businesses, and that we would expect to be making some announcements about the official opening of that office very shortly.

Mr. Doer: If there was a major priority for Manitobans, one has to wonder why it took a year and a half to

have this since the promise, and not even have the office open.

Staffing

Mr. Gary Doer (Leader of the Second Opposition): My question again is to the First Minister (Mr. Filmon) Does this office, will it be staffed by people—and have asked this question before—of a Civil Service nature, a meritorious nature, such as the present Federal/Provincial Relation Branch which exists when Governments change? It is a non-partisan branch, or will it be a partisan office, a political office, in terms of its staff?

Hon. Gary Filmon (Premier): The comparison that the Member makes is not the comparison of the type of office that this is. This is an office for business development, procurement for Manitoba manufacturers, suppliers, and identifying economic opportunities for growth in Manitoba, that have to do with decisions made in Ottawa or indeed in the golden triangle area of Canada.

On a more similar comparison, I would state to him that the person they hired to staff the NDP Government set up office in the Netherlands, was it?—Belgium, the European office in any case, was not a civil servant for Manitoba. It was not hired on that kind of analysis, it was an analysis that was done by finding an appropriate person who had the criteria, qualifications and experience that people were looking for in that area and they hired somebody from outside the Civil Service. Certainly that individual, I believe, was qualified, non-partisan, and we will be similarly looking at the appointment of an individual who is seen to be non-partisan and having experiences and qualifications that would suit the needs of that office.

Canada Pension Plan Clawbacks

Mr. Gary Doer (Leader of the Second Opposition): I have a further question to the First Minister (Mr. Filmon), dealing with federal-provincial relation Pensions in this country have been established for years to be a universal benefit. A benefit that was fought for by people from this province such as Stanley Knowles, and recently in the federal budget there has been a proposed clawback on senior citizens' pensions.

Seniors in this country are fighting that clawback, Mr. Speaker, and they have launched a legal suit. The One Voice for National Seniors Network is launching a legal suit against the federal Government. My question to the First Minister: is he going to stand with seniors against this proposed clawback in terms of Government intervention in the case, or is he going to do what we did in the drug patent case and not be involved at all?

* (1345)

Hon. Gary Filmon (Premier): We have always indicated that we support the desire of people to be independent, to live out their senior years in good economic

circumstances with opportunities for fulfilling work endeavours and recreational endeavours, and all of the needs that they have for a good quality life. We will always support seniors in those endeavours.

We have not participated in the past in private legal suits by organizations such as the seniors against other levels of Government. We believe that that is not a role for the provincial Government to play.

Mr. Doer: Seniors will await the tangible action of the Government in terms of the clawback on the universal benefits and we certainly will be watching it on this side of the Chamber.

Transportation Industry Layoffs

Mr. Gary Doer (Leader of the Second Opposition): Mr. Speaker, my further question to the First Minister (Mr. Filmon), and there are so many questions one could ask about the cutbacks from the federal Government on Manitoba and the lack of any fight back on behalf of the Manitoba people. My question to the First Minister is, there have been hundreds of people who have lost their jobs from CN and hundreds of people who are going to lose their jobs on VIA Rail as a result of the post-election cutback of the Mulroney Government.

Can the First Minister tell us what his Government has done to stop these layoffs and cutbacks and will we have those jobs restored back in Manitoba as part of the commitment of a federal Crown corporation to the Manitoba people?

Hon. Gary Filmon (Premier): The Minister of Transportation (Mr. Albert Driedger) has very strongly indicated our concern that unilateral decisions, vis-à-vis Via Rail, ought not to be made without considering the regional impacts of those decisions. The same is true with respect to CN. He has been in close contact not only with the unions representing workers but also with CN officials urging them to ensure that the regional economic impacts of any decisions are taken into account, and that Manitoba's concerns are very clearly considered before any decisions of this nature are made.

West Broadway Day Care Centre Lead Exposure

Mr. Harold Taylor (Wolseley): Last week the Department of Housing agreed to replace the contaminated sand at the West Broadway Day Care with pea gravel. It also agreed to put in a flushing system, and it agreed to carry out its landlord responsibilities and thereafter maintain the play area properly, which it had not been doing.

The question, Mr. Speaker, is, can the Minister of Housing (Mr. Ducharme) explain why his department has now reversed the corrective action and has told the West Broadway Day Care not to expect any improvements?

Hon. Gerald Ducharme (Minister of Housing): First of all, it was not my department, it was Winnipeg

Regional Housing that was carrying out that particular section of that. They are the administrative body of that particular department, and maybe I could get down to the point of the lead level. I will refer it to the Minister of Environment (Mr. Cummings).

Mr. Taylor: It seems the Minister has some confusion as to his role, Mr. Speaker, in this thing. The issue here is that Government has committed to corrective action. The suggestion has been made that it is a city agency. It is not.

Now, will the Minister explain why there has been a reversal of the action he promised in this House on Wednesday?

Mr. Ducharme: Mr. Speaker, the intent of Winnipeg Regional is not to reverse that decision.

West Broadway Day Care Centre Lead Exposure

Mr. Speaker: The Honourable Member for Wolseley, with his final supplementary question.

Mr. Harold Taylor (Wolseley): Yes, thank you very much, Mr. Speaker. To the Minister of the Environment (Mr. Cummings), will the Minister make good his personal word to me on Thursday last that his department would oversee the removal and replacement of that lead and fecal contaminated sand at this day care? I look for his response.

Hon. Glen Cummings (Minister of Environment): In response to the concerns that were raised about lead contamination in that sand, we had the Department of Environment officials take some samples. There were eight samples taken. The playground area and the sand area, which I guess in examining it further, should not be surprising but the lead levels were extremely low in the sand area. It was, however, contaminated with feline fecal matter, human vomit, I presume, and other very nasty substances. It certainly was not a high lead level within that sand.

Hog Industry Subsidy Exclusion

Mr. Laurie Evans (Fort Garry): The recent announcement by the Minister of Agriculture (Mr. Findlay) regarding a feed grain subsidy to beef and lamb producers but not to hogs, Mr. Speaker, sounds like an admission of guilt as far as the Government is concerned in terms of subsidizing hogs and an invitation to the Americans to pursue a possible countervail against beef.

Did the Minister of Agriculture attempt to negotiate with his colleagues in Edmonton and Regina to reduce or withdraw their subsidies to feed grain users prior to deciding to compete with their treasuries in order to lure the feed industry into Manitoba?

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, I can assure the Member that I have negotiated

extensively with my counterparts in Alberta and Saskatchewan in the last year and four months that I have been in this office. I am very pleased to report to him that in the beef industry at least we have achieved a level playing field in terms of having abundance in those two provinces to tripartite in the 8 percent cap and removal of all other programs in Saskatchewan most recently, and going with just tripartite and another program under the CAP. Yes, we have had considerable success in respect to dealing with the cattle industry in those two provinces and the hog industry we are still working on.

* (1350)

Pork Countervail Documentation

Mr. Laurie Evans (Fort Garry): Can the Minister of Agriculture (Mr. Findlay) provide a list of the national and provincial programs that were identified by the Americans as the rationale for their punitive action in the pork countervail?

Hon. Glen Findlay (Minister of Agriculture): I do not have it at my fingertips or in the top of my mind at the moment, but that list does exist because we know that they have done a lot of scrutiny of programs in this country in the process of calculating their countervail. I will remind the Member what I said the other day that 54 percent of that countervail was calculated because of specifically Quebec programs, and no programs in Manitoba were targeted on that list. No programs in Manitoba.

Western Diversification Fund Countervail Impact

Mr. Laurie Evans (Fort Garry): Can the Minister of Agriculture (Mr. Findlay) then clarify the status of the Western Diversification Fund, because it was identified as one of the areas that the Americans regarded as a cause for the punitive action? The concern, Mr. Speaker, is the fact that any renegotiations of ERDA will be done through the utilization of the funds within the Western Diversification Fund. Therefore, is it fair to assume that the likelihood of the ERDAs being renewed is probably almost nil because of the impact that it could have on countervail?

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, I can assure the Member that at all fronts our Government is proceeding to negotiate as many ERDAs as we can have them put in place and countervail is not going to be an issue in terms of having them refused.

Hog Industry Subsidy Exclusion

Mr. Bill Uruski (Interlake): Mr. Speaker, to the Minister of Agriculture (Mr. Findlay) on the issue of the recently announced subsidies for beef and lamb producers in our province. It should be noted that his Government

signed both the tripartite agreements for lamb and beef just recently. He has also indicated over the last number of months that the cornerstone of his Government's position was to try and bring about a level playing field in the livestock sector throughout this country. Could the Minister explain to us the reason for his announcement for subsidy for beef and lambs and not for the hog sector? What are the reasons for that?

Hon. Glen Findlay (Minister of Agriculture): Yes, I can tell the Member, Mr. Speaker, that we said for the hog industry, not at this time because we needed to get the announcement out for the cattle industry particularly because calves are coming on the market and being bought now. With the hog industry, we are still dealing with the potential that this subsidy would be used in the countervail calculation. As I said last week, the hog industry through the Canadian Pork Council and all the hog boards across the country are busy right at this moment negotiating a process or a method of minimizing the impact of countervail on the market price. I want to see how that process will unfold in the coming days and week or two before we make any further process in adding to a potentially countervailable situation.

I can also tell the Member (Mr. Uruski) that in the cattle industry in the past three years, the amount of feeding and slaughter in this province has gone down substantially to about a third; whereas in the hog industry the feeding and the slaughter industries continue to grow albeit slowly, but it has continued to grow. I will also tell the Member that the hog industry through the tripartite agreement has received net payments of \$50 million in the past year.

* (1355)

Mr. Uruski: Mr. Speaker, what the Minister is admitting is that the deals that he signed under tripartite for the cattle industry are far lower than the provincial program that was in place when they came into office. As well, I ask the Minister then, how can he stand here and say that the hog industry has done very well in Manitoba by these federal payments when the hog industry is equally protected in Saskatchewan and Alberta, and the hog industry in those provinces is receiving a provincial subsidy in Saskatchewan of \$13 a tonne for feed and \$10 a tonne in Alberta and nothing in Manitoba? Those subsidies have been in place in Saskatchewan for several months and in Alberta for several years.

Mr. Findlay: Mr. Speaker, I would like to certainly correct the Member on his past statement that in Saskatchewan the program is in place for several months. They announced it on September 5, and I believe we are still in this month of September in this province at this time.

Mr. Speaker, the other erroneous comment he made is that the Manitoba beef plan pays more than the federal plan. In the fourth quarter of 1988, when we first enrolled in the tripartite program for retroactive payments, the federal plan was paying \$87 an animal and the provincial plan was paying virtually nothing

over that same three-year period—same virtually nothing. I want it to be very clear that we are working with the hog industry to overcome these difficulties that are in place, and I say “not at this time” is the position we have taken with them right now. We want not to be people that participate in causing more subsidy retaliation. We want to be working towards reducing subsidy retaliation with anybody we export. We in this province export more hogs out of jurisdiction than any other province in this country so it is a very important issue for us.

Mr. Uruski: Mr. Speaker, notwithstanding the Minister's assertions, the hog industries in our neighbouring provinces are receiving a subsidy, notwithstanding the countervail and the Minister's statements.

Mr. Speaker, the Minister underspent his department's spending by \$19 million last year. Can the Minister explain, does he not have the fiscal leverage to be able to put in a plan for hog producers rather than leaving them out to the whims of the marketplace, knowing the disastrous returns that they have received from the marketplace over the last number of months?

Mr. Findlay: Mr. Speaker, I do not have enough time allowed to me to list to the Member all the programs we have been involved in since I have come into this Government. Through crop insurance, through tripartite payments, through help to the beekeepers—

An Honourable Member: Or a 35 percent reduction in education tax.

Mr. Findlay: —35 percent reduction in education tax, programs of a significant improvement to MACC, and when we get into Estimates, the Member will see how we have put considerable dollars into the hands of young farmers, tripartite payments alone over the past year, \$60 million to the farm community of Manitoba, crop insurance payments in excess of \$200 million to Manitoba farmers.

Minority Language Rights Prime Minister's Position

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, my question is to the Premier (Mr. Filmon). Will the Premier tell us this afternoon if he has been in touch with the Prime Minister and leader of his political Party by fax, letter, or any other form of communication, and what was the reason for this communication?

Obviously he has not been in touch with the Prime Minister. The reason I ask that question is because of the statements made by the Prime Minister of this country, statements which clearly indicate that in the Prime Minister's mind, Anglophone rights can be trampled on until Francophone peoples feel more secure.

Why has our Premier not totally disassociated himself from those remarks?

* (1400)

Hon. Gary Filmon (Premier): Mr. Speaker, clearly I do not have to go running around disassociating myself or associating myself with every remark that is made by the Leader of a federal Party. I have never heard the Leader of the Liberal Party disassociate herself from the position of Jean Chretien when he said that if the City of Winnipeg and the Province of Manitoba did not pay the Shoal Lake Indian Band \$63 million he would pollute their water, he would see that their water was polluted. I did not see her go out and disassociate herself despite the fact that she worships at the shrine of Jean Chretien. She is his chief organizer in Manitoba, if not western Canada. She did not.

Mr. Speaker, I took my position vis-a-vis minority language rights when I said that I withdrew the Meech Lake resolution from this Legislature in December of this year, December 21, because I believe that Quebec had an obligation to ensure that it was fair and even-handed in its jurisdiction over minority language rights in its province.

Premier's Position

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, I have to state with great sadness that we have a Premier (Mr. Filmon) in this province who has no difficulty attacking a Premier when the Premier is wrong, but he seems to have some great difficulty attacking the Prime Minister who represents Manitobans.

Will this First Minister (Mr. Filmon) act like a First Minister and contact the Prime Minister outlining his commitment to uphold minority rights, be they English or French, and tell the Prime Minister that anything less from Canada is unacceptable to Manitoba?

Hon. Gary Filmon (Premier): Mr. Speaker, I have never personally attacked another Premier. Unlike the Leader of the Opposition (Mrs. Carstairs), who undertakes personal attacks on anybody and everybody anywhere in this country, I have not attacked personally another Premier.

The fact of the matter is, I have made my views known about minority language rights, and I have indicated in December and consistently since then that a concern I have about the Meech Lake Accord is that minority rights might be overridden by the “distinct society” clause. That has been part of the rationale and the Prime Minister has heard that in person from me face to face, so he knows exactly where I stand on that issue.

Service de Conseiller Funding

Ms. Judy Wasylycia-Leis (St. Johns): Monsieur le président, je voudrais poser ma question à la ministre des Services à la famille (Mme. Oleson). Le 10 septembre, la ministre des Services à la famille a écrit au directeur exécutif de Service de Conseiller, centre à but non lucratif de consultation pour des personnes et des familles en crise. Elle a dit à ce moment-là qu'elle était en train d'étudier une demande d'aide de cet

organisme pour que le gouvernement intervienne immédiatement dans ce dossier. Ma question est celle-ci : quel est le résultat de l'étude de la ministre, et que va-t-elle faire pour adresser la situation très grave de l'organisation qui s'appelle Service de Conseiller?

(Translation)

Ms. Judy Wasylycia-Leis (St. Johns): Mr. Speaker, my question is for the Minister of Family Services. On September 10, the Minister of Family Services (Mrs. Oleson) wrote to the Executive Director of Counselling Services, a non-profit counselling centre for individuals and families in crisis situations. At that time, she said that she was in the process of studying an application for assistance from that organization so that the Government could intervene immediately in this important area. My question is, what was the result of the Minister's study, and what is she going to do to address the very serious situation that Counselling Services is experiencing?

Hon. Charlotte Oleson (Minister of Family Services): Yes, I should indicate to the Member that I met with that particular group earlier this year and they expressed to me their concern over their services. We discussed them thoroughly and they put in a proposal to my department that is still under review.

Closure

Ms. Judy Wasylycia-Leis (St. Johns): Monsieur le président, la situation est beaucoup plus urgente que la vitesse de cette ministre. La proposition de ce groupe est datée du 20 juillet. Cette organisation doit considérer certaines solutions, comme la fermeture de ses portes. Qu'est-ce que la ministre va faire, cette semaine, pour assurer que le Service de Conseiller peut continuer et que celui-ci ne doit pas fermer ses portes?

(Translation)

Ms. Judy Wasylycia-Leis (St. Johns): Mr. Speaker, the situation is far more urgent than the speed the Minister is showing. This group's proposal is dated July 20, and it is considering such solutions as closing its doors. What is the Minister going to do this week to ensure that Counselling Services can continue to operate and does not have to close its doors?

Hon. Charlotte Oleson (Minister of Family Services): Mr. Speaker, I received a letter from them this morning to which I have of course not yet responded, as I just got it early today. We are looking at their program. The department does fund one of the Child and Family Service agencies—of course are attached to my department—to do that similar service as the Counsellor Service does. The Member for St. Boniface (Mr. Gaudry) has also addressed me on this subject and has urged me to meet with them again soon, which I intend to do. So we are working on the problem, Mr. Speaker.

Ms. Judy Wasylycia-Leis (St. Johns): Cette organisation a écrit au ministère il y a trois mois, et maintenant il y a une crise.

(Translation)

Ms. Judy Wasylycia-Leis (St. Johns): This organization wrote the department three months ago, and now there is a crisis.

Mr. Speaker: à l'ordre. Votre question, s'il vous plaît.

(Translation)

Mr. Speaker: Order, please. Please put your question.

Ms. Wasylycia-Leis: Qu'est-ce que la ministre va faire aujourd'hui, ou cette semaine, pour assister ce groupe, pour assurer que cette organisation ne va pas fermer ses portes, et que les familles et les individus en crise continuent à recevoir des services importants au niveau de l'éducation, de la consultation et du counselling?

(Translation)

Ms. Wasylycia-Leis: What is the Minister going to do today or this week to help this group to ensure that this organization does not have to close its doors, and to ensure that families and individuals in crisis situations can continue to receive important education, consultation and counselling services?

Mrs. Oleson: Mr. Speaker, this is an organization which I would remind the Member that her Government did not fund directly. Since we are in the middle of a budget year, and it has not been budgeted for, I will have to look at the program in the light of next year's funding.

Child and Family Services Counselling Services

Ms. Avis Gray (Ellice): My question is for the Minister of Family Services (Mrs. Oleson). The Minister has indicated today that the Child and Family Services agencies provide counselling similar to what the counselling service in St. Boniface provides. I am wondering if the Minister could indicate to us today what services Child and Family Services do provide that in fact this counselling service says it is providing.

Hon. Charlotte Oleson (Minister of Family Services): Mr. Speaker, as I indicated to the previous questioner, my department does fund the Child and Family Services of Eastern Manitoba—some funding to provide this type of service. I did not say all Child and Family Services agencies provided the service. I said we funded one agency to provide this service.

Mr. Speaker: The Honourable Member for Ellice, with her supplementary question.

Ms. Gray: Once again, we have a Minister of Family Services who does not even know what Child and Family Services do.

Marriage Counselling

Ms. Avis Gray (Ellice): Can the Minister indicate to us, since Child and Family Services of Eastern do not do marriage counselling, do not do individual counselling for adults where there are no children involved, how she can tell this House today that she is not funding the St. Boniface Counselling Services because some of those services are provided by Child and Family Services? Can she indicate to us today why she would say that when Child and Family do not do marriage counselling courses?

Hon. Charlotte Oleson (Minister of Family Services): Mr. Speaker, I indicated to the Member that we provided some funding to Child and Family Services of Eastern Manitoba to provide this type of counselling. The Service de Conseiller actually provides the service. I do know what is going on in the department.

Service de Conseiller Funding

Mr. Speaker: The Honourable Member for Ellice, with her final supplementary question.

Ms. Avis Gray (Ellice): Would the Minister of Family Services commit today to meet with the St. Boniface Counselling Service and get a clear indication of the type of services that they do provide and reconsider her decision not to fund this worthy service?

* (1410)

Hon. Charlotte Oleson (Minister of Family Services): Mr. Speaker, could I please try and explain this once more to the Member? I received a letter from them this morning. I have already met with them on one occasion. They described their services to me. I have not refused funding. We are reviewing their proposal.

Manitoba Hydro Northern States Power Sale

Mr. Jerry Storie (Flin Flon): Mr. Speaker, back in 1985 Manitoba Hydro signed an historic agreement with Northern States Power to export some 500 megawatts of firm power to that power group, and in doing so created some one billion dollars-plus in profit for Manitoba Hydro as received dollars. Members opposite opposed the export of power, opposed the Northern States Power deal.

My question is to the Minister of Energy and Mines (Mr. Neufeld). I would like to know whether the Minister and his Government have now adopted a policy which would support the progressive development of Hydro resources in Manitowa (phonetic) based on export power sales.

Hon. Harold Neufeld (Minister of Energy and Mines): Mr. Speaker, to date not one kilowatt hour of power has been delivered, so we have not yet made \$1.3 billion in profits. Our policy is very simple. If we are to deliver power or sell export power to anyone, it must

not be at the expense of the Manitoba consumer. Each and every year from year one to year twenty of any agreement we will sign, the net cost to Manitoba shall not be as much as the returns of the sale of power to the buying country.

Mr. Speaker: The Acting Government House Leader, on a point of order.

Hon. Clayton Manness (Minister of Finance): In the commentary of the MLA for Flin Flon (Mr. Storie), I heard a direct attack of the professional well-being of an Honourable Member on this side. I ask for a withdrawal, Mr. Speaker.

Mr. Speaker: Order, please. The Honourable Member for Flin Flon, on the point of order.

Mr. Jerry Storie (Flin Flon): There was no point of order.

Mr. Steve Ashton (Second Opposition House Leader): I heard exactly what the Member said. The Member referred to the Minister as . . . vision. I do not think that appears anywhere in any of our publications as being unparliamentary, nor does it fit into any of our other prohibitions in terms of dealing with the Members of this House. I think it was a stated opinion by a Member, and I am surprised the Acting Government House Leader would take any offence to that.

Mr. Speaker: Order, please. There is no point of order. The Honourable Member for Flin Flon.

Mr. Storie: Thank you, Mr. Speaker. The Minister did not answer the question, whether there had been a change in policy which was more consistent with what the NDP policy was with Hydro.

Manitoba Hydro Ontario Hydro Sale

Mr. Jerry Storie (Flin Flon): Mr. Speaker, my supplementary question to the Minister of Energy and Mines (Mr. Neufeld) is: can the Minister of Energy and Mines confirm that Manitoba Hydro has concluded a sale of some 1,000 megawatts to Ontario Hydro, and that the deal, the negotiations which were begun under the previous Government and followed on the successful negotiations of a 200 megawatt sale to Ontario Hydro, confirm that Ontario Board is considering the purchase of 1,000 megawatts from Manitoba Hydro?

Hon. Harold Neufeld (Minister of Energy and Mines): Mr. Speaker, I expect that the Member for Flin Flon refers to my lack of vision because I wear glasses. I have really no difficulty accepting that as a statement I might expect from the Member for Flin Flon (Mr. Storie).

In answer to his question, I cannot today confirm whether or not our negotiations with Ontario Hydro have been concluded.

Mr. Speaker: The Honourable Member for Flin Flon, with his final supplementary question.

Mr. Storie: Mr. Speaker, I certainly was making no reflection on the Minister because he wore glasses, it is because he wears blinders.

The Minister did not answer the question.

Mr. Speaker: Order, please; order, please.

Mr. Storie: Mr. Speaker, my final question to the Minister is, the Minister has indicated, perhaps somewhat circuitously, that there are negotiations ongoing and that an agreement may be in the offing, can he confirm, or will he indicate to this House, that prior to the sale, any final agreement on the sale of power to Ontario Hydro, that this Legislature and the people of Manitoba will have a chance to examine the deal, the structure of that particular sale, and will the Minister indicate to the people of Manitoba that the conditions which applied to the Limestone Hydro project development will also apply to this one, including northern hiring preferences for Natives and Northerners?

Mr. Neufeld: Let me say, first of all, Mr. Speaker, that the blinders I am wearing I found in the office I occupied after . . . The Member for Flin Flon (Mr. Storie) really asked several questions, are we going to use the same policies for Native employment, or northern employment, in the future? He also asked whether or not we would bring to this House the details of an agreement, if and when it is signed with Ontario Hydro. In answer to the second question I do not think it appropriate that we air all the details of an agreement before it is signed.

An Honourable Member: You said you would.

Mr. Neufeld: No, I did not. What I said was we will bring details to this House once an agreement has been entered into. I do not think it is appropriate, Mr. Speaker, that we negotiate the agreement with Ontario Hydro in this House or through the media.

As far as the second question is concerned, nothing has happened and nothing this Government has done to change that policy.

Mr. Speaker: The time for oral questions has expired.

ORDERS OF THE DAY

Hon. Clayton Manness (Acting Government House Leader): Mr. Speaker, I propose to call the motion to go into Committee of Supply for this afternoon, followed by Private Members' Hour, and then at eight o'clock, resuming the consideration of Estimates of the Department of Agriculture and Highways and Transportation.

Mr. Speaker, I move that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider the Supply to be granted to Her Majesty.

MOTION presented.

MATTER OF GRIEVANCE

Ms. Avis Gray (Ellice): Mr. Speaker, I rise on a matter of grievance.

It has become very apparent over the past number of months that this Government has precipitated crisis after crisis within the Department of Family Services. The lack of management capabilities displayed by the current Minister of Family Services (Mrs. Oleson) have led, over the number of months, for this Opposition to ask for the Minister's resignation.

When we go back, Mr. Speaker, to when this Government took office some 16 months ago, I can sincerely say that we on this side of the House empathized with whoever the new Minister of then Community Services would be. We had an understanding that the Department of Community Services or Family Services was indeed a very challenging portfolio. It is a department where life and death issues face individuals every day. We were hoping that this Government would choose a Leader who would have a grasp on the department, would be able to provide strong leadership, and would try to bring back a sense of organization into the Department of Family Services, and bring a sense of direction into this particular department.

* (1420)

During the first Estimates we had the opportunity to question the new Minister, Mr. Speaker, and again a lot of the questions and answers we did not necessarily expect that there would be solutions to all the questions and that there would be answers to all the questions. We knew this was a Minister who was learning her portfolio and certainly, for some of us who have had the opportunity to work within the Civil Service, it is certainly apparent that the Department of Family Services is a department where knowledge is very important in regard to the various program areas, and it is a complex department. It is not something where you learn overnight all the aspects of the department.

So we asked our questions, Mr. Speaker, and we even provided some suggested advice on the side to the Minister, if she chose to take it, and we basically hoped that in fact the new Minister (Mrs. Oleson) would be able to lead the department, provide the direction and work with community groups, whether that be in day care services to the mentally handicapped, Child and Family Services or family dispute services.

The first indication that perhaps something was awry in the Department of Community Services was when we had indications from one particular advocacy group from the Foster Parents' Association of Manitoba that all was not well within the Department of Community Services, and we had concerns expressed from a group of foster parents who had banded together, who had a membership organization and who were truly concerned about the apparent lack of honest, open negotiation with which they were having with the Minister and her associates in the Department of Community Services.

The Foster Parents' Association are a group of individuals who work with foster children and they deal

with life and death situations. They deal with situations where they must make critical decisions oftentimes on a day-to-day basis, and all this association was asking for was the opportunity to sit down face-to-face with the Minister, have heart-to-heart discussions, have conversations about their need for some increased support services from the Department of Community Services, and to also at least have their per diem rates as foster parents reflect the current cost of living. That is all they were asking for, Mr. Deputy Speaker.

It became apparent with the Foster Parents' Association that they felt they were getting nowhere with the department or with the Minister, and the standpat answer they were getting was that, we cannot do anything, you will have to wait until the budget comes out.

I think for a department to convey the message to an advocacy group that, there is nothing they can do and we really do not want to talk to you, that really upset the Foster Parents' Association so much that they felt they must take some severe form of action to really show to the Government that they were serious about the position they were taking, and that is why, Mr. Deputy Speaker, they looked at a proposed moratorium on further placements of foster children for September 1.

