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Second Session - Thirty-Fifth Legislature
of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(HANSARD)**

40 Elizabeth II

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

LIB - Liberal; ND - New Democrat; PC - Progressive Conservative

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	LIB
ASHTON, Steve	Thompson	ND
BARRETT, Becky	Wellington	ND
CARR, James	Crescentwood	LIB
CARSTAIRS, Sharon	River Heights	LIB
CERILLI, Marianne	Radisson	ND
CHEEMA, Gulzar	The Maples	LIB
CHOMIAK, Dave	Kildonan	ND
CONNERY, Edward	Portage la Prairie	PC
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	ND
DOER, Gary	Concordia	ND
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	LIB
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Clif	Interlake	ND
EVANS, Leonard S.	Brandon East	ND
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	ND
GAUDRY, Neil	St. Boniface	LIB
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
HARPER, Elijah	Rupertsland	ND
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	ND
LAMOUREUX, Kevin	Inkster	LIB
LATHLIN, Oscar	The Pas	ND
LAURENDEAU, Marcel	St. Norbert	PC
MALOWAY, Jim	Elmwood	ND
MANNES, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	ND
McALPINE, Gerry	Sturgeon Creek	PC
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold, Hon.	Rossmere	PC
ORCHARD, Donald, Hon.	Pembina	PC
PENNER, Jack	Emerson	PC
PLOHMAN, John	Dauphin	ND
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	ND
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	ND
STEFANSON, Eric, Hon.	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	ND
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	ND
WOWCHUK, Rosann	Swan River	ND

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, June 11, 1991

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Mrs. Louise Dacquay (Chairman of Committees): The Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

I move, seconded by the honourable member for St. Vital (Mrs. Render), that the report of the committee be received.

Motion agreed to.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, may I direct the attention of honourable members to the Speaker's Gallery, where we have with us today members of the National Historic Sites and Monuments Boards of Canada.

On behalf of all honourable members, I welcome you here this afternoon.

Also with us this afternoon, we have from the Shamrock School twenty-four Grades 4 and 5 students, and they are under the direction of Mrs. Wiebe. This school is located in the constituency of the honourable member for Niakwa (Mr. Reimer).

Also this afternoon, from the Murdoch MacKay Collegiate, we have sixty-five Grade 11 students, and they are under the direction of Mr. Joe Ptashynsky. This school is located in the constituency of the honourable member for Transcona (Mr. Reid).

On behalf of all honourable members, I welcome you here this afternoon.

ORAL QUESTION PERIOD

Taxation Technical Paper Tabling Request

Mr. Gary Doer (Leader of the Opposition): Today, we are again informed that a technical paper

is going to be released by the federal government dealing with taxation and taxation policy in Canada.

Mr. Speaker, the alarm bells should be going off with all Canadians considering the last time the federal government released a technical paper dealing with taxation. It was on the GST. Of course, they told us the GST would be revenue neutral; they told us it would be fair; they told us it would create jobs; they told us it would be low in inflation, and of course, last week, we found out that Canadians were being gouged by another \$400 million over what was predicted.

This technical paper will have major implications for policy making in this country and in the province of Manitoba.

I would ask the Premier whether he can table today the technical document from the Finance ministers, so that we can all have a public debate about the positive and negative components of the technical document and can review the validity of the assertions that the federal government would contain in such a document?

* (1335)

Hon. Gary Filmon (Premier): Mr. Speaker, when it comes to speaking about taxation and technical papers, the New Democrat Leader certainly is an expert on that because he came from a government that raised taxes more in a six-and-a-half-year period in this province than all other governments combined prior to that had. During a six-and-a-half-year period of time, for instance, personal income taxes in this province rose by 139 percent in that six-and-a-half-year period.

Corporate income taxes increased by 49 percent during that same period of time, but all sorts of new and innovative taxes came out of the technical paper that was put together by former Clerk of the Executive Council, Michael Dexter, including the 2 percent tax on net income and, of course, the payroll tax and all of these other wonderful taxes. This is the expert in Canada to talk about taxation, Mr. Speaker, and raising taxes.

I am interested in seeing that technical paper. I am interested in seeing the information that comes

forward from the meeting of the Finance ministers. I am interested as well in seeing just what commitment Minister Mazankowski gave to renewing the system of equalization payments to the provinces, because, of course, we have been fighting very hard to ensure that there is not further erosion to equalization payments such as took place during the time that the Liberals and New Democrats were in office federally and provincially in this province. Mr. Speaker, we will be very interested in following that technical paper and be happy to debate its issues when we have more information on it.

Mr. Doer: Mr. Speaker, through that tirade, the Premier never answered the question. I asked the Premier whether he would table the technical paper in the Legislature so that we could have a full and open debate about the implications of the change in policy for Manitobans and for Manitoba's place in Canada?

The Premier has stated on previous occasions that the policy on tax revenues, cost-shared programs and equalization are indeed tied to the whole issue of Confederation and national unity. Antipoverty groups right now are raising that issue of, a changing policy on tax revenue will erode the cost-shared programs, placing poorer provinces in much greater difficulty in dealing with the challenges of the 1990s for our social programs in Canada.

My question to the Premier is: Will he now agree to table that technical document in the Legislature when he has it; and, two, will we deal with this issue in a comprehensive way where we are dealing with cost-shared programs, equalization, tax systems and tax fairness together on behalf of all Manitobans?

Mr. Filmon: Firstly, I do not have such a technical paper, so I cannot table what I do not have. That is No. 1. Number 2, in terms of the hypothetical question, it depends on whether or not the paper is one that is produced for public consumption or one that is produced for internal review, because if it has a whole series of proposals that are unacceptable and not practical from our perspective, there is no sense in debating matters that are simply unacceptable to us. All of those matters are matters that we are prepared to deal with.

Public Consultations

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, the real issue here is whether the public is

going to have an opportunity to debate a major change in tax revenue systems in Canada, and what are the implications on our national cost-shared programs? Are the antipoverty groups correct? Will it affect our national cost-shared programs? Are Premiers from Alberta, British Columbia and Ontario or Finance ministers from those provinces—the have provinces—the only ones who will benefit from that? Will it benefit Manitoba?

I would ask the Premier, if it is a confidential report, will he go to the Prime Minister and ask that this paper be made public and the debate be made public? Canadians are tired of back-room wheeling and dealing on issues that are important to them. The Premier has said that. We have said that. The Liberals have said that. That issue we all agree on. We need an open public debate.

I would ask the Premier whether he will lead in Canada in demanding that the federal government make that public so Canadians can speak about this issue and the importance of this issue, not just politicians?

* (1340)

Hon. Gary Filmon (Premier): Mr. Speaker, despite the fact that is a hypothetical question, that is out of order, clearly, in this Legislature, I will—

Mr. Steve Ashton (Opposition House Leader): Are you questioning the Speaker?

Mr. Filmon: I am not questioning anything. I am stating for the record—

Mr. Ashton: . . . want to raise a point of order.

Mr. Filmon: I did not raise a point of order. I stated for the record that is a hypothetical question that is out of order. As a House leader, the member for Thompson (Mr. Ashton) should know that.

Mr. Ashton: And as Premier, you should know that you do not question the Speaker—

Mr. Speaker: Order, please.

Mr. Filmon: I have stated a fact. I have made no questioning of anybody. The fact of the matter is—

Mr. Ashton: Mr. Premier.

Mr. Filmon: Mr. Speaker, I would appreciate very much if the member for Thompson would stop his heckling so that—

Mr. Ashton: I called you Mr. Premier, I am sorry.

Health Care System Government Initiatives

Ms. Judy Wasylycia-Lels (St. Johns): Mr. Speaker, on November 23, 1988, the Minister of Health said, in a speech to the union of urban municipalities, and I quote: We do not need another huge stack of studies. In fact, the only thing that has been going up faster than costs in the health care system has been the number of studies. We have studied it to death. Now it is time to start doing something.

Mr. Speaker, since then we have had dozens of federal-provincial studies on health care reform. The minister has 14 studies ongoing under his Health Care Advisory Network. There are dozens of other studies. Now we have learned that the urban council authority he has referred to so often is actually another 48 working groups—another 48 studies on health care. That is not health care reform. That is health care stagnation.

I want to ask the Minister of Health, when will the studies end and the action begin?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, I look forward to my honourable friend's pearls of wisdom this afternoon as we approach Estimates in Health.

I do not have Hansard in front of me, but upon occasion my honourable friends in the opposition say we move unilaterally without consultation and study. Now, today, my honourable friend in the opposition says all we do is study. Will my honourable friend make up her mind what she wants?

Ms. Wasylycia-Lels: I say to the Minister of Health, I think we have in this House—

Mr. Speaker: Order, please. This is not a time for debate. The honourable member for St. Johns, with her supplementary question.

Ms. Wasylycia-Lels: Mr. Speaker, I will get to the question on this very serious matter, but it seems to me we have an orchard polishing its own apple.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please. The honourable member for St. Johns, with her question.

Deinsurance

Ms. Judy Wasylycia-Lels (St. Johns): There are some very worrisome parts to these 48 working groups.

Mr. Speaker, I want to ask the Minister of Health, since on Friday he said so definitively that he was opposed to user fees, why he has set up a working group to look into deinsuring more services and considering user fees?

* (1345)

Hon. Donald Orchard (Minister of Health): Mainly because no working group is considering using fees, contrary to my honourable friend's statement. Let us just make it absolutely clear.

Now, in terms of the deinsurance of services, yes, we deinsured the removal of tattoos and other issues that we do not believe, in today's constrained environment of limited dollars to provide needed health care services, that the taxpayers ought to be asked to pay for reversal of a personal decision of body decorating and tattoos.

Maybe my honourable friends the New Democrats believe that is appropriate health care expenditure. We have chosen to prioritize the needs and try to focus those kinds of limited tax dollars to appropriate health care services.

We are also, in terms of the deinsurance aspect, trying to come around the issue of psychoanalysis versus psychotherapy, so again we try very diligently to assure that, for the dollars we spend for those services, the maximum benefit in improvement of health status to Manitobans is achieved. I make no apology for that, Mr. Speaker.

Ms. Wasylycia-Lels: The minister is not being truthful with this House. I would be happy to table his own study, which lists a working group indicating that it will be looking at the question of user fees.

Health Care Facilities Spending Authority

Ms. Judy Wasylycia-Lels (St. Johns): I want to ask the minister about another serious concern in this report. Given the tensions already between this government and health care workers and professionals, why has this government set up a working group to give the hospitals the authority to call the shots on cost reductions in their own institutions by removing all policy impediments relative to layoffs, contracting out, et cetera?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, collective agreements that are in place will be honoured in terms of these initiatives. If an initiative within a hospital is no longer appropriate to be undertaken, the management can make the

decision to reprioritize that level of spending and put it into an area of needed health care delivery. In other words, if no longer appropriate spending with inappropriate health status improvement is decided to be deleted and the monies transferred to provide higher quality health care, I applaud that move. That is the reality of reform in the health care system.

I want to tell my honourable friend that when my honourable friend speaks in generic terms she supports reform of the health care system and its changing dynamic to meet the needs of the 1990s. You cannot support that term and then every single management initiative undertaken by government by the managers of our health care system in the hospitals, which spend upwards of a billion dollars. You cannot criticize every decision they make and maintain your support for reform of a health care system.

Health Care System Deinsurance

Mrs. Sharon Carstairs (Leader of the Second Opposition): During the election campaign, this government said it would not deinsure further services. Then they promptly did so by deinsuring such services as the reversal of sterilization and contact lens fittings. They said they would not implement any form of user fees, but they have done so to people who live in the North by a \$50 fee.

Can the minister tell the House today what other services he is now examining for the purposes of deinsurance, and on what basis he and MHSC are making those decisions?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, I am not going to go through the tattoo removal issue that I used as a deinsured service. I will, however, deal with the contact lens fitting.

When the question was first posed by the New Democratic Health critic, the impression was left that children who need contact lens fittings to improve their eyesight would be deinsured. That, Sir, is not the case, clearly and unequivocally.

What is not being insured under the system is the fitting of cosmetic contact lenses which have the ability of changing eye colour, more in terms of the personal enhancement of one's looks rather than the medical need of eyesight. I do not believe the public reasonably can be expected to pay for cosmetic improvements that an individual may choose to undertake in contact lens fitting when other needs in the system would be sacrificed if we

continue to pay for that. That, Sir, was what was deinsured. I do not believe the health status of any Manitoban will be adversely affected by that decision.

Mrs. Carstairs: Mr. Speaker, the health care of a great number of Manitobans will be affected if this government decides they will no longer insure psychoanalysis in the province of Manitoba, a service that has been provided under medicare since its inception.

Can the minister tell the House today why, in his response to the Health critic for the New Democratic Party, he said that they were choosing between psychoanalysis versus psychotherapy?

* (1350)

Mr. Orchard: Mr. Speaker, it is my understanding that we do not pay for psychoanalysis because it is not a billable procedure. What we pay for is psychotherapy. Within the billing practice of some individuals, they include what is classically known—and I am not a medical expert—as psychoanalysis and bill it as psychotherapy.

That means—and this is an issue that was before the New Democrats, and my honourable friend the Leader of the Opposition (Mr. Doer) knows of what I speak—that there are a number of practitioners who serve a very narrowed group of individuals in Manitoba and deliver to them psychoanalysis under the billing mechanism of psychotherapy. Mr. Speaker, that has been identified as an issue that needs to be discussed with the Psychiatric Association of Manitoba and the MMA.

That process is in place because we do not have the luxury of providing a service that may not have a real outcome for the positive benefit of the individual while other needs within the system go wanting, for instance, retention, recruitment of psychiatrists outside of the city of Winnipeg. Selkirk and Brandon are just two examples. It would be appropriate, Mr. Speaker, with the co-operation of all involved, to refocus those dollars so they meet the greatest needs of Manitobans.

Mrs. Carstairs: Mr. Speaker, there are psychoanalysts practising in the province of Manitoba. They are being paid by the Manitoba Health Services Commission, and they have patients because, as trained physicians as well as analysts, they are treating appropriate to the modality in which they have been trained.

Can the minister explain on what basic medical research he is basing a decision that analysis is not a deliverable medical service insurable in the province of Manitoba?

Mr. Orchard: Mr. Speaker, psychotherapy is the service for which there is a recognition that it has benefit, that it is an appropriate service to be billed within the context of the fee schedule of the Manitoba Health Services Commission. That, Sir, is exactly what will continue.

However, where billing under psychoanalysis, where one individual may come back on a very, very regular basis with no limits on the number of billing episodes that the practitioner may have for that individual patient, one must ask what is being accomplished for the individual, and is there a better way to provide (a) service to that individual; and (b), more importantly, service to one million Manitobans?

Mr. Speaker, that is what is being discussed, analyzed and hopefully concluded with a more appropriate use of dollars to achieve a greater level of mental health through psychotherapy.

Assiniboine River Diversion Impact on Irrigation

Ms. Rosann Wowchuk (Swan River): Mr. Speaker, my question is for the Minister of Natural Resources.

People in Brandon, Portage and other communities, who rely on the Assiniboine River for their water supply, have raised concerns about the proposed diversion of the Assiniboine River to supply water to the Pembina Valley. They have been assured that only water will be taken for residential and industrial use. However, last night in Estimates, the minister said that he was not opposed to diverting enough water to irrigate potato farms.

Can the minister tell this House whether his government's position has changed and whether he is now prepared to divert enough water to allow for irrigation in the Pembina Valley?

Hon. Harry Enns (Minister of Natural Resources): Mr. Speaker, I can reiterate to the honourable member for Swan River what has already been indicated. The current status of those concerns expressed in that question are simply that the government received a report some time late in February from a 15-member task force representing

the lower Red River Valley. That report has been received. It has made certain recommendations that call for a diversion of some additional 20 cubic feet per second of water from the Assiniboine River for domestic and municipal use only.

The government has taken no action on that report. It is being given, at this time, active consideration, as I indicated during a course of my Estimates yesterday.

Ms. Wowchuk: I would like to ask the minister then, it appears there is some contradiction in what he said earlier, when can we expect this report? What studies can he table for us to show that this diversion will not affect the water supply for the people of Brandon, for the people of Portage and other communities who use the water from the Assiniboine River?

* (1355)

Mr. Enns: Mr. Speaker, I am only too pleased to acknowledge that yesterday, in more informal sessions of Committee of Supply, questions were raised, and I responded to the overall needs of providing additional water supplies, particularly in those areas of the province that have a very serious and chronic water shortage.

The impact this was having on future potential, including agricultural diversion into other crops other than the cereal crops, which are currently being subsidized under my colleague's GRIP program, these and many questions are before the government. When and if the government has a position on this report or any modification of the report, I can assure you that all of that material will be advanced, certainly would have to be prepared for the very intensive environmental hearings that would be undertaken that would make this a very public procedure, at which time the concerns of, certainly, residents within the Portage area would have to be addressed, or Brandon. Indeed, anybody in the province of Manitoba would have an opportunity to examine the proposals that the government is considering.

Ms. Wowchuk: I guess we will have to wait for the results of the report.

Corporate Interests

Ms. Rosann Wowchuk (Swan River): According to the minister's comments last night, the main benefactors of the irrigation project would be the Carnation plant in Carberry.

Can the minister tell us if he is prepared to choose corporate interests over community interests again in this?

Hon. Harry Enns (Minister of Natural Resources): Mr. Speaker, I am pleased to report that the Carnation facility at Carberry has provided gainful employment for in excess of 400-450 citizens for a good number of years with or without any diversion of waters for the Assiniboine River. They happen to be very fortunate. They are sitting on ample aquifer that provides them with that water.

I certainly refute any suggestion that is implied in that question. The fact that additional expansion, that additional agricultural diversification would be possible if water were available is a given. That, of course, is something that this government would be expected to examine most seriously.

Bill 70

Labour Management Review Committee

Mr. Steve Ashton (Thompson): Mr. Speaker, this provincial government, through its introduction of Bill 70, has accomplished about only one positive thing. It has united the entire labour movement in Manitoba, which is launching a fight back against this Draconian piece of legislation. One of the more basic requests of the coalition is that the bill be referred to the Labour Management Review Committee.

I want to ask the Minister of Labour, who has or will receive a letter, as I understand, requesting this, if he will be following through on the words of the Premier (Mr. Filmon), stating in August of 1990 that any further significant changes to Manitoba labour laws or The Civil Service Act would only be undertaken after consultations with the public, business and labour?

Will the minister live up to the words of the Premier and accede to the request to have this matter reviewed by the Labour Management Review Committee?

Hon. Darren Praznik (Minister of Labour): Mr. Speaker, as the member for Thompson I would hope would know, the Labour Management Review Committee is designed to look at long-term legislative changes in our general labour legislative structure. This is an extraordinary piece of legislation because of an extraordinary time that the member opposite and his party do not want to recognize, even though we believe the vast majority

of public servants do recognize it and do want to shoulder their share of the responsibility during a recession.

Mr. Speaker, no, the answer is very simple. We will not be forwarding this bill to the Labour Management Review Committee. It is not the appropriate forum.

Mr. Ashton: Mr. Speaker, what could be more long reaching in its impact than Bill 70, one of the most Draconian pieces of legislation in terms of labour legislation in Manitoba history?

I want to ask the minister again, why will he not live up to the words of his own Premier (Mr. Filmon), as stated in the last election, before the election, that he would consult in regards to all significant changes of labour legislation, which this is indeed? Why will he not live up to the words of the Premier?

Mr. Praznik: Mr. Speaker, the member for Thompson does not listen as usual. The purpose of—

Mr. Doer: Ever since Duff Roblin.

Mr. Praznik: Well, the Leader of the Opposition (Mr. Doer) says, ever since Duff Roblin. I ask him, did Ed Schreyer refer the anti-inflation board Order-in-Council in 1976 to labour management review? That is the answer to this question.

Mr. Ashton: Mr. Speaker, we are seeing Bill Vander Zalm labour law, Grant Devine labour law in this province with this government.

Labour Laws Internal Review

Mr. Steve Ashton (Thompson): My final question, Mr. Speaker, is once again to the Minister of Labour since the Premier's (Mr. Filmon) word obviously does not mean anything in terms of Bill 70.

I want to ask the Minister of Labour: Is this government conducting an internal review of labour law, an overall review of labour law, and if so, would it at least in that particular case ensure, as the words of the Premier were stated before the election, that there be consultations with public, business and labour, or is it the intent of this minister to bring in more sweeping change to The Labour Relations Act through a stroke of the pen, as he is doing with Bill 70?

* (1400)

Hon. Darren Praznik (Minister of Labour): Mr. Speaker, I really appreciate the comment of the

member for Thompson about the sweeping labour legislation that this government has brought in. What have we brought in? We have repealed final offer selection, which is something we were committed to that we took to the people of Manitoba and they decided in elections. We brought in the extension of maternity and paternity benefits with unanimous recommendations, some differences on how we did it from Labour Management Review. We now have before this House amendments to the Payment Of Wages legislation and The Employment Standards Act, again, with the unanimous approval of Labour Management Review Committee.

Mr. Speaker, the great difference between the way this government handles labour legislation and the party opposite did when they were in power is we use labour management review on changes to labour legislation.

Mr. Speaker, there is a very clear difference between Bill 70, which is a one-year freeze. I just want to add the great disservice the opposition does to the Civil Service of Manitoba, who are, I believe, prepared to share in the difficulties facing the province, and all they do is paint the picture of civil servants who are not prepared to live up to that when they are.

Health Care System Government Role

Mr. Gulzar Cheema (The Maples): Mr. Speaker, my question is for the Minister of Health.

The Minister of Health has just made a statement in this House, and his statement clearly indicates that any patient care will be decided by this Minister of Health—how many visits are given to a patient and for a doctor.

Can the minister tell in this House if the minister is going to make a decision by himself and tell people that it is a Tory policy when they should see the doctor and when they should not?

Hon. Donald Orchard (Minister of Health): No, Mr. Speaker.

Government Policy

Mr. Gulzar Cheema (The Maples): Mr. Speaker, then the minister should apologize and withdraw the answer he gave in the first question to my Leader. That answer was clearly indicating the minister would limit the number of services. If he does this, that means the medicare system will be dismantled.

He has started with the reversal of sterilization, now they are going for the deinsurance of other services. He should clearly define what is the health care policy of this administration.

Hon. Donald Orchard (Minister of Health): To improve the health status of Manitobans with \$1.75 billion of expenditures for one million people.

Mr. Cheema: Mr. Speaker, given all the five statements, can the Minister of Health tell us today what is the new definition of the universal health care system under the Filmon government?

Mr. Orchard: Mr. Speaker, I look forward to my honourable friend's suggestions in Estimates, but clearly, can there be a better goal for any government regardless of political affiliation than to improve the health status of one million Manitobans with the expenditure of \$1.75 million of taxpayer dollars?

CP Rail Traffic Diversion

Mr. Daryl Reid (Transcona): Two weeks ago, we raised with the Minister of Highways and Transportation the fact that CP Rail was bypassing Manitoba with rail freight traffic. The minister and the railway at first denied that this was the case, then admitted the truth. They denied the trains were bypassing Manitoba, yet we now see today that the railway is once again admitting to what they previously denied, that to them deregulation, free trade and taxation are the issues.

My question is to the Minister of Highways and Transportation. What success has the Minister of Highways and Transportation had in convincing CP Rail to resume routing its full rail traffic through Manitoba?

Hon. Albert Driedger (Minister of Highways and Transportation): Mr. Speaker, that is a very broad question, and I think there are a lot of answers that could be given to it in the long term.

I just want to indicate and correct the record that the day I indicated that I had been informed there was no rerouting past Manitoba at that time. That was the information I received. When I received different information, I apologized to the House, indicated that I had made a mistake and that I had been misinformed.

Since that time, CP has also phoned me. I made contact with them, and they apologized for not giving me the proper information. Subsequent to that, I

have had various meetings dealing with CP and also having my staff getting together with policy staff in terms of co-ordinating an approach that we will take in terms of how we deal with the situation with CP.

Many recommendations have come forward over a period of time as to how this should be dealt with. The answer is not that simple. They are making some business decisions which affect employment and affect the economy of Manitoba, and we are trying to find a way how we can take and work this out to the benefit of Manitobans.

Government Subsidies

Mr. Daryl Reid (Transcona): Given that the manager of public affairs for CP Rail has stated that CP has been forced to operate in the U.S. due to the new trade environment and that as Canadians we have been subsidizing this railway for a great number of years, has the Minister of Highways and Transportation supplied the CPR with a list of subsidies that have been given to this corporation?

Hon. Albert Driedger (Minister of Highways and Transportation): Staff right now have been going right back to, I think, 1881 when the initial agreement with CP was made in terms of the benefits they got, in terms of land transactions and gifts that were given and the many concessions that were made, and what has happened since that time. We are reviewing the whole process of the benefits that CP has gotten.

At the same time, we cannot take and influence the business decisions that are made. Whether I agree with them or not is immaterial really, but we are trying to develop a scenario in such a way that we can make it more profitable and encourage CP to take and use the Canadian aspect of it in the movement of their rail activities.

I am looking forward to somewhere in the Estimates process where we can get into depth a bit more, rather than a Question Period where we are restrained by time in terms of how we can respond.

CNCP Facility Sharing Impact on Employment

Mr. Daryl Reid (Transcona): My final supplementary to the same minister: Considering that CN Rail and CP Rail have recently discussed joint facility usage where it is convenient, what discussion has the Minister of Transportation had with both railways in light of their decision to study

combining facilities, to determine the impact on jobs and service in Manitoba?

Hon. Albert Driedger (Minister of Highways and Transportation): There is ongoing rationalization taking place with the rail lines, CNCP. This also is taking place with the individual businesses and the trucking industry. For that reason, we have activity going on with air activity that is being under consideration right now.

Mr. Speaker, the fact that companies talk to each other and see whether they can provide a service cheaper somewhere along the line—I have to indicate that one of the reasons that we are having trouble with both railways is the fact that the previous administration raised the fuel taxes for these people to such an extent, and they did. We have not raised it one cent, and this is the point that they are arguing and saying it is putting them at a disadvantage with their American counterparts. The member should be a little careful when he criticizes some of the same people. They created the environment that has created the problem to a large degree.

Water Quality Selkirk, Manitoba

Mr. Gregory Dewar (Selkirk): Mr. Speaker, my question is for the Minister of Environment.

Selkirk residents are drinking water which is made up of 35 percent water drawn from the Red River. Given the fact that the environmental approval branch stated that the Red River's harmful bacterial counts are 10 times above provincial standards, what assurances can this minister give the residents of Selkirk that their water is safe to drink?

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, the standards of water that are delivered are going to have to meet provincial standards, and that certainly is what they can expect to receive on their taps.

I am sure that the member is referring to the larger issue, and that is the improvement of the quality of water in the Red and the Assiniboine and the ultimate water quality that heads past Selkirk. We are in a process of developing a Clean Environment Commission hearing that will be working towards establishing water quality standards for those two rivers. I think that will go a long way towards answering the member's question.

Winnipeg Rivers Raw Sewage Disposal

Mr. Gregory Dewar (Selkirk): Has this minister ordered the City of Winnipeg to submit its long-awaited plans to disinfect and treat raw sewage dumped into the Red and the Assiniboine rivers?

* (1410)

Hon. Glen Cummings (Minister of Environment): Yes, Mr. Speaker, that work is ongoing, and that process will continue.

Southern Development Initiative Selkirk, Manitoba

Mr. Gregory Dewar (Selkirk): My final question is for the Minister of Rural Development.

In October of 1990, the Southern Development Initiative was announced, and Selkirk was identified as qualifying for assistance under this agreement.

What is the status of this initiative? When can Selkirk expect assistance in developing new water sources?

Hon. James Downey (Minister of Rural Development): Mr. Speaker, the Department of Rural Development has established a committee to work with the different communities that were identified for SDI. I can get for the member the current status of the workings of that committee.

Bill 70 Crown Corporations

Mr. Nell Gaudry (St. Boniface): Mr. Speaker, the Liberal Party does not believe in interfering in the day-to-day management of Crown corporations. We believe that the wage rates negotiated in good faith are an essential part of Crown independence.

While in opposition, the Conservatives spoke of the need for an end to political meddling in Crown corporations. As on so many other occasions, we have seen where pre-election Tory commitments have very little to do with the post-election Tory actions. -(interjection)- Listen to the question first.

What justification does the Premier have for freezing wage rates in publicly owned public utilities and adjusting rate increases accordingly, and then not doing the same for a privately owned public utility like Centra Gas? Why the double standard?

Hon. Gary Filmon (Premier): We want to talk about double standards. In the 1988 election

campaign, when she was running for office, the Leader of the Liberal Party (Mrs. Carstairs) said that she would personally assure that 40 percent of the management of MPIC was removed. Talk about direct interference with a Crown corporation, getting right in and removing jobs, making decisions on the operations of a corporation. That was her kind of interference with the management.

Day after day after day, we see the Liberals saying, you should be doing this with Manitoba Hydro. Tell them to do this. Tell them to stop this. Tell them to do that. All the time, the critic for Crescentwood moves right in and says, stop Manitoba Hydro from doing this. Order them to do that. He went to committee, Mr. Speaker, and berated the chairman because he was not listening to him. Direct political interference.

We have no lessons to learn from the Liberals when it comes to managing Crown corporations.

Mr. Gaudry: Mr. Speaker, the Tories are wrong to interfere in wage settlements reached through collective bargaining. We are only trying to determine whether there is any consistency to the Tory plans.

Crown Corporations Fee Rollback Request

Mr. Nell Gaudry (St. Boniface): Given that the Premier indicated last week that he would ask the PUB to re-examine utility rate increases if the cost of Crown corporations decreased due to the wage freeze, will he now instruct the Crowns to appear before the PUB given that the wage increases were part of the original forecast for the need of rate increases?

Hon. Gary Filmon (Premier): Mr. Speaker, MPIC will be before the PUB in a very, very short while. At least one of the three did not put any increase in their proposal for rate increase for this year, did not put any salary increase into those figures, and a third has been faced with changing costs, but this is all dependent on whether or not Bill 70 passes.

Why would we go to the PUB and instruct them to start a new series of hearings until we have the assurance of this House that Bill 70 will pass?

Mr. Speaker, the member opposite will have his opportunity. If he wants to see lower rates for the ratepayers of this province, then we will ask for his support for Bill 70 to ensure that happens.

Collective Bargaining Government Position

Mr. Nell Gaudry (St. Boniface): The consumers are concerned. Will the Premier consider his decision to—will you listen?—unilaterally eliminate collective bargaining which will destroy the positive labour relations climate that we have in this province, or does he believe that Manitoba's economic interests will be served by a bitter labour relations climate which will spread to the private sector?

Hon. Gary Filmon (Premier): Mr. Speaker, what we want to do is to protect the taxpayers and ratepayers of this province, as well as preserve the economic base so that we can have more investment and more jobs in this province. It is regrettable that the Liberal Party does not want any of that.

The Liberal Party does not want lower rates for the ratepayers of our Crown corporations; the Liberal Party does not want to have a sound economic base for this province. The Liberal Party wants higher taxes and greater costs for the people of Manitoba.

Finally, somebody has to speak for the taxpayers, and regrettably, we have to take this short-term pause in wage rates in the public sector of this province to ensure that we protect the interests of the taxpayers and the ratepayers of Manitoba.

Mr. Speaker: Time for Oral Questions has expired.

Committee Changes

Mr. Edward Helwer (Gimli): Mr. Speaker, I move, seconded by the member for St. Vital (Mrs. Render), that the composition of the Standing Committee on Public Utilities and Natural Resources be amended as follows: the member for St. Norbert (Mr. Laurendeau) for the member for Portage (Mr. Connery), the member for Gimli (Mr. Helwer) for the member for Rossmere (Mr. Neufeld), and the member for Ste. Rose (Mr. Cummings) for the member for Sturgeon Creek (Mr. McAlpine).

*(1420)

Mr. Speaker: Agreed? Agreed and so ordered.

ORDERS OF THE DAY

Hon. Darren Praznik (Deputy Government House Leader): Mr. Speaker, before I motion to go into Committee of Supply, I would ask if you could

canvass the House to see if there is leave to waive private members' hour.

Mr. Speaker: Is it the will of the House to waive private members' hour? No, leave is denied.

Mr. Praznik: Mr. Speaker, I move, seconded by the honourable Minister of Education and Training (Mr. Derkach), that Mr. Speaker do now leave the Chair and that the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

Motion agreed to, and the House resolved itself into a committee to consider of the Supply to be granted to Her Majesty with the honourable member for St. Norbert (Mr. Laurendeau) in the chair for the Department of Health; and the honourable member for Seine River (Mrs. Dacquay) in the Chair for the Department of Agriculture.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY—HEALTH

Mr. Deputy Chairman (Marcel Laurendeau): Order, please. Will the Committee of Supply please come to order. This afternoon this section of the Committee of Supply meeting in Room 255 will be considering the Estimates of the Department of Health. Does the honourable Minister of Health have an opening statement?

Hon. Donald Orchard (Minister of Health): I do.

Mr. Deputy Chairman, I am pleased to present today the working Estimates of the Manitoba ministry of Health for the fiscal year ending March 31, 1992. I will be asking this committee to support my request of \$1,761,190,400, an increase of \$89,877,600 or 5.4 percent over the Adjusted Vote of \$1,671,312,800 for the previous fiscal year.

As in the past, I wish to pay tribute to the many dedicated workers throughout the health care system. We have just gone through a particularly difficult time and the literally thousands of people within the system can be commended for their willingness to put foremost the well-being of Manitobans whom they serve.

I particularly want to single out those committed professionals who have given of their time, effort and creative ideas to facilitate the process of change that the health care system is experiencing. I know I can count on them and on all other dedicated members of the system to continue to support the

reform needed to maintain and enhance Manitoba health as one of the best, if not the best, in the world.

Also, Mr. Deputy Chairman, I would again like to thank the community groups, professional associations, universities, voluntary agencies and individuals with an interest in the health of Manitobans whose counsel continues to make contribution to decision making as we continue to build on the partnerships which are a feature of my ministry's activities.

*(1430)

Mr. Deputy Chairman, since I became minister I have announced a number of significant initiatives such as the development of goals for health and health care, the Health Advisory Network, reform of the mental health system, the Health Services Development Fund, the introduction of Healthy Public Policy, the Centre for Health Policy and Evaluation, the Urban Hospital Council and a large number of other program, policy, legislative and organizational changes. I will describe some of these initiatives in detail, but first I think it is important to show how all of these actions tie together as essential components of our strategic management plan to realize our vision for health.

Mr. Deputy Chairman, lest at least one of the members opposite accuse me of lack of vision or another member opposite is tempted to refer to a list of ever escalating service demands as an audit, let me begin by saying that the issue of the health status of Manitobans is not one to be taken lightly or narrowly. It is the responsibility of the Minister of Health to manage a health care system aimed at maintaining, protecting and improving the health of Manitobans. This is not a trivial task.

Health is the single largest expenditure portfolio of every provincial and territorial government in Canada, and the fiscal and strategic management challenges have never been greater. We are dealing with a paradox. Ever escalating expenditures on health care—and this Estimates request of a 5.4 percent increase is no exception—have not been the most important contributors to the improving health status of Manitobans. There does not appear to be very much of a relationship between health care expenditures and the health status of a nation or provinces.

The United States spends more per capita on health care, over \$2,000 per capita, but their life

expectancy is amongst the lowest of the industrialized nations. Japan, which spends the least per capita—approximately \$915 per capita—has the highest life expectancy. All indications are that their health status is just as high. For example, the Japanese have among the lowest death rates for heart disease in the world.

Canada spends almost \$1,500 per man, woman and child and our health status is high. Life expectancy at 76.8 years is just behind that of Japan and Sweden, but there is little evidence that it is our high expenditures on health care which have contributed to our health status. Interprovincial comparisons bear this out.

For example, Saskatchewan spends almost as much per capita on health care as Manitoba, yet their disability rate is 11 percent higher. At the same time, Saskatchewan's infant death rate is 11 percent lower than Manitobans, and I will say a few words about that in a moment about what we are doing about that.

Point of Order

Mr. Dave Chomlak (Kildonan): A point of order, Mr. Deputy Chairman. I am wondering if, given the statistics the minister is citing, he has written copies perhaps for members of his opening statement. It will make it a little easier to follow. I understand it is precedent in some cases.

Mr. Orchard: I do not have the copies here, but I will make a copy available.

* * *

Mr. Orchard: I am not raising this to alarm. The infant death rate is declining in both provinces. This data confirms that there is little direct relationship between health expenditures and health status. So it is clear that simply throwing money at the problem would not constitute a vision for health, nor can we call an audit of greater and greater demands for service a vision for health. Instead, the vision for health requires that we look at the factors which contribute to good health and the risks to health we can reduce or eliminate.

Mr. Deputy Chairman, that is the basis for building a vision for health. That is our challenge and where energies and efforts should be directed.

If we want to talk in terms of audits, the question that should be foremost in the minds of all responsible Manitobans is not just how much we are spending on ever increasing demands, but how

effectively is our expenditure targeted towards the real health needs of Manitobans, in the context of helping to keep Manitobans healthy and in the context of achieving the prosperity and the socioeconomic and environmental conditions that reduce health risks for all Manitobans, in other words, healthy public policy.

So, Mr. Deputy Chairman, I want to focus on some of the components of our strategic management plan. A strategy for health requires that we identify the critical issues, that we establish goals for health and health care, that the goals are followed by measurable, achievable and realistic targets, objectives and priorities in the context of the fiscal realities, and that we implement management information strategies to give us comprehensive, timely and accurate data to plan, monitor and evaluate our policies and programs in terms of outcomes and efficacy, as well as efficiency and value for tax dollars spent.

Finally, the strategy requires that we make the organizational and system changes to implement the plan. Let me put that in plain English, Mr. Deputy Chairman. We need to know the right thing to do. We need to know that we are doing things right and right the first time. Most importantly, we need to do the right thing.

Let me begin, Mr. Deputy Chairman, by outlining how we are going about developing the first component of our strategic management plan, health goals and the objectives, target and priorities that flow from the goals knowing the right thing to do.

We have consulted extensively in developing our health goals. One of the first things we did when I became minister was to invite the chief executive officers of the health facilities and other key stakeholders to a strategic planning meeting in Portage la Prairie. At that meeting, a number of health goals were identified but have since been refined through further consultation.

* (1440)

The goals for health and health care which have emerged are improved general health status; reduced inequalities in health status; establish a public policy which promotes health; foster behaviour which promotes health; foster environments which promote health; provide appropriate, effective and efficient health services; develop mechanisms to assess and monitor quality

of care, utilization and cost-effectiveness; foster responsiveness and flexibility in the health care delivery system; promote reasonable public expectations of health care; promote delivery of alternative and less expensive services.

Mr. Deputy Chairman, these goals need to be converted into realistic targets and measurable objectives. That is where the Health Advisory Network comes in. The network, through its task forces, is engaged in extensive consultation to develop action plans on particular priorities which will be implemented in the context of the health goals. That is where the Centre for Health Policy and Evaluation comes in. I will come back to the centre in a few moments, but one of the functions of the centre is to provide the basic background data for developing targeted objectives and priorities.

That is also why we have established a number of committees of key stakeholders to take a comprehensive look at particular programs and disease entities across the entire spectrum of services ranging from Healthy Public Policy, through health education, early detection, treatment, rehabilitation, continuing care and palliation.

Some of these envelopes include mental health, cancer, reproductive health, child health and cardiovascular health. That is also why we are planning in November of this year, in conjunction with the Manitoba Health Organization Incorporated, a symposium on targets, objectives and priorities emanating from the health goals and from the work of the envelope committees.

Mr. Deputy Chairman, a management information strategy is essential to our strategic plan. Let me repeat, we need to know first what is the right thing to do, then that we are doing the right thing the first time, and finally that what we are doing makes a difference to the health of Manitobans.

The Health Advisory Network will be providing me with a report which will serve as the focus for the development of a long-range information strategy. If it is to be effective, the strategy must provide for an integrated and comprehensive system for developing background data, policy and health services research, interministerial policy planning and development, monitoring and control of service delivery, and evaluation of new technologies, initiatives, policies and programs in terms of efficacy in health outcomes.

Mr. Deputy Chairman, on that note, let me get back to the role of the Manitoba Centre for Health Policy and Evaluation, a key component of our management information strategy, knowing the right thing to do. Manitobans and Canadians do not like to blow their own horn. We are not good Texans when it comes to bragging about our accomplishments.

When we have world-class institutions or produce world-class products, we sometimes tend to be too modest about them. For example, not many Manitobans recognize that Manitoba has the best basic health database in the country, and perhaps in the world, which contains over 18 years of validated, detailed claims data. Even though it is recognized that we are rapidly moving into an information age where information technology is the wave of the future, and even though researchers from all over the world recognize the importance of the Manitoba database for health policy research and are lining up to use it, we have been the first government to recognize this opportunity and begun the process of using the database to assist us in sound decision making and in formulating a long-range strategic plan.

It is possible to link this data with census information and other socioeconomic data which allows us to link service delivery with health outcomes. We are working with Statistics Canada and the Canadian Institute for Advanced Research to bring this about. The proposal is known as the Manitoba Population Health Data Base, and it will help us assess Manitoba's health care needs and develop realistic and effective policy options.

Mr. Deputy Chairman, that is why this spring I was pleased to open the Manitoba Centre for Health Policy and Evaluation. The Manitoba Centre for Health Policy and Evaluation has, for the first time in Canada, established a world-class research centre which gives us the ability to evaluate the level of health among Manitobans, monitor the use of resources within the health care system, monitor effectiveness of quality of care, forecast the impact of new programs or technology before implementation, and provide sound information for peer review standards.

The Manitoba Centre for Health Policy and Evaluation was established as a partnership between the University of Manitoba and Manitoba Health with \$3.5 million over three years provided from the Health Services Development Fund. In

addition to the work done for government, the centre is expected to secure contracts in the health industry for technical trials in clinical and policy research.

So, Mr. Deputy Chairman, we have created not only a source of information to help us with strategic planning, but we also have created the basis of a cutting edge information industry located in Manitoba which will be internationally viable.

The centre will be of direct benefit to Manitoba Health. In the first three years some of the deliverables to Manitoba Health will include: a review of hospital funding options; a policy analysis and action plan for recommendations and actions emanating from Manitoba and Canadian studies; the Manitoba Population Health Data Bank restructured as a basis for research on the determinants of health to support Healthy Public Policy; a review of health service utilization to improve efficiency and quality of service; identification and policy options of health problems of those at highest risk of ill health.

Most of all we are beginning to obtain the information we need to make sound and creative strategic decisions to improve health status in the context of Healthy Public Policy and in the context of meeting the real health needs of Manitobans.

That is why one of the first things we asked the centre to do, as soon as the information system became available to us, was to revisit and update for implementation a large number of studies which emanated from the Health Services Review Committee and which had not been used because we did not have the basic data to prioritize or evaluate the recommendations emanating from those studies.

Mr. Deputy Chairman, the centre is essential for long-term planning to ensure that we are doing the right thing, but we also need to be able to monitor and evaluate our programs and services. We need to know if we are doing things right. That is why we have created the Program Evaluation and Comprehensive Audit Secretariat. The secretariat was established in order to strengthen the ministry's capacity to evaluate, monitor and audit new and existing initiatives, with greater focus on their contribution to health outcomes.

Mr. Deputy Chairman, the next step in strategic management once the issues have been identified, once we know the right thing to do, once we know that we will be able to determine if we are doing

things right, is to make the organizational and system changes to do the right thing. That is why we are changing the system from what is essentially a health insurance organization to one which focuses on the determinants of health and the improvement of health status.

Central to this approach is the implementation of a Healthy Public Policy approach. That is why the Human Services Committee of cabinet was mandated to direct the development of policies, programs and legislative initiatives that have an impact on health status across departmental lines. That is why an interdepartmental Steering Committee on Healthy Public Policy was established to identify and develop priorities and opportunities for improving health status through interdepartmental co-operation on policies and cost-effective service delivery and to develop policy and program recommendations for government.

For example, targeting in the context of Healthy Public Policy is a feature of our strategy to deal with substance abuse: The War on Drugs. We have been consulting widely and will focus on youth as our first priority. This will not be done in isolation from initiatives and other areas of government. The War on Drugs will involve Education and Training, Justice and Family Services, as well as Health.

Mr. Deputy Chairman, the War on Drugs is just one example of the Healthy Public Policy approach. I would like to give another example of a need for Healthy Public Policy which crosses interdepartmental lines, that being Healthy Child Development, an issue which was mentioned in the Speech from the Throne.

The Healthy Child Development strategy is based on the recognition that many of the conditions which lead to infant mortality, ill health, disability, or premature death of children are the result of factors beyond the control of the health care system, factors which include deaths and injuries from accidents and abuse, the rapidly changing structure of families, child poverty and family dysfunction.

The Healthy Public Policy approach is more than a particular project or initiative. It is the central theme which guides the organizational and system changes we have been making. Mr. Deputy Chairman, that is why we have taken the steps to combine the two separate health systems representing the institutions and community health services into one integrated entity.

* (1450)

Through reorganization we are sending the clear message to the health care community that the issue is not beds, but services to people. Physicians and other health professionals must see that their power comes not from the number of beds they control, but from the services they provide to people. They must see that their power comes equally if the services are provided in the community as if they are provided in institutions.

Mr. Deputy Chairman, that is also why we created the Health Services Development Fund. The fund is helping us to make the necessary changes by providing bridge funding as, for example, in the case of the study into a free-standing ambulatory care facility at the St. Boniface General Hospital. This will not be an add-on. The study will focus in on replacing in-hospital services with lower cost outpatient services. This could lead to changed operations within the hospital by funding the services on a lower cost basis. This will require a different staff mix as we move further towards a more balanced system which sees a greater emphasis on community-based services.

The fund is also used to encourage and facilitate creative and innovative changes, the Centre for Health Policy and Evaluation which I described earlier being just one example.

Mr. Deputy Chairman, in the coming fiscal year, the fund will continue to be utilized to identify and facilitate needed changes such as to support mental health reform, new approaches to the war on drugs and evaluation and prioritization of new technologies.

Let me give just one more example. It is estimated that 38,000 medical imaging scans, CT and MRI combined, will be the order of the day by the end of this year. That represents a major expenditure for the system. In 1986, the total cost of medical imaging including diagnostics, radiology, nuclear medicine, diagnostic ultrasound and computerized tomography in hospitals and private labs was about \$16 million. In this fiscal year, the cost is over \$70 million, and the increase has taken place without either a major program evaluation or the development of comprehensive protocols or outcome analysis.

Mr. Deputy Chairman, that begs the question, has this 450 percent increase over five years resulted in

an equivalent improvement in health status? The answer is obviously no.

The Health Services Development Fund will enable us to establish an evaluation program to initiate protocols for access to the MRI scanner at St. Boniface Hospital. Emphasis will be placed on patient benefits at moderate cost and will affect CT versus MRI utilization. This will represent a major policy breakthrough not just in Manitoba, but in Canada. Other jurisdictions have already expressed a great deal of interest in this approach.

Mr. Deputy Chairman, "doing the right thing" is also why we created the Urban Hospital Council in the spring of this year to assist us in achieving our goals. The council is chaired by my deputy minister and comprised of the chief executive officer of each of the major urban hospitals including Brandon General Hospital, and also includes the president of the Manitoba Health Organization Incorporated.

The purpose of the council is to ensure that I obtain the best possible advice on implementing systemic changes. Such changes will introduce more community-based services while, at the same time, reducing overdependence on institutional services and ensuring appropriate access to health services is maintained.

All system changes will ensure the maintenance of a high level of balanced services, equitable service delivery and protection for health status of Manitobans.

That is why the second phase of mental health reform looks at not just particular services or bed capacity, but also at what alternatives will be most effective in meeting community needs. We will not simply remove institutional services without making sure the appropriate alternatives are in place, whether they are crisis mobilization teams or additional community placement capacity.

Mr. Deputy Chairman, another name for what we are talking about in terms of our strategic plan is total quality management.

The concept of total quality management comes from industry, and has been responsible for the quality revolution in the modern industrial system; but it has also been successfully introduced in the American health care system where it has realized major efficiencies.