As we all recall, Mr. Deputy Speaker, there was a lot of questions that were asked in the House on behalf of foster parents and on behalf of children in this province to the Government, but what were they doing to sort out this problem?

Not only was it bad enough that in fact there seemed to be no progress in negotiations and no negotiations at all, but someone on the Government side—and we believe it was the Premier's Office, although I am not sure that has ever been confirmed—decided that, well, we are really not sure if this Foster Parents' Association, if they really represent the foster parents and the interests of the children in Manitoba. Let us do a secret survey and just test out this theory.

So there was a survey that was carried out, and what that survey accomplished was that it created more of a backlash with the foster parents in Manitoba. They were upset, very upset with the Government, who would go behind the back of an association who was negotiating and lobbying on their behalf, and actually undermine the association and asked them, do you really agree with what your Foster Parents' Association is doing?

We also had a situation, Mr. Deputy Speaker, where one of the suggested alternatives by this Government was that, let us free up some money by taking away the administrative grant that goes to the Foster Parents' Association. That is fine to look at alternatives, but we had an admission from the Minister of Family Services (Mrs. Oleson) during the Estimates process that, in fact, in her suggestion to take away that administrative grant, she made that suggestion before she knew what the administrative grants were used for. So we had an example and it was the first example of many, of a Minister making a decision to do something and not knowing what the consequences were of that decision.

When the Minister realized that those administrative grants were used for things such as recruiting foster parents, training foster parents, very necessary functions that this association did and were not carried out by the Government, she recognized later on in Estimates, well, maybe that was not a good suggestion. Again we question the Minister, how do you negotiate with an organization and make these rash suggestions on what to do when you have not got your facts before you? Well, we hope that the Minister has learned that you should have your facts before you, before you make those decisions.

We then moved on in the fall, Mr. Deputy Speaker, where we had a situation with the day care community, and again the Child Care Community and the advocates working with the new Government were wanting to inform the Government of the advocacy associations, let them know what the issues were in day care. What happened again was another example of how there appeared to be—and we would get calls day after day after day from the day care people—saying we are not sure that the Minister is listening to us. We are not sure that this communication that is flowing from the department, we had to ask in the Department of Community Services Estimates that in fact the quarterly meetings that had been set up by the day care office and the Manitoba Child Care Association, that they be reinstated because they had been suspended. So we had actual examples of where there seemed to be a breakdown in communication between the department and the community.

We had an announcement with the budget of increases in the day care line for budgets and we found that the salary enhancement grants were woefully lacking. It was of such a concern to the day care community and such a concern where they felt they were not getting anywhere with this Government that they chose to hold a rally at the Legislature in the fall.

Again, we had another example where there appeared to be that growing resentment in the community. Is this Minister, is this Government listening to what we have to say? The community is saying we want to work with the Government, we want to present the information to them. It is to our advantage to work with the Government and to reach decisions together. We do not want to always be on the opposite side of the Government.

Then we have, Mr. Deputy Speaker, another very important area in the Department of Family Services and that is the whole division which is responsible for Child and Family Services; and again we had a new Minister and we had executive directors of the Child and Family Services agencies who were starting to meet with the Minister and her deputies to discuss the issues in Child and Family Services. Again we had some indication from this particular Minister that the outreach grants which normally went to the Child and Family Services agencies, that the dollar amounts would be cut back and that there seemed to be a move in the Department of Family Services that recentralization of services should occur.

Again, I have met with Child and Family Services agencies and what they want to do is they want to

work with the new Minister and they want to work with the department. They were a little astounded that this decision had been made unilaterally without any discussion and consultation with them, and naturally they were upset and concerned because they felt if these are the types of decisions that are going to be made and we are not going to be aware, what does this mean down the road? Are we going to actually continue to be independent and autonomous as Child and Family Services organizations, and how are we going to develop and build a trust relationship with the Government of the Day when these types of unilateral decisions are being made?

Over the last year, again I have met with many of these Child and Family Services agencies and a number of the agencies are saying, we want to work with this Government, what we are asking for from this Government is we would like a sense of what is the purpose, of how do you view the Child and Family Services and the services that should go on, what direction do you see over the next few years in the area of child welfare? They have very appropriately asked these questions in meetings, Mr. Deputy Speaker, but they still feel as of yet they have not received an answer.

It is very difficult for Child and Family Services agencies with a limited amount of dollars to put those dollars to use in what they feel is the best way possible when they have no idea as to what the philosophy or the framework for implementation of these services are in terms of the Government of the Day and how they view that. We see that time and time again, and we have asked those questions during the first Estimates process, time and time again. What is the direction? What is the framework? What is your philosophy? What does your Government believe in? You have to know what your Government believes in and what your direction is so that you can develop specific goals and objectives so that the community knows what those goals and objectives are; and, as importantly, so that your senior civil service and your middle managers and then your fieldworkers know what the goals and objectives are so that they know how they can carry out their day-to-day activities so that they know how they can prioritize their work.

* (1430)

It is very very important, Mr. Deputy Speaker, and we have failed to see that sense of organization and planning in the Department of Family Services. We have failed to see a sense of what is the purpose, and what is the direction that the department wants to take. What do they believe in? Do they support deinstitutionalization of the mentally handicapped or do they support institutionalization of the mentally handicapped? Do they believe in community living? Do they believe in integration of the mentally handicapped in the school system and in the workplace? How do they view Child and Family Services? Do they believe we should look at individualized training and individualized support services for our youth who fall between the cracks, or do they believe that we should continue to institutionalize these youth and probably throw away their lives and when they are 18 they may end up in

a correctional facility? What is the philosophy? What is the goal of this particular department when it comes to the social services? What is their philosophy in regard to day care? Do they believe in private day cares? How much do they support family day cares? How much do they believe that rural day care alternatives should be looked at? What exactly is the philosophy in regard to day care? We have a situation where the Child and Family Services agencies again were very concerned that the outreach grass root were being taken away, and then there seemed to be some re-evaluation of that service and in fact some of those dollars were reinstated.

So we had a situation where the Minister had made a decision but then agreed to make a change as she did with the salary enhancement grants of day care. Now some may say that shows flexibility in a Minister if we look at the positive side of this situation, but when you have months and months of delays in terms of making a decision and then having to reverse that decision later on, what it tends to do is cause frustration in the community, frustration in the bureaucracy in the civil service, general wasting of time because you are having to reverse your decisions, and you are losing months and months of valuable time that could be used to move ahead and make further decisions rather than having to spend your time reversing decisions all the time.

When we look at the services to the mentally-handicapped, again we had an admission from this Minister that the Welcome Home Program was in fact a good idea in theory but perhaps the implementation was not the best. I supported the Minister of Family Services (Mrs. Oleson) in that particular sentiment that, in fact, Welcome Home was a good idea but that we should be looking at some of the pitfalls in the implementation of the Welcome Home Program.

So we asked the Minister time and time again what does your Government support? What do you believe in? What direction should services to the mentally-handicapped take? The answer that we got was two words, we believe in a balanced approach. That sounds nice, Mr. Deputy Speaker, but there has to be more meat to the issue than "we believe in a balanced approach."

It has to be a very clear guideline in a framework in which that leans. Does that mean that we put money into the Manitoba Developmental Centre? Does that mean that we allow mentally-handicapped living in the community to go back to the institutions? What does that mean? Are we making a concerted effort to move more people out of Manitoba Developmental Center? What about the 25 people that have been sitting in a transition unit as it is called for over one year, what are the plans for those individuals? No one in the department seems to know. No one at the community level is planning for these people. The review of the transitional unit seems to be up in the air. There seems to be no indication to the parents of those mentally-handicapped adults that there is actually a move to have those people come back into the community. One must also feel that, in fact, they will not be able to move back into the community because there have

been no dollars allocated in the budget for any volume increases in group home residences or in day programs.

So again we have an example of a situation where there is no planning that is occurring, no decisions have been made. In fact, it is far easier for us as Oppositions to make suggestions and criticize the Government when decisions have been made, but we are not even sure what the philosophy and direction is of this particular Government, and that makes it fairly frustrating.

Early in May of this year, we met with a number of parents. The MLAs on this side of the House who have mentally-handicapped young adults, some who are living in institutions, some who are living in homes with their parents, again they raised the concern, what about my mentally-handicapped son or daughter? What about my son or daughter who is going to be leaving H. L. Softley or Kirkfield Park School or Prince Charles? What is going to happen to those individuals? What type of planning is being done? We had assurances from the Minister of Family Services (Mrs. Oleson) and the Minister of Education (Mr. Derkach), that there was a committee that was looking at the services that would be needed for the mentally-handicapped. We even had letters that would come in June once these parents were actually so concerned they started writing the Minister. We have the Minister admission on paper, yes, my department, my Government has decided that for those individuals leaving the school system that day programs are a priority.

We have a Minister who writes that in a letter but in the meantime she has already set a budget, or somebody has set a budget, where in fact there are no volume increases for day programs. So the question is how does that parent feel when they receive that letter at home? They think, well, I have certainly had the news from the top. The Minister has said that my child will be a priority. Surely there is some hope that a placement will be made this year. Then, when the parent talks to the Community Services worker, the Community Services worker throws up his or her hand to think, yes, she may say that your child is a priority, but there is no money to put the person into a program. My hands are tied. There is nothing that I can do.

So then the parent starts to think, well, do I believe this Community Service worker who has worked with me years and years and years and who I feel I have gotten good service from, or do I believe the letter that I got from the Minister? That is where the parents started to phone the Opposition Members, Mr. Deputy Speaker, and say, please help us. We do not seem to be getting any answers, or we are getting confused messages. What does this mean?

In fact, Mr. Deputy Speaker, we actually got an admission from the Minister that there were no volume increases for day programs and for group homes. So we are at a loss to understand how a Minister can write letters to parents and say that their children are priority for placement when there are no dollars allocated for any of those placements. We cannot explain it to the parents. We can only suggest that again, the Minister perhaps knows not what she signs, as she admitted in other situations, or that in fact she

does know what she is signing but she feels, oh well, if I send a letter off to the parents, that is fine. Hopefully, they will not bother me for a few more weeks and I will continue on as Minister. But that is not good enough. Better to have written the parents and told them the truth, and say, I am sorry, the budgets are limited, and I have no money in the budget this year for any services. Better to write them and tell them the truth than to write them a letter which at least gives them some hope when in fact there is no hope at all.

I think it is very important, Mr. Deputy Speaker, that for any Minister of any department that we have a Minister who is willing to spend time with community groups. Granted a Minister has a very, very busy schedule. We had a situation last fall where a particular Child and Family Services agency, Northwest, wanted to have an open panel discussion with the Minister and Members of the Opposition to talk about the very things I have been talking about, to talk about philosophy, to talk about issues, and to talk about concerns. We all recall how we spent an afternoon in Estimates trying to get an answer from the Minister as to why she would not attend that particular panel discussion, so that in fact there could be an open exchange of information and ideas from the community about the concerns facing people in Child and Family Services.

We had an example the other day where again the Minister chose not to attend a meeting that evening of independent day care operators. The Minister may have been otherwise occupied, and that is fine, but why did the Minister not send a representative from her department to attend that meeting? I ask you, Mr. Deputy Speaker, why did she not send a representative from the department, because the questions that were being asked were questions that only the Minister or her representative could answer. I, as an Opposition Member, was certainly willing to listen to them and speak to the group. I knew before I went there that some of the questions and some of the answers that I would give might not be the ones that all the parents would want to hear, but at least they did say to me, we are pleased to see you here as a Member of the Opposition. At least you had enough guts, and I quote, to come to the meeting and talk to us tonight.

* (1440)

Although we did find out later that there was a civil servant there. I am surprised they did not know who it was, but that there was a civil servant there incognito who was apparently there to take information. Again, Mr. Deputy Speaker, what that serves to do is really cause more distrust in the community as opposed to trying to repair communication breakdowns. What these things tend to do by sending someone there and then not saying that you had someone there, it really just causes more distrust with the community.

We had a situation this summer in the day care community where the Family Day Care Association was very concerned. They felt they could not continue their operations because of the low administrative grants they were receiving. They had indicated to the Minister that as of August 25 that they would close their doors and would not be able to pay their executive director.

Again, it had to be the Opposition who raised it with the media, and with the letter to the Minister, to indicate what are you going to do about this, and then the next day the Family Day Care Association get a letter, or get a call from the department saying: Oh, by the way, we are going to issue an advance, part of your quarterly payment, and we feel that we will now work with you and be able to give you some extra dollars so that you will be able to continue on.

Although we may be pleased that situation was resolved, why does it have to be the Opposition who keep pressuring the Minister to make some of these decisions, when it is the Minister who should be working all along with these various groups and agencies in establishing a relationship and a rapport?

We had a situation, Mr. Deputy Speaker, where again we do not know where the decision came from, but where it was decided that the Department of Economic Security and the Department of Community Services—then to be changed to Family Services—should amalgamate as one department. Again I question this decision on the grounds that if you look over the past number of years, with the Department of Community Services we have seen situations where it was part of the Department of Health, where it was part of the Department of Corrections, where it has been alone, where it has been together, and it would appear that when you have a department which has a number of organizational problems—which the Department of Community Services had—what you should really do is first stabilize that department and the operation of that department, rather than amalgamating it with another major department, such as Economic Security.

Now we have a situation where we have Economic Security and the Department of Community Services as one department, so there is major reorganization and shuffling that is going on. So rather than having one Deputy Minister and the administrative services in two departments, we now have only one administrative services and one Deputy Minister who is now not just responsible for the entire Department of Community Services, but she is also responsible, and her staff, for Economic Security. We know, Mr. Deputy Speaker, how many concerns and issues there are in those two departments when they are separate, never mind when they are put together.

So I question the rationale for amalgamating those two departments, particularly at a time when there is such instability in the Department of Community Services. We have a situation where we still have a looming problem in the three Winnipeg regions, a problem with the Department of Community Services and the Department of Health. You talk to any civil servant in the Department of Family Services on the street today in Winnipeg, the staff morale has actually gotten lower in the last two years, in the last year and a half and, believe me, it was very, very low before that. But we have a situation where no one seems to know what direction the department is going. They cannot even tell you who the supervisor is because there are so many changes that are going on.

You have a situation which is unprecedented, where you have five middle managers in the Department of

Community Services who are now in the process of arbitration against senior management in the Department of Family Services because of what they feel is unfair and unequal treatment. That is really unprecedented in the department, Mr. Deputy Speaker.

I will not stand here and certainly suggest that all those problems which have led to the arbitration are the fault of this Minister of Family Services (Mrs. Oleson) or this Government because they are not, and I have no problem admitting that at all, but I can tell you that those problems have exacerbated since this Government took over, because, instead of dealing with the problem they chose to ignore it, they chose to make poor decisions so that in fact we have a worse situation than we had two years ago.

I think as the Minister of any department, and I will always sound like I am in favour of civil servants, and I apologize to no one to being a fan of civil servants and to empathizing with civil servants because I think, by and large, they do an excellent job. Civil servants who are in their jobs and have won their jobs through competition, they are there to work for the Government of the Day, whoever that Government may be, and they are there to work for the Minister of the Day, whoever that Minister would be.

When the Conservative Government took power 16 months ago, there was a sense of relief for many civil servants because they were looking forward to a change; they were looking forward to a breath of fresh air, a different administration. But, Mr. Deputy Speaker, over the last 16 months we have seen a Minister and a Government—and when it comes from the Premier it is very disturbing—who feels, let us blame the bureaucracy, it is their fault for the decisions that the Ministers and the Government has made, let us blame the bureaucracy, let us take a career civil servant such as Mary Humphrey and let us remove her from her job, because someone has to pay for this crisis that we have in day care. Senior civil servants can pass the buck for so long, but somehow it landed on Mary Humphrey's lap that she was the one who would pay for the sins and the decisions that this Government was making.

Mr. Deputy Speaker, the day that we heard that Mary Humphrey would be removed, I received not just calls from the day care community who were outraged at that pending decision, but I received calls from civil servants in other departments as well who said to me you are the critic for the Civil Service Commission, what is going on with this Government? Does this now mean that we as civil servants should not make recommendations that we feel are the best recommendations in a given situation? Should we be afraid to give suggestions to the senior Ministers as to what should be done, because are they going to retaliate and take that out on us?

We have a lot of civil servants out there, particularly in the Department of Family Services, who are very much concerned. They are very much concerned with what is going on in the Department of Family Services. We have managers of departments who have been wholesale pushed aside; Research and Planning Director, Human Resources Director, Director of

Administrative Services, who have been pushed aside and other people have been brought in.

We have a Director of Family Dispute Services. Well, the Minister of Family Services sits from her seat and laughs. She also told the press outside that newspaper people and the civil servants never stay in their job forever. But, Mr. Deputy Speaker, there is a process involved when you start moving civil servants around, and it is one thing to move people who are hired through Orders-in-Council and who are political appointments. It is another thing when you start tampering with the Civil Service. There are only specific conditions that you can move civil servants around, and I have heard three examples today again of people, even in lower positions, who are starting to be moved. It is starting to happen not just in the family services but in the Department of Health. When is this wholesale removal of people from their jobs going to stop?

The Minister says from her seat, and I will not repeat the comment, but she basically has said, my goodness, is the Minister going to stand here today and say that Shirley Smith was not told that she should be removed as Director of Family Dispute Services? The Minister says she did not tell her. Of course she did not, but somebody in her department did, so she does not know what is going on, because that particular person was told.

That is the difficulty. We have people who are directors of various branches and services who basically are not getting the job done, and they would admit it because they are walking on eggs every day because they figure they are going to be the next to go. We have civil servants who will never say anything in public, but the word is out. We know that they do not get any direction. They have no idea where the department is going. The best question that I was asked the other day was by a reporter who said, is this Minister of Family Services going to survive? My answer was, I do not know, but I know her department is not.

* (1450)

I think that is a very sad state of affairs, when an entire department is in jeopardy, because what that means is when the department is in chaos because of the lack of leadership and the lack of direction, the bottom line which should be important to all of us here today is that service delivery to the clients, to the consumers in the community, is severely affected. The Department of Family Services deals with many groups of people who are vulnerable citizens: our children, whether they are in day care, whether they are under the protection of Child and Family Services; our mentally handicapped, whether they are in the school systems, whether they are in the institutions, whether they are out in the community; vulnerable families who are dealing with family violence; other families who have difficulties with their adolescent children who need support from Child and Family Services; all the people out there who may be vulnerable at some point in time.

These are all the issues that the Department of Family Services must deal with, and what we need is a Minister who is capable and able and willing to take strong

leadership, to put some faith and trust into her civil servants, to say to the community groups, yes, I will work with you. We cannot solve all the problems today, we cannot solve all the problems tomorrow, but we can certainly make a good start, and we can give a commitment to you that this is what we are going to do, and this is what we are going to do the next year, and here is what our plans are, so that when you have a Minister who speaks with groups and shows some vision—and these community groups, they are very reasonable people, they are very intelligent people—they know that any particular Government does not have all the answers and does not have all the solutions at once.

What they want to see is a Minister who can say to them, I understand your problems, I would like some suggestions on how some of these problems can be addressed. I know we cannot solve all the problems overnight, but I have a commitment to work with you, not against you, not to make arbitrary decisions, not to make autocratic decisions. I will work with you as we move from year one to year two. Again these community groups are saying to me, we may not like all the decisions that the Minister of Family Services (Mrs. Oleson) makes, but if she tells us what some of those decisions are and she gives us a reason and a rationale and an explanation, we can accept some of those decisions that maybe we do not like if we feel that there is a rationale, as long as there is still that commitment to work with us over the next number of years, as long as there is that sense of trust, a trusting relationship with the Minister and her senior civil servants. There has to be that particular trust.

I have had so many examples of community groups who have phoned and said, when you ask this question in the House, do not blame the Civil Service because they are as embarrassed as we are about the decisions that are being made from somewhere. We still do not know where these decisions are being made. I would love for the Minister of Family Services (Mrs. Oleson) to indicate to us who made the decision for no volume increases in day programs. I would like to know where that decision came from. I would be surprised if it was the Programs Branch that made that decision, but I would like to know where that recommendation came from and who made the final decision.

Who made the final decision for no volume increases, because now we hear that the Minister may be going back to Treasury Board and asking for more money. Well, if you are going back and asking for more money, one must assume that you really believe that money is necessary and needed, so why did you not make the right decision in the first place? Why have parents gone through agony for months and months and months and suffered with the fact that they do not know if there will be any type of day program for the mentally handicapped, only to have the Minister come back and say, yes, I made a mistake, and I am going to go back to Treasury Board for more money.

Meanwhile, six months have passed, and I do not think any of us here appreciate, unless we can put ourselves in the shoes of those families, whether it is families whose children are in day care or whether it is

is families with mentally handicapped, I do not think we can appreciate what they have to go through on a day-to-day basis in terms of providing care and support for their children or their mentally handicapped. I think it is incumbent upon the Minister, any Minister, who heads up that Department to have some understanding.

Mr. Deputy Speaker, it is with some regret that the Opposition over the past number of weeks has felt it necessary to ask for the Minister's resignation, because this is not something that we have done lightly. I say that if one takes the time to read through the Estimates process of last year, and we will see what the Estimates process of this year brings, that in fact there were many indications throughout that process that we were asking questions to the Minister and we were understanding when there were not all the answers there. We certainly expect some of those answers this year because the Minister has had 16 months to come up with some plans as to where her Department will go and some direction. The community groups have not heard what that direction is and what those plans are, but we will be asking for that.

Mr. Deputy Speaker, if I can just end by saying that I think the Department of Family Services is one of the most difficult departments that there is in this Government and that there should be a commitment from any Government that you need a strong leader in that department because of the vulnerable citizens that you are dealing with, and we have not seen that with this particular Minister. In fact, we have a Premier as well who feels that the Department of Family Services cannot be very important because he has not chosen to take any action.

QUESTION put, MOTION carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Minnedosa (Mr. Gilleshammer) in the Chair for the Department of Highways and Transportation; and the Honourable Member for Burrows (Mr. Chornopyski) in the Chair for the Department of Agriculture.

* (1500)

CONCURRENT COMMITTEES OF SUPPLY SUPPLY—HIGHWAYS AND TRANSPORTATION

Mr. Chairman (Harold Gilleshammer): I will call the meeting to order.

CHAIRMAN'S RULING

Mr. Chairman: On Thursday, September 21, during the consideration of the Estimates of the Department of Highways and Transportation, a point of order was raised by the Honourable Member for Thompson (Mr. Ashton). The Member for Thompson stated that it was inappropriate for the Minister to make an opening statement during line-by-line consideration of the Estimates.

I would like to mention to Members of the committee that it was out of courtesy to the committee that I

recognized the Minister so that he could introduce the staff members present and make a few brief remarks about the item under consideration.

It has been over two months since the committee last met, and I was giving the Minister the opportunity to refresh our memories about the item under consideration. The same courtesy was going to be extended to the Official Opposition critic and the critic for the Second Opposition Party. I would like to reiterate to the committee that I specifically mentioned to the committee in my introductory remarks that we were considering Item 3.(a) Planning and Design: (1) Salaries and Wages, that we would be continuing from where we had left off last June.

I note from the Hansard of last Thursday that in the section of Supply meeting in the Chamber, the Minister of Agriculture (Mr. Findlay) made some brief opening remarks in the line under consideration in that section of Supply and that no objection was taken to his doing so. Respectfully, I rule that the point of order raised by the Honourable Member for Thompson (Mr. Ashton) was not in order.

Mr. Ed Mandrake (Assiniboia): Just on that point, Mr. Chairperson, I would like to bring to the attention of the committee that prior to the Minister leaving for his visitation to a meeting with the federal Minister, he approached me in the lounge and asked me whether or not I would be willing to let Health go into committee. I of course said, sure, by all means, I will have no objections to that, and of course I then assumed that was going to take place.

Upon hearing that the Acting Minister and the Deputy Minister, who were not going to be here to answer the questions of the Official Opposition and the third Party, I felt at that time I was going to lodge a complaint and of course thought we had the support of the third Party on this ruling. I feel that it would be very inappropriate, extremely inappropriate, Mr. Chairperson, to have a committee sit without the Minister being here and without the Deputy Minister being here. Thank you very much.

Hon. Albert Driedger (Minister of Highways and Transportation): Mr. Chairman, I have a few comments that I would like to make at this stage of the game. It is with dismay, I suppose, that I heard about what was happening here last week, Thursday, and just to maybe get the record straight I would like to indicate the process that I followed in terms of trying to attend the Council of Ministers' Conference in Calgary.

Three weeks prior to the meeting I approached my Party Whip and asked to see whether I could get paired for the conference, knowing that my Estimates were up. I also spoke to the House Leader at that time. Our Party Whip had me paired for Wednesday and Thursday to attend the meetings out there and the House Leader was aware of it. I also went to the Premier (Mr. Filmon) and indicated that it would be my hope to be able to attend the Council of Ministers' meeting in Calgary because of the issues that were involved on the agenda there. He indicated at that time that he had no objection provided that I make contact with the two critics, and

if they felt it acceptable then we would proceed on that basis.

I thought everything was under control and subsequent to that all the supposed excitement that developed on Thursday, because of my not being here, I—

An Honourable Member: We all missed you.

Mr. Albert Driedger: I hope so. I just want to indicate that I think it was unfortunate because during the month of June, I did not attend a number of the Ministers' meetings because of the fact that we were in Session at that time so we cancelled some of them. However, I felt this was a relatively high priority agenda that we had. My colleague is here now who was ready to fill in for me because of lack of misunderstanding. I understand we had a much larger crowd here when he was here. I do not know how he managed that but obviously he is a better drawing card, maybe the Estimates would have been finished by that time.

Mr. Chairman, with that out of the way, I just want to indicate—because I think this is maybe the appropriate place to do it—just bring a bit of an update as to what happened at the Ministers' Conference in Calgary. Various issues were dealt with. One, of course, was the National Highway Program which my Deputy Minister has been chairman of RTAC and they have been working on this for a number of years. We are into almost completion of Phase II, which was presented to the Ministers there. Incidentally, for the benefit of the critic from the Liberal Party, the provincial Ministers met on Wednesday afternoon, and on Thursday morning we met with the federal Minister. That gave the Ministers a chance to go through the agenda and come to certain conclusions. These were then taken up with the federal Minister next day.

As I indicated, the National Highway Program is one that has been in the mix for awhile, and I feel very keen that this is the route that we have to go. As I indicated, the second phase report will be coming out possibly toward the end of November sometime. The figures are not all completed on it yet, but the council accepted the report up to that stage and authorized release of it at a later time. That was the one thing that I think the Chairman of RTAC, namely, my deputy, received rightfully so with the proper compliments for a job well done by RTAC in terms of gathering all this information. Hopefully, ultimately, through this process we can have a National Highway Program established; at the same time obviously funding is involved as well.

The other thing, if I could just touch on some of these things, part of the communique, if the Members want I can possibly get them copies of a communique for later on sometime but, as well, provincial and territorial Ministers unanimously passed the resolution requesting the federal Minister to put a moratorium on the VIA Rail decision until consultations with all interested parties have taken place on the impacts of decisions. The Ministers expressed great concern that a decision would be taken with respect to VIA Rail and its future in the absence of full and frank consultation with the provinces. That was unanimously supported and

presented to the federal Minister the next day, and the federal Minister did not comply with that request. However, the federal Minister indicated that the country can no longer afford an ever-increasing subsidies to a mode of transportation which is no longer the preferred mode of travellers. He further stated that he had received both VIA's five-year plan and review of 1989 and that Cabinet will be making its decision in due course.

So, there was disappointment, of course, from the provincial Ministers on that position; however, that is the position that the federal Government has taken. We have to await the announcement, whenever that will be coming in terms of the decisions that will be made.

* (1510)

The other aspect that we also had a discussion on was the impact of the GST on the transportation industry. I can go into more details if you want, the impact it would have, let us say, on northern communities, even places like the Northwest Territories. A decision has been made that each province would instruct their Deputy Ministers to try and establish what the impact of the GST would be on the transportation industry as such. We are in the process of doing that at the present time.