Mr. Deputy Chairman, we will introduce the concept into Manitoba. We have organized a meeting with the members of the Urban Hospital

Council and other key stakeholders to discuss the feasibility of the concept for Manitoba. In the coming fiscal year, we will consider establishing pilot projects to test the concept, perhaps in cancer care, cardiovascular health, or Healthy Child Development.

We recognize that the existing structures have not always made change easy, and we have taken the difficult steps required to refocus the system to enable the necessary change to come about. We have reorganized the ministry of Health to strengthen our ability to achieve our goals, to evaluate and audit our services, to ensure that what we do is cost-effective and is the right thing to do to protect and improve the health status of Manitobans.

Mr. Deputy Chairman, these are difficult times in the history of Canada and Manitoba. The fiscal and economic challenges have never been greater. The reductions in federal transfer payments of over \$1.07 billion less than expected, combined with a constrained national economy, have called for a strong vision and for new and innovative solutions. At the same time, demands for services and pressures on the professional wage and salaries continue unabated. Over the last 20 years the number of physicians has more than doubled as a proportion of the population, and I ask you again, has that contributed to a doubling of health status in our province? The increased number of physicians together with other factors has contributed to a 178 percent increase in health expenditures during the decade of 1979 to 1989.

Mr. Deputy Chairman, we are rising to the challenge. We are building strong foundations and we are taking a long-range and comprehensive policy perspective. Over the next number of years you will see actions and initiatives aimed at implementing our vision to improve the health status of Manitobans.

Mr. Deputy Chairman, these actions will not be piecemeal. They will not simply be knee-jerk responses to crises. That kind of response does nothing to serve Manitobans, be they patients, health professionals, taxpayers or anyone else. We will be implementing our vision through our strategic management plan.

Mr. Deputy Chairman, we have confidence in our vision because it is based on extensive consultation with Manitobans from all interest groups, because it

is based on a clear understanding that health means more than illness care, and because it is based on the conviction that Manitobans are amongst the most creative, innovative and productive people in the world. Manitobans have told us, through the consultations, that is what they expect of us.

Thank you, Mr. Deputy Chairman.

Mr. Deputy Chairman: We thank the honourable Minister of Health for those comments. Would the honourable member for St. Johns have any opening comments?

Ms. Judy Wasylycia-Lels (St. Johns): Thank you, Mr. Deputy Chairperson. I look forward to this year's Estimates, and I hope it is a productive and fruitful exchange. I know that we have had some heated exchanges in the past. Our Estimates of the past have been flavoured in terms of confrontation and some heated exchanges. I do not believe that we will be able to avoid all of that kind of environment, because I think we have some very strongly held views, some strong differences of opinion. I certainly hope that our Estimates this year will be a little more peaceful than last year. I will try to do my part in keeping my questions succinct and to the point, and I hope that the minister will return the favour.

Mr. Deputy Chairperson, I thank the minister for his opening remarks, and appreciate the overview of his department. I agree very much with the minister when he says, these are critical times. In my view and in the opinion of the New Democratic Party we are at a critical juncture in terms of health care in the province of Manitoba and, indeed, the country, Canada.

One year ago in Estimates we talked about the crisis in health care, having then received some fairly concrete, precise information about the impact of the cutbacks of federal transfer payments in the area of health care. We had a very heated exchange about what those statistics meant and what kind of action should be forthcoming.

Since that time, new developments have occurred that have only added to our worries and only added to the belief that we are fast approaching a crisis in health care. Mr. Deputy Chairman, in the space of the last year, the federal budget came down extending the freeze on EPF payments for health care. With that extension came the news that our critical situation was indeed worsening and deepening. Since that time of our Estimates a year

ago, there has been a new Minister of Health appointed federally and that person's initial comments and actions to date in the area of health care have only added to our concerns. In particular, the comments of Mr. Bouchard when he said he was not necessarily opposed to an asymmetrical system in Canada, in Canada's health care system, causes very grave concern and certainly go a great distance to back up, to clarify, to enlighten us on the Mulroney federal government position on health care.

* (1500)

Mr. Deputy Chairman, since our Estimates one year ago today, there has also been another meeting of western provincial Finance ministers. That meeting did nothing to alleviate our concerns about previous Finance ministers' discussions and about the proposal for disentanglement, or as we would say, the disembowelment of medicare. In fact, that meeting did the opposite. It only added to our fears, alarmed us and pointed to an increasingly critical situation on the health care front and gave us clear evidence that this government was still very much a part of the whole disentanglement concept or the end of universally accessible medicare in this country.

Mr. Deputy Chairperson, since our Estimates of a year ago there have been some developments on the provincial front from this Minister of Health that have also alarmed us in terms of a growing health care crisis. We have not had from this minister or this Premier (Mr. Filmon) a clear statement about the impact of federal cutbacks in health care transfer payments.

In the Speech from the Throne the rhetoric was there, the concern was expressed, but the action outlined in the Speech from the Throne has not been lived up to. In that Speech from the Throne, Mr. Deputy Chairperson, the Premier (Mr. Filmon) indicated that there would be consultation with concerned individuals and organizations in the health care community. In that Speech from the Throne the Premier indicated there would be strong messages sent to Ottawa. In that Speech from the Throne the Premier indicated there would be strategies put forward to ensure the preservation of medicare.

We have not received any information indicating that the Premier or this minister have expressed serious concern to their federal counterparts. At each step that we have questioned this issue, this

government has refused to table a letter, to even say that there has been a letter or a phone call or an expression of concern raised with the federal government.

Mr. Deputy Chairman, we do not know of any meetings that have been scheduled between this minister and concerned health care individuals and organizations.

We do not know of any other strategies being put forward to deal with the cut in transfer payments other than that which our Minister of Finance (Mr. Manness) has put his name to, and that, of course, is rather than a renegotiated transfer payment system, the pursuit of further transfer of tax points. That is very alarming. That is taking us continually in the direction of the erosion of universally accessible medicare. It leads to the end of the Canada Health Act. It leads to the creation of a patchwork of health care systems across this country. It ends national standards of portability, universality, accessibility and nonprofit administration.

There have been no signs from this minister, this government, that new strategies are being developed for a renegotiated transfer payment system. Mr. Deputy Chairperson, the Minister of Health (Mr. Orchard), whenever I have raised this question in this House, has accused us of only criticizing and not putting forward suggestions. That is a creative suggestion. That is some real input into the dilemma we are facing. A renegotiated transfer payment system is, in our view, the only way to go. Not a second should be spent on raising the issue and pursuing the matter of a further transfer in tax points.

Our job, and when I say our job I mean all of us in Manitoba, should be to collectively urge the federal government to maintain a role in health care funding and to sit down with the provinces and talk about a renegotiated transfer payment system. Only then will we have some way of ensuring that the standards of health care as outlined in the Canada Health Care Act can be upheld. I think it is clearly and widely known that without federal involvement in health care financing, there would be little way for the federal government to ensure provinces live up to those standards and do not move in the directions of user fees, deterrence fees, et cetera.

Mr. Deputy Chairperson, the crisis is looming. It is growing, and we have no assurances from this

government that alternative strategies are being developed. We have a fair amount of rhetoric and, as I indicated today, a lot of studies; but in actual fact we do not really have a lot that amounts to a strategy to oppose Mulroney and his long-term agenda. We do not have a very solid plan of action in terms of health care reform.

The minister has outlined some initiatives he has taken. They are not initiatives we disagree with. When this minister announced the opening of the Centre for Health Policy and Evaluation, we applauded that initiative. We have said it is absolutely critical for utilization reviews to take place, for tests and products and new innovations on the health care front to be clearly demonstrated that they actually meet a need and provide a service.

Mr. Deputy Chairperson, we are not always negative, and we will continue to commend this minister and this government when they take important initiatives and steps in terms of quality health care.

Mr. Deputy Chairperson, those initiatives, those announcements are few and far between. The minister has, on just about every occasion in the House in response to a question, referred to the opening of the Manitoba Centre for Health Policy and Evaluation. It has come up time and time again as the answer to every issue we have raised, whether that issue is further cutbacks at the federal level, whether that issue is concerns about funding of a particular program here in Manitoba. Whatever the question, the concern that we in the opposition raise, the minister has come back with that one announcement. I think that is clear evidence that the minister is a little long on rhetoric and studies, and short on action and innovative health care proposals.

I was very fascinated to find that speech of the Minister of Health (Mr. Orchard) back in May of 1988. Actually, there are a couple of speeches where the minister made some interesting comments. I refer today to his speech to the Union of Manitoba Municipalities where the minister, clearly new to his office and filled with vim and vigour, stood up and pronounced very clearly and on the record that the time was passed when studies needed to take place, that the only thing going up faster than health care costs were the number of studies in the province of Manitoba.

He said also in a speech when he announced the Manitoba Health Advisory Network, he made the same statement, and I quote: The first thing is that we don't need another huge stack of studies. We studied it to death. Now it is time to start doing something.

He went on to say, the job of the Advisory Network will not be to study the system. We already know what the issues are and in many cases we already know at least the broad outlines of the solutions.

* (1510)

Mr. Deputy Chairperson, since that time we have been deluged with studies. I think on just about every issue that we raised in last year's Estimates the minister announced a study, or reannounced a study, or announced a group to study a study. As I pointed out in the House today, this area has been studied to death here in Manitoba and right across the country. There are dozens of studies on health care reform from just about every provincial government in this country today, not to mention the number of federal studies on this issue.

In fact, rather than bringing in all those studies here, carting them from the Legislature to the committee rooms, I put together a list of all the recent health care reform studies. I think just every province has completed such an in-depth look at the current situation of our health care system and what is necessary for health care reform. If the minister is interested, I would be glad to share on that list. He has in the past mentioned the Alberta Rainbow Report. He knows about the Future Directions for Health Care in Saskatchewan. He knows about the Royal Commission on Health Care for Nova Scotia. He knows about the Commission on Selective Health Care Programs in New Brunswick and the Commission d'enquête sur les services de santé et des services sociaux in Québec, the recent one, two, three, four, five or six and more studies in Ontario, the Premiers' Council.

Then, of course, here in Manitoba, long before the Health Advisory Network was established, we had studies during the time of Wilson Parasiuk when he was minister. We had studies from the time when Larry Desjardins was minister. We have studies, in fact, going back to 1972 with the White Paper on Health Policy by Saul Miller.

In looking through those studies, Mr. Deputy Chairperson, not a lot has changed. That is not just a comment on this government's performance, it is

a comment on all governments since about two decades ago when we knew that we had to start looking seriously at health care costs, at health care reform, at dramatic changes to our health care system.

Instead of drawing on those studies done here in Manitoba and across the country, the minister has set up another whole level of studies, working groups, commissions and reports and on and on and on. The Advisory Network, he said, was supposed to be an action group to look at implementing the recommendations of previous studies. Well, Mr. Deputy Chairperson, that has not been the end result of the Health Advisory Network. We now have a good seven or eight of the Health Advisory Network studies before us, some in completed form, some at the interim report stage.

My goodness, Mr. Deputy Chairperson, each of these studies is a long list of recommendations for action. Each one of these reports from the Health Advisory Network provides us with a comprehensive overview of the problems in that particular area and a list of recommendations. Now we are waiting for the action plan. The minister said these reports would constitute the action plan, but we cannot even get the minister to acknowledge that these reports actually exist, even though, of course, they are all available to the public. The minister will not even comment in terms of the interim reports provided and the recommendations before him. I am sure that what we are going to see next, when he finally acknowledges that these studies are real and actually exist, he is then going to appoint a group to study these studies. We have seen that time and time again over the last several years.

Mr. Deputy Chairperson, that novel suggestion, that is something—this new approach to policy development of studying the studies is something that has been refined, developed and enhanced by the Minister of Health. He is a master at perpetuating the study process. He talks about his War on Drugs. I think he should get involved in a war on studies because we have a serious epidemic of studies, working groups and reviews going on in this province, which is actually immobilizing the system. It is leading to stagnation rather than change, rather than speedy response to the looming health care crisis.

Mr. Deputy Chairperson, not only do we have all of those—there are actually 14 studies going on under the Health Advisory Network, as far as I know.

There may be more, but I believe there are 14. As well, there are dozens and dozens of other miscellaneous studies from everything from the question of anesthesiology, to dialysis, to nursing workloads and staffing levels, to the question of the nursing degree, to the question of the extension of the internship program, to the question of teaching hospitals, to the question of just about anything. The list could go on and on, and, in fact, one of these days I am going to try to figure out what is the sum total of all of the studies underway by this minister. I think it is reaching very serious proportions and really jeopardizing our hope for action in this very critical period.

On top of all of this, Mr. Deputy Chairperson, the minister has set up another whole consultation process, another study group, another exercise in review under the name of Urban Hospital authority, which the minister has referred to time and time again in the House in response to our questions about how hospitals are expected to deal with the cutbacks imposed by this government on their budgets.

He has talked about the Urban Hospital authority as the answer to the creative solution out of that dilemma he has imposed on hospitals. It turns out that Urban Hospital authority is a collection of 48 more working groups, 48 more studies on some very broad-reaching, wide-ranging topics, some addressing some very troublesome, contentious, dangerous topics.

There are, to point to the ludicrousness of this government's tendency to want to study everything, studies listed in this Urban Hospital authority outline of the working groups that are being studied under his Advisory Network. There are areas of study that make us wonder about this government's real intentions when it comes to health care reform and make us question the sincerity of their remarks and their rhetoric that they have presented to us in the Chamber and outside in the community.

* (1520)

Mr. Deputy Chairperson, the minister said as recently as Friday in the Legislature that he was absolutely opposed to user fees. He said the same thing last year during Question Period and in Estimates. The Premier (Mr. Filmon) has said he is absolutely opposed to user fees in medicare.

What do we learn today? This government is actually studying the question of user fees, the

question of deinsuring some services and other ways of curtailing health care expenditures. Who are we to believe? What comfort can we get from this minister's assurances and his Premier's assurances that user fees are absolutely out of the question when, in fact, it is under active consideration?

Mr. Deputy Chairperson, those concerns started a long time ago when in fact the minister did not definitively rule out user fees in some of the questioning in last year's Estimates, but also was reported, and I have mentioned this before to the minister, in the Brandon paper, that user fees may have to be considered.

Now, the minister would like to clarify that; he wanted to clarify it then. I hope he does. I did not pursue it at that time because he clearly indicated that he was not pursuing user fees, but now I think it is incumbent upon him to clarify his position and that of his government, given the focus of one of the working groups under the Urban Council authority.

There are other concerns, worrisome issues in this Urban Council authority report. I mentioned another one in the House today and that is the question of looking for savings in terms of the workers and professionals of the province of Manitoba since this authority is clearly looking at the question of giving hospitals the authority to call the shots and reductions to their own institutions by removing all policy impediments relative to layoffs contracting out.

Mr. Deputy Chairperson, we are in a very troublesome time in terms of relations between this government and health care workers and professionals as it is. As I mentioned earlier, the tensions between this government and the nurses are still present as a result of the long protracted labour dispute. The operating engineers have lost all faith in government as a result of this minister's promise to live up to final offer selection and then support Bill 70 which negates, wipes out the award achieved under final offer selection.

The doctors of the province of Manitoba are concerned about this minister's arbitrary and unilateral decision to remove their right to collect compulsory fees from their members. Thousands of health care workers in personal care homes, in hospitals, in facilities right across this province will be faced with the ramifications of Bill 70 and these are among the lowest paid workers in our society

today. Now, another assault on working people and health care professionals in this province by this incredible statement under the Urban Council authority that the Minister of Health (Mr. Orchard) is responsible for and boasts about.

There is much more to say about the current climate we are in with respect to health care in terms of the so-called partnership that the minister has set up with health care professionals and community organizations in the province of Manitoba, with the lack of action on a number of fronts, with the imposition of user fees in this last budget announcement and the move to de-insure services.

We have no assurance that this government and that this minister is prepared to deal with the looming crisis imposed upon us by the federal reduction in transfer payments in ways other than eroding medicare and finding savings on the backs of workers and professionals in the province of Manitoba. There is no sign of action, there is no action planned, there is no light at the end of the tunnel that this minister is going to be able to find his way through this maze of studies and get this system out from under, being mired under these working groups and consultations and get on with a plan of action that is so vital and so necessary if we are to ensure and preserve medicare in the face of this most difficult financial crisis.

Thank you, Mr. Deputy Chairperson.

Mr. Deputy Chairman: We thank the honourable member for St. Johns for those comments. Does the critic for the second opposition party, the honourable member for The Maples, have any opening comments?

Mr. Gulzar Cheema (The Maples): Mr. Deputy Chairperson, I think that this is my fourth time in the Health Estimates as of 1988. We have seen various other critics of the NDP party, and myself and the Minister of Health (Mr. Orchard) have been probably the only ones who have debated most of the issues. I want to thank the Minister of Health (Mr. Orchard) for the opening remarks and the member for St. Johns (Ms. Wasylycia-Leis) for her remarks, which are very valuable. I want to express to the members of the Department of Health, who have been very helpful for the last three years on a nonpolitical basis. Whenever we have asked for information, information has been provided to the best of their knowledge.

I think it is very important, as the minister has said, that there are a lot of individuals who work very hard to make sure that not only the minister functions well but the people of Manitoba get the best possible services. I think, with the reorganization, how the upper management has retained the jobs, Mr. DeCock who has been promoted and has done an excellent job in the past—and I think it is a very good choice. We applaud the minister for taking such a positive approach.

Mr. Deputy Chairperson, I want to go into various issues that are having an effect on the health care in Manitoba and health care in general. I just want to start by saying that the basic question here is how this government will maintain the accessibility and universality of the health care system—that is the question mark—how this government will develop plans for innovative health care for all Manitoba, how the funding will be provided for the health care professionals, how government will fight with the federal government, which seems to be a very difficult job, considering what our Prime Minister is and his groups who have almost left no choice.

It does not matter which party, the government side in other parts of this country, they have left no choice for anyone to deal with them. It is very difficult. I am sure the Tories do not feel proud of that person either. It is going to have a difficult time, but it is only two years. I think, by the time the serious negotiations will start, probably he will be nonexistent in the political scene of this country. That will be the best thing to happen for all services, not only health care, but other services also.

The other issue which I will be discussing is how this government will continue to keep their promise not to deinsure further medical services and how this government will justify—and the minister will have ample opportunity to explain—the \$50 user fee in northern Manitoba. How does that translate into some of the arguments given by some of the backbenchers from his party, that it is just like ambulance services in the city and other parts of Manitoba. I think that is not a very valid argument, and I will prove him wrong. That is a wrong policy, and they should reconsider retaining it.

* (1530)

Mr. Deputy Chairperson, the other issue which neither the member for St. Johns (Ms. Wasylycia-Leis) nor the minister has addressed, which is a very important issue, is the Native health.

What is happening right now, what the Native leadership is asking, basically, is that they are not satisfied with the present health care system by the federal government. With the new leadership today, health care is on the top of the agenda. If they will be taking control of health care, at that time, the provincial government will have a greater role to play. We would like the minister to make some statements or show us some planning on how they will deal with the Native health care issue in Manitoba.

Mr. Deputy Chairperson, these are some of the basic things dealing with Estimates. My questions will be more directly oriented to some of the issues that I will be raising, but I just want to go back on some of the positive things which have happened for the last three years, two things which I feel very strongly, and I have no hesitation on repeating them again today.

As the member for St. Johns has said, the minister's initiative for the establishment for the centre for health policy analysis is very, very positive. Even though it is not highly publicized, eventually it will be because the centre will not only help people of Manitoba but definitely the rest of this country, and specifically I think the United States will learn a lot from this country, and especially the Health Policy Analysis which is going to be self-sufficient in three years time. I have no doubt given the fact that the people who are involved in the centre, the kind of data we have, the kind of services they are going to look into, basically will become a major asset for the ministry of health. We certainly applaud the minister, and as I said earlier, he will be remembered for this definitely in the years to come.

The other issue where the minister has done quite well was the mental health reform, even though there are some elements of the system which are not functioning well. There are some elements people are concerned, and I am sure that during the Estimates process we will find some of the answers.

I have a major concern in terms of some of the deinsuring of some of the services. The minister today in the House had made some comments, and I do not know whether he got carried away or he really meant those comments. I think he should read the Hansard tomorrow and probably withdraw those comments, because when you are going to touch these services in terms of visits, the message will go across, you do not want insured services and

you will limit the services in the long run, so that needs to be clarified. If you are going to limit services for one section, there is the possibility then you are giving the impression that the other services will be also limited in the long run.

I think that is a very dangerous statement coming from a Minister of Health, given that his record has been not too bad as compared to other Ministers of Health in the previous administration and throughout this country. I think he has to clarify that, and we will see what he does tomorrow and maybe he should withdraw today, now.

Mr. Deputy Chairperson, I have a lot of other concerns but one concern which was brought to my knowledge only a few days ago, that there is a strong—it is not a rumour—that there is a committee set up by the minister for the emergency care. I have been given the impression that this government is in the process of closing maybe one or two emergencies in the city, and whether during the nighttime or during the daytime, and they have asked the various hospitals to provide some data in terms of to justify closing, and I just want the minister to clarify those things. It is a very, very important issue. I think considering that we will be out of this session in a month and we do not want in the middle of summer one of the emergencies to be closed.

Ministers should be aware that information has come from various professionals. I can name them. I do not want them to suffer from their jobs. It think it is very important that the minister should make it very clear what is the policy of this administration, how they are going to deal with the emergency care. Especially he should know it, that during the last three years how many times the emergencies have been closed. Some emergency rooms may be having more overload than the others, but they are still providing the best possible services.

There are line-ups. There are no doubts about that. Any indication whether it is a serious indication, or whether it just one of the studies, I would like the minister to clarify it today, whether there will be any closing of emergency rooms, whether in the community hospitals, of one or more. I would like him to say that they are not considering it, and that will satisfy us.

I would like the minister also to clarify during this Health Estimates debate which hospital is going to lose psychiatric beds. I repeat for the minister that I would like him to clarify during these Estimates

which hospital is going to lose psychiatry beds during this year, because that perception and feeling is out there in the community hospital. They would like to know which hospital is on the chopping block, I think a very serious issue, and if the minister would have an ample opportunity to explain that, why they would cut one hospital and not the other and how they are going to justify closing a unit when there are already so many patients waiting for treatment.

That issue has to be explained here in Question Period, two-minute episodes are really not enough time to get to the bottom of those problems. I am telling the minister today, I am just going to be very specific on those issues—yes or no; how many beds; which hospital is going to be crucified?

The other issue that is going to come here -(interjection)- if crucified is not the proper word, I will say, which hospital is going to be sacrificed, or which community is going to be suffering? -(interjection)- Sure, I will withdraw. That is my language problem. I hope it did not offend anyone.

* (1540)

Mr. Deputy Chairperson, the minister has not touched that underspending for the last three years. I would like him to tell during this time which area they have underspent. Now he has ordered his department, he has all the statements; we would like him to show it to us and, whether that is justifiable or not—I am not saying that something has gone wrong. I would like to see the actual numbers, which department, because the Premier (Mr. Filmon) has said they have spent in the Pharmacy department less money. The minister has said in the Home Care, and there are conflicting statements. I would like to see where the money has been underspent, and if they have underspent consistently in those departments, and given the same number this year, they are artificially inflating numbers. I think that has to be clarified.

There are issues in health care where it will take almost hours and hours even to go to the headings, but I would caution the minister on one issue which everyone is taking such a great happiness that we are doing better than the U.S.A. in terms of health care. The U.S.A. study is completely misleading in many ways. We are dealing with a different country, a different demographic variation, different population, different set of medicare system, and it is simply not compatible. So we should not take a

very happy view that we are doing better than the U.S.A. It is simply not true.

Mr. Deputy Chairperson, I have misplaced one of my papers and I am just trying to get it.

An Honourable Member: Here, would you like some of mine?

Mr. Cheema: I think I will keep mine. -(interjection)- Probably, I will be more consistent, otherwise I will lose track.

Mr. Deputy Chairperson, I think basically there are a number of other issues in terms of shortage of professionals, shortage of the specific areas other than the physicians, nurses, shortage of physiotherapists, shortage of speech pathologists, those things out there, and as the minister has said, some of the problems have to be dealt with in a long-term plan. I would like to see his long-term plan during this Estimates process. I think he already has three years, and I think it is about time that we should see clear-cut ideas where this administration is moving.

We are disappointed, in one of the ways, that the minister has not established anything in terms of the breast screening program. They have promised twice in their throne speech—and let me get some statistics on that. That was the second time in the throne speech, and the minister knows full well there is one in nine women who has chances of suffering from breast cancer. During the last Estimates process, the minister said they were not sure about whether it is going to be possible to implement such a program. Now they have already, nine months after the election—I think it is about time to see a positive initiative for the prevention of a very important disease which is having a major impact on the population of Manitoba.

It is a very cost-effective program, and the minister has to simply learn from B.C. policy, how the B.C. program is functioning. I think the health care professional people of Manitoba would favour that program. There are certain difficulties how to implement over a large population, over large demographic variations and geographical distribution. So I am sure there can be ways of going about that. The minister said that they were thinking of having maybe mobile unit, so we would like to see some positive announcement dealing with the Estimates process.

Mr. Deputy Chairperson, I have briefly touched the mental health area where I have said that the

minister has taken a very good position and certainly has taken a risk during the last two years, and so have we taken the risk of supporting the minister; but I think it is ending in a very good shape, except a few problems, and we will deal with them during our discussion here.

There seems to be a perception still there that even though the minister has made a promise and made a major policy announcement for the community-based institutional care, but numbers have not changed. That is why we would like him to clarify and tell us which hospital is going to be losing hospital beds. Whether they will be justifiable that still remains to be seen.

The other area is Home Care and Pharmacare services, and as I have pointed out earlier, the some underspending of \$98 million to \$99 million, over a period of three years of underspending three provincial budgets. I would like the minister to tell us how much money was underspent in home care services, because during the last three Estimates debates we always asked the question but the information was never provided, and I think the minister has enough time to dig up that information, or provide it to this committee.

Mr. Deputy Chairperson, I want to discuss some of the minister's relationship with some of the professional organizations. Certainly, the minister has the responsibility to deal, first of all, not with all the professional organizations, but ultimately he has to deal with the people of Manitoba. At times they have to make tough decisions, but I think they should keep their promises, the ones they make during election campaigns. I am talking about the nurses' strike, I am talking about the MMA. I cannot go further as far as the MMA is concerned due to direct conflict of interest, but I think there has to be a more co-operative approach from both sides of the table, from the MMA as well as from the Minister of Health (Mr. Orchard) to make sure that the health reforms are properly implemented.

The problem of medical manpower, or the shortage of physicians, has been resolved to some extent and Thompson is an example. I think we have no difficulty of saying that area has been the minister's—some of these policies have been functioning well and there has been some relief in some of the communities, but still there are a few communities who continue to suffer from the lack of physicians. That issue probably does not really

have a direct effect on the minister's office. There are so many variations, so many regulations.

There are different problems with the different organizations, so it is going to be very difficult. I think we just have to continue to work with the minister and say that some of their policies continue to function, but it is going to be very difficult to achieve a 100 percent achievement in terms of the physician shortage in the rural communities. Certainly, other areas such as physiotherapists or nurses and other concerns have to be addressed. When we reach the appropriate areas, we can discuss that.

Mr. Deputy Chairperson, during the nurses' strike—it was more than a month-old strike. The minister had already three months, and I would like him to give us a statement of how much money was saved in each and every hospital. I think we are telling him today because, in at least a few days, he should be able to get that statement from the Health Services Commission.

Mr. Deputy Chairperson, during these Estimates, we will continue to provide positive suggestions. In some of the areas where the government will do well, we will applaud them. Where there will be criticism, we will offer the positive criticism.

As I said from the beginning, I have to say, from this minister, how he will maintain the accessibility and universality of the health care system within the limited means of this administration and the irresponsible attitude of the federal government, it is going to be a challenge, an opportunity for this administration. We will see how this minister comes up to the expectation and also keep their election promise, because the election promise was not to deinsure any services. I think the minister will have the biggest fight from us if they try to deinsure any of the medical or other services which are important for the people of Manitoba.

Thank you, Mr. Deputy Chairperson.

Mr. Deputy Chairman: We thank the honourable member for The Maples for those opening comments.

Under Manitoba practice, debate of the Minister's Salary is traditionally the last item considered for the Estimates of the department. Accordingly, we shall defer consideration of this item, and I will now proceed with consideration of the next line.

At this time, we invite the minister's staff to join us at the table, and we ask the minister to introduce his staff members present.

Mr. Orchard: I certainly will, Mr. Deputy Chairman, but I sense a willingness amongst both the opposition critics to pass my salary now.

My Deputy Minister, Frank Maynard, and I have other staff. I will introduce those staff members as they participate in the Estimates review.

Mr. Deputy Chairman, I want to thank both my honourable friends for their contribution—

Mr. Deputy Chairman: Order, please. Item 1.(b) Executive Support: (1) Salaries \$499,700.

Mr. Orchard: Mr. Deputy Chairman, I would just like to introduce my Assistant Deputy Minister, Fred Anderson.

Ms. Wasylcia-Lels: Mr. Deputy Chairperson, if I could just ask two sort of procedural things before we start, one has to do with—given the restructuring of the department, given some confusion in terms of what it all means, I am wondering if the minister is prepared to be somewhat flexible in terms of in what order we deal with issues, since he now has supposedly moved to an integration of the department and the Health Services Commission. I presume staff will be here for both sides.

I am wondering if (a) we can be flexible, and (b) so we do not end up in that ridiculous situation as we did last year when two minutes before the end of Estimates with the capital being tabled. I am wondering if the minister would consider tabling his material information on Capital Expenditures early on in this Estimates process, like at our next sitting?

Mr. Orchard: No, Mr. Deputy Chairman. I would just like to indicate to my honourable friend that when we get to the Manitoba Health Services Commission, which is page 72 of the Manitoba Health Departmental Expenditure Estimates, it is at that juncture that I would anticipate dealing with the capital budget that we may wish to propose this time around.

* (1550)

Mr. Deputy Chairman, to answer my honourable friend, in terms of the reorganization, if my honourable friend wishes to pose some questions on the reorganization chart, I would be pleased to try to answer them. All ADM positions, as I indicated, Fred Anderson, ADM of Financial and Management Services will be here for that area of

the Estimates. Mr. DeCock, who will be here for the majority of the Manitoba Health Services Commission debate, Mr. Toews, ADM in the mental health area will also answer any of the line of responsibility questions as will Miss Betty Havens, ADM in Continuing Care Programs.

You might note that one of the achievements, and I have to put in this terminology in the presentation of this year's Estimates, is in the reorganized structure within the ministry. I think it is fair to say that this initiative has been talked about for probably, well, I was going to say probably a decade, but we think that over the last three years we have been able to bring the intellectual minds of the department and the commission around the issue. I think I have a very workable reorganization within the department.

Quite frankly, I think maybe it took a long while to accomplish that because there was always, I think it is fair to say, some apprehension about what it would mean in terms of responsibility between the commission and Department of Health. I think that much to the credit of the senior management within the ministry, my deputy minister and my assistant deputy minister and directors, that this reorganization and transition has happened very, very smoothly.

My honourable friend will note from the reorganization chart that we have attempted to follow program lines and, I guess, it follows on the initiative we took in October, November of 1988 with the first-phase reform of the mental health system where we brought the reporting structure from four different ADM directorship areas of responsibility to under the purview and authority of one assistant deputy minister.

Similarly, we are moving back the reorganization aspect to focus upon programs primarily, but not exclusively, to our senior citizens in terms of the continuing care programs where there is direct responsibility for the personal care home program, long-term care division, the Continuing Care Program and, of course, support services for seniors and other initiatives focused at program support to seniors in the province of Manitoba, not exclusively to seniors because I think both my honourable friends understand that all three services are available to Manitobans who are not seniors but have need of the service.

That is an attempt to bring together program lines to cross the barriers that do happen, not with malice or not with deliberation, but just naturally evolve in the growth of departments and ministries wherein the ministry tends to find themselves narrowed and not communicating adequately one with the other in terms of community institutional interface of program.

We think that this reorganization accomplishes what maybe governments for the last decade have envisioned as an appropriate refocus of administrative function and process within the ministry of Health.

What I say to my honourable friend is that, should she want to go into the organizational chart, the two individuals who are most capable of answering questions, where I maybe do not have complete information, are here, so that if you want to deal with that now, we could certainly accommodate her.

Ms. Wasylycia-Lels: Mr. Deputy Chairperson, I think I will begin my questioning with questions around the whole question of the restructuring in this organizational chart. I am curious, though, given the supposed amalgamation and reorganization which brings MHSC and the Department of Health together, why that has not changed the way in which information is provided and why we have to wait for the MHSC line in order to get any details on capital, especially since on the organizational chart capital planning is included under Healthy Public Policy Programs as well as, I assume, under hospitals and Community Health Services.

(Mr. Jack Reimer, Acting Chairman, in the Chair)

However, I will not make a fuss about that and just will look for the tabling of the capital, information on capital, at the start of that section. Perhaps I will start with that whole question of the amalgamation because, on the basis of the information provided, I really do not see how this is truly an amalgamation and an integration.

When I opened my Estimates book to try to get a sense of how that translated, how the amalgamation and the integration translated into Estimates, I was confronted with the fact that the book, the Estimates, does not reflect the organizational chart. Of note, there is no heading for hospitals and community health services.

Immediately after the Provincial Mental Health Services, unless I am totally mistaken, we jump to the Manitoba Health Services Commission with the

same breakdown, the same listing, the same format as last year's Estimates, so I do not see a change other than a fancy new chart being made up in a different reporting structure and some little boxes being moved around. I had concerns at the outset when this was announced in the budget. I have concerns now, given the detailed Estimates provided to us.

Maybe I could ask the minister a general question first. How does this general statement about reorganization and amalgamation of the Department of Health, the Manitoba Health Services Commission—what does it actually mean? Where is the amalgamation and the integration?

Mr. Orchard: Let us start, Mr. Acting Chairman, with program evaluation and comprehensive audit, as one of the little boxes my honourable friend referred to and that brings together expertise from both commission and department. It allows marriages between our policy area and the analysis capability that we had within the commission to quantify, indeed, that we were meeting program goals within our spending envelope. That is a question that my honourable friend the member for The Maples (Mr. Cheema) has asked over a number of times as to whether we are in fact evaluating the kind of program expenditures that we have. There is a marriage of function between commission and department.

I have already mentioned to my honourable friend under Continuing Care Programs, under the Assistant Deputy Minister, Betty Havens. You will note that there is program responsibility for chronic care, home care, personal care homes, rehab and support services. Those are the areas that had reporting structures through Mr. DeCock, as executive director of MHSC. That program line is now under the program purview of the Continuing Care Programs, assistant deputy minister.

Under provincial Mental Health Services, we have again bringing together of services in mental health, which formerly were reported directly through chain of authority to the executive director of the Manitoba Health Services Commission, now have responsibility to the ADM mental health.

Financial and Management Services now, in terms of the day-to-day accounting requirements within the ministry and the commission, those are amalgamated now under the assistant deputy

ministership of Fred Anderson, which provides that guidance to both department and commission.

Formerly, Mr. Anderson was director of Admin and Financial Services at the commission. His role has been expanded to carry that role within the department as well, so there has been an amalgamation of function. That led, in this round of budgets, to some of the staff reductions that were exercised within the ministry in which, by combining certain functions between department and commission that there were some layoff or some curtailment of staff years and some layoff of individuals within those, but those functions have been brought together along program lines, crossing from department to commission.

* (1600)

Ms. Wasylycia-Lels: I am still not clear about this reorganization. I am wondering where in the book the minister can tell me where there is a head for hospitals and community health services; and secondly, since the detail has not changed whatsoever in terms of the Manitoba Health Services Commission from last year but on the chart the reporting is altogether different. What am I to assume from this, that Manitoba Health Services Commission does not, even though it states on page 72 of the Estimates, that under Manitoba Health Services, is not Administration, Pharmacare, Ambulance, Air Ambulance, Northern Patient Transportation, Hospital, Personal Care Home, Medical, or has that been divvied up in terms of other sections?

Certainly, when it comes under the question of reporting and who is responsible for this, there has to be some clarification. The details of this Estimates book attempts to partially be in line with the new chart. When you get to that line, when you get after the point of mental health services, there is no resemblance in terms of the chart and the detailed Estimates provided to us.

Mr. Orchard: Mr. Acting Chairman, I think my honourable friend can be well guided by the new organizational chart, appreciate that not all of the print—if that is what we want to call it—devolvement has occurred necessarily within the Supplement to the Estimates. The lines of reporting and program structure are as in the new administrative structure of the department so that, should we approach Estimates next year with this amalgamation process complete, one would still see on page 72, for

instance, the lines of Pharmacare, Ambulance, Air Ambulance, Northern Patient Transportation, Hospital and Medical is part of the Associate Deputy Minister's, Mr. DeCock's, Hospitals and Community Health Services line, because Mr. DeCock, as well as being Associate Deputy Minister, has retained the function of Executive Director of the Manitoba Health Services Commission with those functions that I mentioned under his purview.

The Continuing Care Programs ADM will have responsibility for the long-term care division of the commission, as illustrated in the reorg chart and appreciate that you do not instantly, because you have reorganized, accomplish all of—it is not as if tomorrow morning you go to the office at nine o'clock and everything is completed and flows as is in the new reorganization chart.

I can simply indicate to my honourable friend that next year the Estimates will completely reflect—if that is an appropriate choice of words—the flow chart, the reorganization chart, as outlined here at the start of the Estimates.

Ms. Wasylycia-Lels: Mr. Acting Chairperson, I hope that, as we go along, we will be able to get a clearer understanding of what fits into each of the little boxes, because I am still under the impression that what we have going is a shell game. We are constantly being faced with reorganization—almost says as if it is an attempt to bamboozle the opposition from getting at the real issues.

I do not want to spend a lot of time trying to sort out something that is almost bordering on a mess. I have one other clarification. The minister says the print may not reflect some changes, but there is one area where there is a fairly serious difference, and that is comparing the description provided for the reorganization of Manitoba Health with the actual detailed print.

I refer specifically to page 9 of the Estimates book where the statement is made: "As a result of reorganization, the Department will be taking on the responsibility for planning, organizing and developing the system of hospitals, facilities and related health services." However, on page 73, where we have simply a reprint, I assume from last year's Estimates book, reference is made to existing legislation, which gives the Manitoba Health Services Commission the authority to organize, develop a balanced integrated system of hospitals and related health facilities. There has been clearly

a change in responsibility and authority. However, the detailed Estimates still conveys the old method or the old way.

As well, and of more concern to us, the legislation before us in the House, the amendments to The Health Services Insurance Act, do not include any amendments to reflect this reorganization, and I am certainly curious about that since certainly the minister must have been working on this reorganization for some time and could have incorporated those changes. My question is: Is this a real reorganization? What is the extent of the shift away from the legislative powers granted to the Manitoba Health Services Commission, to the minister and his department and staff, and what does it all mean?

Mr. Orchard: Mr. Acting Chairman, the easiest way for one to come to grips with what has happened, last year's printed Estimates to this year's, is in the flow chart that I just had distributed to both my honourable critics.

An Honourable Member: . . . Jay Cowan would do.

Mr. Orchard: No, Jay Cowan would not do this because he did not understand the system well enough.

An Honourable Member: Oh, be nice about it.

Mr. Orchard: I was. Do not lead with your chin.

You will see that portions of some areas are moved to several areas of the new displayed Estimates. Admin and Finance is consistent. What was there last year is still in Admin and Finance. However, there has been some, as I explained earlier on, amalgamation of function from the Manitoba Health Services Commission into Admin and Finance so that it is an enhanced responsibility as a result of the melding in Admin and Finance, which was commenced last year as we approached Estimates last fiscal year.

* (1610)

Community Health Services Program last year would now be effectively displayed in two areas, the Health and Public Policy Program and the Continuing Care Program, and we can deal with which aspects are where. The Community Health Services operations are into the MHSC and Community Health Services area. Mental health is entirely folded into Provincial Mental Health Services. AFM remains the same. The MHSC in

terms of the melding with the ministry and the Commission has some functions, as I have explained earlier, of going to Admin and Finance, some functions going to Continuing Care Programs, most notably being the Personal Care Home line, and then, of course, the Hospital, Ambulance, Medical payment lines remaining straight across with MHSC's new function as well as the complement of Community Health Services.

Of course, the Capital remains the same and Lotteries Programs. That is the first time that this has been displayed as such in Estimates. We did not have a line—no. Yes we did. I am sorry. I apologize. We did have a line on Lotteries Programs, the Health Services Development Fund last year, and that remains essentially the same. I think, although it may look somewhat complex, it is rather straightforward when one considers—and I am sure my honourable friend will find it to be not a complex reorganization but really a streamlining of function and ability. I would be prepared to attempt to answer any questions my honourable friend might have.

Ms. Wasylycia-Lels: I am just wondering if the minister has any comment in terms of the legislative issue which, unless acted upon quickly, does pose a difficulty for the minister and his reorganization?

Mr. Orchard: The amendments that are before the House right now in Bill 4 are amendments that were several years in the making that do not contemplate the changes necessary to accomplish the reorganization. Those we hope to have before the Legislature next session.

Now, before my honourable friend asks the very logical and necessary question, how can this functional change have legal status, or will we be doing anything outside of the law if we do not have our legislative passage passed? I am informed that is not the case. We will not be contravening the existing act and will be able to carry the function forward as we have now and upon completion of the amalgamation between commission and ministry and legislative change, then there will be a complete package.

As I indicated to my honourable friend earlier on, those are not initiatives that you accomplish overnight from leaving work Friday afternoon to having it accomplished Monday morning.

Ms. Wasylycia-Lels: Could the minister tell us where this particular model of reorganization or

restructured health department came from? Is it modelled after any other departments of health? Is it the result of internal discussions or outside consultants?

Mr. Orchard: No, there were no outside consultants used to develop this. Basically what you see here is a reflection, as I have indicated earlier, of the advice and the focus of senior management within the ministry and the commission to point out what is achievable in a reorganization of the department along program lines.

It probably, although there is no province that I can indicate has an identical organization, I think most other provinces it would be fair to say have similar organizations where the attempt to structure program delivery along program lines so that function of commission is not separate and apart from function of department, where you have for instance continuing care or mental health programming.

Ms. Wasylycia-Lels: Mr. Acting Chairman, so the minister is saying that there was no outside consultant involved in terms of developing a suitable model for reorganization?

Mr. Orchard: Mr. Acting Chairman, there was no outside consultants used to craft the reorganization of the department. But we have had discussion with outside consultants in terms of filling some of our senior positions, in terms of recruitment. What do you call them? Basically head-hunters. But in terms of the organization of the department, no. In terms of seeking assistance to bring potential managers into the province, yes, we have sought assistance from head-hunters.

Ms. Wasylycia-Lels: What was the participation of department staff in this whole process?

Mr. Orchard: As I indicated, I think this is a reasonable reflection of input from a number of levels of management within the department.

Ms. Wasylycia-Lels: It is certainly different information than I received from individuals who indicated that this was, came out of the blue, and sprung on the department. Perhaps the minister was consulting with some key individuals, but I think by all accounts this was very much a surprise and has not contributed to redressing uncertainty in the face of any kind of reorganization.

I think there is a concern of morale that the minister is surely aware of in terms of his

department. I am just wondering if he has any comment in terms of the lack of participatory involvement, in terms of his department, that happened around this whole reorganization.

Mr. Orchard: First of all, Mr. Acting Chairman, I guess I am at a loss. Is my honourable friend saying, as sometimes opposition critics have said, that we do not disagree with what you have done, but rather we disagree with the way you have done it? Is my honourable friend saying there is something the matter with the new structure of the department, or is my honourable friend saying that there is nothing the matter with it, but we did not consult widely enough, because when we consult widely, we get accused, as my honourable friend pointed out in her opening remarks, that all we do is study the issue, we never take any action?

Now, when we take some action and have, I guess, it is three meetings now with staff throughout the ministry to explain the reorganization, where individuals fit in it and explain the reorganizations after having taken action and not studying it, and commissioning a study on a study on a study on a study, I am not sure where my honourable friend is coming from. Is there criticism as to what was done or how it was done?

Ms. Wasylycia-Lels: Mr. Acting Chairperson, first of all, I am not raising any kind of question of study, I am raising a question of participation, of a participatory model of decision making in the department because of the serious issues that are involved in any kind of reorganization and the uncertainty that ensues regardless of how well it is done and how much consultation takes place.

If the minister is assuming from my comments that we support this reorganization, he should not. As I said, there is no evidence on the basis of the material provided by the minister or on the basis of his answers today that this is based on a meaningful model, that it is actually concrete and real in terms of its impact and not merely the shifting of people and subject areas under little boxes.

On the basis of all of this material presented today, there is no way we can ascertain the actual savings from the integration or amalgamation. There is no way we can measure the effectiveness of this model unless it is tied to health care reform, because surely that is really the bottom-line reason for embarking upon a reorganization, the integration of the Department of Health and the Manitoba

Health Services Commission—is to pursue health care reform in a serious way, to enhance the integration of community and institutional programs and to complement another set of objectives. I do not know yet if this is an effective way to go. I do not know if this is the right model, and I will reserve comment on that. To date, it appears to be a shifting around of boxes and lines on a chart with little evidence of cost savings or enhancement for health care reform.

* (1620)

In terms of my question, I am simply raising the issue of the way it was handled within the department. Unless the minister wants to comment on any of that, I would like to start by asking him about two significant changes. We now have the Health Advisory Network and the Standing Committee on Medical Manpower reporting to the Manitoba Health Services Commission. If my understanding is correct, that is a significant change from previous organization of the department and to me an indication that those areas have been relegated off to the side in terms of the overall objectives and priorities of this minister.

I am wondering if this signals (a) that the minister has given up in terms of the Health Advisory Network as a basis for action, and if, in fact, he does not know what to do with these thousands of recommendations that have been flowing out of the network, and secondly, what this means in terms of the Standing Committee on Medical Manpower which has previously enjoyed a more direct reporting relationship.

Mr. Orchard: There is a whole series of initiatives that I could take issue with my honourable friend on, and that does not quite accurately present some of her flow of thoughts, but being as how we are going to be very kind to each other this Estimates go-around, I am going to chew my tongue off; at least this afternoon I might. However, if I am similarly provoked on Thursday, I might break my gentlemanly approach to this whole Estimates progress.

First of all, on the Standing Committee on Medical Manpower, the Standing Committee on Medical Manpower always had their staffing resource in the Manitoba Health Services Commission budget. Now, our honourable friend makes the point, has this lessened the reporting relationship to myself.

I simply want to tell my honourable friend that the Standing Committee on Medical Manpower was the creation of the previous Progressive Conservative government of the province of Manitoba, under the Minister of Health, the Honourable Bud Sherman, and had a direct reporting relationship and met on a regular basis with him as minister.

I regret to say that was not always carried on during the ensuing years between Progressive Conservative governments. I reinstated the regularized meetings with the Standing Committee on Medical Manpower. I established co-chairs, one from rural Manitoba and one from the city of Winnipeg, Faculty of Medicine, with good experience with the Northern Medical Unit, Dr. Brian Postland, of course, Dr. George Dow from Killarney.

I renewed the membership on the Standing Committee on Medical Manpower and substantially increased their funding. Amid that, and my honourable friend, the member for The Maples (Mr. Cheema), indicated that the Standing Committee on Medical Manpower had assisted the community of Thompson in achieving some of its recruitment success, where one might recall, shortly after we came into government, that the member for Thompson (Mr. Ashton) was bemoaning the fact that somehow this government was responsible for Thompson being down to seven physicians in the community, when we had only been in government for approximately four months and he had been in government for nearly seven years. It was all of a sudden my fault.

I find it quite interesting that now the member for Thompson is quite silent about the fact that they are approaching 30 physicians now in Thompson. It has not been a New Democratic Party government that has made this tremendous inroad in physician services in northern Manitoba and Thompson.

My honourable friend says that this is ominous, that the flow chart shows the Standing Committee on Medical Manpower reporting to me through the Manitoba Health Services Commission and it denigrates their function.