The other area that we had discussion on was the rail abandonment aspect of it. We had some limited discussion on that one.

On the brighter side, we had the agreement of the Interprovincial Record Exchange Program which we launched officially at that meeting where all provinces are now tied in to the interchange giving information on driver's licence and vehicles. Just for an example, some of the Ministers went forward and within 40 seconds the response came back indicating what the status of their driver's licence was. Naturally, we picked those that had clean records, you know.

I think it is a very positive thing in terms of this exchange. I think it is beneficial for safety reasons as well as economic reasons to have this kind of interchange. The central base is located in Quebec, and everybody can punch into that and get that information. Like I say, it is a 40-second exchange thing that has been very positive.

The other thing, the federal Minister also released the accident statistics for Canada, broken down in provinces as well. I just have the one copy though. Copies will be available. I guess we will try to get some if anybody is interested. I would just like to indicate that in Canada, for example, we had the lowest, no, not quite the lowest rate. We had the lowest casualty rate per 10,000 of 1.8. Yukon, for example, is 5.3. Quebec is 3.3, New Brunswick 3.8. Newfoundland is the only one that has a lower fatality rate than Manitoba at 1.7. I do not know whether we can attribute that to better driving habits, possibly the fact that we are initiating pretty strong, these of course would not be reflected, but hopefully that our position will be improved with the new initiatives we have taken with drinking and driving.

The other thing of course, there were two areas of concern that were expressed in terms of safety. One is the use of seat belts and the other one is of course drinking and driving initiatives. The seat belt aspect of it, Alberta has been challenged as to the validity of their seat belt legislation. They have now appealed that to the Supreme Court. Their usage was I think established at approximately 80 percent at the time when the challenge was made and, subsequent to that challenge, when it was indicated that the law might not be valid, it has dropped down to about 50 percent. It is the general aim that by 1990 that we would have a general usage of over 80 percent. By 1995 it is hoped that we would have a usage of 95 percent. Ninety-five and 95, yes.

I just want to indicate that the areas of safety in regard to transportation, et cetera, are always high on the agenda, and so these were some of the things that were being addressed.

Mr. Chairman, I just wanted to give a brief outline of what has happened. I am wondering, based on the interest by the Member for Assiniboia (Mr. Mandrake), whether we could maybe get a copy of the communique that was drafted. I will have those available for you tomorrow, and subsequent to that there are a few things I just want to touch on based on when we last left, or last had our debates here.

I have taken, as a request, some information regarding—I think the Member for Dauphin (Mr. Plohm) had asked for the National Safety Code Standards—where we were at. I have sheets here that could be handed out indicating implementation, when we implemented it, implementation source, deviation from the safety code standard and codes. That is all I have. You will have to share some.

Further to that, I know the critic is anxious to get into the action here but he just has to have a little tolerance here. I also had taken at the tail end of our discussion, before we adjourned for the summer, there were requests about information regarding the Repap issue—provincial roads being upgraded as part of the Repap agreement and indicated at that time that there was no difficulty, that I would release information on that. I am prepared to release some of that to the Members here so that they can have a look at that as well. I am not quite finished yet, Mr. Chairman. I saved up so much during the course of the summer and I am trying to get everything in right away.

With your indulgence and the committee's indulgence, I just want to bring an update as to the status of grain transportation out of the Port of Churchill. As of Friday, I believe, we have four ships that have loaded at the Port of Churchill for a total of 125,000 tonnes of grain. Ships are being loaded at the present time and other ships are expected later today. This is as of September 19 so I think the ships probably have arrived. A total of seven ships have been booked for the port so far for an estimated total of 230,000 to 250,000 tonnes.

It is anticipated there could be some more ships before the season is over. This is a program that has been announced but there is the possibility of an expanded program, and we are still hopeful that there could be more coming forward.

One other area that I just wanted to touch on, during the course of summer there was some criticism that came forward by the critics from the Opposition Party where they indicated that it had to do with monies spent, maintenance budget on mowing of roadsides and did not get back into the fray at that time. However, I felt it was important that we straighten out the record in terms of some of the comments that were made in terms of how much money was being spent.

I would have to indicate that we have an increase of over \$600,000 on this year's budget for those activities which include: mowing, brush spraying, weed spraying and clean-up, et cetera. So there has not been less money spent but there is more money spent. Just for mowing of ditches, \$1.5 million has been budgeted for this year. Last year about \$1 million was spent on mowing, so in mowing itself there is about a \$500,000 increase in that activity. Maybe to clarify this, I think the program had been cut down in previous years. We have brought it back to a standard where we are trying to do an improved mowing.

However, during the course of this summer we have allowed a certain time. First of all, we do not start mowing in the middle of summer because then we end up mowing twice. The other thing is we allow the opportunity for farmers to take advantage of making feed along the roadsides and certainly encourage that, which is some benefit to the farmers certainly and helps us to some degree. However, after a certain period of time we then proceed with the mowing and like to do it more towards fall so that the purpose of mowing, of course, aside from appearances, is to keep snow from blowing and blocking the roads. So there is no advantage to starting to do the mowing early spring or early summer because you just have the regrowth. So I just wanted to bring that forward, based on the criticism that was brought forward by Members opposite during the course of this summer.

* (1520)

Mr. Chairman, with that, I think it basically concludes my short opening remarks, and we would be prepared to start dealing with the Estimates on a page-by-page basis.

Mr. Jay Cowan (Churchill): I do not want to prolong the debate over the events of last week, but I do feel it is necessary to make some brief comments on that. Before doing so, I wish to welcome the Minister back.

I have to tell you, Mr. Minister, through you, Mr. Chairperson, that the reason the New Democratic Party was so concerned about what had transpired last week is because we do not want to start the practice of having Deputy or Acting Ministers sit in for the normal Minister when Estimates are being reviewed without full consultation and agreement with the Opposition. For the Minister's information, that full consultation and agreement was not had last week and for that reason we moved adjournment of the committee.

I understand that there had been an attempt by the different Parties to work out an arrangement to substitute another set of Estimates for the Minister's

Estimates to enable him to travel to the conference. We have no objection to that being done as long as those negotiations are conducted successfully, but they were not in this instance.

I know that the New Democratic Party at least, and I am not certain as to the Liberals' position on that particular issue, but we said we would be prepared to go with Health Estimates if the Capital budget was brought forward at that time. The Government, for whatever reason, did not want us to see the Capital budget at that particular time for the Department of Health and would not bring it forward. For that reason, we refused to substitute Health for Highways.

I feel somewhat sorry for the Minister in that he was caught up in this dilemma, but it was a dilemma based on some very important principles for Members of the Opposition.

The first principle is that there should be negotiations when Estimate orders are being changed, amended or altered even temporarily. Those negotiations have to be honest and committed negotiations. In this case, we did not feel we were getting that sort of response from the Government.

Secondly, we will not allow for Acting Ministers to replace Ministers in the review of Estimates unless there is full agreement to do so before the Estimates are brought forward on any particular day.

So we regret what happened last week, but we feel in order to sustain our ability to question responsible Ministers and to see the Estimates process unfold in an orderly way, we have to take actions of that sort from time to time. I think the Minister, if he wants to help avoid situations in the past—and I know he was somewhat concerned about the difficulty and perhaps a bit embarrassed on the part of his Government by the difficult circumstances—I would suggest that he talk to his House Leader to ensure that we do not have those sorts of failures to communicate in the future.

With respect to the comments that the Minister made, I will respond to them very briefly, and then I know the Liberal critic wants to get into some specific questions around this particular line.

One, we are encouraged that there has been some commitment to the use of the Port of Churchill this year. We are encouraged by the number of ships that have come in to date, and we are also somewhat encouraged by the Minister's comments that there is a possibility of an expanded program. At the same time we have seen, I have to be quite frank, what we felt to be not enough aggressiveness on the part of the Minister in the past, to ensure ensure that every opportunity for the use of the Port of Churchill was fulfilled. That is why the New Democratic Party took the delegation to Ottawa. That is why we met with the Minister responsible, the Minister of Transportation at the federal level and the Minister responsible for the the Wheat Board. We received some commitment at that time that there would be a shipping season through the Port of Churchill, even although up to that time we had received no such commitment. As a matter of fact, the comments from the federal Minister said, it was

unlikely that there would be a shipping season and it was unlikely that any grain would be shipped through the port this year.

I think a lot of people have to take some credit in the fact that grain is being shipped through the Port of Churchill this year. A lot of the people who were at that meeting, a lot of people who lobbied aggressively and hard on behalf of the Port of Churchill throughout this difficult period of time. I think that the Minister has to have his Government be a bit more forceful with their counterpart in Ottawa to ensure that every opportunity is explored and every opportunity is fulfilled. We will be having specific suggestions on how to do that during the course of these debates.

Now, you will note that I said that the Minister will have to have his Government become more aggressive because I do not lay the blame on the shoulders of the Minister with respect to the lack of aggressiveness on the part of his Government. I know he has some colleagues who are not as committed to the Port of Churchill as he is. I know that he has to do a selling job within Cabinet. I am hopeful that he will. If he cannot privately lobby and persuade his Cabinet colleagues to be more forceful in their approach, he would then come out firmly on the side of the Port of Churchill and be critical where criticism is deserved and be forceful where forceful action is required.

So we will hope for more, as does the Minister, but we will also be quite aggressive in our criticism where we believe that opportunity is not being pursued diligently or aggressively by the Government.

With respect to the moratorium on the VIA Rail decision, I understand from the Minister's comments that the federal Government rejected the provincial Minister's suggestion that there be such a moratorium. If that is the case then, that should not be the end of this story. There must be other ways that the Minister can work with his provincial counterparts and colleagues to ensure that this wrong-headed, silly, stupid decision with respect to the operations of VIA Rail is not pursued any further.

I know the Minister has been caught flat-footed a number of times by the federal Minister making announcements and the Minister has had to come forward and say that he was not aware that such cutbacks were being contemplated, or even implemented in some instances, that he had assurances from the federal Minister that he felt that he was given to believe that the federal Government and the provincial Government could work together on this issue and the fact is, that has not been the case.

So I hope that he will not allow his Government to be caught flat-footed again. I hope that he will be much more aggressive in criticizing cutbacks in rail service across the province. I can tell him right now as we talk, that the employees are being laid off and transferred in northern Manitoba with respect to CNR and VIA cutbacks. I can tell him that the process that has been put in place is going to lead to a deterioration of the rail line to a significant extent and I believe will significantly threaten the future of rail service in northern Manitoba and in other parts of the country as well, and that we must take the strongest stance possible.

It is not enough to wait for other political Parties or other organizations to break the news that there is going to be layoffs. The Minister and his Government have to be in there fighting beforehand. They have to use that working relationship that they have always said they have with the Conservative Government in Ottawa to prevent these sorts of economic and job tragedies in our province. It is not enough to say that they were given assurances that did not hold true. They have to be extremely forceful, critical and aggressive in fighting any layoffs, cutbacks or reductions in service in this particular area.

* (1530)

I was in one of the communities of my constituency where rail service is an important part of their daily lifeline and part of their daily lives. A couple of weeks ago with the Leader of the New Democratic Party. We talked with railway workers on the line, and they tell me that they are concerned, not only for their own livelihood, because many of them are going to be transferred or laid off—they did not know at that particular time—but they were also concerned for the future of their community, and they were also concerned for the future of their part of the province, the northern part of the province.

It is one of those occasions where we have to all work together against the federal Government, against—and I will be quite blunt—a Conservative-federal approach to the rail system in this country which damages communities, damages the lives of individuals, damages the future rail travel and damages our future. I would be interested when we get into different parts in the Estimates where that debate is more germane to hear the Minister's comments and—more importantly—to hear the Minister's perceptions of the situations that exist now, and what his Government is going to do to fight against these cutbacks in service.

We, too, would like a copy of the communique. I would hope that we could have that copy today, rather than tomorrow. It is a matter, I think, of having one of the staff here make a xerox copy—enough xerox copies for Members of the committee—and I think it would be helpful if we could have that as soon as possible. Given the fact that the Minister has quoted selectively from it, it would be important for us to see the whole document in order to juxtaposition his own comments with the communique that came out from the group of Ministers.

With regard to the 9 percent goods and services tax, indeed northern communities are going to be hit hardest by this Conservative federal tax. We are glad that each province has instructed its Deputy Ministers to study the effect of the goods and services tax on the transportation industry. We will be asking questions starting with this particular section. We will ask the question: what effect will the goods and services tax as now proposed have on the capacity of the Government to plan and design for the highway systems in this province when it comes into effect?

It is a very important question, because if it is going to have a 9 percent effect, then it is going to in essence

mean that the Government is either going to increase the amount spent by 9 percent just to stay even, or it is going to suffer reduction in the services that it can actually provide. That is what that goods and services tax is going to do in this department. That is the same effect that it is going to have on individuals in their homes, on Manitoba families.

Again, I know I have encouraged the Minister to fight his cousins in Ottawa quite often during these brief comments, but I think he, too, sees that there are certain areas where they are taking a wrong-headed approach which threatens Manitobans and their families, and they have to be fought tooth and nail on every occasion with respect to those initiatives that have that effect. So we will be asking questions. We are not going to wait for the overall study by the Deputy Ministers. We are going to want to know now, and we think the Government should be able to provide to us that information now, as to the effect it would have on each individual section as we go through it, if it were to come into effect in the way in which it has been structured to date.

I have one last comment with regard to the comments made by the Minister. The lower fatality rate I think in some part—not entirely, but in some part—can be attributed to the use of seat belts in this province. I recall the very adamant opposition that we had to the use of seat belts when we brought forward the legislation. I have to be quite frank with you. I cannot tell you where this particular Minister stood on that particular piece of legislation, but it would be easy enough to find out. I do, however, recall how his caucus stood on that particular piece of legislation, and it was very strong opposition.

I believe that a good Government admits when it was wrong, and I would like to hear from the Minister that admission that they were wrong in trying to stop that legislation from being brought forward, that in doing so they put Manitobans' lives at risk unnecessarily, and in fighting that legislation they were working against the overall common good of our citizenry. That would be I think an honourable admission on the part of the Minister, and I think one that would go a long ways toward restoring some of the credibility and the integrity that this Government is losing day by day. To be able to say, yes, we fought very hard against seat belts. We did so on an ideological basis, we did so on the basis of scientific argument, because I remember all the scientific arguments they brought forward, but we were wrong. We were out and out wrong, and in fact we are now beginning to see the benefits of that legislation, and we will not—we need this sort of a commitment—try to weaken that legislation given our previous comments. We will stand behind that legislation because it is saving lives, and it is aiding to the very good record that the Manitoba Government has with regard to the lower fatality rate.

I want to commend the Minister on their driving and drinking campaign. I think it is a very strong campaign. I believe it is one that moves us in the right direction. I think it is one of the crucial issues that confront Manitobans with respect to their transportation system on a day-to-day basis. I pledge to him the support of

our Party, and I believe other Parties will do the same, for a very forceful and strong action to curb this menace, to reduce the abuse of alcohol and particularly to stop drinking and driving in this province. We believe they have taken some very good steps in the right direction. We commend them on that, and they have our full support to continue with that battle because that is an area that in fact does help save lives and make our roads and streets safer for all Manitobans.

We will be discussing individual items on a page-by-page basis as we go through them, Mr. Chairperson, but I did want to make that general response to the Minister.

Mr. Chairman: Thank you. We will now proceed. When the Committee of Supply last sat this section of Supply was considering the Estimates of the Department of Highways. The committee had been discussing Item 3.(a) Planning and Design: (I) Salaries and Wages 1,824,500.00. Shall the item pass—the Member for Assiniboia.

Mr. Mandrake: Mr. Chairperson, I would also like to make some comments about the GST and the maintenance of weeds and the communique, but I have a far more pressing problem here before me today.

I have a constituent who called me up here the other day and asked me to drive down 246. Now, I am not admonishing the Minister for not doing that road. All I am asking is the road is done in such a way that I am sure that if he was to drive down that road and have seen what happened to me, he would probably have his Planning and Design people redo that road or at least fix it.

I will give you an example. I drove into a farmer's yard by the name of Dregers. I have a fairly long car. I almost flipped it over because the design is in such a manner where my front wheel caught the shoulder of the road and the whole car just almost slid into the ditch. Now, this is just only one instance. I can give you other ones where the approaches to the farmers' yards are very inadequate, completely inadequate. Now, that is my first question. Could the Minister respond to that please?

Mr. Albert Driedger: Well, Mr. Chairman, under Planning and Design here, the critic makes reference to Highway 246, which happens to be in my constituency, which happens to be a road that has just been rebuilt; but, Mr. Chairman, I would have to indicate that first of all, from the outset, when we put out the tender or when we were discussing the rebuilding of Highway 246, it was made abundantly clear to the people that the road was going to be a gravel road. It would not be a road that was built for base and AST or paving in the future.

* (1540)

There is a difference in terms of how you design a road that is going to be paved, because you put extra shoulders on it so that you can stabilize and hold the base and AST or asphalt, whatever is put on it at that stage of the game. There was never any misconception

about Highway 246 being rebuilt as a gravel road. In fact, Highway 246 was actually slated for construction already prior to when we were defeated in 1981. The highway at that time was slated to be on the program after the defeat of the Government of the Day. I suppose you can call it the highway went into remission. But part of the reason for the purpose of rebuilding Highway 246 was to take out the dips and that it would be a flood access for the Town of Morris. That was the purpose of it initially and that has never changed to my mind, the fact that it was going to be rebuilt for that purpose. It would give them a flood access road, it would take out the dips in the road, and it is for that reason that the program went on and it was tendered last fall. The construction has taken place. I believe it is completed.

I know of some circumstances where individuals have had some concern about what had happened. My understanding is that my assistant was working with one of the people who happens to be here today, Mr. Martens. An agreement was reached as to how his situation would be dealt with. Certainly staff have been looking into it. I know that I personally raised the issue, as well as my assistant, with the District Engineer, Mr. Prentice, who has been out personally viewing it and seeing whether we could resolve some of the concerns that were there.

Mr. Chairman, that is in a nutshell what has happened, and I wonder if the Member for Assiniboia (Mr. Mandrake) could be more precise in terms of what his concern is.

Mr. Mandrake: I was just giving you an overview as to what we found to be a problem. I will go through it list by list. For example, the gravel was poorly placed, a lot was spilled over the edges and not enough on the approaches and the municipal road terminals to keep the mud off 246, slopes on the shoulders not consistent, as steep as 2 to 1 and very often a steep drop on the back side edge of the slope. The other thing is, I know just south of Swain's farm—and I am quite sure you are acquainted with that—there is a shoulder there and a very, very deep gully. Now if a person was traveling at any kind of speed and misjudged, he would go right into that gully. There has to be some kind of a safety infrastructure put in there, particularly in that corner, that would probably prevent any kind of accident. I have just listed two of them for you, Mr. Chairperson, to the Minister. Could he respond, please?

Mr. Albert Driedger: Mr. Chairman, to the Member. He raised concerns and I certainly am not critical of him raising these concerns. We will take note of them, as I thought we had to some degree, some of the concerns that came forward. We will take it up with staff and with our district engineer. The Member must be well aware that when we tender a contract the specs of that contract, the design of the road, everything is basically—we have standards that are always adhered to. If that has not been the case here then we will check into it, but I would assume that we have followed the normal process and standards that have always been applied in terms of reconstruction of a road. If there

are some concerns, staff is here. They have certainly noted it and will follow it up.

Mr. Chairman, just for our own benefit here, and staff, is the Member referring to the section that has been upgraded?

Mr. Mandrake: Yes. Just to give you an example, Mr. Chairperson. We were driving down that road and there is a berm on the east side of the road and—I am not a professional engineer—the slope to that berm is very, very deep and maybe that could be corrected. Some of the ruts, for example, along that road are very, very deep and they are very inconsistent. I mean, go any other places, and I always found the slope to be nice and even all the way through. This one here is bumpy and it is ruddy and everything.

Mr. Albert Driedger: Mr. Chairman, my staff tells me that, first of all, the project is not totally finished yet. Next year there will be another lift of gravel coming on, plus whatever trimming that has to be done, so the project is not completed at this stage of the game.

Mr. Mandrake: I am led to believe that the Highways Department brings in your culverts at 12 feet to 14 feet long. In conversation with the numerous manufacturers of culverts, they say they could bring it into your sites at 40 feet long. This of course eliminates the use of couplers and reduces the labour time and dollars. Would the Minister, with his staff, look at that possibility of bringing in culverts at longer than the regular issue, 40 feet long, if that is what they need? Bring it in, or is there a reason for the present lengths?

Mr. Albert Driedger: I am not an engineer. I would have to depend on my engineers and staff who have been in the road-building business for a long time, and with their expertise I would expect that they are looking all the time at which is the best way to do these things. I certainly have to indicate that I have the confidence that they are—and I would be very disappointed if this was not the case—looking at these things on an ongoing basis, which are the most economical and best ways to do these things.

I cannot indicate to the Member here whether culverts should be 40 feet long or what kind of slopes or what is supposed to be happening with it. If there are specific suggestions, certainly we will make note of them and have a look at that kind of thing, but as to getting into the specific areas of designing, the size of culverts—professional people that do that kind of thing, I sort of rely on them that they are fully capable of knowing what to do.

Mr. Mandrake: I am not trying to suggest to you, Mr. Chairperson, to the Minister, all I am offering is some suggestions. I am not saying that you should do it, this is just a suggestion. Maybe we could improve and save a few dollars. This is what the people in the culvert industry told me.

The other question, I know I have seen a particular road, a farm access road, it was coming in probably at an 80-degree angle and they put an “s” curve into

the main highway, 246. Not only that, for example, there was one farmyard there—farm land that had almost two approaches within 50 metres, or 50 metres apart. I would like an explanation as to why we had to go and put in two approaches into one farmer's farm land?

Mr. Albert Driedger: Mr. Chairman, I will check with staff on this, but it is my understanding that when we reconstruct a road and individuals have approaches to various properties, invariably when we buy up right-of-way the negotiations take place. In most cases if the individual feels it is necessary that he had two approaches and it is warranted that he should have them again, certainly he would probably qualify to have two approaches.

However, I would just indicate that if Highways staff had their way, we would have very limited approaches, so we are not overzealous in giving more than we should. I think the reverse would be true, because invariably I have more people phoning and complaining about the fact that Highways, my department, does not want to allow enough approaches, and here the Member is indicating that we have too many approaches too close together. I will have to look into this. I find that interesting because I am always fighting with them to get more approaches.

Mr. Mandrake: I would not expect you, Mr. Minister, to look into it, but I certainly would appreciate it very much if you could get somebody in your staff to look at that, because from reliable sources I have been told that this one farm land has two approaches to that farm land. Here we are, we are playing with a very, very, tight budget and I just cannot understand that.

* (1550)

Mr. Albert Driedger: Mr. Chairman, I wonder if the Member could be more specific as to where. He maybe has a legal description so we can—I will certainly have staff look into that, but I need some more information.

Mr. Mandrake: I will gladly accommodate the Minister. I will provide him with the necessary descriptions of the land and maybe we can resolve that problem.

Again, on 246, just one last question on this particular issue, Mr. Minister. I will be going back on that road next year and having a look-see of whether or not that road has been upgraded as you just made mention a little while ago. Could you be so kind as to inform the two critics as to approximately how much money was used or was required to purchase all that right-of-way to build that highway?

You do not have it with you now, but if you could provide it to us later.

Mr. Albert Driedger: Mr. Chairman, most certainly we can get that information. It is not a secret. I just want to indicate that we have had such a very good road-building year this year. We have built roads all over the place. I am a little concerned when we concentrate on 246. We will certainly look to see if, I would like to check in to see if we have done something wrong there,

because most of the other roads that we have constructed throughout the province, we get a lot of accolades and people are very happy with it. If there is a major problem here because of the various incidents that the Member has raised, we will certainly do a review and I will get the information as to the costs of the land acquisition for him as soon as possible.

Mr. Mandrake: Mr. Chairman, I compliment the Minister upon his answer. I have to admit one thing, I have travelled a lot every since I became the critic for the official Opposition on the highways. I have travelled the by-pass in Brandon, and his department did an excellent job on that. So I am not criticizing his department. All I am asking is, could there have been a mistake on 246?

I have been involved in enough road-building construction in my time to know the difference between right or wrong, so maybe we have slipped up. Let us have a look at it and see whether or not we can resolve it. Let us work towards, you have mentioned about Mr. Martens, his approach certainly is not safe. I think the Minister has recognized that, and I would be very, very appreciative if he would send somebody down there to have another look at it and probably upgrade it to the point whereby it would not be a hazard to getting into, particularly to Mr. Martens' share of land.

Mr. Albert Driedger: Mr. Chairman, I was under the impression that we already were doing that in discussion with my assistant again today about it. I feel that we should be able to resolve this situation within the week to his satisfaction.

Mr. Mandrake: The Minister brought up several issues and of course, it was our Party that brought up the maintenance weeds. Now in going back into the Estimates which we passed, it says on here roadside mowing, brushing, tree beds, orbits, and litter pick-up.

Now mowing is mowing and that means cutting of weeds. Am I right or am I wrong?

Mr. Albert Driedger: Mr. Chairman, as indicated before, or I think the critic indicated that we had really passed that already, but based on the information that was brought forward to the media at the time, that is why I wanted to correct that situation before when I indicated just for mowing of ditches, \$1.5 million has been budgeted this year. Last year about \$1 million was spent on mowing so there is a substantial increase.

If the Member is looking at the Maintenance budget and bases it on those figures—Mr. Chairman, the figures that I gave to the Member is only one part of it under roadsides, mowing, brushing, tree beds, orbits, and litter pick-up, we have \$3,550,000.00.

Mr. Mandrake: That is for last year.

Mr. Albert Driedger: We have about the same for this year for the total thing; but in the mowing itself, we have changed our priorities in terms of the mowing, and we have more money in mowing.

Mr. Mandrake: It waxes so eloquently. We lost \$20,000 in the Maintenance share project. In fact, I brought

that up to the Minister when we were going line by line. I am sorry, Mr. Minister, if you would probably be more explanatory in your Estimates, I would never, ever, have brought this up. But when I look at a line by line Maintenance Program that was provided to me as a critic, and it says \$20,000 less, I am sorry, that to me is \$20,000 less than what we had last year.

Mr. Chairman: Order, please.

Mr. Albert Driedger: Well, Mr. Chairman, I indicated before I was referring to the mowing aspect of it. I said that very openly before that it was in the mowing end of it where we have more money, because under the previous administration the roadside mowing had been cut back. We got most of those standards that we have in that department, not only mowing, all the things that are related to maintenance. We have brought them back up to the standard of 100 percent. There have been dramatic cutbacks over a period of time. If the Member wants to go back in terms of the figures that were used, we certainly are not ashamed of what we have done in terms of our maintenance or construction programs.

Mr. Mandrake: I am sorry, I am going to have to go back to this. If he is going to tell me that the maintenance of weeds on our highways, particularly on No. 1 Highway, was adequate with an increase in budget, where did this money come from? From brushing, tree beds, orbits, and litter pickup, where did this money come from? We see a decrease of \$20,000 but an increase in mowing. So where did that money come from? Where did the increase come from in mowing?

Mr. Albert Driedger: Mr. Chairman, I am actually worried now. Without being facetious, adjustments are made within these areas.—(interjection)—Where did it come from? We will have the answer momentarily. I just like to repeat again, while we are waiting for the answer, that our mowing program has been dramatically improved. I have been getting, in fact, a lot of compliments about our roadside mowing this year over previous years. So, I stand behind it. We have an expanded program and where the money comes from—

Mr. Mandrake: Where is my pictures? I will show you how beautiful of a job you guys do.

Mr. Chairman: Order, please; order, please.