Au contraire, madam. It means that we have substantially increased the funding, substantially increased their access to my office, substantially increased the presence of active progressive members on the Standing Committee on Medical Manpower, substantially enhanced their ability to bring new and innovative programs to the

recruitment, to aid in the recruitment and retention of physicians throughout rural and northern Manitoba.

Au contraire, Madame, that shows one of the areas of success that my honourable friend as Health critic has said, when this government, this minister does something well and it works, we will give him credit. My honourable friend just broke her word within the first two hours of Estimates, in that, an area where obviously we have done well because we meant to do well, my honourable friend says, well, it looks like you are demeaning their reporting relationship to government. I am sorry, that is just not the case.

Ms. Wasylycia-Lels: If I could just deal with that last comment, my question to the minister and my comments were not at all reflecting on this committee. It was asking about the reporting relationship. Is the minister saying that this change in the reporting relationship with the Standing Committee of Medical Manpower now reporting to the Manitoba Health Services Commission is going to do all of those positive things that the minister has just talked about, and if so, on what basis does he make that kind of statement?

The point that I wanted to raise at this point is, he did not answer my question on the Health Advisory Network. This is a significant change. The Health Advisory Network was touted to be a major effort in terms of getting on with health care reform. All of the reports are not in; most of them have not been responded to by the minister. The process is still far from complete, and now we see that this significant initiative of the government has been put off to the side, if you will, in terms of where it fits into the whole structure and reporting arrangement.

I cannot imagine, I cannot find rationale for the Health Advisory Network reporting through the Manitoba Health Services Commission if indeed it is what the minister touted it first to be, so I am wondering what this means. Is it that it is finished, the minister has given up on it, it is no longer a major factor in terms of his action plan? What does it mean?

Mr. Orchard: Mr. Acting Chairman, let me deal with my honourable friend's first questions in terms of the Standing Committee on Medical Manpower. There is nothing that my honourable friend could conclude in her most nightmarish conclusions that the role of the Standing Committee on Medical Manpower will

be lessened, because this flow chart has them reporting through the Manitoba Health Services Commission to myself.

The co-chairs of the Standing Committee on Medical Manpower and the administrative officer for the Standing Committee on Medical Manpower will still meet directly with myself on a regularized basis to discuss issues that are important to their mandate and their recruitment retention undertakings on behalf of the province of Manitoba, so let me put my honourable friend's mind to rest on that one.

Secondly, with the Health Advisory Network, my honourable friend indicated a number of reports are in the community. My honourable friend is correct. With the Health Advisory Network, I have received as minister, from the steering committee, one report of the Health Advisory Network, and that was on the extended treatment bed review.

* (1630)

There was an interim report, as there are now interim reports in the community. I want to take time, and I am not trying to—what is that word that the member for Thompson (Mr. Ashton) was trying to do with one Bill 70? I am not filibustering. I am not filibustering my own Estimates, but I do have to clarify for my honourable friend yet again—

Ms. Wasylycia-Lels: Well, you have already done it in the House.

Mr. Orchard: No, but my honourable friend says I have already done that in the House. That may well be so, but it has not had the appropriate effect because my honourable friend still does not understand the process.

Now, when the interim report on the Extended Treatment Bed Task Force was circulated at the community, my honourable friend the Member for Maples (Mr. Cheema) and his party received a rather brutal lesson because they said in the House that government had this report and ought to act on it immediately, right away, without question. It turned out that a whole quadrant of the city, the northeast quadrant of the city of Winnipeg, had not been appropriately dealt with and recommended for in the interim report. Had I accepted that, Concordia Hospital would not have had the construction ongoing at that facility for the betterment of patient care in the northeast quadrant of the city that it now currently has.

So that my honourable friends, the Liberals, learned their lesson the hard way in that they accepted—

An Honourable Member: They lost 14 seats.

Mr. Orchard: My honourable friend makes the point they lost 14 seats. I just hope that with the dozen or so reports that may well be out there in the community, my honourable friend, the New Democrat, accepts all of them as interim reports and loses 20 seats.

I just want to tell my honourable friend that there is a very deliberate process of the Health Advisory Network, a task force establishes through a series of meetings, and we can go into the number of meetings with each issue being assessed by the task forces. There can be anything from a series of meetings to indeed community consultation through formal hearings.

When that task force has concluded its work, it scripts an interim report, and that interim report is then circulated by the steering committee of the Health Advisory Network to those individuals, professional groups, organizations, who have had input into the original report. That is sent back to them for the purpose of assuring that their suggestions, their concerns and their suggested policy changes are accurately reflected in the report. After having the wisdom of their feedback as professional groups, community groups, institutions, other organizations, the task force will write their final report to the steering committee, and the steering committee will receive that report and analyze it, and also has the opportunity to make changes if they deem it appropriate.

It is only when the steering committee submits to me a report do I take action because, until the steering committee has presented a finalized task force report, I, in effect, could be accused of moving too quickly and not considering all the issues. I would not want that accusation to flow from my honourable friend.

We have a deliberate process that is in place. It will be followed and, hopefully—and I say hopefully—government will be able to respond in a reasonably expeditious fashion when the steering committee of the Health Advisory Network presents the final task force reports from each task force to myself and to government. We do have a number of them that are due to be brought to government by the steering committee of the Health Advisory

Network, and so we are going to have an awful lot of information and recommendations, I would assume, before us.

But the issues that are being dealt with by the various task forces are issues that are very appropriate and fit within the context of the Urban Hospital Council's considerations and can provide advice to them.

They fit within the context of the centre for health policy and evaluation and some of the information undertakings that they have engaged in and, indeed, can be valuable to the Manitoba Health Services Commission board in terms of some of its program planning and initiatives and some of the recommendations they may well make to government, and certainly from an overall program standpoint and policy development standpoint are important to myself and the ministry. I hope that clarifies, Mr. Acting Chairman, the issue for my honourable friend.

(Mr. Deputy Chairman in the Chair)

Mr. Cheema: Mr. Deputy Chairperson, the minister, in the past, has always replied to the opening statement and I was waiting—seriously there are four issues in terms of the major policies coming from this department. I am waiting for the reply to at least one or two of them which is a very serious issue in terms of which hospital is going to lose psychiatry beds.

Is the minister's office considering the closing of one or two or none of the emergency rooms in one of the community hospitals in Winnipeg? I just want to ask the minister if he wants to give a response today.

Mr. Orchard: Mr. Deputy Chairman, the simple answer is no because I cannot give you a response today because no such recommendation has been made to me by the Urban Hospital Council.

Let me help my honourable friend to understand the nature behind the concerns of professionals who have contacted them obviously. Currently the Urban Hospital Council has a number of system-wide program delivery considerations before them. I will just read out the first four of them: review of emergency department, review of pediatric services, review of obstetric services, review of psychiatric services. My honourable friend has the list because it is not a big secret—and a number of other initiatives.

I guess I just want to tell my honourable friend that I think that this is probably the most intelligent approach to program and budget planning of any province in Canada. I say that sincerely. I think, in many ways, the process that we are undertaking in Manitoba is envied by most other provinces because I have been in discussion with individuals from other provinces, and they do not have the ability to bring together the CEOs of your major hospitals along with government to deal with issues from a system standpoint.

I want to just give you a small example of one thing that I had to deal with. My honourable friend will know that the previous administration had put together a policy directive to the hospitals that they cannot operate a deficit budget. They must operate within the budget as provided. We have carried on with that policy in terms of putting some ability to spend effectively within the health care system. This goes back maybe a couple of years ago now.

One of the hospitals—and I am simply not going to indicate which one because that does not serve any useful purpose, but the example is important—one of the hospitals was having difficulties mid-year, and it looked as if they were going to have a fairly significant deficit, so board and administration started to look at ways in which they might be able to change their operations so they could come in within budget.

One of the suggested program changes that was put forward was that they would curtail their oncology program. Clearly, that would assist the individual hospital in terms of its budget, because it would not have the staffing cost necessarily, and it certainly would not have the pharmaceutical and operational costs. But, you know, when you ask yourself the simple question, what happens to the patient, the answer is obvious. The patient goes to another hospital. In other words, you just simply transfer the budgetary problem to another institution.

The Urban Hospital Council brings together all those institutions, so that individual facilities do not make decisions in isolation of the system and the other facilities so that their decisions merely offload program costs to another part of the system. I think, and I am not trying to be mean spirited in this observation, but that has not been the method of planning and the method of coming around budgetary decisions in the past.

I think the Urban Hospital Council represents a significant breakthrough in terms of health care planning in the province of Manitoba and presents one of the better opportunities for us to do the kind of system-wide analysis and program change which is necessary, and we all recognize as necessary. We have, within the Manitoba context, something that I think is unique in Canada, that being the co-operation of our CEOs, the Manitoba Health Organization and naturally, the ministry.

* (1640)

When my honourable friend poses the specific questions about will there be say, consolidation of psychiatric beds within the urban hospitals, I cannot answer that today. I can tell my honourable friend that this, no doubt, is going to be part of the discussions they undertake when they look at review of psychiatric services at the urban hospital level.

I cannot tell my honourable friend today whether there might be a change in operational hours of emergency departments in any of the hospitals, but clearly, that is an issue that will be part of the discussions of item No. 1, Review of Emergency Departments. There are some fairly interesting reasons behind that, particularly in the emergency department side and in the other initiatives.

A lot of these initiatives that are here for study between the urban hospitals flow from the experience that the system went through in January. We had a very constrained system. We had closed emergency departments during the nurses' strike, and we had a closed emergency department last summer at one of the urban hospitals. It is begging the question, and I have asked the question as to whether emergency departments operate 24 hours a day, all hospitals in other cities, and there is some interesting information coming back in that regard. Clearly, it is one of the options being considered by the urban hospital context from a system-planning perspective.

Mr. Cheema: Mr. Deputy Chairperson, I just would warn the minister that closing emergency rooms in any of the hospitals would basically be killing the hospital, because without the emergency rooms in any given hospital in the city of Winnipeg—the minister should simply review the St. Joseph Hospital on Selkirk Avenue, the history of their hospital—the hospital will fairly quickly become a personal care home or extended care facility.

I think that must be taken into account because I do not think it is going to be very, very positive. It is not going to be acceptable. It does not matter which part of the city, which particular party is—I think the minister has been given the wrong advice by somebody. I think it is a very ill-advised move, and any movement in that direction will be definitely opposed.

I am sure that the Minister for Culture, Heritage and Recreation (Mrs. Mitchelson) would not like it if Concordia Hospital would lose their emergency; so it is with the Grace Hospital, Seven Oaks, Misericordia, Health Sciences, or Concordia hospitals. I think it is going to be a very delicate issue, and the minister should be very, very careful.

It is not in my best interest to warn the minister, but I am telling him in the best possible way, do not touch the emergency. It is going to be a very explosive issue. The advice you got for a one-month period during the strike is not enough to make a rational decision. It is just like comparing bananas and oranges here.

Most people knew that they were with the strike. They did not come to emergency. They went to walk-in clinics or other sources, and then they ended up going more to the hospitals, so I would certainly ask the minister to look very, very carefully before they even think of closing any emergency room for a short period, especially at night time. I think it will be a disaster for the government to do that.

The minister has answered my next question also in terms of the reorganization for psychiatry beds and which hospitals would lose those beds. Certainly, there has to be a clear statement from the Minister of Health (Mr. Orchard) so that the individual hospital or the people who work there or the patient would know in advance which hospital is going to lose the beds.

They must not forget that closing one hospital's beds is not going to solve the problem. They will go to another one. They will basically be taking from one end and dumping in the other part. Especially, you have to look at what is the number of patients that hospital has now and what is the number of psychiatrists, how many outpatient clinics they have, what kind of community program you have in place.

I would like the minister to be very, very cautious and not really move into the direction where he may have to change his mind eventually. He has to be

very careful. Certainly, we will not tolerate any emergency closing in any part of the city.

Mr. Orchard: Mr. Deputy Chairman, I appreciate my honourable friend's advice and caution but appreciate that the issue is being discussed for potential courses of action. I cannot tell my honourable friend, as I sit here today, what some of the suggestion, recommendation might be, but some of the guiding principles behind the Urban Hospital Council are maintenance of quality patient care for instance.

I accept my honourable friend's caution; it is valuable to me.

Mr. Cheema: Mr. Deputy Chairperson, on the other side of the city, we have a hospital where the obstetrics was taken away. Basically, that hospital clearly suffered from the community involvement in terms of patients felt that they were being ignored by the previous administration.

If you take emergency care, that means the inlet to the hospital is going to be closed, so I think it is a very, very dangerous move, considering the number of patients the emergencies are seeing. Basically what you would do is simply diffuse the expenditures to other walk-in clinics or some other sources, or the patient will get more sick, and they will come when it will be more costly for the patients to come to the hospitals.

I wanted to register my opposition from our party point of view that we will oppose any move to close any emergency room in Winnipeg.

Mr. Deputy Chairperson, I wanted to talk for a few minutes about the reorganization in the Department of Health. As the minister has stated, it is just in the beginning part of the department. We are talking about \$1.7 billion with a large number of people who work within that department, various—you have to deal with a lot of organizations and also a very difficult process, so we will just wait how the system functions. If there are changes that have to be made, they have to be made.

There is no more that any government can take from any part of this country. It is simply not possible. It has to be what is possible in Manitoba. I think certainly, if you look at the chart, it is the first time you are seeing that there are five different departments and somebody will know who is in charge.

I mean, the first time you are seeing there is a Mental Health Division with an ADM in charge.

Then you can go to a person and say, well, you are responsible. I think it is a very, very responsible move. Whether the Manitoba Health Services Commission has a few committees here and there, eventually those are very minor things. Basically, all of them are going to function under the Minister of Health, the Deputy Minister and other five ADMs.

Certainly, I did say in my opening comments about Mr. DeCock, but I want to add that all other individuals are equally qualified, and they have demonstrated a very excellent way of work. Certainly we will watch on how the system works. I do not want to say that this is a problem, not good or bad, because we do not know, but certainly the election campaign in '88, '90 and, as far as I remember, it was by the three parties to reorganize the whole system. We have to see now how it functions.

My question is, how many people were let go due to the organization, and what were their positions and how much time was given to them before they were fired?

Mr. Orchard: As a result of the departmental reorganization and the amalgamation of department and Manitoba Health Services Commission functions, there were 16 senior and middle management positions that were reduced and five administrative positions also were reduced. That represented a projected salary saving of \$1.2 million.

In addition to those 16 senior and middle management and five administrative positions, there were other individuals who received layoff notices as well. It is a combination of elimination of vacant positions, some reassignments within the vacant positions and some layoffs. I will try to give my honourable friend a total picture. There were 51 SYs in 47 weeks, 51.47 SYs were involved in the ministries staff reduction exercise. Of those, 23.47 were vacant positions that were eliminated, 16 employees received layoff notices and 12 employees were reassigned to alternate positions. An additional two employees also received layoff notices for organizational reasons. Both of these individuals opt for an enhanced severance package.

* (1650)

Now, of the 16 employees who received their layoff letters, three of those opted for the enhanced severance package and 13 were placed on the re-employment list. As of yesterday, four have been

re-employed of the 13 who were on the redeployment list. Of the 12 employees reassigned, there are two who are carrying on with their former roles, six accepted reassignments, one opted to take part-time employment, three declined and were placed on the redeployment list. Of the three, one has been placed on the redeployment list, so there are two still on the redeployment list of the 12 who were reassigned. Does that help my honourable friend?

Mr. Cheema: Mr. Deputy Chairperson, if there is a possibility of getting a list, or I probably will read the Hansard tomorrow and will know exactly. It is very difficult to remember everything that the minister has said, how many positions are lost. I just wanted us to have enough time.

My question is: What was the average length of the employment for these individuals who were let go?

Mr. Orchard: Golly, I cannot give that to you, but I will tell you what, we will try to get that information—

An Honourable Member: Ten years.

Mr. Orchard: Average about 10 years, but I know there was at least one individual with an excess of 20 years with the ministry.

Mr. Cheema: Mr. Deputy Chairperson, I just wanted to add one word. It is just to commend, not a question, for the Standing Committee on Medical Manpower, as the minister and the member for St. Johns (Ms. Wasylycia-Leis) had a discussion. I think it will be worthwhile to add to that, that these individuals are nonpolitical individuals. They are dedicated professionals, and the community groups. They worked with all the political parties. I think they are doing a good job.

I had the opportunity to work with one Dr. Brian Postl. I took a class with him in natal issues, health care issues. I just wanted to express my appreciation for their work.

Mr. Orchard: I will make sure that Dr. Postl is informed of those comments because those are appreciated. That is the whole role that they are attempting to undertake. They are not there to perform a narrow partisan function; they are trying to help all Manitobans. I appreciate the comment.

Ms. Wasylycia-Leis: In the last few minutes, while we are on this issue of savings, in terms of the last provincial budget, in relating to some of the issues raised earlier today, can the minister provide us with

a list of all the medical services being deinsured, as outlined in the Budget Address, which, according to the press release, would result in \$2 million worth of savings?

Mr. Orchard: Yes. We can get into detail on that and further process when we get to the area of responsibility that Mr. DeCock handles under the Medical line, because all of those initiatives were undertaken under the Medical line with the Manitoba Health Services Commission.

Ms. Wasylycia-Lels: Is the minister saying he will provide that information when we get to the line dealing with hospitals and Community Health Services?

Mr. Orchard: Yes.

Ms. Wasylycia-Lels: Could the minister at least tell us now if it is absolutely and actually the case that psychoanalysis is being deinsured and is part of that list?

Mr. Orchard: Mr. Deputy Chairman, I could give my honourable friend a cute answer and say no, but that would not be the answer my honourable friend is seeking. Psychoanalysis is not an insured service.

Ms. Wasylycia-Lels: Could the minister elaborate on that? I know we had the discussion in Question Period. By all accounts, it appears to be a service that has been covered under our Manitoba health insurance program and that some moves have been made to take that service off the list. I am wondering if the minister could explain what exactly he is doing vis-a-vis this whole area of psychoanalysis?

Mr. Orchard: As I indicated in Question Period today, psychoanalysis is not an insured service. There is not a fee schedule tariff for psychoanalysis. It is undertaken, is the understanding that I have, and has been for a number of years. It was an issue that my honourable friend might wish to discuss with her Leader in some of the comments in made in the 1988 election campaign about Holiday Towers.

Psychotherapy is an insured service, billable under the Manitoba fee schedule for physicians. The issue that we are discussing with the MMA and the Manitoba association of psychiatrists is the incidence of psychoanalysis being billed under psychotherapy, which would, I think, ask for resolution is the issue that is currently before the psychiatric association and some discussions that my senior staff have had with both them and the MMA.

Ms. Wasylycia-Lels: Mr. Deputy Chairperson, the question I have is, psychoanalysis is now billable, is it not?

Mr. Orchard: No. There is no fee schedule tariff for psychoanalysis.

Ms. Wasylycia-Lels: Is the minister saying all service provided under psychoanalysis is done on a direct fee basis between the client and the psychoanalyst without any coverage, reimbursement, insurance billing procedure whatsoever?

Mr. Orchard: No, I do not think I said that.

Ms. Wasylycia-Lels: Can the minister clarify what he is saying?

Mr. Orchard: Well, I just did. My honourable friend made the statement that psychoanalysis is being de-insured. That is not accurate because psychoanalysis is not a fee tariff insurance service.

Psychotherapy is, and there is a long-standing concern that some practitioners have billed psychoanalysis under the psychotherapy tariff, and that is deemed by some to be an inappropriate consumption of scarce health care dollars.

That is the issue we are trying to come around. Psychotherapy services are a necessary insurance service and will continue to be insured. The psychoanalysis issue is one that is in discussion right now with the MMA and the psychiatrist association of Manitoba.

Mr. Deputy Chairman: Order, please. The hour now being five o'clock, it is time for private members' hour. Committee rise.

SUPPLY—AGRICULTURE

Madam Chairman (Louise Dacquay): Order, please. Will the Committee of Supply please come to order. This section of the Committee of Supply is dealing with the Estimates for the Department of Agriculture, page 14. We will begin with an opening statement by the Minister of Agriculture.

Hon. Glen Findlay (Minister of Agriculture): Madam Chairperson, it is indeed a pleasure to have the opportunity to again go over the Estimates of the Department of Agriculture. It is hard to believe this is the fourth time it has been on this side of the House, the member has been on the other side of the House. The old saying goes, how time flies when you are having fun.

I am pleased to have an opportunity over the next few hours of Estimates to examine the Department of Agriculture's commitment to the industry of agriculture and maybe, I guess, to say the problems in front of us are certainly going to be talked about. Certainly around those problems lie a lot of opportunities, not only for the agricultural industry at the farm level, but of the agriculture industry in terms of all those businesses that supply goods and services, and all those businesses that process the primary product to some fashion in Manitoba, such that the industry of agriculture in the province of Manitoba generates 10.5 percent of the gross domestic product, a pretty significant contribution.

We supply one job in seven in the province of Manitoba so that should be taken into account as to the degree of involvement we have in the Manitoba economy, although the farm community may only make up some 2 percent to 3 percent of the total population.

Certainly, as we have talked about the issues over the past year, year and a half, there are some very major challenges in front of our industry because in Manitoba we are so heavily dependent on the grain sector, heavily dependent on export markets for that grain sector, and clearly the structural problem that has caused the low prices we face in the industry today have not been resolved on an international basis. I will have to say to the member, and I am sure we will get into some of these discussions, the ability to resolve those is still not in front of us. The GATT process is still ongoing in some fashion at the technical level, but we do not see, at this point yet, some movement towards the kind of resolution we would like to see in order for the grain industry of Manitoba to again get back to the good days of fair prices from the export market.

Certainly, I want to congratulate all my staff for the hard work they have put in to help this industry in the past year. I have a large number of very dedicated excellent staff and the way those staff responded in terms of putting the GRIP program in place has to be commended. Over 300 staff were mobilized to get out and explain the program to the farm community and help the farmers make the decision as to whether to voluntarily sign up for the program or not. So I congratulate my staff for a job well done, and I know they will continue to do that excellent job in the months and the years ahead, as they serve the agriculture industry.

Certainly Manitoba agriculture is committed to achieving a number of primary objectives aimed at supporting the agricultural sector. These objectives include preservation and strengthening of the family farm in Manitoba, reduction of economic risks for farmers, to enhancement of stabilization of farm incomes, and we will talk about the tripartite programs, the crop insurance program and the GRIP program, all designed to reduce the economic risks that farmers have.

Another one is expansion of production of agricultural commodities, especially those with potential for value-added processing in the province of Manitoba. If there is any way I would criticize the agriculture industry of the past 20 or 30 years, we have put too much emphasize on producing a primary product and selling that primary product somewhere else in the world. The farmer may have got a good price, but yet we did not take access to all the jobs of processing that could have happened with that product.

Certainly, one example—going back to today's Question Period—would be the potato industry in Carberry, clearly an excellent example of a special crop produced here, a high-quality product processed here, and the product primarily exported all over the world, but notwithstanding a lot of it goes to the country of Japan.

So there is an example of a value-added industry that is very significant, because it creates a market for a product produced here that if that processing industry was not here, we would not have the primary production either.

Another one is the development and expansion of market opportunities for agricultural products, particularly those international markets. I would like to tell the members of the House that over the past year I have entertained some 25 missions of people from foreign countries coming here to view Manitoba agriculture with the idea of looking for technical services, but primarily looking to buy product.

One of the areas of concentration is in the hog industry. There is a tremendous number of delegations which have come, particularly from Pacific Rim countries, looking for breeding stock in the hog industry. One of the reasons that has happened or has accelerated in the last year and a half is the presence of Mineba in the province of Manitoba. It put Manitoba on the map in southeast Asia.

The people in the swine breeding area are doing an excellent business, because we have been recognized by many of those countries as having high-quality breeding stock. The kind of people who come on these missions are not bureaucrats. They are farmers from Thailand, Taiwan, Hong Kong, the kind of people who do the actual buying. Certainly we want to provide the opportunities for young and beginning farmers to enter agriculture and develop viable farming operations. Certainly some programs we have done in MACC and the GRIP program help young farmers in keeping their costs down and reducing their risk.

Another area is conservation and improvement of the Manitoba soil and water resources and the environment. Clearly the Farming for Tomorrow has gone a long way in terms of helping farmers understand the value of conservation and why we should use it in the agriculture industry in the province of Manitoba.