Mr. Albert Driedger: Mr. Chairman, I think the Member had a valid question, and I want to just clarify this for him. We had budgeted 1.5 million for last year for roadside mowing, but last year we only spent about a million. Well, we had a dry year last year; it was a different year anyway. This year we have the same amount in the Estimates, and we are spending it all.—(interjection)—No, but we are spending all the money and last year we did not spend it all.

* (1600)

Mr. Mandrake: I realize that what I am going to do now is probably very irregular. Your roadside mowing,

you say that is so good and is so complimentary, I will provide you with pictorial evidence as to what it looks like. There you are Mr. Minister.

An Honourable Member: Are they all so good?

Mr. Mandrake: Yes.

Mr. Richard Kozak (Transcona): Thank you. I have no pictures to offer this committee, with my apologies.

First of all, Mr. Chairman, let me say that I have no intention of competing with the absolutely flawless, technical expertise and detail placed on the record of this committee by the Opposition Highways critic. However, I have two comments that I would like to make. One is based on a valid point made by the Liberal Highways critic, Mr. Mandrake.

An Honourable Member: Which one?

Mr. Kozak: I would not talk.

Mr. Chairman: Order, please. The Member for Transcona.

Mr. Kozak: I would like the Minister to be aware that I have had myself, in my constituency, repeated complaints and expressions of distress about the lack of mowing, the general lack of maintenance of the right-of-way for the northeast Perimeter Highway.

I would like him, if he could, to have his departmental officials look into this situation which I have been alerted to by people of great personal credibility and I would hope that he would see if some further attention to this important right-of-way along the northeast Perimeter could possibly justify further attention.

Mr. Albert Driedger: Mr. Chairman, most certainly we will look into that. I want to assure the member and further indicate that finally after 20-some-odd years we are going to be activating the northeast Perimeter, where we are in the process of starting to buy the balance of the right-of-way and we will be engaging a consultant to do the actual design aspect of it. So it is just in the first stages that we are starting to promote it, and it is a massive financial undertaking, but I think the need is there. Certainly we have a certain right-of-way there. I just want a clarification. Is it on this right-of-way that we own at the present time where there is a concern about the condition of mowing, et cetera?

Mr. Kozak: Yes, Mr. Chairman, in response to the Minister, in the vicinity of the right-of-way in which many residential homes are located and that back directly on to the right-of-way, for the Minister's information.

I will not proceed with that point, Mr. Chairman. I am very pleased that you have given me the opportunity to alert the Minister to this situation. But I do feel, on another matter I have as my Party's Treasury Board critic, the ability to bring a certain expertise, or a certain insight to a matter raised by my friend, the Member for Churchill (Mr. Cowan) who expressed concern about the impact of the 9 percent federal goods and services tax on the operations of the department.

I would like to suggest, both to the Member for Churchill and to the Minister, that this matter is one of greater complexity than we normally think it is. Yes, certainly the 9 percent federal sales tax on goods and services will be applicable to the Highways Department in the future, only a year away, Mr. Minister.

However, the Minister's Department will at the same time receive a certain offsetting benefit from the fact that capital inputs like plant equipment and machinery will have the federal tax on them rebated. Coming up with a calculation of the precise impact on this department of the goods and services tax requires a complex, sophisticated analysis that I hope and pray this department is in a position to provide.

The Minister of Finance, in the course of one exchange between us, informed me that the Government and particularly his department, has essentially no financial forecast in capacity. I would ask the Minister of Highways (Mr. Albert Driedger) to direct the financial forecast in capacity of his department to learn, in his own self-interest and in the interest of the people of Manitoba, the impact of the goods and services tax on his department.

I would suggest that this would be an appropriate priority item for him because as the Member for Churchill (Mr. Cowan) points out, and as the Member for Assiniboia (Mr. Mandrake) points out, the impact cannot be calculated simply, it will have a multimillion dollar effect on the Minister's department. It should be assessed with all due speed and rigour, simply advice for the Minister, friendly advice for the Minister, I would suggest due attention to the very valid point brought out in a slightly simplistic way by the Member for Churchill, but he, nonetheless, raises a point that is of interest to this Minister and that the Minister should attend to.

Mr. Albert Driedger: Mr. Chairman, I appreciate the comments. I might indicate that we are already in the process of doing that.

As the Member is well aware, it is not a simple thing to try and calculate these kinds of things. My staff is working at the present time together with the Department of Finance in terms of trying to establish that, not just on the Highways aspect, on the total Transportation aspect of it.

That is a very complex thing to process or to try and establish all the pros and cons of this thing, if there are any pros. Just to go through the process itself is very complex, but we are in the process of doing that and, most certainly, that is information that once we have that I am sure the Minister of Finance (Mr. Manness), as well as each individual department, is going to be concerned about.

Mr. Kozak: I would certainly like to thank the Minister for his forthcoming answer. I would like to thank the Member for Churchill (Mr. Cowan) for allowing me to interfere with his usual place in the speaking order, and I would like to express my satisfaction that the Minister is aware of the problem and is determined to come to grips with it. I hope he does so successfully.

Mr. Albert Driedger: Mr. Chairman, I thank the Member for those comments.

Coming back to the picture taking that took place—and I am looking at those photos right now and I cannot enter them into the Hansard. I would like to just indicate—(interjection)—no, I do not know when these were taken necessarily, but the process of roadside mowing is in process even right now, yet. As we speak they are mowing. So that condition, as I indicated earlier in my comments, if we started mowing in the middle of summer, much as we would like to do, we would have to end up mowing twice. Cost is always a factor.

Certainly I still feel—maybe the Member in his travelling—and I am glad that he had an opportunity this summer to travel many of the roads, found some that he has some concerns about. I can actually give him a whole list of some where I have some concerns too and where we are trying to improve the road situation. Since having become the Minister responsible for Highways and Transportation, I take great pride in driving down the roads and noting things that I did not before. I look at these things with a more skeptical eye and, certainly, if—I do not know whether there is any location on here.

An Honourable Member: That is Elie.

Mr. Albert Driedger: That is Elie, eh? I will have an update to see exactly where we are at with the roadside mowing on the Elie situation by tomorrow.

Hon. Glen Cummings (Minister of Environment): I want to put on the record that while there appears to have been some complaints that were brought forward by the critics about the mowing of roadsides, two observations I would want to make.

* (1610)

One is that there was a lot of roadside hay that was cut this year, which influenced the direction of the department because I recall being part of that discussion, and I really wonder if the critics were cognizant of the fact that it is kind of hard to make hay after it has gone through a rotary mower.

Mr. Mandrake: I do appreciate the answer that the Minister gave and, of course, the Minister of Highways was very fully aware of my comments with the critic for Agriculture. That was when the pictures were taken. We are not questioning the hay. By all means, do not cut that, but when it comes to noxious weeds, that is when I do not appreciate—and I have provided the Minister with milkweed, for example, and it is a very noxious weed.

The weeds at that time were starting to flower and I think it would only have been appropriate to do something with it because it was going to go into the farmer's yard and I think the cost, if my memory serves me right, it is somewhere like \$15 an acre. The farmer today has enough problems taking care of his own weeds without having the weeds come from the highways. Those are the ones we were talking about. I am not talking about the hay. You want to leave the

hay for the farmer to cut, by all means, but in all respect, for goodness sakes cut the noxious weeds out or do something with them, curtail their growth. Do whatever you want to do, okay?

An Honourable Member: Nuke them.

Mr. Mandrake: Pardon me?

An Honourable Member: Nuke them.

Mr. Mandrake: Nuke them. You only do that in the States; you do not do it in Canada.

Mr. Albert Driedger: I have taken note.

Mr. Mandrake: Mr. Chairperson, I am going to leave the weeds alone already. I think we have exhausted the weeds.

The Member for Churchill (Mr. Cowan) waxes so eloquently about various things and I do not blame him. All well and good, he has been around many years and he has a lot of experience behind him.

Mr. Cowan: I have fought this weed fight before.

Mr. Mandrake: I doubt it very much. In Churchill they do not have very many weeds.

Mr. Cowan: That shows you do not know the North.

Mr. Mandrake: Mr. Chairperson, could the Minister be so kind as to tell us, in the Legislature, the Minister of Finance (Mr. Manness) made a statement that they are presently studying two departments: the Department of Tourism and the Department of Highways as to what the GST is going to have an effect on. Does he have any preliminary studies at his disposal right now that he can provide the Members of this committee as to how it is going to have an impact on next year's budget?

Mr. Albert Driedger: Mr. Chairman, this was raised by the Member for Churchill (Mr. Cowan), and the Member for Transcona (Mr. Kozak), I think, raised it as well, and the critic is raising it now.

I have indicated that we are in the process of trying to establish exactly what impact the proposed 9 percent GST would have on my department as well as some other departments, and we are in the process of it right now. Staff are working with it. I do not have any figures at the present time. Once those figures come available I am sure that we will have no difficulty making them available to all Members of the House. Certainly, the Minister of Finance (Mr. Manness) is going to be on top of this and I think the questions have been raised with him many times and will continue to be raised with him. So we are in the process of doing it right now and I do not have any precise information on that right now.

Mr. Cowan: Mr. Chairperson, on the matter of Planning and Design and Land Surveys, I have a number of

specific questions that I would like to address to the Minister with regard to specific roads.

The first is the Ilford to York Landing road. That particular road was in the planning and design phase during the time of the change of the Government. There was a commitment to continuing that road that was an ongoing commitment. I had indicated to my constituents in that particular area that it would probably be a project that would take a fair period of time, that it would be spread over a number of years, but that it would be started in the near future so that it could extend the employment generating capacity of the road to the longest extent possible.

There are also some matters that had to be completed and dealt with, with respect to the York Landing reserve area before the road construction started, but we had given them a very firm commitment that we were going to proceed with that road over a period of time. I would ask the Minister if that road is now still in the planning and design phase, or if it has gone beyond the planning and design phase. I know there was some surveying done. I do not know if it was the type of legal surveying which is required to actually start the construction of a road, but I believe it would allow for an early construction if possible.

That road is required because it will open up another part of northern Manitoba that is presently without road access. The ferry now goes from Split Lake to York Landing, and the road to Ilford from York Landing would enable people from Ilford to become a little bit less reliant on rail traffic, which we know is undergoing a series of cuts in the area as well, and be able to have more access to and from their communities. It is an important road in that respect, and I would ask the Minister for an update on it

Mr. Albert Driedger: Mr. Chairman, I would like to indicate to the Member for Churchill that the survey and design has been done off-reserve, but on the reserve there was some question as to where the road should be, so that has not been completed at this stage of the game.

It has not necessarily been one of the high priority roads, I guess. First of all, because as you proceed with this, the next stages get to be very, very costly, as the Member is well aware, to do that.

Mr. Chairman, further, staff advises me that there are further discussions taking place with the band to find out exactly where the road will be going on reserve. Once that has been established then the survey and design aspect of it for the total package could be completed. As to when the rebuilding would start, or the construction would start, that will be a matter of establishing it as a priority.

Mr. Cowan: Well, I would encourage the Minister to establish it as a priority. This road has a long history and, as the Minister is probably aware, it was initially started in 1977. As a matter of fact, construction had commenced, or was about to commence, with equipment having been mobilized in the area in 1977 for the construction of the road. It was stopped by the

previous Conservative administration; when we resumed office we entered into discussions and design and planning and survey on it. I am aware of the concerns about the band, but I have had many discussions with the chief and council of York Landing, as well as the mayor and council and residents of Ilford and York Landing about this road, and I can assure the Minister that it is a road that they would like to see constructed. It is not as costly a road as many of the other road projects. As a matter of fact, I was surprised at the cost of it when we did some preliminary estimates and the fact that it was lower than most had anticipated.

Also I understand that conversations and discussions are now taking place with the Chief and Council of York Landing. I would also ask the department to, while consulting with them, speak to them about the construction of a road that they would like to see from their community to the main Split Lake highway. I had asked the Minister for some cost estimates on that road a few months ago. He had sent me a very preliminary cost estimate, one which we would not want to hold the department to, because it was of a very general nature, but that is another priority for individuals in that area and I had hoped that the Minister's staff, when discussing the York Landing to Ilford road, would also discuss the York Landing to Split Lake road.

I would encourage him to place those roads as a high priority in the budget process for the department. They are roads that are long overdue and they are roads that will improve significantly the quality of life for residents in that community.

* (1620)

I would also ask the Minister what overall planning the department has in place for Highway 391 north of Thompson. As the Minister is aware, several years ago we entered into a long-term plan to improve that road and were doing certain sections of road ranging from 10 to 15 kilometres to 20 to 25 kilometres per year on an ongoing basis. The purpose of that was to upgrade the road first, from the perspective of improving safety on it, and second, to improve the overall quality of the road. We have had a very tragic accident on that road not that long ago.

In mentioning that I lay no blame at anyone's doorstep, those accidents occur. It is indeed a tragedy. Perhaps it could have been avoided if we were able to better maintain Highway 391 and also improve some of the construction of it. That is an ongoing process. I would ask the Minister if he intends to continue that process to the same level that it has been undertaken over the past number of years, during the current fiscal year and upcoming fiscal years as well, because it cannot all be done in one year. I would suggest that discussions with Hydro take place with respect to the accident, as to how that particular area can be improved immediately. Perhaps that should be the first priority.

Mr. Albert Driedger: Mr. Chairman, first of all I would like to indicate to the Member for Churchill (Mr. Cowan) that when Cabinet did their tour up north, I had the privilege even prior to that to be in the Leaf Rapids area. I got strong encouragement to drive the road

391 from Leaf Rapids to Thompson. We ended up at Lynn Lake. That encouragement got even stronger to drive the road, so I changed my plans as part of the Cabinet tour at that stage of the game and had the privilege of being hauled or driven by storekeeper from Lynn Lake to Thompson. I have to indicate that I enjoyed the drive very much, not having had the opportunity to have driven it before. It gave me a chance to have a good look at the road.

The Member is well aware that between Lynn Lake and Leaf Rapids we have a base in AST and some asphalt in cases. The road has a tendency to do a certain amount of heaving from time to time, because of the permafrost. There is continual maintenance going on that road. I understand my colleague and cousin also was on that road, and I had the chance to discuss this with him. He thought it was a terrible road on the way up and a better road on the way back. However, I would just like to indicate that we are proceeding with the progressive plan that has been developed to upgrade 391 from Thompson to Leaf Rapids.

At the time the Member makes reference to the unfortunate accident, of course that was not on 391, that was on the approach to Nelson House. I drove down and had a look at that approach. Repairs have been done. We had slated work for that causeway; however, I think there was some jurisdictional problems between Hydro and the band, and we are putting it as a priority to get that resolved and see whether we can get the causeway build up, I guess.

With all due respect, in my travels on some of these roads up there, these are not unique across Manitoba for the North. We have roads throughout the province from the time that the PTH and PR system was established. I have had the opportunity in the last while to travel many roads, and we still have upwards of 4,000 miles of PR roads that have not been upgraded or touched really since they were designated, so the challenge is certainly to keep on upgrading the roads generally.

I will take a fair swipe at the previous administration. The roads were not their priority. They kept cutting back on the highway program, and we are escalating that. I think transportation is a very important aspect, of the North especially, and certainly we are not going to be cutting back on the construction activities in the northern part of the province.

Mr. Cowan: I have two more quick questions, just to respond to the Minister's last comments. He will not have found cutbacks in northern road maintenance and construction during the NDP tenure. As a matter of fact, he will find exactly the opposite, and that is because those roads had been poorly maintained for a while. Construction is very difficult and they require a bit more maintenance, and that was our commitment to that particular area of the province. So, I think he should bear that in mind.

Secondly, I have travelled that road several occasions this summer alone, and I have heard that maintenance on the road, and I have seen first-hand that maintenance on the road is deteriorating somewhat. I think that is

probably one of the complaints that the Minister would have received, that not only does general improvement have to take place, but that maintenance has to be improved.

With respect to two other issues that I want to touch on very briefly and then turn the floor over to whoever wants to speak, I will ask both questions now to save some time. Is there any planning and design going on for access to the access area for the Perimeter and Waverley Street? It is an area of high traffic volume. With Waverley having been paved just recently, the volume is that much higher. The junction is becoming more and more dangerous. The people in the area are asking for some sort of traffic control light to be put there, as is the case on St. Mary's Road or St. Anne's Road and the Perimeter. We believe generally as a Party that it should be in place before we have an accident there. It is an area that is waiting for an accident, if you do not have that sort of improvement. So I would ask him if there is any planning and design going on in that particular area. I happen to have a house in the area and travel that road quite frequently, and I can tell the Minister from personal experience that the situation is worsening and that some action is going to be required.

When they get the Bishop Grandin extension over to Waverley, I can imagine that you will see much more traffic coming down Waverley toward the Perimeter and it will become that much more difficult. So I would ask him if there is work being done on that.

The second question, I have some others that I will ask later on, is with regard to the circle route. As the Minister knows, the Lynn Lake community has been for some time asking for the construction of a circular route from their community to Flin Flon or Snow Lake to complete the circle. They have made some very strong arguments for that route. I will be quite frank with the Minister, and it is a matter of the public record here and in Lynn Lake and in the North, I do not favour that particular circular route until such a time as 391 is improved to the extent that it is a much better quality road, and until such a time as roads are brought into communities such as Ilford and York Landing and other communities that do not presently have a road system. I have always been very clear that my priority as MLA for the area was that we improve access to or that we create road access to areas that do not have it first; second, we improve the existing roads; and then third, we construct roads to communities that already have roads that would in fact result in circular routes.

But I have to tell the Minister, having fought four election campaigns in that particular constituency, that in every campaign the Conservative candidate promised that circular route, and as a matter of fact on occasion that was made part of the central Conservative platform and the Premier himself became involved. So I have been fairly straightforward with respect to my perception of the need for that and the timing of that particular route. I have been honest with my constituents, but I want to hear from the Minister having knowledge that they have just completed a study of that circular route which pegs the cost at well over \$100 million, closer probably to \$150 million for it, what response he is

going to provide as a Conservative Cabinet Minister and as a Member of a Party that for the last dozen years, to my knowledge, has promised that road will be constructed if they are in power?

Mr. Albert Driedger: First of all, I would like to just, the Member raised three issues. I would like to go back to the maintenance of Highway 391 to some degree and just indicate that when I was up there I talked with staff—not indicating that we should not upgrade our maintenance on it—and part of the problem that we ran into this summer was a fire situation where the units were

An Honourable Member: It was before that though. I heard those complaints well before the fires.

Mr. Albert Driedger: At the time when I was there it was after the fires and part of the maintenance program had been deferred to some degree. But certainly that is one aspect of it, that in my travelling down that road, certainly prepared to look at and see whether we can improve the maintenance to some degree.

* (1630)

A fair amount of money is being spent all the time. Part of the thing that I found difficult for our staffing out there is that it is a long way to drive with the machines, and where do you store the machines, and that gets to be a problem as well. If they could drive with a truck down 30 miles and then pick up a machine and do the work instead of taking the machines back, ironically, I guess, from the time that I left Lynn Lake word must have got out that I was on the road because by the time I got close to Thompson, I met two maintainers and units galore.

Mr. Cowan: I have had that experience in the past myself.

Mr. Albert Driedger: I was not sure whether I had anything to do with that or whether we were just doing a good maintenance job already.

Mr. Cowan: I think it was timely maintenance on the Perimeter and the circular round.

Mr. Albert Driedger: Mr. Chairman, I am sorry, I still want to address the other two questions that the Member brought forward, one is the Perimeter and Waverley.

At the present time we are having discussions with the City of Winnipeg. We know staff are fully aware of the implications of what is going to be happening there with the landfill site, et cetera. We are looking at ultimately in the long-range plan of probably having an interchange there. The cost is very high, of course. At the same time when we talk of the Perimeter we are a little concerned. We are trying to get away from signalized lighting on there and this is a request that I think is probably going to have to be dealt with as well, so discussions are ongoing. We realize there is a problem there and we are trying to move it along together with the city. So we are very much aware of

it, and hopefully, we can move along with this thing, resolve it to some degree.

Mr. Cowan: And now you are not going to have a circular route?

Mr. Albert Driedger: Now we get into the circle route. As the Member is well aware that the report was done by Dillon, this was I think commissioned by the previous administration to do this study. I think that was part of maybe their political way of saying that they were not opposed to it or whatever the case may be. Anyway the report has come down that we have widely distributed the report to the communities in the North. We have asked for a response. We are presently waiting for a response from the communities. I have to indicate that at the—

Mr. Cowan: It is not high on the priority list though?

Mr. Albert Driedger: —approximate estimated cost of \$180 million—the Member wanted to know what my position would be on it. I am not very excited about jumping up and proceeding with construction at this stage of the game. I think that possibly once we have the responses back we will have a look at it. There were four various locations basically. There was not unanimous agreement. I understand from preliminary discussions with some people up north as to which route they would prefer, everybody has their own advice as to which route should be the one that should be going. Well, it is premature for me to make any commitment or comment on it until I get the responses back and then I am prepared to have a look and take it from there.

Mr. Cowan: One very brief response to that to explain why that report was commissioned, that report was commissioned because in the past we had indicated as a Government that we thought the cost of that road would be in the area of \$100 million. That was a rough estimate and based on some calculations that were done in a very rough and ready way over a period of time. The community itself said that they thought we were quite wrong on that estimate, and we said that we would not proceed with the road at that cost because we felt that money could be better spent in other areas.

But the community said—and particularly the Conservative candidate of the day, a Mr. Dennis Young—that our estimates were way off and that it would only be a \$20 million, \$30 million, \$40 million, \$50 million road at most, so we had that report commissioned to find out exactly what the cost would be. On the request of the communities, we also asked for social economic factors to be factored in because they felt that may paint a better picture for that road.

But never in my political history in that constituency have I indicated any sort of favour for that particular road until such a time as all communities that required access had access available to them, whether that was road access such as York Landing and Ilford, or whether that was airstrip access such as improvements in Leaf Rapids or an airstrip in Granville Lake or Tadoule Lake which was done, or until we had the quality of road

for existing roads that meant people could travel safely and comfortably in the North.

So there is no question in my mind that the reason for that report was to indicate very clearly that it was a very costly road and had to line up within the existing priorities in that way.

Mr. Albert Driedger: No, I have no further—

Mr. Harry Harapiak (The Pas): Mr. Chairman, I would like to deal briefly with the information the Minister has given us dealing with the Manfor roads, and I would like to ask the Minister if Manfor or Repap were involved in setting the priorities for road programs or was this designed by the Department of Highways of the Province of Manitoba?

Mr. Albert Driedger: Mr. Chairman, I would like to indicate to the Member (Mr. Harapiak) that this was done in consultation with my departmental people as well as the people from the Department of Finance and the people from Repap.

Mr. Harapiak: When the program was being announced it seemed to indicate to the people in The Pas and Swan River that there would be some emphasis placed on the No.10 highway between The Pas and Swan River because of the increased traffic between those two communities because of the chipping plant being located in Swan River. I notice that in this program that is projected for the next six years and it is for the entire \$90 million that they had decided to put in that program and there is no indication of any emphasis being placed on that road at all.

Mr. Albert Driedger: Mr. Chairman, I would like to indicate that when that program for Repap was developed, that was basically for the heavy haul of timber that they anticipated with the kind of units that they planned to haul. That was part of the negotiations, that they would be able to haul with the tree length longer units type of thing and that is where the negotiations came up with the paving of the shoulders and the strengthening of the highway. On No.10, south of The Pas, that road is not under that program but we have an ongoing upgrading program that we have for Highway No.10, so it is not that No.10 south is ignored from that program. That is a separate program that we were looking at there, a regular program that we are doing on No. 10.

Mr. Harapiak: While we are in this area of Planning and Design, is there any thought being given to having an alternate route to go through the Town of The Pas because of the increase in the amount of traffic that will be coming through that community?

Mr. Albert Driedger: Mr. Chairman, I would like to indicate to the Member that we have started looking at the options of an alternate route to The Pas. It has been brought to the attention of departmental staff and myself on various occasions about the concerns about the access into The Pas at the present time. We cannot be specific in terms of what stage we are at right now

with it but we are looking at it in view of having a different route. We are also looking at the bridge aspect of it which probably will come into play in the future as well, so we are working in that area.

Mr. Harapiak: There is some concern in northern Manitoba that with the \$90 million going in for prioritizing roads for Repap's benefit that there will be no other road programs in the North. I would like the Minister's (Mr. Albert Driedger) reaction to that statement.

Mr. Albert Driedger: Mr. Chairman, the Member (Mr. Harapiak) hurts my feelings when he says that. I thought we had a very active road construction program going all through the North to some degree, and to indicate that we will only concentrate on the Repap arrangement and not on the others is not a fact. We will continue to have other road activities going up north.

Mr. Harapiak: In the statement that the Minister (Mr. Albert Driedger) gave us, he said that the National Transportation Agency has asked for a consultation with the province when dealing with the rail network criteria, how they should modify it, or what was needed for a regional development. Has there been consultation with the provincial Minister and can the Minister give us the information that he used when he was taking part in these discussions that were taking place with the National Transportation Agency?

* (1640)

Mr. Albert Driedger: Mr. Chairman, I wonder if the Member (Mr. Harapiak) could clarify, are we talking of rail abandonment at this stage of the game.

Mr. Harapiak: Mr. Chairman, the statement that you used for your communicate on page No. 3.

Mr. Albert Driedger: Mr. Chairman, I am wondering if the Members would— with their indulgence, initially when I made the statement about that I just wanted to bring everybody up-to-date as to what had happened in Calgary. I am prepared to certainly, under Transportation and Research—we can go into it now, but I do not have my transportation people here—Jim Wallace, who is the one who is into that area of—with your indulgence, I would like to maybe leave that over and be prepared to debate that at that stage.

Mr. Chairman: On 3.(a)(1), shall the item pass?

Mr. Mandrake: Mr. Chairperson, I listened with great amazement, the Member for Churchill (Mr. Cowan) asking the present Government to build roads into the various areas up north, and rightly so. I think the areas did deserve, and they do deserve those roads, but during their administration I want to put it on record that they cut the budget by \$12 million. Your total budget was cut by \$12 million -(interjection)- I could care less, I could care less.-(interjection)-

Mr. Chairman: Order, please; order, please.

Mr. Mandrake: Mr. Chairperson, so let us not be so holier-than-thou saying that now that we are known as

the third Party we can get on the bandwagon and start hammering the Minister of Transportation (Mr. Albert Driedger). Look, there are enough roads around here to be done, and I am quite confident that with planning his good departmental staff will certainly look at his suggestions, and I am very happy to hear that he has said, "Let us upgrade the present roads up north as opposed to—(interjection)—"

Well, he is chirping from his seat again, Mr. Chairperson. I mean, I am trying to ask questions. I am not asking him questions.

Mr. Chairman: Order, please; order, please.

Mr. Mandrake: Thank you very much, Mr. Chairperson. During the Estimates last year, I asked the Minister about the route PR 373, whether or not he would have his district engineer look at that road, and he said, "I most certainly want to indicate that we will, based on the request made by the Member, look at 373."

Mr. Minister, I went down that road and if all the roads up north are any indication of what 373 is, it is worse than shameful, it is deplorable. No wonder we had an accident on 391. There is no doubt in my mind. I will provide the Minister with pictorial evidence, and here Mr. Minister is the one that I hung up the front of my car.

An Honourable Member: That is the one that I wanted to see.

Mr. Mandrake: There you go. Now I think that type of pothole in a provincial road is not—I mean there is just no need in it. Again, I plead to this Minister, will he do something about 373 immediately before we lose lives on that road? Gardewine uses it; Manfor uses it; and of course the people from, I think it is Norway House and—oh, I forget the other, maybe the Member from—

An Honourable Member: Cross Lake.

Mr. Mandrake: —Cross Lake, they use it and they are constantly telling me that their windshields are being damaged, their lives are being put into jeopardy. So all I am asking is, please, Mr. Minister, have somebody go there again, not just look at it, fix it.

Mr. Albert Driedger: Mr. Chairman, first of all, I became aware that the critic for the Liberal Party was touring the northern roads. In fact, the CBC Radio out of Thompson, I think they had a tape from him and they played it for me and asked my response to it. So I was aware that the Member for Assiniboia had had some difficulty traveling on 373. I would just like to indicate to him that many of the roads, the roads that were mentioned by the Member for Churchill (Mr. Cowan), as well as other roads up north, many of them when they were graded initially were graded to a very low standard, sort of pioneer roads. As a result of that, most of them have to be upgraded and this is what is taking place on an ongoing scale.

I want to indicate to the Member for Assiniboia (Mr. Mandrake) that we have met with the people from

Norway House. We are in the process of building a \$1.8 million bridge there right now. We have also jointly agreed with the Department of Northern Affairs, my department, and the people in the area there, who divided the responsibility of the roads in the area. The Department of Highways has taken over the road on 373 right up to the airport and will be doing a grading program on 373 right now, outside of the area, and we have a staged program whereby we will do the upgrading of 373, all the way up to the airport, including the new bridge in there.

So we are certainly not neglecting the roads up north. However, it is virtually impossible to undertake all these roads as fast as everybody would like to see them done. I certainly would like to have every road under construction, but it is a matter of setting their priorities and getting them done as fast as we can. These are not always political decisions that are being made in terms of which roads are being built. We look at staff as a rating component that they use, in terms of establishing what the quality of a road is. We look at the traffic that is on there, the purposes that these roads serve, and then from there on we make decisions as to the condition of the road and how much money we have and which roads are going to be prioritized. So 373 is not neglected. We are trying to catch up as fast as we can.

I want to ask the Member, does he want these pictures back or are they for my scrapbook?

Mr. Mandrake: By all means. The Honourable Member for Thompson (Mr. Ashton) says this is more fun than the movies. I wish he would have been on that road when my car—

An Honourable Member: I would never take a car like that on the road.

Mr. Mandrake: —the front end of the car, got stuck in there.

An Honourable Member: I drive a Bronco.

Mr. Mandrake: Oh, come on, you drive a Bronco. I do not think you can drive a Bronco.

An Honourable Member: Not a Lincoln. Who would take a Lincoln on that road?

Mr. Mandrake: Mr. Chairperson, I heard the Minister repeat that this was a, what kind of a road, originally built?

Mr. Albert Driedger: Pioneer.

Mr. Mandrake: Pioneer road? Well, why is it that we allow traffic such as Manfor trucks to use that type of road without upgrading it to the standard which is required for the transportation of pulp?

* (1650)

Mr. Albert Driedger: Mr. Chairman, part of the problem that we have with the roads up north is that we have

mining operations up there, we have lumber industries up there. What happens, in many cases, the road gets punched through by some of these companies up to a degree. Ultimately, I will give you the example of the Sherridon Road, which basically is a mining road and last year the pressure comes on for us to start upgrading it. Basically, some of those roads initially are not even in the provincial road system, like the Sherridon Road is not a PR road, 373 already is. But you ask how it develops that we have not got better roads and this is how the road system has gradually been developed. Now when we build roads we try to build them to a standard that can carry the kind of traffic and weights that is demanded.

Mr. Mandrake: I appreciate what the Minister has said. Could he provide some assurance to this committee that in the next year's budget we will see some appropriation of funds for 373 whereby maybe we could stabilize the ground. We could probably provide something whereby we would not have these type of potholes in existence whereby we would jeopardize the lives of people in that part of the country.

Mr. Albert Driedger: Mr. Chairman, I have indicated to the critic that we have had an understanding with the people from Norway House in terms of how we are going to be addressing the construction activity on Highway 373, including the bridge. We have done the first stages of the bridge now and we are looking at doing the tendering later this fall for the construction of the Jack River Bridge. Subsequent to that and following to that, we will be going into contracts each year to do certain portions of the 373.

Mr. Mandrake: I appreciate, sure, what the Minister said, and appreciate the fact that he has allocated monies for the bridge, but all I am asking is will the Minister offer some assurance that the 373 will be in his next year's projected budgets for 1991.

Mr. Albert Driedger: Mr. Chairman, I do not think I am ready to announce next year's construction program yet at this stage of the game. This portion of it, as I have indicated, we have a staging program for 373 that will be an ongoing one as we move along with this thing. That is the best indication I can give to the Member, but I also want to tell this Member that he has driven Highway 246 and he has driven Highway 373. I have a list of roads that I want him to travel as well, so that he can come back in here and support the position of many other communities in terms of PR systems.

There are a lot of roads that are—you know, we can single out one or two roads and concentrate on them in terms of what should be done. However, the thing is a little bit more complex than that. We have a lot of roads in the province that need attention, including the PTH systems. When we talk of survey and design at this stage of the game, I would like to actually—now, before we leave this item here I want to go through some of the items that we think are high-priority items that we are working at in survey and design.—(interjection)— Well, that was certainly one of them, but also other ones as well, including Brandon east access

et cetera. I want to go through a bunch of them yet, so when we get around to that we will want him to discuss some of those.

Mr. Herold Driedger (Niakwa): Mr. Chairman, just before we leave the section, I would like to revisit some of the remarks made by the Minister regarding our shared experience involving the transportation by ground vehicle over 391. I use the term ground vehicle because I think we have to talk in terms of trucks rather than cars here, because some of the vehicles that—to contest these kind of roads, and I think we have to use the term “contest,” means you have to be prepared to handle the conditions the road presents to you.

But particularly, the Minister mentioned the fact that I had found the road bad going up and better coming back. Well, I would like to remind the Minister that “better” is a comparative term, and we would have to ask better than what, because he and I both—(interjection)— The Member for Churchill (Mr. Cowan) says better than bad. Well, it was simply a matter of the road was different coming back than it was going up. I am told by the people in the North that they change quite rapidly, based upon the conditions and how far it has been since the most recent maintenance.

Now, there are other aspects, too. The Member for Churchill (Mr. Cowan) mentions moisture, and I think the day that I was there we had just briefly had a washout on that road where a panel truck had actually driven into that washout because it came upon him that quickly, just around a blind bend. These things occur very quickly. It makes a road which becomes a life-link for Leaf Rapids and for Lynn Lake relatively important in the scheme of things with respect to their own view of how important it is when you also have truck drivers who are normally quite capable of handling anything that a road system can handle, saying, me go to Lynn Lake? Or, me go to Leaf Rapids? No way, not unless I take a different tractor or you change a load to a different haulage, or whatever.

The road itself did present, and I have to remind the Minister we both have a shared experience also insofar as the area we grew up in, which was actually part of southeastern Manitoba, which is largely composed of glacial till plain, so we know whereof we speak when we talk about boulder fields and we talk about frost heaving and stones floating to the surface and cobbles on the road. But when I am referring to the road on 391, on the way back, when it was better than on the way up, the stones I was dodging and the windrows that were left by the maintainers were, to my mind, no, they did not even qualify as cobbles, they actually qualified as boulders and one had to sort of drive around them because one would fear to tear the differential out from underneath the vehicle if you decided to go over.

I think it just bears saying that we are not making light of the situation. We are just indicating that this road is a very, very important road to the residents of the area, and when they say they have problems with it they do not make it lightly. They actually do have severe problems with this road, to the effect where a person using his own vehicle will normally count on

having a stone bruise or a windshield crack by stones being thrown up by passing traffic that will actually mean that the windshield must be replaced each time that the vehicle goes over that particular road, and it is a hardship for the people. I think we should just bear that in mind and consider that when we plan the kind of maintenance, and perhaps the kind of maintenance we are referring to requires some kind of redesign as well. Although I understand that permafrost and the muskeg that have to be contended with in the design of this road, we probably have to be a little bit creative in what we actually come up with.

Thank you very much.

Mr. Albert Driedger: Mr. Chairman, I want to have it understood that I am not belittling the conditions on Highway 391, or 373, or any of the roads up north. Certainly, having travelled some of them myself, I have made note of the fact, and discussed with staff in Thompson at the time, the possibility of reviewing our maintenance aspect of it on there. So I certainly appreciate the comments and I am not making light of it. I realize that these kind of roads are the lifeline, or the access line, for these communities, and if we travel them once in a blue moon it is maybe not that bad, but many people travel them on a continuous basis and certainly, if possible over a period of time, hopefully we can get all these roads into a condition so that they are safe to travel, No. 1, and easier to travel.

Mr. Cowan: Two quick questions and perhaps the Minister can come back and answer them at the next meeting. One is that there have been some rumours of the Government's consideration of a road to Churchill that have surfaced from time to time.

Mr. Albert Driedger: God forbid.

Mr. Cowan: Well, the Minister says, God forbid, from his seat and I just want to ask him if in fact there is any planning and design work ongoing on such a road, without making comment as to the suitability, the viability of such a road, or even at this point in time the necessity of such a road and the impact that it might have on the rail line going to Churchill, but there have been those rumours and I would like to know if there is any validity to them.

* (1700)

Secondly, based on the instruction we have had today, I wonder if the Minister could undertake some research with respect to the fatality rate in the different geographic parts of the province. In other words, on a per capita basis, or a miles per driven basis, which might be a more accurate indicator, if one has those sorts of statistics, are there more fatalities in northern Manitoba than there are in the city? Are there more fatalities in rural Manitoba where the people have to contend with gravel roads than there are in the city? I think that information might be helpful to overall discussions in some determination as to the priority of the Government as to where to spend its limited dollars. Even though they have increased the amount of funding

for highways, it still is a limited amount, and the Minister knows that there are many competing priorities. Safety should be one of the key criteria in determining what should be prioritized in any given year.

Mr. Albert Driedger: Mr. Chairman, I will address the last question first.

I do not believe that we have that kind of information available right now. To really get a good indicator, you cannot just take a snapshot of today because tomorrow it could be different, so you would have to do it over a period of time as to whether there were more accidents in, let us say, the rural area of the North, the South, whatever the case may be. We will have a look to see whether there is some information available, but we have to be careful that we do not give the wrong impression with that kind of information until we have something that is going to be meaningful.

To say today at this particular time we have had so-and-so many people killed or accidents up north, and so many in the south, and so many in the city would not be meaningful until you could say this is the general trend. It is something that we would give consideration to, limited consideration at this stage of the game. I do not want to make a commitment that we are going to run off and do a survey of this, but if we can gather some information somewhere along the line, we are prepared to do that and certainly, if it is meaningful, we will be prepared to forward that on.

Addressing the first question of the Member, on the road to Churchill, I would indicate to the Member that I find this a sort of a sensitive issue to begin with, first of all because -(interjection)- No, the reason for that to some degree, I think they are very premature in terms of talking roads. I think there might be some components involved that would like to hear us talking about a road, and that makes me very nervous.

I would just like to indicate that last week Tuesday, prior to my leaving for the conference in Calgary, I had occasion to meet with the Transportation Minister from the Northwest Territories, Mr. Wray. In our discussion, they are looking at—how will I put this?—the possibility of eventually having roads connecting the communities of Eskimo Point, Baker Lake and Rankin Inlet. He was talking vaguely about winter roads to some degree as a starting point.

I think they hired a consultant jointly with the federal Government to undertake the feasibility of a road connection to the South. I think that is under way. I think it is a very extensive consulting. I think they have three firms involved with doing the study on this thing. I do not know to what extent the Member wants me to talk in speculative terms as to what will happen.

The fact that the Northwest Territories is moving from their end of it, and it would be involving a connection through Manitoba, I would assume, that is the only way you could do it there, so there are some activities, some very limited activities at this stage of the game.

Mr. Chairman: The hour is now 5 p.m. I am interrupting the proceedings for Private Members' Hour.

The committee will return at 8 p.m. this evening.

SUPPLY—AGRICULTURE

Mr. Chairman (William Chornopyski): Committee, please come to order. We will continue where we left off on page 11, item 2. Manitoba Crop Insurance Corporation—the Honourable Member for Fort Garry (Mr. Laurie Evans).

Mr. Laurie Evans (Fort Garry): Mr. Chairman, before we get into Crop Insurance, I wonder whether the Minister would be prepared to give us sort of a summary statement on exactly what transpired with the Excess Summerfallow Program this summer. We covered that supposedly before we left in June, but as I recall, the final stages of that were just coming into place at that time, and I wonder, does he have even a general sort of final statement on it.

Hon. Glen Findlay (Minister of Agriculture): Mr. Chairman, there is a separate line in the Estimates for that, but I will just see if I have got the figures here. Just hang on a second.

Mr. Laurie Evans: I believe, Mr. Chairman, we actually passed that before.

Mr. Findlay: Just hang on. The program is basically completed, I can tell him that much. The payout was \$11 an acre—here it is right here.

Approximately 500 farmers received assistance, 76,364 acres were covered and the payment was \$11 per acre. This was the \$840,000 being paid out, divided by the number of applicants and all cheques have been processed and mailed as of August 31. There were no more than three or four complaints registered, and it turned out two of those four were easily handled internally. There might be one or two comments or complaints still being dealt with, but basically I felt the program went very, very smoothly. The applications came in without difficulty and I think the money has been well accounted for and has all gone out.

Mr. Laurie Evans: Mr. Chairperson, I would like to commend the Minister on taking the initiative that he did on that particular program. While one might argue with the \$11 being a relatively small level of support, I think the fact that it was as long in getting resolved as it was, was unfortunate, but certainly the Minister took the initiative as soon as I think he personally could. I feel that he certainly warrants some congratulatory remarks on having completed that. I have spoken to a few farmers in that area and I think generally there is reasonable satisfaction with it. So I am pleased that he has been prepared to give us those statements.

Carrying on then with the Crop Insurance aspect, Mr. Chairperson, does the Minister have a revised Estimate of what he anticipates the province's expense to be this year? Because the figure of \$5,167,000, I would assume is a little bit low considering the increased coverage and the increased number of applicants. Even though these are only administrative costs, I would assume the administration costs do go up as the number of participants increases.

Mr. Findlay: I would give the Member two figures. One is that last year really was a million and one over

because of some 35,000 claims that had to be processed post-harvest. With that guideline and maybe our payouts this year are roughly two-thirds, projected in dollars as last year, maybe we will have two-thirds the claims, so we might be looking at a half million to three-quarters of a million as a potential overexpenditure because of the number of claims, but that is very preliminary projected figure at this time. Last year's is probably a more reliable figure to work back from.

* (1510)

Mr. Laurie Evans: When does the Minister anticipate that the details for the upcoming 1990 plan will be available? I have read various reports in the paper as to the stage of negotiations, and if I understood the Minister correctly when we had our short session on Thursday, it sounded as though there were still some negotiations underway. I gathered that was primarily because the Government of Ontario has not quite come into line with the thinking of some of the others.

Mr. Findlay: The best I can tell the Member at this time is that the federal Government is planning to have their legislated changes in by early November, so will probably be tabling something in the House with regard to overall changes to the Act that will facilitate operational changes to the program in the next—they will have those changes into Parliament, I would think, this week or next week.

In terms of the actual program changes that we will see in place here, that process is ongoing and we will have to start having those formalized by December. What we do this year, there will be more things for the following year. Building on the improvements this year, there will be some changes for next year which we have to have formalized by December. Then there will be some things that cannot be done until the crop year of '91.

Mr. Laurie Evans: Do the changes that the Minister visualizes for 1990 require any amendments that would have to be brought before this Legislature?

Mr. Findlay: None of the nature that we are planning on, no.

Mr. Laurie Evans: Has the Minister or his staff undertaken to calculate what the cost would have been in 1989, had they been working on the assumptions that they are working on as far as the new program for 1990 is concerned? In other words, what I am getting at is, what do you anticipate the increase over the '89-90 year as opposed to the '90-91 year, because that is the one that we will be going to in the spring. Are you looking at a threefold, fourfold, fivefold increase as far as the cost to the Government of Manitoba is concerned?

Mr. Findlay: Are you referring to the administrative costs?

Mr. Laurie Evans: No, I am looking at the total—I am making some assumptions, the assumption being that

the province is assuming 25 percent of the total cost for the year 1990-91. What will that be in terms of a multiple of the current cost?

Mr. Findlay: Administrative costs would remain about the same, roughly, say, \$5 million to \$6 million. We would be paying half of that. If 25 percent of premiums—using this year's figure of roughly \$80 million in premiums, 25 percent would be \$20 million, so 20 plus three is \$23 million of cost, so you take six into that roughly four times.

Mr. Laurie Evans: When does the Minister anticipate being in a position to outline in detail to the producers what the plans will be for 1990? What I am getting at very specifically, is there any element of trying to make crop insurance mandatory in the upcoming year or is the Minister satisfied that we will still be looking at a very positive but voluntary approach to crop insurance?

Mr. Findlay: In terms of giving the information to the producers, it just has to be done in January and February when the producer meetings, interviews with staff occur and every producer is invited to a meeting. At that time any program changes that would go into his contract would have to be discussed with him and known at that point, so say January, February for that information to be out. With regard to voluntary versus mandatory, it is strictly voluntary in my mind. That is my position, it always will be unless producers somehow or other can convince me that it should be mandatory, but that would be a tough fight for them.

Mr. Laurie Evans: Well, certainly, Mr. Chairperson, I do not disagree with the Minister in terms of the necessity of this being a voluntary type of program. I am sure the Minister is getting some calls, as am I, and I assume the critic for the NDP, indicating that there is a feeling out in the farm community right now that some producers are not being fairly treated, the concept being that those who had a poor crop in 1988 did get support through the drought payment of the \$850 million, but the Minister admitted, I believe, when we were talking here, or going into Estimates on Thursday, that there was a significant area in the province that had as poor a crop in 1989 as they had in 1988, and just because the years are reversed those individuals are getting what I would call a discriminatory type of treatment in that they are not being eligible for any drought payment. Is the Minister making any overtures to his federal counterpart to look at a special payment in 1989 on the assumption that the Crop Insurance Program in 1990 will be sufficiently improved that such ad hocery should not be necessary in subsequent years?

Mr. Findlay: Mr. Chairman, I think in that kaffuffle we were in last Thursday I was talking about this and maybe all the details did not get out. Really if you look at 1988 versus 1989, and I will say that we had this discussion basically with the farm community before the deadline of April 30 this year in that '88 was a problem, the program, an ad hoc program was being put together, and 1989 was not a guarantee in terms of crop production. In the Livestock Drought Assistance

Program we locked producers in to get them enrolled, or asked them to lock themselves in I guess is a better way to put it. For general crop insurance there was some discussion about whether the drought payments should have a lock in at the end, but they had to sign up for crop insurance to receive the benefit. I actually felt it was not a bad idea given the uncertainties coming up for 1989, but that was not accepted, and it was left wide open so both the corporation and myself extensively advertised and talked repeatedly about the best mechanism a producer could use to protect himself from drought in 1989 would be to enroll in crop insurance.

The program was substantially better in terms of potential dollar payout, particularly in the area that is traditionally dry and that is the southwest, nine districts out of 16 where the level of coverage automatically went from 70 percent to 80 percent without an increase in premium, and for wheat, as an example, the dollar per acre coverage they could obtain at crop insurance was going from roughly \$60 an acre up to a \$65 average in 1988 to \$112 average in 1989. So they had a higher level of coverage in terms of bushels per acre and a much higher level, almost double, pretty near double level coverage in terms of dollars per acre, and the Government was still going to pay half the premium. You talk about a carrot being put out and a tremendous opportunity to protect yourself from risk, and I said it quite clearly, if you choose not to take that opportunity, do not expect ad hoc programs to jump in and make a retroactive decision after the fact for you, because we have to protect the integrity of crop insurance.

As I mentioned last day when I was giving the figures, there has been a significant increase in level of coverage in crop insurance in terms of number of contracts, number of acres covered, particularly in the liability that is covered through crop insurance. A lot of people did basically make the right decision, I would say, in terms of enrollment in crop insurance and we will have a fairly large payout this year, second largest in history.

So you know, I guess how many times can we turn back the clock and say we have to make a decision to correct a bad mistake that you made on your behalf. I do recognize that there may well be certain pockets, certain crops, where there is inadequate coverage of crop insurance for whatever reason. We are prepared to receive proposals in that direction. I can tell the Member that we have not had, I cannot honestly tell you that we have even had a phone call in that respect. We have had comments in the press and one or two people making verbal statements, but there has not been a push like that for us to get into it. We almost foresaw we might get into this position so we tried to do what we could last spring before the deadline of April 30 to stimulate sign-up, and that is where it is at.

* (1520)

Mr. Laurie Evans: The question in the same vein, Mr. Chairperson, has the Minister calculated what the maximum that any producer in Manitoba got last year who was carrying the maximum coverage on wheat, for example, under crop insurance, and got the so-

called maximum from the drought payment, as compared with a person this year who is carrying the maximum under crop insurance, but is not eligible for a drought payment? Are you better off last year than you are this year?

Mr. Findlay: The answer is no, because if you take the figures I gave you, average coverage \$65 an acre of wheat, and the maximum coverage would be \$45 in drought payments, that is \$110.00. That is last year, the two programs. This year average coverage of wheat is \$112 and the vast majority of people—I think, there were only two municipalities where they got that \$45 an acre and everybody else is less than that. So everybody is \$110 or lower, most lower, most substantially lower and the average this year is \$112.00. So this year's program in terms of dollars per acre coverage, that could have been purchased in advance, was better. It is the provincial average.

Mr. Laurie Evans: The Minister indicated that in a particular region of the province that—I do not remember his figures—9 risk areas got the enhanced level of coverage this year. What was the total out of the 16 areas? How many of them got the enhanced coverage automatically in 1989?

Mr. Findlay: You are asking which ones?

Mr. Laurie Evans: No, how many? I believe there was 16 risk areas. How many actually qualify for the automatic coverage?

Mr. Findlay: Okay, risk areas one, two, three, four, five, six, 10 and 12—eight, and they run from really the Red River up the valley all the way west to the Saskatchewan border and up as high as 16 highway, more or less.

Mr. Chairman: The Honourable Member for Fort Garry.

Mr. Laurie Evans: Thank you, Mr. Chairperson—

Mr. Findlay: Just one other comment. Roughly 70 percent of the producers in crop insurance are in that particular area that received the enhanced coverage.

Mr. Laurie Evans: —can the Minister outline exactly what charges can be taken from crop insurance before the payment is made to the farmer? Now I understand that arrears from previous premiums, but what other arrangements have been made in terms of the Western Grain Stabilization Program prior advanced payments on grain in storage and so on. How many of these things can in fact be deducted before the cheque goes out?

Mr. Findlay: Yes, they are getting a list of potential deductions that could be made, but I am sure what you are after is Western Grain Stabilization. This has been of considerable discussion for us and I have taken the side of protecting the producer in this particular issue because, as you know, the Western Grain Stabilization Act was changed where they would no longer allow producers to make voluntary submissions of their levy after crop insurance payments are made.

They said it had to be deducted by crop insurance at the time of issuance of the indemnity. I said my position was that we did not have that included in the producers contract this year so, as far as I am concerned, if we were to deduct that off the producers settlement, it was an illegal deduction on our behalf.

If the Western Grain Stabilization officials could not get their act together and get that in place in time for change of the Act we would not do their dirty work for them in terms of subtracting that premium.

What we have done is indicated to producers, with an added insertion in the indemnity settlement, an option to them to return the money to us. If they want to voluntarily submit that money they could send it back to crop insurance and crop insurance will submit it on their behalf to Western Grain Stabilization. We also, at time of settlement in the field, if they are prepared to sign off and say deduct it and send it in on my behalf at time of calculation of the indemnity, we will facilitate them that way.

So we are going to give it -(interjection)- Yes, we are not going to mandatorily deduct it, we are only going to do it voluntarily if the producer gives us that indication he wants that done. Western Grain has indicated that they are prepared to accept it for this year, and we say if you want it any different for the next crop's year, you get it in place before the contract is struck by the producers. Other deductions are current or prior year premiums, any assignments that are in place, and the voluntary WGSA if they indicate prior to issuance of the cheque that they want it deducted.

The other Member asks if we have any takers. That is precisely why I said I would not participate in any mandatory deduction, because they may choose to think that Western Grain may not pay out in the future. At 4 percent premium they may not consider it a good investment, but on the other hand, if they want to, we will facilitate the process of allowing them to contribute. We left it entirely in the producers' hands and I think legally we are on exactly the right ground.

Mr. Laurie Evans: This brings up a question in my mind and maybe it is just for my own edification, Mr. Chairman, but if a producer requests a voluntary withdrawal of the Western Grain Stabilization payment, how is it calculated? Is it simply 4 percent of the total, or is it 4 percent based on the yield that the payment is based on? I have a little difficulty in calculating exactly what should be taken off, even if the producer asks for it to be voluntarily taken off.

Mr. Findlay: What is being used for the calculation is 4 percent of the gross. Gross indemnity is paid to him.

Mr. Laurie Evans: I guess the next question then is, is this then taken into consideration by the Western Grain Stabilization as being equivalent to the producer having paid the maximum 4 percent and he not have any crop loss? Is he getting a better deal in terms of the way he is regarded under the stabilization program than he would if it was deducted off the crop per se?

Mr. Findlay: I guess in terms of the money that the producer actually receives from that crop whether he

delivered it to the elevator or got a indemnity claim for a wipe-out from hail or from drought, it is exact dollars that he had in his hand, and it is 4 percent of that, any which way. I do not know if you could say he has a better deal or worse deal, but remember that crop insurance is really a coverage of either 70 or 80 percent of the -(interjection)- Yes, it is always the lesser, so I do not know whether he is better off or worse off, but it is an opportunity for him to put a contribution in if he should see fit. You never know whether you should or should not until a year or two or three later when the payments start to occur, and then you start to try to back-calculate what I should have done.

Mr. Laurie Evans: On the assumption, and I am sure the Minister will correct me if I am wrong, but I think the maximum that the producer can put in is \$2,400.00. Is that 4 percent of \$60,000.00? If you are dealing with 70 percent on the assumption that the producer would have had the 60,000 or more if he had had a crop and would have put in the 2,400, now just using the fictitious figure that it was 60,000 and he gets 70 percent of 60,000 which is then 42,000, you take 4 percent of that, it is something like 16,000-and-some-odd that he puts in, as opposed to the 1,600 that you put in, opposed to the 2,400 that he would have put in had he harvested the crop.

My question is, is that going to reflect negatively on him at some time in the future when a payout is made, or should he not have the option of putting in the 2,400 from his crop insurance payment rather than the 1,600, in order to have kept him on an equal footing with those who actually harvested a crop that would have permitted them to put in the maximum.

Mr. Findlay: That is just a question of "if this" or "if that" when you look back. If over the next three years there are no payouts, he is better off to take a lower figure. If there are payouts, he is obviously better off to have had a higher figure for whatever reason. I am not aware of whether WGSA officials have thought in that context, but what we are administering is strictly just the indemnity payment. There has not been any input from producers if they want any different figure than that. In fact, there is some argument as to whether it even should be the gross amount. But you do not know until down the road and lots of producers reflect back on ways and means in which they sold grain. Some of it they reported and some they did not. In the last four years anything that was not reported in the reporting years, if they did not report or they did not get a premium paid, they ended up losing \$10 on \$1, because of the payout schedule.

* (1530)

Mr. Laurie Evans: Mr. Chairman, I would like to shift over to the Livestock, Feed and Security Program briefly if I could and ask the Minister whether there are still ongoing negotiations regarding the differences in the payment on the ad hoc program as opposed to the one on the Livestock Feed Security, or has that become a dead issue?

Mr. Findlay: I can assure the Member that there is vigorous ongoing negotiation. Our position is that they

should have been lock stepped, the corporation's position should have been lock stepped, the department's position should have been lock stepped, and the only group of people that are saying anything contrary to that is the federal Government refusing to allow us to lock step at this time, but we continue to pursue the issue. Every time somebody makes a trip to Ottawa to deal with it and they bring the issue up, so it is an ongoing issue that has not been resolved to my satisfaction.

Mr. Laurie Evans: Mr. Chairman, now with the Livestock Feed Security Program last year, if my recollection is correct, it was essential for the producer to sign up for 1989 in order to get the final payment in 1988.