Under Farming for Tomorrow, we now have farmers who have voluntarily come in to the soil and water association staff across rural Manitoba and set up some 2,000 farm plans. They include such activities as how to handle crop residue to minimize erosion, grassing of waterways, planning of shelter belts, putting in annual barriers like a strip of flax every 40 feet in the field to stop wind erosion in the spring, putting certain marginal lands under permanent cover and building of small dams to hold water back for either irrigation or for livestock.

Farmers have come to realize the tremendous asset of water in the past few years, because of the drier conditions. It has caused many to think about the principle, how can we maximize the use of water on our farms. In the area of shelter belts, it is rather encouraging to either fly over Manitoba or drive through Manitoba at this time of the year and see the number of shelter belts that have already been planted.

Most of them are two feet high or shorter right now, but because the leaves are there you can see the rows. I would say 10 years from now when those trees are eight and 10 feet high, they will offer significant shelter barriers for conservation of agriculture land in rural Manitoba.

Let us talk a little bit about the future direction of the industry. Manitoba Agriculture is well aware that the agricultural sector exists within a constantly changing environment not only in Manitoba, not only

in Canada, but in terms of the world. If there is any industry that understands the global economy and how we are part of that global economy, it is agriculture because of our heavy dependence on export.

In this province, if we take all commodities together—and we produce over 60 crops and well over 10 meat products—we export 55 percent to 60 percent of our total production, which is a significant portion. So we are very much a part of the global economy in the food industry.

For this reason, the department must adapt its programs and services to address the emerging challenges and opportunities within this changing environment. The department is continuing with its leadership role of facilitating an economic climate that will assist farmers in maximizing their net income, productivity, and general well-being of the family farm.

Within its leadership role Manitoba Agriculture continues to consult with the major participants within the agricultural sector. Having adapted in a changing agricultural environment, the department launched a strategic management process. This was done by staff. This comprehensive process is now at the critical stage where Manitoba Agriculture is reviewing its major options to strengthen its various programs and services to assure that they are delivered in the most effective manner possible.

The strategic management process was conducted by staff in consultation with producers, industry representatives and the University of Manitoba. Six focus teams conducted the extensive reviews in six different areas: marketing, enhanced productivity and competitiveness, diversification and value added, safety nets, sustainable development and human resources.

* (1430)

My executive recently received reports from the six focus teams highlighting their findings and recommendations. These reports are currently being reviewed as the framework for the department's future program base. Some basic topic areas include potential processing and value-added opportunities for a number of major commodities, for example, red meats, poultry, dairy products, crops and related products, fresh chilled and pickled vegetables, frozen foods, flour, ethanol, specialty crops, animal feeds, fresh chilled pork; active promotion of our high quality products, both

domestically and internationally; emphasis on market development to improve the marketing skills of producers—within this subject area the department is already promoting the establishing of marketing clubs in rural Manitoba; intensive efforts in the area of comprehensive risk management; diversification of farm enterprises to broaden the operational base and intensification of effort to conserve and improve the quality of Manitoba's soil resources; building on major necessities such as the Canada-Manitoba Soil Conservation Agreement, otherwise known as the Soil Accord or Farming for Tomorrow.

There are some budget highlights I would like to just touch on right now. In the process of striking this budget, there is no revenue growth, reduced federal transfer payments, and growing interest costs have put the province in a difficult position to meet all its demands and needs from its citizens. In order to do this, the province has had to make some difficult decisions regarding department budgets, including that of Manitoba Agriculture.

It has examined the department's priorities to accommodate the introduction of the GRIP program as a \$43-million budgetary expenditure, to announce a program that was drawn up by farmers, a program which was designed by farmers for farmers, and it is, as I say, a \$43-million budget line in this Estimates process.

The total budget is around \$112 million, the same as last year. In the process of ending up at \$112 million, we have maintained our essential front line extension activities in rural Manitoba. We are maintaining all our existing tripartite programs and are maintaining all other risk protection programs, including the addition of the \$43 million GRIP program.

Throughout Manitoba Agriculture's budget review, expenditure reductions were made in the low priority areas, while at the same time trying to maintain those services which address the direct needs of our primary client, the farm producer. As well, expenditure reductions were made in areas that the province could no longer fund, especially when comparable services were available elsewhere.

Accordingly, Manitoba Agriculture has made a number of adjustments to these types of service programs. The artificial insemination service was successfully taken over by the private semen

company. Western Breeders is now running a branch office out of the agricultural services complex, renting the space from Government Services on a six-month contract. Also, we are currently investigating the possibility of Manitoba veterinarians taking over the vet Drug Centre, and we are looking at alternatives for delivering the feed and soil test lab services. I might say that we have had a number of inquiries looking and wanting to make bids for those two facilities, the feed and soil test labs.

Within the current budget exercise were opportunities to eliminate overhead, and duplication occurred. We acted and attempted to put together new delivery mechanisms and management approaches to deliver those services. Thus our department was able to examine cost-saving measures while, at the same time, reviewing how our staff could improve its service, effectiveness and efficiency in the farm community. Through this review, the department renewed its commitment to our primary client, the farming community, towards our commitment to job excellence by our department staff.

Just some program enhancements I would touch on briefly, certainly the Gross Revenue Insurance Program is the main one in this budget. The Gross Revenue Insurance plan is a combination of crop insurance plus revenue insurance to give farmers not only protection in terms of loss of crop because of drought or disease but also a protection because of the potential drop of price.

The drop of price is a real issue. Right now a farmer at the farm gate when he sells wheat is getting between \$3 and \$3.20 a bushel. The GRIP coverage for 1991-92 is \$4.15. The real question is, what is the value of wheat going to be at the farm gate for the crop that is presently in the ground? I have said consistently over the last three or four months, it looks like it will be in the range of \$2 to \$2.50, a real value of what the Wheat Board can sell it for. When you subtract transportation, elevation and Wheat Board operating costs off that figure, it could well translate into the \$2 to \$2.50. If I was a betting person, I would say probably at the lower end of that range rather than the higher range.

It is unfortunate that is the reality, but at this point in time, as I said earlier, there does not seem to be any progress in terms of discussions with the European community or the United States in terms of backing off the subsidy programs that they have

in place, particularly the Export Enhancement Program, to allow the world price of wheat to rise to where it should be.

The principles of supply and demand would dictate that price should be way up. It should be going up over the last three years instead of going down. The use of subsidies clearly have destroyed the principle of price setting in the grain industry by supply and demand, clearly destroyed it. It is very difficult for the farm community to adjust to that, because those who have been in the business for 20, 30 or 40 years have always seen this cycle of ups and downs in the grain industry because supply and demand has worked. It has not worked in the last few years, and it is difficult for them to adjust to that reality. It is difficult for us as government to understand that this can go on forever.

While we have been in government for three years, certainly we were expecting that the GATT process would have given some resolution by the end of 1990. It has not materialized and, although the talks are not dead and the suspension has been lifted and they are back on in a minor way, it is difficult to see that there will be an impact on the export price of this particular crop that is in the ground right now. The best we can hope for is down the road in two or three years. There can be a resolve, so that there is a better return for the marketplace.

If you look at the reality, a farmer enrolled in GRIP right now, if he gets \$2.25 at the farm gate and his GRIP coverage is \$4.15, he is really going to be getting \$2 a bushel from the government in this process. If this continues on for a number of years, it is a very costly program for the government of Manitoba and Canada.

We know that the world needs the wheat and really the subsidy—you may say it goes to the farmer but that subsidy really goes to the consumer of that food wherever they are outside of the country of Canada. Really, even the \$4.15 that exists in the GRIP program does nothing more than barely cover the cost of production, and some people would say it does not even do that.

In terms of the funding of the GRIP program, there are two components: the crop insurance component whose funding formula has been in existence now for two years, that is, the producer paying 50 percent of the crop insurance premium and the two levels of government each paying 25

percent. In the revenue insurance program, the split of payments is 33 percent by the producer, 42 percent by the federal government, 25 percent by the province. So the combined two programs put together, they approximate that the producer will pay 40 percent of the premium, the federal government 35 percent of the premium, and the provincial government 25 percent.

Thirdly, in the process of operating that program, as I have said many times, we argued for a management committee so that issues of significance, particularly by the producers, could be brought to that forum so the changes could be made beneficial to the producer down the road. A number of changes were already done this year by us in the province of Manitoba in conjunction with the federal government and certainly other provinces did the same. Now we have a national signatories committee which will be in place for managing that program year in and year out as we go down the road. It will have all the major players at the table, the producers, the federal government and the provincial government.

I think it is essential that we have that signatories management committee because there are definitely going to be issues that come along that cause the need for changes, additions, deletions, adjustments of premiums, adjustments of benefits as the world shall unfold in the future. Clearly we have that kind of management approach in the tripartite programs, and it works quite well.

Another program that can be highlighted at this time is certainly, in MACC, the Young Farmers Rebate program. There is an additional \$600,000 budgeted there because we have, in 1990, increased our number of loan approvals by some \$3.5 million in that area. We improved the program in terms of doubling the benefits back in 1989 from \$50,000 to \$100,000, and we made it available to the producers with short-term loans, those between five and 10 years, where previously it had been available only to loans of 11 years and longer.

In the Agri-Food Agreement with the federal government, we have extended that program for two programs: the crop evaluation of variety testing program which goes across rural Manitoba and for the disease-free seed stock potato production Espo Farm out of Portage. If you consider the issue of potato diseases in Prince Edward Island, the significance of that disease-free potato seed production farm is very, very important.

In the red meats area, certainly I see it as an area of opportunity for the province of Manitoba, both in terms of production and processing and particularly in the hog sector, where we have had significant growth in the last 10 years. I would think that we have the opportunity for again significant growth because we have some comparative advantage, both in terms of feed cost in terms of professional expertise at the farm level, in terms of the infrastructure of the feed mills that exist in this province and the fact that we have competition from the private sector in processing.

* (1440)

We have set up the Red Meat Forum, which is producers and industry people coming together to try to direct this industry where the niche markets, where the opportunities, are in the future. All of the players have done a good job of working together, and they have applied for a significant grant from Western Diversification to do a major study of the opportunities that lie ahead in the red meat industry for Manitoba and western Canada. We used to say that the Red Meat Forum has been the leadership role to get that Western Diversification task force contract in place, and I hope that we have good results out of that for particularly the province of Manitoba as to where we can access the market in the future.

Certainly more and more of that market for the red meat sector has been south into the United States, for pork based on quality, and for beef again based on quality. So those opportunities exist and the Red Meat Forum's desire is to build on that market.

So, with those few comments, Madam Chairperson, I welcome my critics' comments at this time and questions as we go along. Thank you.

Madam Chairman: We will now hear from the critic for the official opposition, the honourable member for Dauphin (Mr. Plohman).

Mr. John Plohman (Dauphin): Madam Chair, I welcome the opportunity to discuss the minister's Estimates and discuss the issues in agriculture to a greater extent than we have the opportunity to in Question Period certainly. We, of course, did have an opportunity just some six months ago, or seven months ago, to discuss Estimates, so it has moved very quickly, as the minister said. It must mean that I am enjoying opposition for the short period of time that we are going to be in opposition; I say that to my colleague from Swan River. It is a good learning

opportunity actually, and I think that all politicians should have that opportunity to be in opposition, as well as in government, but the time should be limited. In the case of many of the Conservatives on the other side who have not had that opportunity, I know they will be looking forward to it, only that they will not all be here when it comes time to serve time in opposition. That is the only unfortunate thing for them.

We have had that opportunity, and I think it is getting to the point now, with some of the actions taken by the minister, that we have to get in the position of authority in order to put the brakes on some of the things that might be, and will be, hurting farmers in Manitoba.

Now the minister tends to make sweeping statements about—and I will have to give him credit that he does acknowledge that he not meeting all the needs out there—but he tends to overstate the positive impacts of some of the programs. Naturally, for political reasons, he would do that. But I think he should acknowledge that MACC, GRIP, and the other programs that have been put in place in relation to that are not going to meet the vast majority of the farmers' needs out there. As a matter of fact, one of the reasons I was questioning the minister just the other day on the debt issue is because MACC has a very small portion of the overall debt insofar as agriculture is concerned, about 10 percent to 12 percent of the overall debt.

The information that I have is that the farm debt in 1990 reached a record level, contrary to what the minister said in the House just on Friday when he said debt is not increasing. It is right in Hansard. I was amazed that he made that statement, and he will want to correct it, I am sure, because it is in Hansard. I did not hear it at the time because there were a lot of other information he was throwing on, but he did -(interjection)- Because he said the debt is not increasing. It is right in Hansard. I was quite amazed. I do not know if the minister has had an opportunity to read his answer, but he actually said that in this House and that is completely contrary to what is stated in his own Agriculture statistics information which shows that it is at a record level in 1990, agriculture debt.

The provincial government agencies have about 11 percent, 11.5 percent, of the total debt, so he can talk about Young Farmer Rebate, and Guaranteed Operating Loans and so on, but what he is doing is just scratching the surface on this whole issue. We

are talking much broader when we are saying the minister has to get together with the federal government to deal with this whole issue. He should not just look at saying: Well, with MACC, we have addressed this issue; we have doubled Young Farmer Rebate Program; we have done this and that; and we have extended guaranteed loans. That is only a very small part of the overall debt, and we have to deal with the real issues out there.

Our farmers are carrying more debt now than ever before. There are fewer farmers and yet they have record debt amongst those fewer farmers. About one-third of the farmers are carrying—the younger farmers are carrying the vast majority. MACC does not have the vast majority of those loans. It has a significant amount, and its presence is felt, and it has an impact; but it is not the vast majority.

How are we going to deal with the other problem out there? It is not being addressed by government. I say it has not been addressed. The minister says the income has fallen. Obviously, it has fallen and GRIP will tend to offset that, and so have some of the special payments that have been made in the last couple of years. Overall, the income is continuing to drop, and it is really hitting those who are heavily leveraged, who are mostly younger farmers who were not able to get the kind of start that is absolutely needed in agriculture today through gifts from their parents, their grandparents, whatever the case may be, or some other source of wealth that might have given them an opportunity to start relatively debt-free with low capital debt to start with.

Those are the farmers that I am concerned about, and I think that the minister is missing the boat when he tries to minimize that problem out there at the present time. I know he does that in Question Period. I hope that we can get him to at least acknowledge this growing problem. I certainly want to explore then why he says the debt is dropping off. I do not understand that. I do not know why he would make that kind of statement.

He says the mediation board has just been super successful in the last number of years, so successful that they are keeping farmers on 70-80 percent on the land, he says; but what we have to explore and what is significant, Madam Chairman, is the fact that many of these farmers are virtually no longer farmers after they come through this. They are operating at such a reduced scale. Who knows if

they will ever have an opportunity to farm, really, in terms of making a living at farming.

They are partially liquidated and that is why I use that term—largely liquidated. That is what is happening through the mediation process. The vast majority of the holdings and several farmers from instances that I know—and I think we have to bring specific situations to the minister's attention because that is the best way to illustrate these points—is that farmers have struggled for years, through no fault of their own. Because of the declining prices, they have not been able to make a go of it.

They have struggled, worked hard, in some cases, clearing land and readying themselves to be a productive farm. Just when they are getting to the point where they could be productive, they are having to give this all away, because it just caught up to them—the low prices and the fact that they had higher operating costs for the previous years. Now they are being told, all that sweat, all those tears are not worth anything. They have got to go.

I think that is regrettable. Those are the people that I want us to be sensitive to and try to put in place a mechanism that will, in fact, deal with their problems in a way that is sensitive and recognizes the tremendous work that they have done and the good management skills that they gained through doing that. Hardships make stronger people. There is no doubt about it. They have to learn to manage with less and to make efficient decisions and work hard, I think; and yet we have to be able to take advantage of that knowledge and skill that those people have gained over that period of time and give them that additional chance.

The minister says that GRIP is reflective of the farmers' needs—it was designed by farmers for farmers—and I know that there were a couple of farmers from Manitoba on the committee that designed this programs—three farmers. We will explore, perhaps without getting too personal, their kinds of operations so we know what kind of farmers were representing farmers in terms of the kind of scale that they have. I do not understand for certain at this time the scale of operations of those farmers and the kind of farms they operate. I think maybe it would provide some insight into where they are coming from when they designed this program.

I do not think they really designed the program, though. I think that the federal bureaucrats

basically designed the program. They were looking for an opportunity to offload a lot of federal costs onto the provinces and producers and they are able to do that through this program. I think that was one of their chief objectives in the process.

* (1450)

In any event, I think the minister is overstating the case as he tends to do and is making sweeping statements about a farm program, GRIP, designed by farmers for farmers.

I say this because there are thousands of farmers in Manitoba who did not think this program was good enough to meet their needs, or was going to meet their needs—thousands, about. Well, I guess 6,000 or more active farmers who did not sign up for the program, and then there were hundreds more at least—and I have letters to prove it—who signed up under protest because they felt there was no alternative under the circumstances, that other supports were being withdrawn and the program was unfair. Yet they had to sign up; they did not have a choice. So the minister should not look at this program and say well, yes, it is fully reflective of farmers needs in this province because it is not, otherwise he would have had a much higher percentage.

Mr. Findlay: Do I have to keep doing nothing?

Mr. Plohman: Now the minister says, well, do I have to keep doing nothing? Of course not. We have been advocating an improved program right from Day One, and we have said what those improvements should be right from Day One, so the minister cannot even begin to make a point there with this opposition that we were sitting on the fence, or that we did not want him to do anything, or that kind of thing. It just will not wash. The farmers know it out there that we wanted a program that would respond more sensitively and perhaps be based less on crop insurance records than this program has been.

I think that some farmers have gotten a real windfall out of this program. Others have suffered tremendously because of the complete reliance on the crop insurance enrollment previously and the record that the farmers had in that system, and even the discrepancies within, those within the record. We read charts, printouts from farmers showing the loss ratios and some with almost identical loss ratios over the last number of years were getting a bonus coverage, could buy additional coverage and others

could not. Really, the limiting factor in GRIP is how much coverage you can buy as to whether it is going to make a go for you or not. That is really what it is all about. -(interjection)-

Of course, the costs, but the farmers, even the most efficient farmers—and the other problem with this is that it tends to force farmers to reduce their costs in the short term simply to make a go of it, to get by another year, because there are farmers farming from year to year, whether the minister cares to admit that or not. They have to, they have no choice. The cash flow needs are forcing them to farm from year to year rather than long-term planning, and so they are having to make decisions that are going to hurt them in the long run under GRIP.

They are cutting their fertilizer costs and chemical costs to their own detriment and production, but they are doing it because they have to reduce those costs in order to make a go of it this year, you see. They just cannot do it. -(interjection)- Well, the minister can say that is not the case. I believe that is the case, in many instances.

I think it is unfair that farmers across the road from one another, equally good farmers; in fact, many farmers not in crop insurance are excellent farmers. They have learned to rely on their own ingenuity and on their own ability to manage. That is why they did not get into crop insurance, and many times crop insurance did not deal with their problems. Look at the Interlake for example. The minister knows that crop insurance has not been an effective tool for farmers there. That is why only 15 or 20 percent of them sign up for crop insurance historically, because it is not doing the job. Now, their total coverage was based on crop insurance for those who were in, and those who were not were deemed to be bad farmers. -(interjection)-

Well, they were. They did not get a chance for this bonus coverage, and that makes all the difference. Oh, retroactively on the program, but that is much harder, they have to outproduce the region by 5 to 25 percent of the region, and I think that criterion is much harder to reach than the previous one which simply said you had to not draw on the program. In other words, you had to produce 70 percent of what you insured for in most years. -(interjection)-

Madam Chairperson, 70 percent. This is all you had to do. You only had to produce 70 percent of it

before to be called a good producer; now you have to produce 105 percent to be called a producer. Come on. Why not have the same criteria before and after, if you are going to throw that in?

The minister would have been much wiser to leave aside the old previous crop insurance records, start off with a base of insurance and then enhance them from now on, based on their experience, rather than saying -(interjection)- Well, look at the unfairness, though.

The minister has to look at unfairness. There are excellent operators. I can name several of them who have talked to me about it. Tremendous farmers, who are sitting across the road from a guy who is just laughing at them right now because he has insurance coverage of eight bushels per acre more, \$30 to \$40 per acre more on a thousand acres, \$30,000 to \$40,000 more he is guaranteed on his farm, than that fellow and that woman, because they did not take crop insurance before, and there is nothing they can do about it. -(interjection)-

Madam Chairperson, you know crop insurance over the years was not to give people an advantage for a future GRIP or NISA. Nobody knew that was even going to come. You cannot change the criteria retroactively and say, now, if you joined crop insurance for the past 10 years, when we bring in GRIP in 10 years we are going to allow you some bonus coverage. I mean, the rules were changed midway. The minister has to acknowledge that. Why should the guy on crop insurance get a benefit, a bonus coverage, simply because he was on crop insurance? What he did was have security or peace of mind he felt crop insurance would provide him. That is why he bought into crop insurance. And the other one managed on his own. He was prepared to take that additional risk. That is the end of it, or he had his own insurance system. Maybe he put those premiums in a savings account or something like that.

Madam Chairperson, what this minister has done is said to those people who were in crop insurance, you can get an additional \$40,000 in a year because you can buy additional coverage and the other guy cannot.

Now, I think that is really unfortunate, and we said this to the minister. This is unfair, and I wish he would understand that. The same with the regional thing. I do not believe that we can necessarily have

an individual cost of production that would be fair under a program like this—to individualize it, but there could be at least a regional, an average cost of production, and say that is the minimum you could ensure for a region based on land prices. The Red River Valley would have to be higher than the southwest; The Pas would have to be higher.

I know The Pas is not going to manage with this, because the crop insurance records do not go back far enough. They were just starting to farm up there. The farmers there do not think that reflects the good production that the majority of them got during the years, and yet they cannot get additional coverage. It is not meeting their costs, because their costs in the North are much higher than in the South. Their cost for fuel, chemicals and for transportation, it is much higher in the North, and yet they cannot get coverage that is even close to their cost of production under this program. -(interjection)-

Well, overall costs. You have to compare it to southwestern Manitoba in land prices, but certainly not to the most expensive land in the Red River Valley. We have to look at all of the costs. I think the minister could have arrived at an average that would have set the minimum, so that there would not be people suffering as they are going to continue to suffer under this program. In other words, pay premiums out, thousands of dollars, to guarantee themselves to lose money. The minister knows that is a fact, that there are many farmers.

Now, I am going into a lot of detail in this. We will have a chance to discuss this back and forth, but I do want to indicate to the minister that I think he has made sweeping statements about the benefits of GRIP and so on. Of course, we think that there are many holes in the program that have to be, hopefully, patched in the next number of years.

The minister talks about a management committee to review the program and, unfortunately, it is starting a lot of people off at a disadvantage. Hopefully, the program can be improved over the next couple of years to reduce those inequities within the program. That is what we are saying to the minister, inequities within the program, farmer to farmer, region to region, in terms of the kind of coverage that they can receive.

* (1500)

I guess the other aspect of this is the precedent this whole thing has set for offloading by the federal government. I mentioned that the bureaucrats

designed a program, and perhaps the politicians had it in mind. Mazankowski certainly would have been very cognizant of how he could reduce his long-term cost onto the provinces. I think that is one of the outcomes here. It is a very dangerous precedent in terms of what is going to happen in the future in terms of the ability of a province like Manitoba to afford a program such as this.

The federal government has offloaded a significant portion of its costs in GRIP and NISA even now, that are going to be picked up by future governments and by this government perhaps in a few years, if they are still in government, and future governments. That is really a scary thing about where that is going to go.

I know that the minister will say, well, what would you advocate? I know he was in a tough position, I understand. I even told him that. I knew that Saskatchewan was at a very vulnerable point insofar as negotiations in this regard, because the federal government was fully aware that Grant Devine had to go to the polls in the very near future and, therefore, would not be standing up tough on some of these principles about offloading.

So it was tough for the minister, and I recognize that, but at the same time, we have to point out that have-not provinces—and one of the minister's colleagues has taken exception to my using that term "have not." It is not a derogatory term of the people of this province; it is a reality in terms of the relative wealth of this province.