Can the Minister indicate how many, if any, producers were prepared to jeopardize the final payment rather than adhere to the mandatory sign-up?

Mr. Findlay: Our basic recollection, there was not a lot that did not do it, even though there was a bit of kaffuffle at the time that that announcement was made. There was not a lot. They went from less than 2,000 to 6,600 producers. So obviously a lot of the participants and livestock drought assistance did do it. But the staff will get that specific figure for you, but it is not as many as one might have initially thought.

Mr. Laurie Evans: Mr. Chairman, what modifications have been made to the monitoring system in this current year as opposed to last year? Is the Minister satisfied that he now has a monitoring system that better reflects the yields in the province?

As a supplementary to the same question: is the Minister satisfied that producers in general are happier with the system that is now in place?

Mr. Findlay: Well, certainly through the process of the discussions that occurred last winter with producers and the appeal process that was in place where some 75 municipalities appealed, two things came out of it. One is the monitors themselves were not fairly distributed; and secondly, the bay shields were in question, whether they were right, wrong or accurate, or whatever.

We made considerable effort to attempt to address both of those. On the monitors, if they did not like the way the areas were divided, municipality by municipality, we gave them an option this year of going by soil area. They could choose to obtain their assurance on a soil area basis; and also the municipality option still existed and the split was, what?—55 percent of the people chose the soil area. Is that right? Okay, the split was roughly 70 percent of the soil area, and 30 percent to the municipality.

The number of monitors that have been used this year has been increased roughly 50 percent from 1,000 to roughly 1,500. Letters have gone out to municipalities requesting whether they agree with the monitors that have been struck for the municipality that they were fairly and evenly distributed over the municipalities so that they reflect on average what is happening year-in and year-out.

I think only three municipalities have not sent back acknowledging letters to the fact that they agree. Out of all the municipalities, only three have not said that they agree with that process of monitor selection.

In terms of bay shields, the corporation has been aggressively attempting to develop all the data they can that has been recorded by farmers to establish what is the historic yields in particular soil areas or municipalities. So there has been a very aggressive effort to resolve those two areas of contention and whether we have been able to do it to the point where all farmers would be satisfied, the answer would be no, but I think we will have a much greater, a much more substantial degree of satisfaction than in the past. That the municipalities agree with the monitors is a major step, because they are the ones that came forward in the appeal so they have a good knowledge of what the producers think about the monitors. With a 50 percent increase I think we have gone a long way in that respect. Data for this year will be available in a couple of months or something in that order. It is not available yet.

Mr. Laurie Evans: I guess the one question that keeps coming up in terms of modification for crop insurance in 1990 and subsequent years is a gradual movement towards what might be regarded as almost an individualized plan. Can the Minister (Mr. Findlay), without divulging what is in the negotiations, indicate what direction is being taken to move to something that is a little closer to an individualized plan either for an individual farm or even down to individual fields or quarter section? There seems to be some ambiguity, particularly out in the country, as to how specific the thing could be in 1990 when it gets down to an individual farm level.

Mr. Findlay: Yes, I can assure the Member that the corporation and the board are both aggressively trying to find a way to develop insurance coverage on the basis of abilities management. Whatever his capability to produce is reflected in the kind of coverage he gets or the premiums he pays.

If you go to an individual field, which is really what Saskatchewan seems to think they want, then the risk to the corporation rises substantially and therefore the offsetting premiums will have to rise. Producers may like it in theory, but if they saw the premiums that would have to go with that kind of option to cover the risk and the degree of administrative cost of doing that and the field work that would have to be done to make that work, it might turn out to be cost prohibitive.

The corporation wants to base it on management and they are also looking at being able to supply most insurance for least cost. Some producers may like the option of being able to protect themselves crop by crop by crop or they might look and say, if I can get a lower premium for a basket of crops, I will take a bit of risk on my shoulder for the first 10 or 20 or 30 percent loss, but after that if I really have a major loss I want it on the basket of crops. Those options are being looked at and they will obviously be options offered to producers and they will choose whichever they want down the road. What I see are many more options

being available to the producer in picking and choosing what program he wants year in and year out, and producers will move from one option to another year in and year out, rather than a cut and dried specific system. The "more options" and "more management related" are directions we are going in. Whether we can get it down to individual field or quarter section I would think is extremely unlikely and probably cost prohibitive.

Mr. Laurie Evans: Mr. Chairperson, is any consideration being given to the so-called disaster type of coverage where I think we will always have in western Canada a small nucleus of farmers who would prefer not to be in crop insurance, but would like some sort of a guarantee that if their crop is down in the range of say 25 percent or less of what they anticipate, that there would be some sort of a disaster insurance that they could opt into which would be relatively inexpensive because hopefully it would pay out rarely but it would be there?

Mr. Findlay: I guess I would say I just outlined that in terms of the basket of crops option. We cannot give them insurance unless they are prepared to pay a premium. They have to pay some premium. They have to opt in by paying a premium. We cannot offer insurance on the backs of those who opt in for those who do not opt in. That is why we are looking at the basket-of-crops option. They might pay three-quarters of a full premium but only in a disaster would you collect. That kind of concept is used in hail insurance right now and called the disappearing deductible options that the private companies offer, and it is reasonably popular for farmers who want to be covered for a disaster but prepared to take the first 30 percent loss or something like that. Yes, I think there is consideration to the disaster option but you have to opt in by paying a premium. There is no coverage without paying a premium. That I will make very clear.

* (1540)

Mr. Laurie Evans: Well, I certainly was not anticipating that there would be a coverage without any premium. What I was looking at is these farmers who say, well, 19 out of 20 years I do not have a problem, but every once in a while I have just a complete disaster. They seem to feel that there should be some way that they could have a very low level of premium that would guarantee them something when they have this disaster that they get virtually no crop at all, nothing that is worth harvesting. Their attitude seems to be that as long as they get something that is, oh, a third of a crop or better, they can go on from year to year. It is only when they have that real bad situation that they would like to be able to opt in, and I would assume that could be relatively inexpensive, but obviously there would be a premium associated with it.

The other area I wanted to touch on briefly, Mr. Chairperson, was the honey protection. Just how effective has that been in terms of providing coverage in 1989?

Mr. Findlay: I guess, just to give you figures from last year and this year in two or three categories, in 1988

the number of contracts was 33; this year the number of contracts is 29. The number of hives insured was 15,000 last year and 16,800 this year. The coverage or the protection that those contract holders have is a little less than 700,000 last year and a little over 900,000 this year. We believe that there is roughly in the vicinity of 80,000 to 85,000 hives in the province and we are covering 15,000 to 16,000 of them. So we are not covering anywhere near the kind of percentage of producers that I would like to see covered. There is a slight increase in hives covered this year and an increase in the degree of coverage, but it is at best 20 percent of the total hives in the province. I think the other criterion is that the size of producer that is involved is all over the place; it is the small, it is the big, it is the medium. It is not just the small or the big, it is everybody, cross sectioned.

Mr. Laurie Evans: Mr. Chairperson, has the Minister had any organized requests from the organic farmers to try and fit them into a different category than the so-called regular producers, and if so, is this something that we can anticipate in 1990?

Mr. Findlay: Just maybe a little background on the organic farmers, the basic answer to his question is no, but I will elaborate a little further. There is a group of producers that have been so-called organic farming, producing wheat and milling it through Kent Flour Mills in Virden, who have found a market—I believe it is a European market as much as anything—have been shipping it out of there in containers and, to the best of my knowledge, doing quite well in terms of acceptance by whoever they are selling it to. Their reliability seems not to be in doubt.

They have requested us to look at ways and means with which we can help them have a certification program in place so that they can have a Government certificate that they could attach to their shipments, which gives the purchaser some greater sense of reliance that they have followed set procedures, that they have not used chemicals, fertilizers, or other inputs for a period of at least three years, and that residue levels are guaranteed to be very low or non-existent of whatever they wanted to measure. So we are working with them in that respect to try to help them develop a certification process, but we have not had a request for a different method of developing crop insurance for them, though.

If the Member over there has had some communication in that respect, we are prepared to look at any proposals or any options that might work, but it would have to be part and parcel of that certification process that these are the kind of producers that are doing what is needed to be done to meet that market. You know, I may not believe in the principles of not using chemicals or fertilizers, but I will say if there is a market out there, if there is a group of consumers who want a certain kind of product and are prepared to pay a premium for it, it is a niche market and we should attempt to serve it. If some producers want to do it, then we will do what we can to facilitate them in that process.

Mr. Laurie Evans: Mr. Chairperson, I believe the Minister and I are pretty well on the same wavelength

when it comes to the organic farm issue here. I am pleased to hear that his department is taking some initiative in the certification because I do not think we want to make a mockery out of the concept of this type of farming, but I think at the same time we have to be able to stand behind what they are producing and be satisfied that their claim is—(interjection)—I think the point really is that if they are going to have a certification scheme, it has to be one that is scientifically sound so that the consumer, who feels that they are getting value for their dollar through that route, are in fact getting what they think they are getting.

There is a little bit of discussion now going on in the paper with the change in the mechanism for handling crop insurance in Saskatchewan, in the fact that they are going to turn the sales of crop insurance over to so-called private agents. Can the Minister outline exactly how the coverage in Manitoba is handled as opposed to what they are anticipating doing in Saskatchewan?

Mr. Findlay: Basically we do not know what Saskatchewan is proposing right now, but all of our insurance is sold through our agents. We do not use anybody outside of the corporation for selling insurance, other than maybe the ag reps, or somebody in the department might supply some information one way or another to potential clients.

But I can tell the Member that just a few days ago I had a request that there should be some thought given to using the elevator companies as promoters of the program—I guess was the way it was put—in that we would supply all the information we could to them so that they could logically discuss with producers the pros and cons of enrolling, or what the options were.

Because, really, as I commented about three-quarters of an hour ago about the options that will be available in choosing whatever crop insurance program can be put together for producers, those options will definitely increase in the future. So it will be a fairly complex process of deciding what are the right options, and maybe we should be utilizing the elevator companies because that is where farmers talk about a lot of their grain business. If we can get them onside in terms of being able to help explain the program, that might facilitate information to our clients. But at this point in time, we are intending that the actual contracting will continue to be done by agents.

Given the complexity of the program in the future—I mean we are going to have to have very good agents to be on top of this and I do not know that we would want to be looking at any kind of contracting out or subcontracting in that respect at this time with the changes we are undergoing in this program. But we are going to look for help outside. We might even look to the credit institutions if they could help to explain the merits of the program, and I think credit institutions might be smart in the future if they include crop insurance as one of the requests of their clients to reduce risk.

Mr. Laurie Evans: I have no further questions on crop insurance at the moment, Mr. Chairman.

Mr. Bill Uruski (Interlake): Mr. Chairperson, one could follow up on the discussions dealing with the possible changes in the program. There was a paper put out by the Minister in June to Members of the Assembly and to the farm community discussing a number of options that would be considered as to possible changes in the program. Can the Minister indicate how many meetings were held subsequent to the release of this document, and what the reactions from the department's point of view? I do not believe the Minister was at those meetings; the corporation's management was at those meetings, what the feedback was in general to the discussion paper that was distributed.

Mr. Findlay: There were three public meetings held, Brandon, Dauphin and Oak Bluff, and then a private meeting was held by KAP with their Crop Insurance Committee and Pulse Growers made a submission to Crop Insurance.

* (1550)

It seems that the overall general focus of people's consideration or request for changes evolved around recognition of management, that positive management and negative management be recognized in terms of coverage adjustment and in premiums. I can assure the Member that the corporation is looking at broadening coverage adjustment and speeding up the rate of premium reduction or premium acceleration where management causes it to go one way or the other.

So the reflection of management was the issue, and it is something that is being addressed in the proposals that will eventually appear as options to producers.

Mr. Uruski: Mr. Chairman, in the discussions with the federal Government that have been taking place since those meetings, or during the period of those meetings, is their envisaged as a result of those discussions any what I would consider fundamental changes in the program?

We have seen an expansion of the program over the last two decades, a multitude of crops coming on stream. The main issue that at least is apparent, in terms of the discussions, is the question of cost sharing where I guess the previous arrangements that the federal Government had with the Province of Quebec are now coming into focus for the rest of the country in terms of sharing one-third, basically 50-50, between the province and Ottawa on the administrative and the premiums, and the producers sharing 50 percent of the cost of the premiums.

However, questions such as increased protection coverage levels going to 80 percent, will that be a standard feature in the new program? Second, the question of protection based on either cost of production or market value, that I believe is a fairly fundamental issue. Is that going to be left to the producer or is that going to be decided on when the program will be announced?

As well, the question that was raised in your paper risks splitting. Manitoba does not allow, I do not believe,

risk splitting at the present time. As I understand it I think Alberta does, or at least some of the provinces may, and those issues are fairly, I think for some producers, major changes that we would see.

The other area I think which also would be fairly major is the attraction of getting farmers to insure all crops on a farm, which would expand coverage levels, I would say, phenomenally. Even with no increase in the numbers of insured, you would have a fairly large increase in the number of acres and dollar coverage if farmers were encouraged to insure their entire crop production, and there may be some savings to farmers if they did. Those are some fairly key issues for farmers in terms of making management decisions as to the attractive or less attractiveness of any major changes in the program.

Maybe the Minister may want to share with us, are these the kinds of discussions that are still on the table with the federal Government or is that an issue that, once you settle, the question of funding, cost-sharing with the federal government, those issues they will accept if they are agreeable to your board of directors and the farmers of the province?

Mr. Findlay: The Member has addressed a whole variety of things. I will narrow it down a wee bit and start from the point of view of cost of production versus market value. Clearly, with the number of options that will be available, even this year looking at the coverage adjustment and looking at the different dollar-per-ton figures that a person could choose low, medium or floating, and other options that might come in the future, a person can pick wherever he feels he wants to be covered, relative to his cost of production.

(Mr. Herold Driedger, Acting Chairman, in the Chair)

We would be in dangerous ground if we structure crop insurance on the basis of cost of production because then at certain times you would be able to easily farm crop insurance rather than farm the land and the market. I think whatever coverage we offer has to reflect market realities. That is why I say we have should be able to offer options and the premiums associated with those options. Then the producer picks a combination of options that maximize his ability to cover cost of production.

I would say this year on the average of \$112 an acre on wheat, that should be able to cover the majority of peoples' cost of production. Some people got up to \$130-\$135 an acre on durum, for example, in the higher yielding risk areas.

With regard to allowing the producer to cover all his crops and get a premium reduction for it, clearly the basket of crops option is in that line, where maybe there might be a reduction in premium of 5-10-15 percent or something if you cover them all, but you take a little more risk on your shoulders than the corporation's shoulders. We might even offer an option—and this is open—if you insure all your crops with us, crop by crop by crop, all the crops, we could look at percent premium reduction just to do that as a bit of an incentive to the producer.

We are looking at a lot of options, and the options we are looking at are basically stimulated by the kind

of comments that have come in over time, and specifically these meetings that we have had. What we go back to the producers with in terms of options this next crop year and the year after, the rate of pick-up in programs and the kind of success we have in programs, will alter our adjustment for the future.

I think I need to say the kind of amendments that will be introduced federally will give us considerable leeway. We are at 70 percent now. We will definitely be at 80 percent, might even be a bit higher, but we will have considerable leeway in terms of the kind of program options we put together here.

It is my understanding with the kind of experience our corporations had, and especially the general manager, we are really going to be the example for other provinces to look to in terms of what we are going to put together, what we are going to offer to our producers. We are in that kind of position. We are ahead of the other provinces in putting our programs together that we will put in place under the changed legislation federally. So I think we have done a lot of work in trying to meet producers' needs but within financial, fiscal and actual. The sound reality of offering a program that in the long term pays for itself through the premiums that we collect from the Government or from the producer.

* (1600)

In terms of the sharing of premiums, as I said the other day, if we can put together a package that attracts producers in to protect themselves from risk through opting for crop insurance, then I think we have done a good job in stabilizing farm incomes and stabilizing the economy of the Province of Manitoba. On that basis we look at contributing 25 percent of the premium, but that is not locked in in the agreement and is subject to satisfactory resolution of the process we are in. Something unforeseen comes forward and the program that we are allowed to do is suddenly restricted on us or is not to our liking and will not be very conducive to jumping in on the 25 percent cost sharing.

As I said the last day, to the best of my knowledge no province has objected, at least not in formal meetings, to that principle. Everybody is moving in that direction, whether everybody comes to the table in the final analysis agreeing to 25-25-50 remains to be seen relative to the options that everybody put together in their province.

Mr. Uruski: Mr. Acting Chairman, just to make sure that I understand the Minister. The final point that I made in my question, what I would call administrative changes and program options that the Government Minister is considering for Manitoba, is that going to be left largely to internal workings within the corporation and the Minister with consultation with Ottawa pending resolution of the financial package? Or is it going to be a very rigid process of Ottawa having to approve every—they do now anyway, but it has been a fairly, what I would consider I think a fairly loose process, with the exception of one area.

The one area that Ottawa has consistently, and bureaucrats in Ottawa have consistently objected to

is the area of I guess cross subsidization of the portfolio, where we attempted to balance out the entire province and work toward a greater offsetting of risk so that regions which are continually hampered by the natural hazard, weather, and the southwest being one of the major areas and the Interlake up until, say five, six years ago was the other.

Ottawa took a very strong position several years ago in discussions as to the way the corporation begins or started rating or attempting to arrive at a greater balance to lessen the volatility of premium rates in the areas of the province which were subjected to greater adverse weather conditions and as a result, losses. That is the one area that I have had quite a bit of concern because philosophically that is really the nature of insurance. Insurance takes as much risk as it can, pools it and tries to measure out or at least as best it can, level out the premium structure so that there is as reasonable a premium for most participants within reason. There will be some differences of course on productivity and the like, which means bushel coverage and the like as per risk areas, but not strictly confining all the factors per risk area looking at the broader provincial area.

I want to know whether that concern has been lessened somewhat. I think your staff will be able to tell you, because if it has not, we will go back, quite frankly, to the approach that crop insurance was in 10 years ago of, I believe, a very rigid system. You will find that the areas that need the protection, generally speaking, the premiums will again soar out of sight and you will have a major dropping off of the program.

Recognizing of course that the other areas may also be a little worried on their premiums but—and I am going from memory—if I recall that on the all-risk program southwest and Interlake were the high premium areas. However, when it came to hail those two areas were the low-risk areas. Now if premiums were to be blended generally we would see a drop in premiums in Neepawa and other risk areas on hail if there was some cross-subsidization and a raising of their all-risk premiums because they were the areas. It seemed to be almost right the opposite as to the risks in the separate areas. The area that had a lower premium for all-risk had a high premium for hail; the areas that had a lower premium for hail had a higher premium for all-risk, so there could be some blending to lessen the impact, and the volatility on premiums because the wider the risk, even if there is a loss area, the less of a jump in premiums when there is a loss.

That is what I am getting at and I would like to know, in these discussions, whether some of that rigidity is, in fact, being considered as part of the negotiations and whether that question is less of a question, or less of a concern to Ottawa today than it was, say, two or three years ago, because there were some fairly harsh correspondence. I say "harsh," or rigid correspondence going back and forth between Ottawa and Manitoba on that question, and I think in terms of the fairness of the program throughout the province that is a fairly major issue.

(Mr. Chairman in the Chair)

Mr. Findlay: Mr. Chairman, certainly what the Member has identified, it is an issue that was of concern to

producers, I guess, at some time in the past. But I can tell the Members in the process of the meetings, and the input the corporation has received, the issue has not been raised by producers requesting that their premiums be reduced by blending across the province. Effectively premiums are reduced within a risk area. Of course, he knows there are 16 of them and the blending is done, or the cross-subsidization of any is done just within the risk areas.

Ottawa's position has not effectively changed, but there has not been a request that has been made to us, in the process of this review, that this should be looked at. When the Member talks about averaging out somewhat between hail and all-risk, I can tell the Member that in the hail side we are in competition with the private sector and in certain areas, the way the corporation calculates their rates and the way the private sector calculates their rates, sometimes they win and sometimes they lose because generally we do it by risk area and the privates do it by municipality, or by township. I guess really, township by township it varies.

So we have competition on one side and I do not think it would be very easy for us to cross-subsidize and still be able to competitively sell hail. And the other thing is, if we raised the premiums for crop insurance in low-risk areas and producers became aware of it, and now producers are quite aware of things going on, they might opt out of the program saying that they do not want to cross-subsidize somebody else of higher risk somewhere else in the province.

So it is a delicate balancing act if we were to ever get into discussions of that nature and I do not think it would be, in the overall context of getting high participation, constructive to the total program, although we can certainly appreciate what he is saying with regard to the high-risk areas always having a high premium and technically having difficulty in paying those premiums.

I guess what we hope will happen in those high risk areas, and if a certain crop, let us just say weed is high risk in a certain area because of frost, that the previous structure might precipitate the producer opting to some other crop that produces well in there, that is of a lower risk in terms of getting crop insurance on it, whether it is a 4H crop or something else.

* (1610)

I mean, you do not want to stimulate the wrong decisions by cross-subsidization and by having premiums paid for risk taken, we might stimulate some of the right decision in terms of growing the right crops that are low risk, both in terms of the producers' risk and the terms of the insurance that we put in place for the producer.

Mr. Uruski: Mr. Chairman, I am really not speaking about that major a shift that the Minister is alluding to. What I am really talking about is probably something that is much more subtle but takes into account a much broader range or broader amount of producers to leesen the volatility. And let us look at the case, for example, the Interlake.

The Interlakes higher risks were as a result of lack of drainage, too much water. Now, drainage improvements are continuing in the Interlake. We have had a major, that whole Riverton north of Arborg area now in the last couple of years, a fairly aggressive program under the Agro-food Agreement, a fairly aggressive program of drainage improvement.

The risks will start lessening in that area. So what I am talking about, the Interlake will probably become one of the better producing areas because given the right drainage situation, the crop there will be immense. However, when you get into the southwest, I mean, what kind of a decision are you going to stimulate when drought hits. You are not going to stimulate any kind of a decision. You are going to get your share of the years of drought and really there is not very much, there may be some shift in crops that producers can make, but not fundamental as to really make the difference between having a claim and not having a claim, but you can certainly . . . your premiums can go out of sight. And that is I guess what I am getting at, that there is flexibility in the corporation to make those kinds of adjustments.

I know, I realize some of the discussions that producers raised because I attended some of the meetings several years ago where we took it head on and threw that suggestion out, and I will tell you, there were producers who said in no uncertain terms, I am not going to pay for someone else's area or their bad management or their poor area, because I am not going to cross-subsidize.

The fact of the matter is, when they get into a loss position and if their area happens to be two or three years into a claims position, although you have got the averaging that is in place, you can still see some fairly strong movements in premiums. And I maintain, and I look at insurances' insurance, I mean, Autopac went out with basically three areas. It almost comes down now to two areas in the province. You have the urban setting and the rural setting, and under the private sector when you were individual compartmentalizing and individualizing, they probably had 15 territories and the like, and people had different rates in those areas.

But it allowed when the area became far larger, it allowed for greater flexibility to lessen the impact of some major shifts in claims or accidents, and in a crop insurance case it would be in terms of weather, because 15 or 16 risk areas is a lot of risk areas. They are fairly well compartmentalized in terms of weather and soil type. Do not get me wrong. I am not saying that they should be changed. But look at the program more broadly and see—and ask whether the corporation has some room to look at that. I know they have moved and done a lot of work in looking at the, I guess it would be the coverage levels and the numbers of bushels per region, because that was really out of whack in some of the areas. They have adjusted that. That helped an awful lot in terms of bringing in clientele and recognizing productivity in the province. But I believe there has to be that flexibility for the corporation to be able to look at the broadening base without making a major dent or major blurb for everybody that will turn people away. I guess that is what I am suggesting.

Mr. Findlay: I certainly thank the Member for the comments that he has brought forward because, clearly, in the overall context, there is no question that it will be important that the corporation, staff and the board keep premiums in line with what producers believe is acceptable for them, or we will have opting out, there is no doubt. So I think he can feel confident in the fact that the board and the corporation will continue to look at ways and means of being able to hold the lid on excessive premiums for particular risk areas.

There is no question that the Interlake, it has been a higher risk, but that risk is reducing, reducing because of drainage and lower moisture years, too, I guess. If we get back to higher moisture, certain areas will handle it better than others, and I think it is my understanding that certain kinds of crops that grow in some of the more vulnerable areas are not the kind that will be impacted as much as the crops that were grown there in the past.

So certainly his points are well taken and the corporation will always have to keep that in mind. I mean, any reason that causes premiums to jump out of line with what a producer considers he can afford will cause him to opt out, and that is the last thing you want to have happen. We are trying to get him to opt in, now we have to be able to keep him in through adequate managing of the premiums relative to risk, whether it is on a risk area basis or on a provincial basis. So his point is well taken.

Mr. Uruski: Mr. Chairman, the Minister did not cover the point, or maybe I missed it, whether subsequent changes to the program, bettering a program, will be left to the processes that now exist when the new funding formula will be in place, or is there any change in the process that changes arrived at envisaged in the new deal that is being negotiated now?

Mr. Findlay: No, I guess I would have to say there has been no discussions with regard to change in process, albeit you can appreciate that if we are paying a portion of premium, we will want to have an input on behalf of our producers to be sure that the federal Government does not say no to things that we believe are right for Manitoba. That would have to be in the agreement someplace that we have a say in what is right for our producers, and that we cannot be held back doing things that are aggressively in favour of our producers because some other province, say, does not want to go along, or something to that effect.

I think once we get into cost sharing I can clearly see that the program will vary more and more between provinces as we try to meet the needs of our clients who we want to buy the program. I always envisioned it as being voluntary. I never see it mandatory. So we will attempt to have enough control that we can do the right things in our province for our producers without letting somebody else dictate to us.

Mr. Uruski: Mr. Chairman, can the Minister tell me whether this year's claims—and they are substantially less than last year but still substantially higher than in previous years—have they been all settled, and what

is the status of the claims? How many are outstanding and what is the status on the claims picture?

* (1620)

Mr. Findlay: I guess just in a general sense I can say that the hail spot loss or hail claims will be basically done and processed, but the all-risk portion in terms of post-harvest claims have been coming in, I guess we could say over the course of this month, and will be continuing to come in. They have until the end of November, I believe, to get those claims into the corporation, so they are just in the midst of post-harvest claims right now. The number you are anticipating is about 15,000 and you are at 4,000 to 5,000, so they are at about a third of the potential expected post-harvest claims at this point. Farmers have wound up harvest in the last week or two or three and are probably now assessing whether they are going to put a claim in or not. They may be coming into the various regional offices. I am sure they are coming in daily now.

Mr. Uruski: Mr. Chairman, in terms of the yield data on a risk area basis, because of the claims not being put into place yet, when will the corporation know what the average yields of the area will be, actual average yield? When a claim is held they will know on an individual farmer but not on a—when is that data available?

Mr. Findlay: Basically, they will not know average yields on a risk area basis until next January, February, maybe in the early part of March when they go out and do their individual one-on-one interviews with the producers, because that is when they collect their data on a broad sense. The only data they will get now is from those who submit claims, which is not fair representation of overall yield. They establish that every year at that interview time. A producer is asked how much production he got off each field. He gives the figure and that is recorded as the average yield.

I also might say that, let us say Producer "X" insures wheat and barley but he grows wheat, barley, rape, flax, canola, peas. He will be asked the yield on all his crops, not just the ones he insured. So you get a broader spectrum of yield survey than what you actually had in terms of insured crops or insured acres. That has been the consistent process. I do not think that process has changed at all in recent years, so hopefully year to year it is relatively reliable comparative data.

Mr. Uruski: The corporation going out beyond its insureds in areas to assess yield data as well, I think they were doing some surveys beyond their actual clients. Is that continuing, and do they do that in pretty well every risk area or are they confining it to the additional ones to where there are less clients, just the areas where there are less clients?