Those provinces, such as Manitoba, are going to be increasingly at a disadvantage to be able to provide the essential services that we need in health care, in education and social services and maintain programs such as this in Agriculture. That is why we need a strong national government. That is why we need a fair government that looks at equality across this country. These programs are contrary to that, and that is extremely unfortunate that this has happened.

It was an opportunity in history where governments of Saskatchewan and Manitoba were not able to get together and stand strong on this because we needed it. If ever before we needed a united stand and hopefully even by provinces like Alberta, but having again a wealthier base, they have never tended to sympathize with Manitoba's needs to that extent. So we lost out tremendously in that regard.

I know my colleague the former Minister of Agriculture Bill Uruski when he was dealing with these issues on tripartite with sugar beets was very, very concerned about the precedent that was being set and getting the province sucked in. -(interjection)- The hog is historically different. Sugar beets had never been a provincial responsibility, the minister knows that. Why would he go and drag in a red herring here?

We are dealing with commodities that were historically the responsibility of the federal jurisdiction. They were offloading those responsibilities onto the province and we were concerned about the precedent that was being set.

The minister then went ahead with crop insurance, got himself into a much greater cost by having to share the premiums which was never done before. Then that was used as a precedent for GRIP and so on and this just snowballed. We have placed our future governments, the future taxpayers of this province at a tremendous—well, I think potentially a crisis insofar as our ability to meet these things.

If we do not get a federal government -(interjection)- If we do not get a federal government that will in fact recognize it, it has a responsibility to the poorer regions of this country. We cannot continue to go this way.

It is okay for an Agriculture minister from a rich province like Alberta, federal Minister Mazankowski, not to feel the concern. He is a smart fellow and he is a smart politician, but I cannot believe that he has the same roots that we have in this province to understand Manitoba's position because he never did. When we discussed Churchill with him and many issues when we were in government, I feel that he does not have the same kind of grassroots concern, that we would have as Manitobans, coming from Alberta.

Unfortunately, I do not know how much closer we can get them. I guess we have had some ministers from Manitoba. Even they have not stood up for Manitoba, unfortunately, Charlie Mayer being one example.

Madam Chair, we will want to talk about the other cuts in Agriculture, the 4-H cuts. Why did the minister choose to do this at this time when he was getting such a good bargain for his dollar there? Madam Chair, \$5,000 per position on average, some 39 or 40 positions working, giving much more

service from that program assistance than they were being paid for through volunteer work, because of their commitment to it and so on. They were an awful good bargain for the minister to cut.

The issue of privatization and why—the AI centre, it seems to me that the minister could have very easily made that completely cost recoverable. It was. The former Minister of Agriculture Bill Uruski has told me that they had begun the process of moving towards full cost recovery. As a matter of fact, it was almost full cost recovery, I believe, except for the rent and the operating for the capital costs for offices and so on, but basically it was cost recoverable. It could have been upped the cost a bit.

If it was not just a philosophical thing or a need for the minister to move out those costs, even though there did not have to be any net saving to government or net cost, but just to show it on his books so that he would not show a huge increase for Treasury Board purposes. I do not understand, unless it was just a philosophical thing. They wanted to get into the privatization of this service. I think it is going to hurt over the longer term in terms of the varieties that are available and the service that is available right across. -(interjection)- No.

We were in this service, the minister knows that, and it assured a good variety of services universally across the province, not just certain breeds that would benefit certain breeders. We had a wide variety there. -(interjection)- Yes, but when this was set up, that was the purpose, to have a wide variety of options and have that service available. -(interjection)- Well, we also want to talk to the minister about the "sweetheart deal" that he has given on this issue. -(interjection)- Well, we want to see.

If we are wrong, the minister has an ample opportunity to show that it was not. Let us take a look -(interjection)- Well, let us see if it is. If the minister -(interjection)- Well, no, no. I am prepared to withdraw that if it is not a sweetheart deal. -(interjection)- Well, let us take a look. The minister, with western breeders, should ensure that he has all the information tabled on that so we can see what it cost them to get into this business, including getting the complete clientele ready-made, sitting there ready to go.

Now, we want to talk about what is happening with the veterinarian drugs and that program, the feed

lab and the pitfalls of getting into privatization of that service. I think there the minister is going to have some problems. I do not know how far along the way he is on it, and we want to offer him some advice. The Interlake region's disillusion of that in terms of service there. We want to look at that. The purpose and long-term effects of the cuts to the engineering section; then we want to talk about the future of the grain handling system.

The minister is, I think, while certainly aware on what is their policy on where he sees this long-term grain handling system going in Canada, the recent information story is that perhaps Prince Rupert is the last terminal that will be built in Canada, even upgraded. You know, what is the future? Are we going to be depending on the American ports and terminals to handle our grain, and what does that do for our own sovereignty? How desirable is that? Certainly, we have serious concerns about that, the impacts of the trade deal on this and deregulation of transportation services.

I think our worst concerns will have been realized if we have a large dependence on the American grain handling system. It certainly could make problems for us down the road if relationships always are not harmonious, if their system is plugged. Where we relegated in terms of meeting our customers' needs, what kind of security, what kind of message does that send to our customers and so on? We want to talk about what the impacts of the trade deal continuing, the minister's analysis, if any. We have not been able to see that there has been any objective analysis of the trade deal and its impact on processing in this province. The minister talks in great length about the tremendous benefits of the trade deal and its impact on processing. He talks about 15 new processing plants and so on. Where is that going?

* (1510)

Madam Chairperson is indicating that I have two minutes remaining. I also want to raise the issue of EC beef and what is going to happen there, and what the minister's policy is on that. He talked about the Red Meat Forum and the tremendous opportunities. We will want to look at our own domestic markets and the markets to the U.S. and the impact of a potential influx of European community beef, if there is that potential, the impact of the American Export Enhancement Program on the international markets.

The minister talked about hog industry and expansion to the Pacific rim countries. What progress has been made, and where are we going there? What has taken place and what is anticipated? That is certainly an issue of concern.

A strategic management process that he talked about—we would like to have the minister share some of the reports that he has received up to this point in time. Certainly, that would be helpful for us to get an idea of where the minister sees the future of Agriculture delivery services in this province going.

We will also want to ask the minister about limitations that have been identified, in terms of potential opportunities in this province because of the free trade deal. We are negative—the minister talks positively, in glowing terms about the trade agreement; but we have never got together and discussed where the minister, himself, has some reservations. He would never share them with us for fear that we would say he is against the trade agreement.

I would like to get into some of those shades of gray, where surely there must be some areas of concern, and certainly some areas that we have to work on in this province. I appreciate the opportunity, Madam Chair, to get into the discussion.

Mrs. Sharon Carstairs (Leader of the Second Opposition): I, too, welcome the opportunity to debate the agricultural Estimates once again with the Minister of Agriculture (Mr. Findlay) and the critic for the official opposition.

Madam Chairperson, it is a difficult series of Estimates to do because traditionally it has been the Department of Agriculture that has underspent by a considerable amount the budget which they give to us each year in this House.

They present us detailed Estimates, and they say, these are the monies that they intend to spend. When we look at the actual expenditures year after year, under this particular administration, they have always been considerably below the income estimates or the expenditure estimates that the minister has forecast.

It does not bode particularly well for Agriculture when their overall budget is slightly below their overall budget for last year. If the minister runs true to form in this department, there will be even less money available to the farmers in this community,

particularly when Manitoba Agriculture, itself, has forecast it at a 15 percent decrease in net farm income for 1991. The farming population needs all the help it can get from the Department of Agriculture, and one questions whether that help is going to be readily available to them.

For example, I was somewhat surprised, in going through a comparison of staff cuts, to realize that, other than Natural Resources, Agriculture runs second in terms of the overall percentage of cuts. So while the minister stood and congratulated his staff, he obviously was not congratulating those individuals who found themselves without employment as a result of the budget introduced by the Minister of Finance (Mr. Manness) in April of this year. Some 7.6 percent of the staff of the minister will no longer be with this minister, either because they have taken early retirement or because they have found positions elsewhere or because positions will not be filled. One wonders how some of the departments are going to function as a result.

I think it is important to look at what has happened to agriculture over a five-year time span. For example, the expenditures on agriculture developing and marketing in this budget will be the lowest they have been in five years. This at a time when agriculture is, by everyone's estimation and evaluation, in a period of crisis.

Policy and Economics, which should be preparing our agricultural community for the 21st Century, will have the lowest expenditure in four years in this budget and will have some five fewer staff positions than they had in the fiscal year 1987-1988.

When we look to research and development, an area that all politicians pay lip service to, we discover that in the Department of Agriculture there has been a decrease at the University of Manitoba from government contribution from 40 percent of the research done to 20 percent of the research done. There has been no contribution in terms of an increase this year for research at the University of Manitoba.

The minister did raise it above what the previous government had done two years ago, but there has been no increase since that time. We are falling further and further behind in terms of the government contribution to research in the province of Manitoba as an overall generic figure. This contrasts poorly, quite frankly, with what is going on in Alberta and what is going on in Saskatchewan,

who tend to be our major opposition and our major target, if you will, in order to attract bright, young research scientists to the University of Manitoba.

This does not bode well for the kind of research which will take place in the province of Manitoba. As we have noticed, if research does not take place in the province, then the development that goes along with that research frequently does not take place in the province as well. That has to be of major concern to the province of Manitoba when it looks specifically at its agriculture future.

We are concerned in the opposition party with regard to some initiatives which the minister has announced, but which to date have not seen any light. We were told in 1988 that this government would introduce right-to-farm legislation. We have not yet seen that right-to-farm legislation. We have now been through three full sessions and are into our fourth session under this administration, and we have not seen that right-to-farm legislation.

We were told in the 1991 throne speech that there would be an agricultural diversification task force. Well, unless I have missed it, I have not seen a further announcement by this minister with respect to the task force. We have not learned what kind of task force it will be, what the membership will be, what the projected cost will be and how widespread its investigations will be in the province of Manitoba. So if the minister can give us further details during the Estimates process, we would be delighted to receive those details.

We, too, have concerns about the GRIP program and also the NISA program which the government is now contemplating. Unlike the official opposition, we have never been opposed to the GRIP program. We have been in favour of it from its beginnings, but we had questions about the way it was to be implemented. We had questions about what we thought was undue pressure placed on farmers by the banking community, by the Department of Agriculture itself.

We were unhappy about the sporadic information and often the confusing information which was given out from meeting to meeting to meeting. Certain farmers going from district meetings would report that they were getting three different stories at three different meetings. That, Madam Chairperson, was very unfortunate, not entirely, however, the minister's fault because the program itself kept changing as we went through the process. That is

one of the things that I hope he will take into consideration when NISA is brought in, because I think that at some time in the future we are going to see a NISA program.

I think we must be concerned about information overload at the present time. If we do not take the time to be very clear as to what this program is going to be before we begin, I think we are going to turn off a number of farmers who found the last exercise because of pressure of time, because of changing of programs, confusing. Some of them were downright discouraged about it. Some of them were very dissatisfied about it.

If we want to introduce another agricultural program, I think we must be careful that the information is absolutely clear from Day One so that they will then make the choice based on the best possible information at their disposal. Again, through no fault of his own, the minister found himself in a time crunch. He should not find himself in that kind of time crunch with NISA, and that should change, hopefully, the way in which this program is discussed, debated, and eventually signed by the farmers in the province of Manitoba.

* (1520)

We are also concerned about the Livestock Development Program and the fact that it is going to come to a rather abrupt end. There was an extension, and we are pleased that the extension was put into place. We are, quite frankly, disappointed that a Livestock Development Program, which was working well, will no longer be available in the province of Manitoba.

We are also concerned that regional agricultural services seem to be the target of some cuts at a time when support services to the farm community are at their most needed. It is often in those regional agricultural offices that the immediate contact is made with the farm community. It is not in the Department of Agriculture.

So it is of concern that, while the budget has increased somewhat minimally in terms of regional agricultural services, it has been cut in certain areas of the province. Again, we see a major staff cut of some 12 positions in that particular area, which means that there will be fewer on-site individuals able to present materials and options to the farm community.

Madam Chair, we are also concerned that the Soils and Crops Branch of government will be

reduced in their grants this year, and that concerns us, particularly the grants to the weed districts, because we must, I think, ensure that the quality of farming that is undertaken in the province of Manitoba is of the highest quality that we possibly can. I think that as farmers are looking, quite frankly, at the recommendation of their own minister to look at ways in which they can save money, ways in which they can become more efficient; there is a tendency, when we look at those kinds of cuts, that not always are the best farm practices used. That is certainly not the will and wish of the majority of farmers.

They want to use not only the most efficient farm practices but also the farm practices which will enhance the soil, which will contribute to the long-term viability of the soils. If they get a signal, I think, from the provincial government that they are not taking the same concern and care that they were taking; perhaps that is a signal that we do not want to be received by the farm community, that we do want them to use only those practices which will lead to the longest term viability farm land in the province of Manitoba.

Madam Chairperson, I will end my comments here because I think it is far more fruitful for all of us to get into debate and discussion than to have long opening remarks. I look forward to the usual debate that takes place in these Estimates, and I look forward to the attitude that I have always experienced with this Minister of Agriculture (Mr. Findlay), that he will be honest and forthright and the debate will take on an elegance that often is not found in other departments.

Madam Chairperson: At this time, we would invite the minister's staff to enter the Chamber.

Mr. Findlay: Madam Chair, I would like to introduce the four staff members I have in front of me here right now: Tom Pringle, Assistant Deputy Minister of Agricultural Development and Marketing division; Les Baseraba, Acting Assistant Deputy Minister of Management and Operations division; Marv Richter, Acting Financial Administrator; and Doug Burch, Acting Director of Administration.

Madam Chairperson: Number 1. Administration and Finance (b) Executive Support: (1) Salaries \$413,500. Shall the item pass?

Mrs. Carstairs: I think that this is an appropriate time, since we are dealing with the concept of executive management, to ask the minister, what

was the rationale for the cuts in his budget which amounted to some 7.6 percent of his overall staff? Since that decision was presumably made by executive management, what did they use as their criteria for eliminating some 51 positions?

Mr. Findlay: Madam Chairperson, certainly the principle of having to get involved in doing cuts was not an easy process, not a desirable process. I think the member is well aware of the circumstances, the economic circumstances of the province, and really the desire of the public at large who are paying the fare, and that is the taxpayer, that the budget that we put in place in this province must be kept under control.

The principle of deficit financing that the previous government had used, the extremes to which they had deficit finance, was unacceptable to the public, and we looked at a zero rate of growth of the overall budget of the province. We, as government as a whole, had to do something, we had to control our expenditures, and one of the ways to do it was to increase some efficiencies in the process of delivery of programs. That meant that, in the process of looking at our department, we found there were certain amalgamations that could be done, certain delivery modes that were of less desirability than others or lower profile that probably we could do without for the period of time they were in, and certainly the opportunity to have certain programs delivered by other mechanisms; in other words, privatization of the Semen Centre, the drug lab, the feed lab and the soils lab.

So those were the considerations taken into account, the reality of the government that we could not go on doing everything we were doing. We had a new expenditure that had to be encountered, the GRIP program, some \$42 million. Every department went through the same process of having to downsize, decrease its expenditures, and if you want to know what was the guiding principle, really it was the public at large that put the guiding principles in place.

In terms of trying to determine where the lower priorities were, various meetings that I have had with different farm organizations caused me to think that there were certain areas of higher profile, and others of lower profile. As I said in my opening comments, we continue to deliver the principle of front line delivery, extension services to the farm community, and the risk protection programs where aid and

assistance is going directly to the farm community was kept in place.

I have not got a statistic, but I would dare say that in the process of going through this budget, and maybe I should be cautious in saying this, but I would have to think that there is a greater percentage of total dollars in the budget now going directly to the farm community than there was in the past, primarily because of the GRIP program.

Mrs. Carstairs: There was a considerable number of people cut in the Department of Agriculture and it is hard to believe that some 662 people were required in 1987-88 to run the Department of Agriculture. Last year they required some 674 people to run the Department of Agriculture, and this year we are going to be able to run the Department of Agriculture, and presumably deliver the same amount of services with 623 people. Now the minister must have argued before cabinet that to do that was in fact going to mean a larger cut to his staff component than to many other departments in government. Why was it decided that Agriculture, at a point in its history where it was at its most vulnerable, would be able to do with that kind of a cut?

* (1530)

Mr. Findlay: Madam Chairperson, there is no question that this is a valid question: Can less tax deliver the same level of service? I would say that every staff position, every person has the ability to do more than they did two years ago and that has been required of society as a whole.

Certainly the farmer out there has to do 25 percent to 50 percent more than he did three years ago just to stand on the same spot. His costs have gone up and his income has come down by and large across the board. Everybody has to work a little harder to make ends meet.

The idea of the industry is to keep ourselves competitive, and that is not the matter of just spending more and more and more, when more is not coming in the door. In the agriculture industry, more is not coming in the door. I do not care whether you are talking individual farm or whether you are talking the whole industry or agriculture in Canada, the basic doors, the windows, the export market is not coming in. So we are going to have to be more efficient. In order to be competitive, we have to keep our costs down, and that applies to everybody.

I said in my opening comments I appreciate the effort put out by some 300 staff in delivering the GRIP program. Sure there was criticism as to the way it was done. Staff did the best they could with the existing information available to them. As the Leader of the Liberal Party (Mrs. Carstairs) mentioned, things were changing as we went along, and the program had to be done in a hurry because time was running out, and some of the structural corrections in the world market we had hoped would happen were not happening.

This program had to be the basis of giving some income support to the grain industry this year. So more effort has to be put out by each staffperson to get the job done. By and large, the comment I get back from the farm organizations is they are very highly satisfied with the quality of service we are giving on the front line and the greater level of commitment from our staff over the past two years to getting the job done.

My feeling is that the existing complement of staff will get the job done and maybe do more man hours of work per year than was in place before. Everybody understands that greater desire to help the industry get through the period we are in. I do not know how long we are going to be in this period, but we are going to have to be sure that we control the cost of production in farming and we maintain a competitive edge where it exists and improve our competitive edge in certain other areas. There are certain commodities in which we do not have a significant competitive edge at this time.

As tough as it is, you may say, why do we not have more staff?—because we need more staff. I agree we need more staff. The reality is we have to live within certain budgetary constraints that are upon this entire government because we are in a recession. Let us hope in a couple of years from now we are in a much better position. We can get into using more staff to get more initiatives done for the industry of agriculture because everybody knows there are opportunities out there that we have to go after.

We are forming greater alliances with the private sector, greater alliances with the commodity associations, the various farm organizations. They are carrying some of that load, too, in terms of finding markets, accessing those markets, gearing our producers up in order to have the technical skills and capabilities to meet that competitive market that is out there. So it is not only government,

government, government. It is government in partnership with the private sector, the farming community, agribusiness sector and all the farm organizations that is going to make this happen.

The Red Meat Forum is an excellent example of that. The minister's advisory council is an excellent example of that, where two or three years ago it would have been government that would have done all of those things. Now we are bringing in the players out there in the agribusiness and farm community, to bring them in and ask them to be part of the process of evolving not only the government policy but positions that we can take in ministerial meetings, positions we can take in the international marketplace.

Mrs. Carstairs: Madam Chairperson, when one goes through the overall schedule and the staff cuts and where they have been made, would the minister explain why it was necessary to cut some 12 positions in Regional Agricultural Services and some 22 positions in Agricultural Development and Marketing, but there was no necessity to cut a single staffperson from Executive Management?

Mr. Findlay: You are referring to the—is it 10 positions in Executive Management?

Mrs. Carstairs: Yes.

(Mr. Bob Rose, Acting Chairman, in the Chair)

Mr. Findlay: You are referring to the 10 positions in Executive Management. Those people work as hard as anybody in the department, and the number of issues in front of our agriculture industry, the amount of communications that come into the minister's office and the deputy minister's office is phenomenal.

A lot of farmers—the GRIP program is a good example. They chose to phone the minister's office rather than the Crop Insurance office or the Ag Rep's office. There is a tremendous workload in those two offices. It was deemed necessary to maintain that level of commitment to be able to answer the phone and answer the letters that are continually flowing in and, asking staff who have been in that office five years ago, we are seeing a tremendous increase in workload there. That is a reality, so that staff component has to be maintained.

Mrs. Carstairs: I will let it go on this final question, Mr. Acting Chair. The reality is that when staff look at overall cuts to departments and they believe that every one of them is working extremely hard, how does the minister justify to them and to his other staff

that it is necessary to cut all of the other provisions, all of the other branches, Animal Industry by some 10 positions, Veterinary Services by some 10 positions, Soils and Crops by two positions, Technical Services—sorry, that did not get a cut—but you go through the lists and magically the guys at the top, the executive management team does not need to have any cuts. It is a difficult justification to make to the person lower down on the rungs of the ministerial department.

Mr. Findlay: Mr. Acting Chairperson, certainly it is a valid comment that the member makes, that the people at the top, so-called, did not get cut. The people at the top—five of those positions are secretaries, who answer the phone and deal with the people who come in the office. It is front line work that I said in the previous answer just has not let up. The deputy minister is certainly overloaded with work. It is a reality that the workload is higher here than it was a period of time ago.

As I said earlier, it is not that we wanted to make cuts. It was a matter of, we had to. The cuts were not made by the minister. The cuts were made by the executive of the department, and nobody was happy with having to make them. Just like any other minister or any other deputy or any other executive in this government or anybody in a corporation or a Crown corporation that has to face reality, our expenditures are too high for our existing available money to operate on.

You have to make some decisions, and we made some on the basis of information available to us where we saw the industry going, the kind of comments we have received from various producers and farm organizations over a period of time. They were not easy. They were hard to do. We feel for those staff who no longer have a position with the department.

Mrs. Carstairs: I have just a quick question. Can the minister explain why the Administrative Support salaries went up by 16 percent?

Mr. Findlay: In Administrative Support, the salary changed some \$25,400; \$12,100 was due to salary adjustments, reclassifications, and \$13,300 was due to a vacant position for a portion of '90-91 being filled in this fiscal year.

Mr. Plohman: I guess the minister would have to agree with the fact that the offloading by the federal government is what forced him to make the cuts.

Would he agree with that statement, or would these cuts have been made regardless?

Mr. Findlay: I guess I would answer the member and say there were two or three factors involved. Certainly one, as I mentioned earlier, is the economic situation of the province. We are in a recession. The overall revenue coming in to government from the existing tax base is virtually zero growth. The front line, in terms of the budgetary process, is \$550 million to pay interest on debt accrued by his government. Those two factors are on the table already, and he contributed certainly to the debt load that we have in this province.

It is not something you can ignore and push off the table, and certainly the federal government is in the same position and, yes, they have offloaded onto us. The critic will say, why did you accept it? The reality was, if we are going to get anything from them, that was the deal that was debated at the table and agreed to by the majority of the players.

* (1540)

So, yes, there is offloading. There are debt costs brought on by his government and the administrative activity that he was involved in that created a debt that we have to pay for. The revenue growth is zero in this province, and we are in a recession. You put those four factors all together, and it leads to the decision that we had to make. The decisions we made, although they are tough and we did not like to make them, are being recognized by the public at large in Manitoba and the financial watchers across this country and this continent as being appropriate and right and responsible.

Mr. Plohan: If the minister wants to be fair when he talks about debt and he wants to bring that issue in to blame it on the previous government, two governments back now, in terms of the cost; he should also acknowledge that the Lyon government at the time of their last year in office had a record deficit in the history of this province up to that point in time. This current government, this year has a deficit of, in terms of the real deficit, about \$464 million to \$470 million, if he had not used the rainy day fund. If you consider that we left the minister with a \$55 million surplus in 1988, and he has turned around the deficit situation by over \$500 million in three years. So he is not clean on that.

If he wants to talk about that, he also has to consider the reality of the recession of the '80s where the Devine Conservative government of Saskatchewan had record deficits. In the short years that it grew, it grew much higher than Manitoba's. Alberta, under Getty and Lougheed, had the same. Mulroney and the federal government had the same. So he should not try to put the blame on one previous government and say they are responsible for the debt costs. That is a reality of governing in Canada regardless of who was in. The minister would have been in the same boat, unless he chose to cut and slash indiscriminately as Lyon started out to do in 1978, which cost him his government after one term. I think that is the kind of thing we are seeing now, the cutting and slashing.