Mr. Findlay: As the corporation has done in the past where there has been low participation, they felt the need of broader base in order to determine yields so that they could fairly determine what is the right premium to charge relative to risk. They have only done

it where they believed they needed additional data and we will continue to use that principle now that we have a relatively higher participation. Certainly in some areas it will not be necessary but it does not preclude that in certain crops and in certain districts that might be necessary to establish a fair and reasonable base of yield. It is just a matter of making your data more reliable year in, year out that they would ever do it.

Mr. Uruski: Mr. Chairman, I have a number of specific questions relating to issues that I have raised with the corporation, and one of those deals with the Livestock Feed Security Program. It relates to—I will be very specific—the Koop, K-o-o-p, family from the LGD of Grahamdale. The issue there relates to, and I guess it goes back to the original signing up on the program in 1981 or '82, I believe, wherein they, or maybe it was since that time, a number of years ago. They have been Livestock Feed Security Program clients for a number of years now. They, in submitting their land description originally, were placed, and all their lands are operated in, I guess it is what is known as Grahamdale South, however, they did not realize it but they were placed into Grahamdale North by the corporation, whether through oversight or through other means. They did not realize where they were in fact till the issue came up as to where their, when there was, I think, a readjustment in the percent in terms for payout purposes, they started asking questions, started checking things out, and they realized that their operation, in fact, I believe their entire land base is in Grahamdale South.

However, there were questions raised by the corporation, legitimately so, I guess, in asking them, well, have you got your original application? They did have a copy of an application form, and on that copy it appears that somewhere down the road, whoever was checking out where that land base was, did strike out Grahamdale South and substituted with Grahamdale North, and that was originally, but they did not realize the significance of it until this year, because Grahamdale South, I gather there was no payout or I may be reversed in my areas. However, in the area that they had been designated, there was no payout. However, the actual area in which they are in, you know where I am coming from. I am not certain at this point in time whether in fact, a year down the road, that claim has been settled. It may have been, and if it is, I am not aware of it. If it is settled, then it is done.

Mr. Findlay: The good news is that it has been resolved and has been corrected in terms of the error that was made initially with regard to the area that they are in, and that has been corrected and handled by the board. To the best of our knowledge, at this point, as far as we know payment has been made, using the right figures.

Mr. Uruski: Mr. Chairman, I want to thank the Minister and his staff because I believe, knowing the family as I have for approximately 20 years, there is no doubt that they really were not aware of the significance of what was done in terms of what area they were placed in at the time of application until this crucial time where

there was, in fact, a split within their own municipality or their own local government district, in which one part of that area was in a claim position, and the other part was judged not to be, and then they started checking and of course that is when all of this came forward.

I am wondering whether it is the policy of the corporation that if a claim payment is delayed, whether there are in fact interest payments on a delayed indemnity, because this one was delayed for a substantial period of time, whether consideration is given by the corporation as a result of a delay, especially where the delay is one, really I guess of their own making, in the sense that the farmer, the corporation is making, whether the corporation considers maybe that has been a broad policy that has never been considered. But here would be an instance where the corporation should consider some interest on it in that the farmer, I believe, early part of 1989, had to make extensive purchases of hay to continue feeding his livestock.

Mr. Findlay: Okay, we will follow up as to whether it is reasonable to do something in this respect. The general policy has been we do not pay interest, but we do not charge interest either.

* (1630)

I just asked the corporation how could you have a farmer owing you money beyond owing premium and what they referred to is, as you know, a producer pays interest on a premium that is not paid before September 30th, but if he has a claim that is pending and the premium is taken off that claim after September 30th, in that period of time they do not charge interest. But the principle has been in the past not to pay interest on a late paid claim. We will look at it a little further, whether it is reasonable and responsible at this particular instance to do that sort of thing.

Mr. Uruski: Mr. Chairman, I certainly accept that principle, that normally speaking, one would not. What I just asked, and this is just as a suggestion that the Minister and the corporation may want to consider, is that you look at when normally all those claims were paid. If that area was settled in February or March and that is when all the claims in that area were paid out and there was no payment until, say, July, then reasonably speaking they would have got that money three or four months, and that is what you would be looking at. I am not suggesting that till Day One there be any considerations, but clearly when you know that you have paid 99.9 percent of the claims by, say, February 1 of '89 and their payment was not made generally until, say, August, then you are looking at six or seven months of interest. That is the kind of consideration to be looking at, nothing more or less than anyone else would have been. But if there is a dispute in a claim and there is no settlement, I do not want to be on record as suggesting that corporations start paying interest on claims that are being disputed. That is certainly not my intent.

I have a very specific question for the Minister and the corporation. I will put the circumstances on the

record so the Minister knows where I am coming from. I was asked by a farmer who is and wants to appeal the ruling under the drought program for yields in a particular area. He believes that—

An Honourable Member: Crop yields?

Mr. Uruski: Crop yields. He believes that he and maybe half a dozen—he is not sure how many, he does not want to know the names. What he would like to know from the corporation are the numbers of farmers that the corporation would have insured in a particular township, whether that might be available. I will put the question directly and maybe the corporation can get that data. I am speaking about Township 22, Range 1 East in the RM of Bifrost. He may be one of the few applicants or claimants under the federal drought program, but he believes that the data that is in place is out of line from what the actual average or the actual yield was. What his thinking is, he believes that there may be relatively few farmers in that township because, as I understand, the program calculations are made on a township basis. If he knew at least the number of producers in that area, then it would be much simpler for him to check out the yield data and make his appeal through the municipality to the committee.

Mr. Findlay: I guess the basic request that the Member has made is we would supply the number of producers, and I just give you what might happen, not that I will not say I do not agree that maybe that might be helpful information to help him develop his case, but we are going to have the information in the hands of the ag reps in terms of what the yields are and that sort of thing. If we tell the ag reps that only two producers were crop insurance participants, they will know right away who they are. Even if it is three or four they will know who the guy is so we violated the confidentiality factor for those producers by association rather than specifically.

I think the Member could probably understand what I am trying to say, and I think if there are several, if there are half a dozen or more, I think then the probability of anybody being able to sort out who was who is greatly reduced. What I am scared of is they get down to one, two, three or four, where we are violating confidentiality, and I guess maybe I could say that on an individual request basis we might be able to determine if we could do that sort of thing.

Yes, we can give them some advice as to whether the information we have is reliable enough that we do not think they will win their appeal or they maybe should go ahead and appeal, because I think the Member must know the data the corporation uses year in and year out is based on a risk area basis.

When you take it down to a municipality basis you reduce your reliability. When you go down to just a township basis, boy oh boy, you do open the corporation up to a lot of criticism that is unwarranted, because we always deal on a risk area basis and there is somebody to say, well, they really screwed up on that crop on that township, and they project that statement to the whole corporation all over the province all of the time.

We should not get into that sort of ruining the record of the corporation, so you have to be careful for the corporation's record and careful for confidentiality of individuals, but we are open to their request. If there is, I would say, half a dozen or more people, then we may be able to give them some help, but I do not want to violate confidentiality of contract holders because that would be fairly serious if information got out in the community. Well, there were those two guys and their yield was—you decide who was the average and who was above or below. It is not fair to our clients.

Mr. Uruski: Mr. Chairman, that in itself, I am not even sure, will breach confidentiality, but I respect—and I say that because not every farmer will insure all the crops. You may have a farmer in a particular area and he may insure only one crop, and yet he may insure the wrong crop and have a good yield on the crop he has insured, but the crop that he did not insure had a loss and no payout. Can the Minister have his staff check that if there is more than half a dozen producers, if that is available, and that would be sufficient in terms of a general understanding, would that be agreeable to the Minister, if he could tell me that?

Mr. Findlay: I guess one other piece of information that the Member should be aware of is that crop insurance was requested for yield information. That was submitted to Ottawa, and I think Ottawa has put this in some other correspondence. In some cases where they did not think there was enough data on a township basis, the yield they actually used in a township basis is developed on a broader basis of the municipality or the risk area, depending on the amount of data, basically the amount of data a member produces. So sometimes the information that is published in terms of what the yield was in that township is not just that township in terms of base for establishing the information.

* (1640)

I think in the answer to his specific request, I would say the corporation should be left at the latitude on a case-by-case basis. Requests could be addressed provided they were not in any way legally interfering with confidentiality. So I would like to leave it. I do not want to use any specific figures or anything, but if we feel we can help an individual with the information that does not violate confidentiality, that is the basis on which I am concerned. We will help them with their request.

Mr. Uruski: Mr. Chairman, perhaps I will leave it this way that if the corporation checks its records and sees that it may have some data in the area that I have set out, maybe a phone call to myself and we can talk about the general data without going further, because if there is some interesting information that can be related on yield data they may have without violating the confidentiality, that would be I believe acceptable to myself and I am sure to the farmer.

Mr. Chairman, could the Minister indicate which of the vegetable crop areas in addition to potatoes are now insured? I am just not sure. Do we have onions,

I believe, and a number of other vegetable crops? Does the corporation have the list, and the Minister can put it on the record?

Mr. Findlay: Mr. Chairman, there are six vegetable crops covered: potatoes, as the Member has identified, plus sugar beets, onions, rutabagas, carrots and parsnips, six of them.

Mr. Uruski: Mr. Chairman, in any of those vegetable crops there is a very small number of producers, generally less than especially rutabagas and carrots and onions and the like, a relatively small number of crops. Would the corporation know the number of insured in each area and would they have the entire producer—all the producers who produce those crops would be enrolled? Could they say that they have the majority of producers, or do they know? Is that information available?

Mr. Findlay: We do not have the exact specifics crop by crop in terms of numbers of producers. But there is roughly half-a-dozen producers involved in crop insurance, and probably a little less than 50 percent of the total acres in all those crops are insured. But we will get you more specifics crop by crop, number of producers, and percent of the total acreage that is insured.

Mr. Uruski: Mr. Chairman, I want to raise a question that was raised by my colleague from the Liberal Party that dealt with the Livestock Feed Security Program and the federal negotiations.

The Minister indicated that those discussions are still under way. So my understanding would be that the redetermination that was made on the basis of the appeals this summer, there has not been a settlement of that additional amount as a result of their redetermination. Can the Minister indicate to me how much is outstanding, and how many producers are involved in that recalculation? I am sure in the discussions there would be some information there on that question.

Mr. Findlay: The amount that would be paid out if we got complete lock stepping, which is what we always thought we had until somebody at the other end decided that violated the contract, one and a half million and some 835 producers are involved. Naturally a large number of those 835 producers would be small dollars, but for one particular municipality, Argyle, it is fairly significant dollars out of the total, about \$300,000 in the one municipality that is involved in this process.

It has been a difficult process for us because all of us sitting here today in this Chamber, down this end anyway, we are always of the opinion that whatever percent production figure was determined through appeal that was the figure that would be used in settling livestock feed security. Not until the process was completed did we suddenly find out that somebody at the other end is objecting because they said it violated the contract.

That argument has gone on and on and on, and we have not been able to convince them that we always

believed that it was lock-step and nobody said any different at the beginning, and certainly all the producers felt that was the way it should be and that the money, that one and a half million should come out of the Crop Insurance fund because that money would be covered through premiums in the future.

So in my mind the issue is still ongoing and we repeatedly attempt to find ways and means to convince the individuals in Ottawa that the only proper resolution of this is paying of that entire amount to those producers.

Mr. Uruski: Mr. Chairman, perhaps the Minister may want to provide for the committee here today the terms of the agreement that he has made on the drought payments of the provincial contribution. That may tell us what the next question is going to be.

Mr. Findlay: I guess I can give the Member two pieces of information. One, the negotiation process that what is in that total agreement is still ongoing; and secondly, nothing has been signed. So that process is still ongoing and this should be part and parcel of the total package, but that is all in the process yet. It has not been finalized and nothing has been signed.

Mr. Uruski: Mr. Chairman, I would like to know from the Minister what commitments have been made then without agreement? What understanding is there now between the two levels of Government or the two Ministers to say that we have generally agreed to what terms? What is agreed to?

Mr. Findlay: We have to backtrack for a minute before we get to that answer, and that is that an announcement was made of a program without consultation with us. I mean that has been well stated by me and the other two provinces to the west of me. We had always contended that they announced the program, they were running it, they were administering, they were paying it. Alberta gave in early on—I am sorry, Saskatchewan gave in early on in the process. When Alberta gave in and said that they would cost share on a particular basis, then we were put in the position that we were told that the money would either be withheld 50 percent and/or that payments would be late for our producers.

What has been agreed to at this point in time is that we will cost share to 25 percent, and what has happened is that we have roughly \$90 million circulated to the producers of Manitoba through that verbal agreement that we will cost share and the total details of overall acceptance of that cost-sharing are still being worked on. It involves a lot more than just the Ministry of Agriculture. We were in a position where we did not want to see our producers short-changed on money that they had coming to them through a program that was announced by the federal Government, albeit it was already very late in terms of months from when the producers were expecting it. A lot of commitments had been made by producers to pay their bills, commitments to their bankers that this money was coming, and it was necessary and we felt in the overall context of a number of issues that they would be better to get that money flowing, if it is going to cost us

something initially in terms of cost-sharing but in the process get strong commitments on a variety of other things that need to be done federally/provincially for this province.

* (1650)

Mr. Uruski: Mr. Chairman, just so I am clear. The 25 percent is of the \$90 million, or is it the 25 percent of \$148 million or something that we are eligible? What are we sharing in it at 25 percent?

Mr. Findlay: The 25 percent that we will cost-share will be the same as done for every province, but technically it is of the total amount paid to the producers of Manitoba whether it is in the \$130 million or \$140 million. So it would be 25 percent of that, and we will not be any different than any other province whether it is Quebec, Ontario, Saskatchewan, or Alberta, in terms of the participation. Our payback may vary province by province, but the total amount paid back will be the same in all. That is a commitment you can have from me.

Mr. Uruski: Mr. Chairman, do we know what actually has been paid to producers? Is it 148 or is it 130? Do we have some figures from Ottawa on what actually has been paid to producers at the present time?

Mr. Findlay: Information given to us has been \$129 million paid, and now the appeal process is ongoing and whatever adjustments occur through the appeal process will be added on to the 129.

Mr. Uruski: So, we are basically looking at about \$32 million. Is that in the vicinity of between \$32 million and \$33 million as to the provincial liability? Part of that agreement, and the Minister alluded to that, is that the payback may come over from some other arrangements. Is the Minister now saying that if the payments are made over a longer period of time, is he saying now that the likelihood of a future disaster payments in drought will no longer be available because implicit in his statement that there may be a longer drawn out period, obviously, there has to be some decision made as to the likelihood, or no further likelihood, of any disaster payments to producers?

Mr. Findlay: I guess the ideal world would be that we do not have any future ad hoc necessary payments, that crop insurance on the crop side covers it, and livestock feed security on the feed production side covers it, but I do not know the future any better than anybody else in this House. Whether there will be circumstances that will demand ad hoc payments, whether it is low commodity prices again like in '86 and '87 that are caused by international trade war, or whatever might fall out in the future, our desire is to have programs that prevent ad hoc payments. But, whether there will be circumstances that make it imperative that those still exist, only the future will be able to determine. We are not making a commitment. What we are doing is saying no, absolutely none whatsoever. It is a matter of evaluating circumstances as the years go by in the future as to what needs to be done, for whom, and to what extent.

Mr. Uruski: Mr. Chairman, this precedent-setting move, I consider that blackmail, and I want to tell my honourable friend that -(interjection)- No, no, I mean it is. It is clearly, and I say to him that it is nothing but a continuation of the off loading that the federal Government has been on, and both on the Conservative side and the Liberal side over the last number of years. Sugar beets were the prime example that we went into. We went into it, quite frankly, with our eyes open and guns blazing from all sides of the House during that debate.- (interjection)-

Here we have, Mr. Chairman, my colleague from La Verendrye (Mr. Pankratz) saying \$300,000 is not very much money. In terms of the provincial budget, it is not very much money. The fact of the matter is though, 35 years of federal commitment to an industry that says one day—no more. No more—I mean there is no more total federal commitment.

Now, here we have a far more, but equally, far more dangerous precedent, and I say that in this way. Manitoba, and here is where I cannot understand, and it will come out yet, I guess, where I will understand a little later on—Saskatchewan, being the two have-not provinces of the group of Western provinces and Ontario and Quebec which have a significant agricultural base, the two have-not provinces which now are going to cost share federal programming of a very major nature. Here we have Manitoba receiving federal dollars in equalization payments, and a program now being removed from that base because now Manitoba cost shares into it.

If I was Ontario, Alberta, Quebec, and British Columbia, I would be laughing all the way to the bank. I would want to cost share every program that I could, because that would remove that program out of the national taxation base because we are now cost sharing and the have-not provinces, now they are contributing their share, we do not have to share in that amount of money out of the national taxation pie, and Manitoba—because agriculture is such a significant portion of our economy—tax everybody at a far higher rate than Alberta, Ontario, and Quebec, and we pay through the nose twice. So we get shafted, and I call it nothing else. Not only do farmers get hit, but the rest of the taxpaying public of this province gets hit under such an agreement. We are paying twice because we do not gain any more money on national equalization payments—no more money—and we end up cost sharing a federal program.

What I consider the wealthier provinces of this country, they are very happy. The only province that I do not understand, and that I thought you had an ally in was the Province of Saskatchewan. But there is an election around the corner, and I remember four years ago there was a billion dollar announcement before the Saskatchewan election. So what will Saskatchewan get for cost sharing? A fair bit more, it is what, about 200, maybe 50 or 60 million.- (interjection)- 400 million. Oh! So it is \$100 million. The saw-off has got to be pretty good.

Now, I want to know from the Minister, what did we get, other than blackmail? What are we getting for our share of \$30 million? What will Manitoba get? At least

on \$3 million in sugar beets. Jake Epp was pretty good. I have to give him credit. He worked his butt off. - (interjection)- I could not deal with Charlie Mayer. My colleague, Jay Cowan, the MLA for Churchill, he and I went to Ottawa, and I guess I am not the easiest person to deal with. I am not saying that I am perfect. Mr. Mayer and I could not deal, we could not discuss. So the Prime Minister's right-hand person for Manitoba, the Honourable Jake Epp, got involved in the negotiations—a lot of sugar beet growers in his riding. We struck a deal. We struck a deal with some modifications to the premium input, and we got as much of a commitment as one can get for a health lab. I will put it on the record, it was not written in the agreement, not there. It was what I would consider a gentleman's agreement that said, look, I will work as hard and here is what I want for Manitoba. That came from Mr. Epp and he delivered. He delivered, no ifs, ands or buts. He met his commitment. We signed the agreement.

Mr. Chairman: I hate to interrupt, but the hour being 5 p.m., it is time for Private Members' Hour. I am therefore interrupting the proceedings but will resume this matter at 8 p.m. this evening.

* (1700)

IN SESSION

PRIVATE MEMBERS' BUSINESS

Mr. Speaker: The hour being 5 p.m., it is time for Private Members' Business. On the proposed resolution of the Honourable Member for Sturgeon Creek (Mrs. Yeo), the Honourable Government House Leader.

PROPOSED RESOLUTIONS

Hon. James McCrae (Government House Leader): Mr. Speaker, I believe if you canvass the House, you would find that there would be agreement to move directly to item No. 5 on the list of Private Members' Resolutions and that items 2 and 4 would retain their place on the list.

Mr. Speaker: Is there leave to allow Resolution No. 2 and No. 4 to retain their present place on the Order Paper and to move No. 5 forward? Agreed? (Agreed)

RES. NO. 5—IMPLEMENTATION OF PHARMACARE CARD SYSTEM

Mr. Speaker: On the proposed resolution of the Honourable Member for Churchill (Mr. Cowan), Resolution No. 5, Implementation of the Pharmacare Card System, the Honourable Member for Churchill.

Mr. Jay Cowan (Churchill): Thank you, Mr. Speaker, I move, seconded by the Member for Thompson (Mr. Ashton) that

WHEREAS the Pharmacare Program was established to ensure that all Manitobans could afford necessary pharmaceutical and drug products; and

WHEREAS the program is essential to the financial and physical well-being of seniors on fixed incomes; and

WHEREAS prescription drug users have been hard hit in the past year by increases in drug prices that are running well over the rate of inflation; and

WHEREAS seniors have been hit by these increased drug prices (of which they pay 20 percent), by the Conservative Government's recent increase of 10 in their deductible, and by increased dispensing fees for pharmacists; and

WHEREAS this extra financial burden on seniors on fixed incomes was introduced at the same time that the provincial Government was receiving over \$200 million in windfall revenues and was giving over 10 million back to large mining companies by not proceeding with proposed taxes on those companies; and

WHEREAS the present Pharmacare system requires claimants to pay the full cost of prescriptions, and rapidly increasing drug prices are making this front-end payment more difficult for those on fixed incomes.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the Government to consider establishing a Pharmacare card system for seniors which would enable them to purchase prescription drugs under the Pharmacare system for 20 percent of the purchase price without the need to file for reimbursement; and

BE IT FURTHER RESOLVED that this Assembly urge the Government to consider eliminating the present Pharmacare deductible for seniors; and

BE IT FURTHER RESOLVED that this Assembly urge the Government to consider establishing a similar Pharmacare card system for the disabled.

MOTION presented.

Mr. Cowan: Mr. Speaker, this resolution will be familiar to most Members of the Assembly as it is the same resolution that was debated last year for the first time in the Manitoba Legislature on October 4, 1988, almost one year ago.

* (1710)

A number of changes have taken place over the course of the past year and during that time it makes this resolution to implement a Pharmacare card system even more necessary today than it was when we were last debating this issue one year ago.

Seniors are worse off today than they were a year ago. Their incomes have been eroded; they are finding it more difficult to make ends meet; they are finding it more difficult to maintain their standard of living because of a number of actions by Conservative Governments, both federally and provincially.

Seniors are worse off today than they were one year ago because there have been two increases in Pharmacare deductibles for seniors by this provincial Government in their short tenure to date. There has also been a decision by this Conservative Government, this provincial Government, to automatically increase the Pharmacare deductibles every year, year after year, and that is going to have a compounding

inflationary effect on seniors over a period of time that will be, because it is automatic, taken out of the venue of public debate to the extent that they are now, and will be implemented silently on seniors, but will have nonetheless the same impact on the incomes of the seniors who are affected by those changes. That ongoing inflationary increase will systematically erode seniors' incomes and cut their quality of living year, after year after year, each and every year until that policy is withdrawn.

So the two increases in the deductible for seniors, when coupled with the automatic increases that are going to take place on an ongoing basis, represent a very significant erosion of seniors' incomes which make the development of a Pharmacare card even that much more important now than it was when we last debated it.

There is another reason as well that has gained importance and relevance over the past year. There is also the ongoing inflationary increase in pharmaceutical prices that result from the federal Conservatives Drug Patent Act. Those increases which are beyond inflationary because the increases themselves are happening at a pace faster than the cost of living is increasing generally continue to impose ever-escalating costs on those who require prescriptions the most, and that is basically, Mr. Speaker, those who are seniors and the disabled. Foremost among that group are those who find the most hardship as a result of those increased prices are those two particular groups.

Now the seniors, through one of their organizations, recently initiated a court challenge against that Drug Patent Act, and they did so because it has such a profound impact on their lives. When last we debated increased prices for pharmaceuticals and increased deductibles, the Conservative Opposition in this House tended to belittle the argument by saying, well, the increases are not that significant; the increases are not that much of a hardship on seniors; the increases are incremental certainly, but they are not imposing difficulty on seniors.

The fact is that one of the organizations that would most know the needs of seniors and would most know what impacts on seniors, felt it necessary to initiate a court challenge, something that they do not do all that often, on this particular Bill because it does have such a profound and dramatic impact on their lives and the lives of the members of that organization whom they represent and whom they seek to serve. So let there be no question about it in anyone's mind any more. No matter what the Conservatives said last year, the impact of the Drug Patent Act on seniors is imposing a hardship, and it is imposing a hardship to the extent that they felt it necessary to take the unusual act of initiating a court challenge.

Both my friend, the Liberal Critic for seniors, and I wrote to the Attorney General—at least I know my letter was addressed to the Attorney General, I believe the Liberal Critic's was, as well—asking him the same thing in essence, and that was to assist the seniors by involving the province in that court case by becoming a party to the challenge of the Drug Patent Act, so as to help them in their fight to preserve their quality of

life and help them in their fight against a deteriorating quality of life because of increased prescription drugs for them.

I note that the Liberal Seniors Critic has made this an issue of some importance within their own Caucus, and certainly it is one of some importance within the New Democratic Party Caucus, because we believe that the seniors are having hardship imposed upon them. We believe what they are telling us when they tell us that this is a piece of legislation, even although it be a federal piece, that must be undone and that we, if we are not able to undo it ourselves, must at least involve ourselves side by side with their fight to have it undone at a federal level.

That is why we wrote to the Attorney General asking him to use the offices of the Government to assist the seniors in that challenge. Now we have both received negative replies to that and, even as of recent in this Chamber, the matter was brought to the attention of the Government again, and they have reiterated what they have said in the past, that they do not believe it is important enough for them to involve themselves in this sort of legal challenge.

Well, I quite frankly find that decision regrettable. I know that seniors and their organizations will find that decision regrettable, and we find it regrettable because in essence what the Government has done by that action of the Attorney General is to turn its back on seniors, to turn its back on those most in need, when they called out for some assistance and help. They were not calling out for costly assistance and help. They were not calling out for a lot of money to aid them in that particular challenge. They were calling out for some moral support, for some substantive support that would assist them in preparing the legal arguments, but they have a very good lawyer that is capable of doing that as well as any Government lawyer is.

What they were calling out for more than anything else was a sign of support from the provincial Government, a sign by the provincial Government that they really did care about what was happening to seniors and the fact that they were suffering because of increased cost of prescription drugs, that were resulting from a Drug Patent Act by the federal Conservative Government that ensured that the cost of prescription drugs was going to outpace that of the general cost of living or the rate of inflation.

I believe that when the critic for Seniors speaks on this Bill or speaks on other issues in the House, he will continue that battle on behalf of the organization to involve the Government, and I as well will continue that battle to involve the Government in that court case, because I think that involvement could be a positive factor in making for a better quality of life for seniors.

That unfortunate decision has in essence forced the Government to turn their backs on seniors in their fight against the unfair federal legislation that imposes unnecessary and unwarranted financial hardships on so many elderly Manitobans.

Another event of the past year that makes the introduction of a Pharmacare card system for seniors

and the disabled that much more urgent is the proposed clawback of pensions by the Mulroney Government. Now this is an issue where the Liberals and the NDP differ somewhat, or at least the Liberal Leader, and I assume that she is speaking on behalf of the Party as a whole, and the New Democratic Party differ somewhat, because we have heard the Liberal Leader indicate that in principle she would support a clawback on seniors' pensions if it accomplished certain things and was structured in a certain manner. In other words, it is a continuation of that argument that leads one inevitably to a means test sort of system with respect to the clawback of seniors pensions.

Well, the Liberal Treasury Board critic says that is a different question, that they like this one. I assume he is talking about the clawback. He indicates that he is talking about our resolution. Certainly it is a shared resolution; we do not take full credit for it. It is an idea that has been around by different political Parties at different times. It was part of the platform of the Liberal Party the last time around, it was something that was under consideration by our Government, it is something that is implemented in our provinces that also have Conservative Governments, so certainly to give credit where credit is due, it is not a unique idea that just came to one particular political Party. I think it is a good idea that makes sense and many different political entities and Parties share the objectives and would like to see it implemented in this particular province, but I will come to that a bit later.

* (1720)

But where we do differ, Mr. Speaker, is with respect to the clawback. I make that point now because I have noted on a number of occasions that there is more and more perception that the Liberal Party is in favour of means tests in different areas of social programming. We believe that those means tests, although supported by at least some Conservatives in this Chamber, are detrimental and that they will erode the universality of programs and they will result in a less fair social program system over the course of time. I think that is a long-standing philosophical and principled position on the part of the New Democratic Party. So while we agree - (interjection) -

Mr. Speaker: Order, please. The Honourable Member for Transcona, on a point of order.

Mr. Richard Kozak (Transcona): Mr. Speaker, I certainly do not want to interrupt at great length a speech that I, in general, agree with in principle and that my Party agrees with in principle, but I wonder if the Honourable Member for Churchill (Mr. Cowan) would submit to a question.

Mr. Speaker, the Honourable Member for Churchill refers to a dramatic philosophical distinction between his Party and mine with regard to what he refers to as clawbacks and means tests. I wonder if the Honourable Member for Churchill would acknowledge that his own Party introduced a means test with regard to day care in this Province.

Mr. Cowan: The Member indicates that there is a dramatic philosophical distinction. I do not know about

the drama of it, but it is a significant philosophical distinction and one based on what we have been hearing from the Liberals over the past several months with respect to a means test for home care, with respect to a means test for day care or child care, and with respect to a means test or user fees with regard to patients in hospitals having to pay for their own meals, or having to pay for their slippers, or having to pay for their toothpaste or other non-essential differences.

That is the policy of the Liberal Party with which we differ. That is the policy of the Liberal Party that we believe leads to a deterioration in social services and in universality that will act to the detriment of Manitobans, both in their daily lives and those unusual or specific circumstances where we most require social services. So I do not want to be distracted by the question, but I hope that answer is satisfactory.

There is a difference in approach between what is being suggested and has been suggested by many Liberal Members including the Liberal Leader (Mrs. Carstairs) over the past little while, and we do not want to see that clawback on seniors' pensions take place, we are not in favour of "philosophically" and we will fight that. But that is a somewhat different issue than this particular resolution but I make the point because it is an area that erodes seniors' incomes.

During the previous debate on this subject I ran out of time also, Mr. Speaker. However, at that time I did lay out a number of points why I thought this resolution was important. What I wanted to do with my time today was reiterate and reinforce those points by showing that there are circumstances that have taken place since that debate that make this resolution even more important at the present time.

So having said that, I look forward to hearing the comments of Members of this Chamber with respect to this. I am anxious to see if the Conservatives will repeat their initial approach, which was one that said the deficit is more important to them than fairness for seniors, and I am certain that the Liberals will continue their approach of promoting this idea and supporting it from wherever it may come and working together with others to make it a reality.

Mr. Speaker: The Honourable Member for Fort Rouge.

Mr. James Carr (Fort Rouge): Thank you, Mr. Speaker, and let me thank my friend the Honourable Member for Churchill (Mr. Cowan) for his kind words and thank him less wholesomely for the unkind words.

A wise person once said, Mr. Speaker, that imitation is the sincerest form of flattery. A wise person once said that imitation is the sincerest form of flattery. I think that expression takes particular potency today as we debate a resolution on the Pharmacare card idea, an idea, and I thank the Member for Churchill (Mr. Cowan) for acknowledging the fact that it was part of the Liberal Party in Manitoba's election platform back in the spring of 1988, an idea whose time has come, an idea which now is supported by a majority of the Members in this Legislature. It was even the Minister of Health (Mr. Orchard) himself who said in

an answer to a question sometime last October that he thought the idea had merit. That was some time ago. We think that the Minister of Health (Mr. Orchard) ought to reconsider the pace with which he is taking this issue, and to join other Members on this side of the House to implement the Pharmacare card as soon as possible.

Indeed, things have changed since this issue was last debated in the Legislature, and the Member for Churchill (Mr. Cowan) made reference to Bill C-22, which is the federal drug patent law, and I would like to spend a few moments discussing that, Mr. Speaker, because I think when we talk about the need for seniors to have some of their up-front cash flow problems relieved by this Minister, that we have to talk about the general climate that affects seniors and also pharmaceutical prices in general.

We have evidence already that Bill C-22 is having an effect on the price of pharmaceuticals, outpacing the inflation rate. I can remember in this House, we on this side asked the Minister of Justice, the Attorney General, (Mr. McCrae) if he would intervene on behalf of the Manitoba Society of Seniors, in its court challenge to this wrong-headed law. The answer of the Attorney General was quite clear. He said at the time, and he has said since, that the arguments that were being put forward by the Manitoba Society of Seniors were arguments that he had sympathy with, and that they were being argued by a very competent lawyer who did not need his help.

Well, Mr. Speaker, the message to the seniors of Manitoba, when the Attorney-General rises in his place and says that intervention by the provincial Government has no meaning because they have counsel capable of presenting their own arguments, speaks volumes. He had the opportunity to use the power, the influence and the prestige of the Government of Manitoba, on behalf of thousands of Manitoba seniors who are fearful that the federal drug patent law will result in increased pharmaceutical prices to them.

Now we took it a step further, and again I appreciate the kind words of the Member for Churchill (Mr. Cowan) for acknowledging what we have done. We asked the people of Manitoba to speak directly to the Government, and we did that in petition form, making the argument, the same argument made by the Manitoba Society of Seniors that this law was unconstitutional and would result in drug prices that were too high. The result of that petition campaign was more than 4,000 names from individuals, seniors and otherwise, from every corner of the city, and every corner of the province from the north to the south, and the east to the west, who responded in a way that I had not seen in my several months as a legislator in this province, Mr. Speaker. They spoke with one voice.

The Minister of Health (Mr. Orchard) for some reason is smirking now and laughing. I am sure that he would not want to convey the message to the seniors of this province that this is a laughing matter. So we have got two things happening at the same time. We have the Attorney General and the Minister of Justice (Mr. McCrae) saying that he agrees with the arguments of the Manitoba Society of Seniors, and we have the

Minister of Health (Mr. Orchard) saying that it is a good idea that is worth looking at. "The idea has merit," was the quote. The two things that we are talking about is the general environment that affects drug prices for seniors in Manitoba, and a way in which we can relieve that burden, albeit in a small way, on behalf of the seniors of Manitoba.

Mr. Speaker: Order, please. The Honourable Member for Fort Rouge (Mr. Carr) has the floor. Other Honourable Members will have an opportunity to get their remarks on the record.

Mr. Carr: Mr. Speaker, I am particularly surprised at the way in which the Attorney General (Mr. McCrae) has handled the issue, because I know the Attorney General to be a politician who likes to stay in touch with the people. He thinks of himself as a grassroots politician, and I commend him for that, even a populist, but why did he not listen to what 4,000 Manitobans were telling him if he cares about what the real people of Manitoba are messaging to his Government. He had a wonderful opportunity to raise the banner on their behalf, to use the power and the prestige of the Government of Manitoba on behalf of seniors, and he chose not to. Only the Attorney General could answer why he has chosen not to, and likewise the Minister of Health (Mr. Orchard), who is on the record saying that this idea has merit, has taken—

* (1730)

Hon. Donald Orchard (Minister of Health): What idea?

Mr. Carr: Mr. Speaker, the Minister of Health asks, what idea? I remind him that we are debating a Private Members' Resolution on a Pharmacare Card Program, an idea that the Minister of Health has said at least on one occasion in the past that he thinks has merit. If he thinks that it has merit, then may we remind him in a gentle way that perhaps he do something about it.

The Progressive Conservative Government has increased the deductibles for seniors. They have done it twice as a matter of fact and now they have pegged it to rises in the cost of living, so seniors are assured now that they will be paying more and more for their pharmaceuticals. It is not as if this idea is very complicated. It is not as if this idea is beyond the capacity of the Government, both administrative and financial. It is a simple idea which, if implemented, stands to help literally thousands of seniors in Manitoba who have been asking for this kind of legislation and who would applaud the Minister of Health (Mr. Orchard) for its implementation.

I think we have an example here, and I hope that Members of the Assembly will allow me to be non-partisan for a moment, where all three Parties of this House, all 57 Members, can agree that we have here the kernel of a positive, progressive, creative idea, regardless of who is responsible for its conception. Let all Parties claim authorship to a good idea and stop the political posturing and the grandstanding to say that it is this Assembly, it is this Legislature in its

collective wisdom that believes that this is an idea whose time has come with the support of all of us without grasping to claim the political credit. Rather we should have squarely in our sights how we as legislators can relieve the burden on the seniors of Manitoba. That is the purpose of the Liberal campaign platform. That is the purpose of the private resolution from the Member for Churchill (Mr. Cowan) of the New Democratic Party. That is the purpose and that is the reason that the Minister of Health says it is a good idea. Let us all legislators with one voice support this very creative idea. Thank you.

Mrs. Gwen Charles (Selkirk): Mr. Speaker, I too stand and support this resolution. There is not a person of course in this Assembly who is not touched by seniors and the support that they have given all of us throughout our lives. Hopefully, we in turn when we reach that age will give equal amount of knowledge and support to the generation coming behind us, but those ahead of us have not all had the privilege of going through economic times as we see them today with all the support services that Canada has well developed. There are many seniors out there who have supported themselves throughout their lives and have tucked as much savings away as possible and are doing and manage to do on what little support they get from the pension plans, but mostly because they have the dignity to support themselves.

However, those same people, those people with high honour and dignity can easily be faced with crisis, and that today is the health costs that can occur from any moment in any household from any time to time. Today in our world where we have expanded health services, where we have the knowledge to keep people alive and healthy and able to stay in their homes longer and longer which is, of course, a very honourable goal to achieve.

It also means that the amount of drugs and medical support systems that are required by people becomes more and more expensive. To seniors suffering health problems, they therefore have larger and larger costs incurred in their pharmaceutical needs.

Now, to us who have disposable incomes, a large medical bill for medicine may not mean that we go without food for the month, but for many seniors it indeed does mean that. I have heard from very experienced people horror stories of what seniors will do in order to pay their bills, and they are so honourable and so entrenched in the fact that they must support themselves that they will go without what we call necessities in order to pay their drug bills, because that was the manner in which they were brought up in.

So their small and meager savings can be eaten away in a matter of days and months. Their lifestyles can change from one of happy existence into worrisome day-to-day feeling that the end is nearer all the time financially, that they may not be able to support themselves, that the dignity they have fought to maintain may be taken from them.

I believe for those very many reasons that our Party came up with the suggestion of a pharmacare card

system during the election campaign, and we are very honoured to see the New Democrat Party pick up the idea and put it forward. We certainly look forward to the support of the Conservative Party because we hope they are honourable people. We expect them to be honourable people and will see the needs of the seniors as above partisan politics.

Now we hear in this room constantly barbs being thrown across the floor about various political intents on other areas that we could pull into this discussion, but let us just deal with the pharmacare card idea. Let us support that in a unity, a unison that will show the rest of Canada what a unique idea it is, and let us help every senior across Canada, whether in Newfoundland, British Columbia, the Northwest Territories, Ontario, Quebec, or anywhere. Let us set an example with this card and show that we support our seniors by allowing them to maintain a disposable income that will keep them going on a month-to-month basis, that will allow them to maintain their dignity, and that they will be able to live not only in peace but in health. If we do not do that, then it is an unfortunate situation.

Manitoba has had a history of being first in many regards and I think we have an opportunity with this resolution to be first once again. I would urge the Government to support it and look into what they can do with this resolution to make it indeed legislation, because I think it would be very favourable for them when the people have come to judge their record.

I hope to hear, therefore, Members of the Government stand up in support of this resolution, and again will offer my congratulations to the NDP and bring it forward and to those in my Party who developed the idea and who saw and cared for the seniors enough to bring this forward in a time where medications mean life or death. Let us not make people choose between trying to afford them and trying to take them. It is a serious matter and I hope it will be given that attention. Thank you, Mr. Speaker.

Mr. Orchard: Mr. Speaker, there are several issues which are presented in this resolution. First of all is the plastic card technology which is an issue that is not either new in consideration to this province or indeed new in consideration or implementation in other provincial jurisdictions.

For the information of my honourable friend who just spoke, the narrowed pharmacare care is in service in a number of provinces, so she does not have the knowledge that Manitoba would not be the leader that she would like to see, because it has been done and tried in other provinces. As a matter of fact, Mr. Speaker, the investigation currently under way is not narrowed to a pharmacard, plastic card technology for the Province of Manitoba, but indeed a fairly substantive investigation is under way to determine the efficacy, the system maturity and the utility to the Manitoba health care system of a more general health care card which would serve not only any purposes Government may wish to put it to in terms of the narrowed Pharmacare Program, but would indeed serve the purpose of information development, systems development, in such diverse areas as hospital billings,

doctors' office billings and other uses that we currently may—using our Manitoba Health Services Commission registration number.

* (1740)

The second issue in this resolution, which was not dealt with, I do not believe, by either Members of the Official Opposition, is in terms of the proposal to reduce the deductible for senior citizens, and the third issue which was not dealt with by either supporters of the resolution to date is in terms of the affordability of the system.

Now let me deal with a more narrowed issue in terms of the claims procedure for the Pharmacare Program as it is now in place, because there is some indication by Members opposite that there is substantive hardships in terms of pharmaceutical purchases. There are a number of supportive programs that Government has, including the Lifesaving Drug Program where if an individual family, senior or otherwise, is in need of life support drugs, a narrowed category of pharmaceuticals, those are made available outside of the Pharmacare Program and a very, very minimal, if indeed no cost to the individual so requiring them. That may be news to some Honourable Members opposite but that is part of the current program delivery. In addition to that, there are other programs which narrow the availability of certain pharmaceuticals and drugs at no cost, again, to the individual.

There is also a fairly extensive program involved through Family Services in the Social Assistance Program, whereby those who cannot afford the drugs, the kind of individual who the last speaker referred to, are having the kind of difficulties that she put on the record, there is support available to those individuals, as well. She might wish to assist those people with already existing program availability rather than standing without possible knowledge and advocating further program expansion, because that assistance is available and has been available for some time.

But, Mr. Speaker, let me deal specifically with two areas that neither Opposition Party has dealt with. First of all, will this resolution if adopted under this magnanimous environment we are attempting to create in the House, actively increase the health status of the target group, namely the seniors of the Province of Manitoba. That should be the first question that we ask ourselves. Will this increase the health status of senior citizens in the Province of Manitoba?

The second question that we should ask ourselves, is this financial commitment—because that is what this resolution involves—that we wish to make unanimously and magnanimously in this House, on behalf of all taxpayers, focused at again seniors primarily? Is this the most effective use of limited resource in next-dollar spending on new program; (a) for the target group specifically, namely seniors; and (b) for the health care system in general, because no longer can we afford the luxury of picking new ideas out of the air in health care, getting on the bandwagon of popular demand and saying let us do it. Unless we can answer those two question, we ought not to do it.

Let me share with my honourable friends some insight into the answer of the first question, will it improve the health status of senior citizens, because all of us in this Chamber, regardless of political stripe, length of service or outlook on health care want to do that without question. In provinces where seniors have absolutely free and gratis provision of pharmaceuticals to them as a program of Government, they have substantive difficulties amongst the senior population with overuse and abuse of pharmaceuticals, double doctoring, double pharming. Because it is free, it is taken on in untold quantities by certain individuals, much to the denigration of their health status.

Simply ask yourselves, some of your provincial colleagues, where you have Governments of like political stripe, if you do not believe what I am indicating to you, if they consider that to be an appropriate service delivery and program for seniors, and I will say to you that they will say, no, do not do it, it does not assist in raising and elevating the health status of senior citizens. So consider that, not from me as Minister of Health, but consider it in terms of asking the question directly before you are so magnanimous as the Member for Fort Rouge (Mr. Carr) was to balance an apple and the orange and say that the Government agrees or disagrees. Ask the question. That is all I am posing to my honourable friend from the Liberal Party, and you will find that you will not be able to concur with the second part of this resolution as a policy that you would pursue in Government, because some of your confreres are trying to get out of just exactly that kind of a policy.

Secondly, I want to share with my honourable friends just one figure of cost which is an estimate because that is the best we can do. Implementing as the resolution suggests, a Pharmacare card, with a provision of no deductible for the senior citizens of this province, will increase the cost of the Pharmacare program by approximately \$10.5 million.

My honourable friends, before they make decisions in Opposition which are easy to recommend and establish as Party policy, ought to ask themselves, is that \$10.5 million spent in removal of the deductible, which is \$88.50 for senior citizens, single or family, depending on their circumstance, is that the most effective place to put \$10.5 million, new dollars, towards program provision to senior citizens in the Province of Manitoba?

Before they advocate it wholeheartedly we will debate that when we get to the Estimate line, and we will find out if my honourable friends in both opposition Parties believe that is the proper approach, and again I ask them to balance their answers by going to your provincial confreres who have responsibility in Government, and ask them what they would do if they were sitting in Manitoba's position, and then come and debate the issue.

Thirdly, after you have answered the question about whether it raises the health status of senior citizens in the Province of Manitoba, and whether that is the best place to put \$10.5 million, new dollars, in programs for seniors, after you have answered that question, then you have the obligation, because this is what Government does and this is what you will have to do

should you ever be Government. You will then have to decide whether that is the most effective place to put \$10.5 million of new resource in the health care system serving all Manitobans, or do you change and prorate it in terms of services to other areas of need in the health care field such as children, surgical capacities and any number of issues that are raised from time to time in this Chamber and in the public venue.

So before you jump to the conclusion of total embracing of this concept on the basis of a good technology, which I have agreed is a good technology, namely the health care, the plastic card technology in health care for which systems are maturing, consider what you are asking Government to do and whether it increases the health status of the population, namely seniors and second, whether it is the best use of \$10.5 million of new money. Answer those questions before you come with wholehearted endorsement of a resolution. I think with careful and serious reflection, you might change your mind.

Mr. Speaker, the one thing that I find amusing is the ownership of this issue, everybody claiming it. First of all, the New Democratic Party is sponsoring the resolution and claiming the ownership of this, and I remind you that when they brought this resolution to the House a year ago, they had only been out of Government for five months, and I do not recall any thrust of Government to investigate a health card technology. I certainly have not been made availed of any position papers that have come forward through the system, as a result of their term in Government.

* (1750)

Secondly, my honourable friends in the Liberal Party say well, we made this an election campaign promise. I have to tell you as a Health critic, I had a number of discussions with the pharmaceutical associations and others in terms of how we could come to grips with some of the issues, in terms of card technology and Pharmacare card technology.

I could not in all conscience make that an election promise a) because I did not know what the cost would be of implementing that program, and we had to be responsible as an Opposition Party and costing every one of our promises; that was a commitment we made. When I could not present my colleagues with a cost of a) implementation which is a Capital cost and it would be about \$2.5 million, and b) of operating which is about a \$1.5 million a year, I was not able to make that commitment public as an election promise of the Progressive Conservative Party.

That did not show that we cared less for seniors, or less for the health care system. It was simply that we chose to be responsible and try to put a handle on those costs and make these two determinations before we made the commitment of provincial dollars. Scarce dollars in health care of: a) will it improve the health status of the target population, namely, seniors; and b) is it the best use of scarce and limited dollars in a health care system that anyone will admit needs resourcing in certain area?

Without answering those two questions, we chose not to make an election issue of it. My honourable

friends can attempt to claim ownership in the Liberal Party of this original idea; that is not the case. Ideas I have said is in a number of other provinces. We had a number of very fruitful discussions with the various proponents and organizations who could be knowledgeable in its implementation. There are a number of issues to be resolved before any Government makes a decision to accede to this resolution.

I simply want to close, Mr. Speaker, by saying that the plastic card technology as a separate issue in this resolution, as a separate issue, is under investigation by Government not narrowed to the Pharmacare program, but the Pharmacare program will become part of it naturally because the Pharmacard technologies or the plastic health care card technologies that are now maturing and the system's development is making them very, very effective from Day One.

I am saying that because I want to caution my honourable friends that other jurisdictions that have brought these in have gone through the growth and the development pains, problems, and difficulties that we do not have to go through because some of the pioneering work has been done for instance in Saskatchewan, and for instance in other provinces and in some American jurisdictions.

We are seeking a mature system and we are seeking the costs of implementing that mature system. We are seeking equally as importantly what the benefit to the health care system of Manitoba will be. Whether the information base that we gain and some of the abilities to control for instance in the Pharmacare program, abuse of restricted pharmaceuticals as we are trying to do with the duplicate prescription program which will come in January 1 of this coming year, whether those kinds of information sources and readily available sources because of plastic card technology will give us a better health care system, I cannot answer at today's reckon. That is very much where this Government is moving in terms of the decision-making process. Very deliberate, with very clear objectives hopefully for the benefit of the health care of Manitobans to raise the health status of Manitobans.

Mr. Steve Ashton (Thompson): I must say from the outset, that I am quite disappointed in the speech made by the Minister of Health (Mr. Orchard). I thought for one fleeting moment that the Minister and this Government was going to join what I thought was a consensus in this House of supporting this particular resolution. I would suspect that if Members opposite, Members of the Conservative Party were allowed to vote on this matter with their conscience that they would support it as well.

We have just seen the Minister of Health in a 15-minute speech full of what I would call techno-speak dismiss this resolution basically out of hand. We heard lots of references to the mature health system, the information base, the decision-making process. For 15 minutes we heard flowery terms of that nature.

I did not hear the Minister of Health talk about the situation facing seniors today. I did not hear him deal with what I would say is a real issue. I did not hear

the Minister of Health talking about the proposal that has been suggested, and yes there would be a cost attached to it. I do not think anybody in this House needs a lecture from the Minister of Health about the fact that there would be a cost attached to having such a proposal implemented. You know, Mr. Speaker, we know that there would be a cost attached, but what we are saying is it is an important priority, the health care of our seniors is an important priority, and that we are willing to have a system put in place that would greatly improve it.

When I say we, I already believe there is consensus in this House, even amongst Conservative Members, at least some of them, perhaps not the Member for Portage (Mr. Connery), but some of the other Members who I am sure would support such a proposal. They have seniors in their constituencies who I am sure have told them that they would like to see this type of proposal. You know, let us put aside the flowery rhetoric for a minute and look at what we are talking about. Let us even accept the Minister's figures of 10.5 million. I think there could be some discussion depending obviously on the exact system put in place as to what the exact cost would be. Let this Government not say that it has not had the choice to make to deny this type of funding, because it has.

Over the last number of years this Government has had significantly increased revenues over previous years. The Minister of Finance (Mr. Manness) has set up a Fiscal Stabilization Fund to sock away money for future years. Well, Mr. Speaker, I will tell the Member for Fort Rouge (Mr. Carr) that the position of our Party is clear. We agree with having that fund, but we think it should be spent on the necessary priorities of today, including the priorities of our seniors and including, I would suggest, the Pharmacare system.

The Minister of Health (Mr. Orchard) talked about this 10.5 million figure and about the needs of seniors in other areas as if somehow that 10.5 million had been spent as soon as this Government took office for seniors and other areas. Mr. Speaker, we all know that is not the case. We know that the Minister responsible for Seniors, the previous Minister, did nothing and said very little in this House, said virtually nothing. We know how the Minister responsible for Seniors (Mr. Downey) does nothing, says rather a lot in this House, but he has certainly not put 10.5 million into programs for seniors. In fact, I remember quite distinctly when a Member of the Opposition asked the Minister Responsible for Seniors what he had done, what his Director had done for seniors, there was no answer, there was no answer whatsoever.

So do not let this Government talk as if it has put 10.5 million in other programs for seniors and this is the true priority of this Government. This Government has done nothing for seniors, has had greatly increased revenues. It has done absolutely nothing for seniors and particularly in the area of the Pharmacare system.

Here again we are hearing the Minister responsible for Seniors who is a master at rhetoric. I have been in this Legislature long enough to know that no one can beat the Minister responsible for Seniors (Mr. Downey) at the art of political rhetoric and the art of

dramatic gestures in this House. Remember when he used to pound on his desk to make a point. He does not do that any more, but he continues to be a master of rhetoric and not be a master of action. He has proved that in regard to the area of seniors. I would say that he should talk to the various seniors' organizations in this province and seniors about what they view about this card, the Pharmacare card proposal, which as I said has broad support in this province. If he did, I think he would be standing in his place today and saying the Minister of Health (Mr. Orchard) does not speak for the current Government, that he is wrong, that this proposal should be put in place.

We will be interested to see, I am sure, on this side of the House, whether the Minister responsible for Seniors (Mr. Downey) will speak on this issue. I will be glad to sit down in a few minutes, Mr. Speaker, to allow him to do so, and I look forward to hearing his comments in the debate. As I said, let us recognize what we are really talking about and that is providing some improved programming for our seniors. Let us also recognize the fact that the current system is, I would suggest, unfair. There are many seniors and many individuals who, I would suggest, are not claiming the full amount they should be entitled to because of the complicated system that is put in place to collect on Pharmacare. I would say that is the case.

I know, Mr. Speaker, my own case, having two young children at home who often have had the many illnesses that children do, I have known in a number of years where it has probably been significantly over the amount that I could have claimed for, but finding the receipts is another matter. I am not suggesting that all the benefits are not claimed for, but I think it is like any other program including many of the tax credit programs where the collection rate is only 85 percent of the actual entitled benefits. I think that is a particularly important thing to recognize in this particular case, that even under the current system that is not happening. You know in a world in which many of us live off plastic, the number of credit cards that are in circulation, I do not think it would require that much of a difficult system to be put in place. That is really what we are talking about. We are talking about using the current technology, something that has become standard in day-to-day transactions, only in this case putting it to work for a social benefit, in this case particularly, putting it to work for our seniors who built this country. I feel they deserve this type of recognition because seniors are clearly one of the highest users of pharmaceuticals, Mr. Speaker. I know the statistics show that seniors use, on average, double the number of pharmaceuticals that other people in society do, and I really feel that we need to do something.

But, I want to say something else for the Minister responsible for Seniors (Mr. Downey). I also hope that in his speech, when he gets up in this debate he will talk about the impact that the 9 percent GST will have on seniors, because seniors across this country are leading the fight against what they view as very similar to what the Prime Minister, Brian Mulroney, tried to do to pensions a few years ago, 9 percent tax on virtually everything, many of the essentials for seniors. Let this Minister get on the record and talk about the 9 percent sales tax and what he is going to do about it.

* (1800)

I notice, in debate on the 9 percent sales tax, the Minister responsible for Seniors said the Conservative Government is going to make tough decisions. Well, we have all seen what that means and the seniors of this country know what that means. The Prime Minister tried to make a few tough decisions a few years ago, and who suffered? Who was it, who had to fight tooth and nail to get the pension indexing reinstated? It was the seniors of this province.

I would suggest to you, Mr. Speaker, that the same thing will apply to the 9 percent tax as well. It will be the seniors who will talk to these Conservative Members. I notice there are a number of them now who are trying to out-compete the Minister responsible for Seniors' rhetoric. They are very good at it from their feet, but they are not very good when it comes to action on behalf of seniors.

We had an opportunity today for this Government to get up and join in the consensus and pass this resolution today. Instead we heard from the Minister of Health, we heard excuse after excuse after excuse. Well, let this Government defend its priorities in terms of the fact there are significantly increased revenues. Let them go to seniors and try and use the same line they are using on day care workers, that there is not the money to be put forward for these benefits. That is not true, it simply is not true. They may be able to fool some of the people some of the time, but they

cannot fool all of the people all of the time, and particularly Manitoba seniors.

Manitoba seniors know that this Government does have the opportunity now to show real priority in this here, and I really commend the Member for Churchill (Mr. Cowan), one of the senior Members of this House, for bringing in this resolution. I commend the Liberal Party. They have proposed this matter as well. I know it has full support from the New Democratic Party and 'I ask you,' Mr. Speaker, why are the Conservative Members of this Legislature now turning around and, under the leadership of the Minister of Health here, dismissing it out of hand.

I would say, Mr. Speaker, that is unacceptable and this Conservative Government should support this resolution.

Mr. Speaker: Order, please. When this matter is again before the House, the Honourable Member will have five minutes remaining.

I would like to inform the House that the Member for Swan River (Mr. Burrell) will be chairing the Committee of Supply in the Chamber here this evening at eight o'clock.

The hour being 6 p.m., I am leaving the Chair with the understanding that the House will reconvene at 8 p.m. in Committee of Supply.