I think the minister made a very interesting point when he talked about the front line saying, well, Executive Support and how necessary these jobs were, and five were secretaries dealing with the public directly. The fact is that he is in a position to know that because those people are all close to him in terms of his personal knowledge of the work that they are doing and the volume of work that they have to deal with.

He is not as personally aware of that insofar as the line people down the line who are also under a lot of pressure, because the agriculture community is under pressure at the present time. The minister knows it. It is precisely now that they need services from government that they are being left to fend for themselves in the weakest possible position that they could be because of the crisis in terms of income and debt out there at the present time.

So I say to the minister that it seems to me that the fact that he was more aware of the duties and work volumes of the people in Executive Support, they say, well, gee, they cannot be cut, we could not do without them, but I will bet you a lot of those offices out there that have been cut felt exactly the same way. They did not have a choice, because the minister was not close enough to understand the situation. They are farther at arm's length, and he was able to make the decision much easier than he would have been able to make it in his own support staff. I think if he was completely and 100 percent honest about it, he would admit that is a factor in where the cuts were made.

Look at the 4-H positions, for example. I mentioned this earlier to the minister—\$5,000 per

position, a tremendous amount of work for the amount of dollars it was costing the taxpayers, in other words, very efficient use of taxpayers' dollars. The minister chose to cut them. How can he rationalize that kind of a decision in terms of the bang for the buck, so to speak?

I want to ask the minister if there were any cuts that were most difficult in terms of these decisions that were made, that he lost the most sleep over in terms of the impact on farmers and services, that he did not want to see. What other cuts are currently being considered or were considered and rejected in this last round and are being put off to the present year? Is there any major area of activity and service in the Agriculture department that is now actively being considered for reduction or elimination in terms of service?

Mr. Findlay: Well, the member in his long preamble made light of the fact that every government is deficit financed across the country and, therefore, he says that is an excuse for what he was part of.

Mr. Plohman: I said that was reality.

Mr. Findlay: That is reality. Reality is that you have to pay the interest on that money. Reality is, some day you have to pay that money back. You cannot push it off the table. The reality is—if he says we should not have deficit financed to the tune of \$470 million, the figure he used. He added it all up. The rainy day fund plus the Lotteries money is all put in on top of the \$320 million actual deficit.

The reality also is that when he came into government that the interest costs, the front line on the interest costs for his budgets in 1981 was \$100 million or thereabouts. It is now \$550 million. Had he not done what he did for six and a half years, there would have been \$470 million available. We would not have had to have a single dollar of deficit financing this year. That is the facts of life. So he created a situation where we had to get involved in cuts and in reducing our expenditures. If there is anybody to blame, it is him and his administration and his approach that, because everybody else was doing it, it is okay for us to do it.

An Honourable Member: You are wrong.

Mr. Findlay: I am not wrong. Those are the facts of life. That is the reality we are living with, and I hope that we are in a position that a year from now the economy improves, and the existing tax base does generate more revenue for our government to operate. There are no additional cuts being

considered in the Department of Agriculture at this time towards next year. There are no cuts at this time being considered for next year.

I want the member to be very clear on that. We have gone through a process of downsizing in order to live within the budgetary constraints that the government has to work with, dictated to us by the public and forced upon us by the fact that the front line is \$550 million of interest—\$450 million more than was in place ten years ago in this province. So he can say it was a fact of life; every government was doing it. It is not going to help pay the bills today, and it certainly did not help those people who lost their jobs today.

Mr. Plohman: The minister knows that relatively the same financing costs were there last year and the year before. It has been growing with his added deficits as well. He admits that there was at least \$100 million in financing costs in 1981 when the dollar was worth far more. So, relatively speaking, it was not as small as \$100 million might seem today. That is a difference of \$450 million and not \$550 million. So the minister should not exaggerate that.

He has also added to those costs himself. When you consider the recession, the drop of revenues during the '80s, again a reality of governments across the country and in Canada and throughout the world, deficit financing. The minister cannot say that he would have been any different except, if he would have slashed and hacked away in services in health care and education and social services, he would have seen a tremendous deterioration in those services. I do not know whether the minister is saying that is what should have happened, so that there would not be this \$550 million.

The fact is that is now a reality, and it was a reality last year and the year before that. The minister did not find the need to have to make these kinds of Draconian cuts that have been made, particularly at a time of recession and time when the farm community needs support services more than ever before. The minister may disagree with that but then he can say so.

Let us look at the—he said there are no additional cuts being made. Can I ask him whether there were many more cuts targeted and rejected by himself or Treasury Board, just not doable? Was this the sum total? Was he asked to find this and he came back with this and that was what was achieved? Was

there much more targeted and then rejected by himself and by Treasury Board before it got to the final decision to cut?

* (1550)

Mr. Findlay: Mr. Acting Chairman, the member makes comments about a drop of revenues in the 1980s. Back when he was in government, they were deficit financing at \$500 million a year with revenue growth of 16 and 18 percent—absolutely the case in the mid-'80s. Now, when revenue growth is zero percent, we are stuck with paying your interest of \$550 million a year.

In his previous question, he went on about something about making the wrong decisions. What he was really telling us was he could not make any decisions. Whenever somebody asked for something, he just gave it to them because he could not make a decision. It is always difficult to make a decision. -(interjection)- He never made light of the fact that Health and Education and Family Services were maintained by this government. They are maintained, and we are proud of that. That is what the people need front line delivery of. We also are going to make a gallant effort to deliver agricultural services with the existing staff component that is there. I know they will deliver on that. I am also proud of the fact that more money is being delivered directly to the farm community at a time of need, immense need, and that is why GRIP was put in place.

The reality is some decisions had to be made—they were not easy—and in the process of making those decisions, naturally a lot of things are discussed, and you grind it down to these decisions that are in front of us now. As I said many times, they were not easy decisions, they were not decisions we are comfortable with, but in reality they had to be made.

If the member had made any decisions when he was in government in terms of controlling expenditures, we would not be paying the interest we are paying today. Even if we were only paying half of what we are paying today, that would be an extra \$250 to \$300 million available, and some of it would have been used by Agriculture and could have saved some of these positions.

Mr. Plohman: The minister is barking up the wrong tree here when he tries to blame this on another government. It is now three years past, the minister should be more realistic in terms of his arguments

at the present time in justifying what he is doing. He knows very well that being in government during time of recession is difficult, and it was a fact that the previous government made a lot of difficult decisions within those budgets that the minister talks about, and yes, raised revenues because there was not a great deal of revenue growth from existing sources, raised additional taxation to in fact continue to deliver programs.

The minister not once said you should have made cuts here when he was in opposition, you should have cut these things out of Agriculture. I challenge him now to honestly say that he was telling the Minister of Agriculture what he should be cutting out when he was in the Estimates process during that time. Nonsense, utter nonsense, there was not one single program that minister in opposition could identify—you say you should not be doing this. Why are you not cutting the 4-H assistance out? Why are you not cutting them? What is wrong? You do not need those.

We made some recommendations for some minor cuts in 4-H at the time and this minister and his colleagues went absolutely wild at that particular time. So do not let them revise history at this particular time, there was not one recommendation for cuts that they wanted to make when we were in government, and they say we could not make decisions. We made a lot of very difficult decisions, and it is unfortunate the minister belittles those decisions because he is a position to know the difficulty of governing now more so than he had the first two years when he was in a minority government.

Now the reality is hitting, because the revenue growth that was there from the previous government, that we left him and in fact in a surplus position, indeed left him in an enviable position. That is why I always called the Minister of Finance the million-dollar Finance minister. He was left in a very good position in terms of windfall revenues from the federal government during that year, additional revenues from taxation measures that were put in place by Eugene Kostyra from the previous government.

So now the minister and his colleagues have to face reality, they cannot live off that anymore, and now they are blaming everything on the previous deficits, instead of admitting the fact that the revenues are down, that the federal government is offloading on the province, particularly in health care

and education and in agriculture, and that is why they have had to do it. Because our deficit situation and financing costs are no different relative to other provinces, all very similar in that regard, so he does not have a unique situation he can blame on the previous NDP government.

There are huge deficit costs in all jurisdictions at the present time, so let us not bring out an argument that you would leave the impression it is unique to Manitoba. Sure there is a cost to that, and it is unfortunate, but that is the reality of having delivered those services to the people, which he supported delivering. He did not recommend cuts over those years, and that is the reality.

I want to ask the minister whether in fact—we will get into these line by line, so I am not going to get into a lot of detail on those positions, but I wanted to ask him one thing. He said there are no cuts being contemplated at this time or changes—well, cuts. I will not put words in his mouth, maybe there are changes in delivery of services. Is it the minister's consideration, at this time, of combining some of the functions of the Manitoba Crop Insurance Corporation with the departmental staff?

Mr. Findlay: Well, the member has a unique way of talking for five minutes, then he gets around to a 30-second question. We will have to do the answer the same way.

The reality of the farm community—if you look back over the past four or five years, the realized net income at the farm level was in the vicinity of \$350 million to \$450 million, in that range. That is when the farm community was relatively healthy, in retrospect. At the time they said they needed more, but in retrospect they were relatively healthy at that time. In 1989 that realized net income dropped to some \$250 million. Last year it dropped to \$145 million, and this year it is projected at \$90 million. Now, because of GRIP there are some revised figures and you could say it is \$200 million or up, somewhere. Those are the realities the farm communities lived with. At the same time, if you look at the make-up of our farm community, about half of our gross income comes from livestock-based farms, the other half comes from the grain sector.

The livestock sector is relatively healthy. Certainly, the beef sector is very healthy. The hog sector goes through its ups and downs but, basically, in a comparative sense, it is doing okay.

Certainly the supply-managed sector, the poultry sector, the dairy sector is, as usual, doing okay, because they get the cost of production through the supply management system. It is the grain sector where the hurt is. If you look at the oilseed sector, it is doing not so bad. When you get down, it is the cereal crop farmers, those who are heavily dependent on wheat and barley, that is where the hurt is.

You look at the wheat farmer, and I can speak from experience being one of those kind of people. In 1980 we were hauling wheat to the elevator and getting around \$5.50 a bushel. In those days we were asking for \$10 a bushel, and as the '80s came along it actually stayed a little bit—the early '80s—and then she started to tail off. Today, they are getting a little over \$3 a bushel at the farm gate, and it is probably going to be, as I said earlier, \$2 to \$2.50 this fall for this crop. So you have gone down \$3, or less than half of our realized net income, in the grain sector, so that is hurting.

When we are delivering programs, you can say we need all kinds of people employed in the Department of Agriculture to get the job done, the farmers are saying we need cash, financial help and assistance. We do not need employees in the department. We need cash help, and that is what we are delivering in a greater extent in this budget than in any previous budget by the addition of the GRIP program. The crop insurance program is there, the tripartite programs are there.

Certainly, the cost that we have for GRIP is there in terms of \$43 million. That is the premium component that we pay as a province. The benefits to be paid under that will be far in excess of the premiums collected from the producers, federal and provincial governments. We will also have a deficit liability on the books in the name of the provincial government, some 35 percent of that total deficit. Our commitment to the industry is far greater than the bottom line of the budget that you have in front of us. It will reflect in the deficit liability of the GRIP program in subsequent budgets, and it will clearly be there. So a lot more money will be delivered to the farm community than what is identified on the budget lines right now in these Estimates. What was the real question you asked at the end?

* (1600)

Mr. Plozman: I was looking at the crop insurance function.

Mr. Findlay: Oh, the function of the department in crop insurance—clearly, in the process of delivering the GRIP program, we involved the Department of Agriculture very heavily.

We consider the Manitoba Crop Insurance Corporation as part of the department, by and large, and the department can play an important role in helping to deliver the field services of the Crop Insurance Corporation. We have already done it in terms of program delivery for GRIP. The department has been heavily involved and certainly the department and the corporation are looking at ways of streamlining that delivery mechanism to the farm community in the future for the GRIP program, for the crop insurance program. Those discussions are ongoing.

Mr. Plohman: I want to ask that question and follow-up on that briefly. I mentioned to the minister that he just revealed, which we knew, that there is deficit financing going on in these programs for GRIP and other commitments. -(interjection)- No, not a surprise, but rather interesting when the minister is condemning the previous government for deficit financing. It is a rather interesting thing that he feels it is okay here, but somehow it was an awful bad government that must have made no decisions, was incapable of making decisions over the seven or eight years or six years they were in government.

You see an overstatement—I was impressed by the Leader of the Liberal Party (Mrs. Carstairs) when she said that the level of debate in Agriculture was a higher level by this minister, and he tries to be honest or whatever the fact is, I think she said, and it was nice to say that. I find every once in while that this minister tends to lose sight of that and exaggerates things that could not really add to that particular statement.

Mrs. Carstairs: Well, I try.

Mr. Plohman: Well, give the Liberal Leader credit for saying it, but I kind of winced at the time and back to reality here, now. In terms of the crop insurance, does that mean then that the minister will see—obviously, she talks about streamlining and must be talking about efficiency. Rather you said there are no cuts being considered but this would result in loss of staff, would it not?

Mr. Findlay: No, it will not. What it means is that we have around 18 or 19 crop insurance agents—that is the right figure—and roughly some 39 Ag Rep positions across the province. In many

cases they are not in the same town, so what could be done is it could make more contact points for the farm community if they could get some of the same services out of the Ag Rep offices that they get at the crop insurance office. I say, some of.

That is the discussion that is going on. I mean, in the delivery of the GRIP program, that is what was done. They could go to the crop insurance office or the Ag Rep office and get their application forms and get the same information. I think it was seen as being a responsible way to be sure we maintained our delivery contact to the maximum point.

If you—instead of using 18 or 19 offices—can use closer to 60 offices, I think you would have a much more efficient delivery mechanism for the farm community, and it is all in the name of efficiency. It also helps to give the farm community the feel that the Ag Rep office and the crop insurance office are both there to deliver the maximum service available and that is what is being discussed.

What materializes, I do not know, but I can pretty well guarantee the member that does not lead to further reductions of staff, because of the broad cross-section of duties that the Ag Rep has and the heavier workload that the crop insurance agent has, because he is not only delivering crop insurance, he is also delivering the revenue insurance program, or the combined two, meaning GRIP. So there is a heavier workload in both of those offices, and in order to keep our costs of administration down, streamlining, in the use of both offices I think is an appropriate and reasonable thing to discuss.

Mr. Plohman: Mr. Acting Chairman, it will be interesting to see what happens next year because this recession that the minister is in is just not going to go away overnight and he is going to be faced with more difficult decisions next year, and so I asked him these questions to get his views of it. It might be quite different next year when he has to explain why he made those cuts, and I hope he does not, because, in fact, I believe that they are needed now more than ever before, as I said earlier in terms of services.

Does the minister making those statements about not foreseeing any staff cuts, is he talking also about the field people in crop insurance, part-time positions, or is he talking about only full-time positions when he talks about not foreseeing any need to reduce the total number of staff?

Mr. Findlay: Mr. Acting Chairman, the member has got way over into crop insurance. Now he has moved on one line at least in the budgetary process. If he wants to get into crop insurance, I will bring the staff down now.

Mr. Plohman: I just wanted to ask under this area of Administrative Support, and the Leader of the Liberal Party (Mrs. Carstairs) started the discussion at this point, so we just continued on with it in terms of the decisions that are made with regard to management. These are dealing with the overall functions of the department, which the minister admitted he feels crop insurance is part of the department.

From that point of view I just wanted to ask whether he saw this only as amalgamating, perhaps, some of the functions and giving all crop insurance people as well as agricultural representatives and other people who are out there now, a wider range of scope for delivery of services contact people for agriculture, period. I would think that is what I gained from the minister that when the public comes forward to talk to them, they can expect to be helped on a wide range of issues, rather than narrow, just crop insurance office, or just another specialist's office.

So that is why I just asked the minister when he gave some assurances about not feeling he had to cut staff, and if there was any streamlining and efficiency measures within the department by amalgamation of some of the functions, he was also dealing with those crop adjusters who are out in the field. Are we looking at their function as well? Are we saying that those would not be touched in terms of staff positions? Or is he just talking about the permanent positions within the department?

Mr. Findlay: Mr. Acting Chairman, in my previous answer I was just talking about the agents, in the offices, in the crop insurance offices, the Ag Rep offices. I was not talking about all the adjusters who can be hired at different points in the year and some years are needed more than others. Just in the delivery of the GRIP program, because there is a greater need now for knowing the volume of grain on each farm every fall, there will be more of that field work necessary, there is no question about that.

The mechanics of how that will be done is presently being discussed by the corporation and the department right now. I was not referring to those per diems or those part-time people or those

adjusters in my previous answer. I was talking just to the office, the full-time staff in the offices, who are the delivery contact for the producer. Our idea is to maximize the producer's ability to get the information he wants in as many towns and as many Department of Agriculture and crop insurance offices as possible.

Mr. Plohman: We want to move on and we will have a chance on crop insurance, Mr. Acting Chairman. I just raised this because I have been advised by some concerned people who have gotten wind of some changes or discussions, that they are concerned about their jobs. I just want to get from the minister some indication of what he sees happening with those adjusters in terms of the numbers and if there would be some other way to deliver that part of the service, if he has got something in mind.

We will follow that up later during Crop Insurance if the minister would rather do it there. We would be prepared to move on, Mr. Acting Chairman.

The Acting Chairman (Mr. Rose): Item 1.(b) Executive Support: (1) Salaries \$413,500—pass; (2) Other Expenditures \$74,100—pass; (3) Policy Studies \$117,900.

Mr. Plohman: Could the minister just briefly outline any major new studies that are undertaken in the Policy Studies area?

Mr. Findlay: You asked about any new studies in this fiscal year?

Mr. Plohman: Yes.

Mr. Findlay: Certainly, we are going to be continuing studies in the transportation area as we have been doing in the past year, year and a half, headed up by the minister's advisory committee. As the member knows, federally they put out a transportation efficiencies paper. Where that will lead, time will tell.

Certainly, some expenditures will occur in the transportation area. The diversification task force, clearly, we will talk about that later, but there will be some expenditures that will be needed there. The Agro-Ecology Centre, some \$5,000 will be spent there. That is with Westarc out in Brandon in conjunction with other departments. The Manitoba Red Meat Forum, there will be some \$20,000 contributed by this department; another \$20,000 by the Department of Industry, Trade and Tourism in conjunction with the sum \$378,000 from Western Diversification for the study that I mentioned earlier

of the Red Meats Forum. Those are some of the major areas under the policy area.

Mr. Plohman: Mr. Acting Chairman, would the minister like to discuss the transportation studies and diversification task force at other areas of the department? If so, which ones would he recommend that they be discussed in?

Mr. Findlay: We prefer to talk about it under Vote 6 from the staff here. Today the deputy minister is away in Ottawa at a meeting along with Greg, the ADM. I would just as soon they were here for those discussions.

* (1610)

Mr. Plohman: Mr. Acting Chairman, Section 6, did the minister say?

Mr. Findlay: Six.

Mr. Plohman: Six. Thank you.

The Acting Chairman (Mr. Rose): Item 1.(b)(3) Policy Studies \$117,900—pass.

Item 1.(c) Communications Branch: (1) Salaries \$173,700. Shall the item pass?

Mr. Plohman: Mr. Acting Chairman, could the minister outline the change in capacity for the department in the communications area? There is obviously a major change here with the centralization in Culture, Heritage and Citizenship co-ordinating all, I guess, the government message. What kinds of publications or communications functions have been lost, if any, does the minister see? I know this is sometimes quite traumatic for the department, to have to lose this ability to function, and the minister tends sometimes to be an advocate for the department and certainly gets the department line on it. Does this minister have any concerns about certain publications or activities that might not now be offered to the department because of the centralization function?

Mr. Findlay: Mr. Acting Chairman, no, I do not. The centralization of the communications service, we do not see that there will be any reduction in the number of press releases we can put out or the publications we put together or the information that we transmit to the farm community. There will be, you know, in terms of the budget line you see with us there is, going from nine staff to four, and three of the four are centralized under Culture, Heritage and Citizenship, and one staff person still remains in the department out in the regions to deliver extension information to radio and television,

particularly in the western and northwestern region. We do not see any reduction in ability to do the things we have done in the past.

Mr. Plohman: So, is the minister saying that all of these, the other five staff are essentially now working out of another department, or are they actual cuts in total numbers of staff to the government?

Mr. Findlay: Yes, there were five actual cuts from staff that were previously in the department under Communications.

Mr. Plohman: So is the minister saying then that he has now four staff serving the department's needs as compared to a previous nine, or is this four, three of them being under the reporting jurisdiction, I guess, of the Department of Culture, Heritage and Citizenship? Do they also have other people whom they can draw on?

Mr. Findlay: Technically, I can say the department has draw-up on all the staff in the central unit, and more professionalized staff in certain areas. So, in terms of what was delivered by the nine—we see the centralized delivery mechanism giving all those services and needs to the department. So I do not see that we will lose any capacity to do what we did in the past, but we will have access to all the staff in the centralized unit, not just the four who I mentioned.

Mr. Plohman: Will there be any functions that would be contracted out by the central unit that were done in-house, or is that not part of the change in service here in terms of the ability of the department to actually generate materials—layout work, graphic arts and so on? Is that still being done to the same level by government or is some of that being contracted out?

Mr. Findlay: At this point in time the services that we require of the central unit are delivered from the central unit, and how they will continue to deliver services will be determined as time goes by.

Mrs. Carstairs: Mr. Acting Chairperson, in terms of the Administrative Support, one assumes that those are computer operators or typesetters or whatever was used in the publication of a particular piece of material. In terms of the professional and technical people, where there have been two individuals cut, one would assume that those were people with specific knowledge and expertise. Can the minister tell us what those two persons were in his

department who were cut? We are talking about the Professional/Technical people?

Mr. Findlay: Mr. Acting Chairman, I am not just quite sure what the member was driving at in her question when she talked about two. In the terms of the group of five who were laid off, two were secretaries, one was a desktop publisher, and the other two were media specialists.

Mrs. Carstairs: I am sorry, Mr. Acting Chairperson, but I did not hear his last two, which are the two that I am interested in.

Mr. Findlay: Media specialists.

Mrs. Carstairs: When the minister refers to two media specialists, just what areas were they covering? Were they specifically targeted for specific publications of the Department of Agriculture or were they just generally press release writers?

Mr. Findlay: Mr. Acting Chairman, they were identified as just being general media people who wrote any nature of press release. They were not specialists in any particular area other than just general communications.

Mrs. Carstairs: Mr. Acting Chairperson, in that the minister has indicated that all five positions have been cut, can he tell me if there is anyone now in this new co-ordinated branch with an intimate knowledge of agriculture in the province of Manitoba, or will they all be media specialists without a particular interest or knowledge about farming in the province of Manitoba?

Mr. Findlay: Yes, there were three people previously with the department who are now over in the central communications group. So we have three people there who are specialists in agriculture. As I said earlier, the fourth person who is identified in our budget is still in the department out in the regions, so that person is obviously an agricultural specialist. He is out in the region doing radio and TV work, particularly in the southwest and northwest regions. Of the three who were transferred over, they were all agricultural specialists trained and had been in the department for some time.

* (1620)

Mrs. Carstairs: Well, I thank the minister, but now I am thoroughly confused because we were told there were five cuts. Now, we are told three of them have moved over, and I think the member specifically said, are these five actual cuts, or are

they transfers? I think we have got the answer they were cuts. Now, we seem to be getting the answer that they were transfers.

Mr. Findlay: Let me sort out the numbers then. We started with nine, five cuts, that leaves four. Three were sent over to central unit and one is still in the department. So we have five cuts and four kept, and of the four, three went into the central unit.

Mrs. Carstairs: So in fact the minister has four people on his payroll, if you will, but only one of them works for the department, the other three are now working for Culture, Heritage and Citizenship. Okay.

Can the minister explain why the average salary here went from \$39,516 to \$43,425, an increase of almost 10 percent? It comes out at 9.9 percent.

Mr. Findlay: Mr. Acting Chairman, maybe the answer lies in the fact that of the nine—you were taking the average with nine before—included a number of clerical people and now we are talking about four, all professional people. That would give you your average salary being higher per person, but the overall salary from the nine to the four went from \$304.9 thousand to \$173.7 thousand. Obviously the average would be higher on four than it was on nine because some of the clerical staff were in nine and none of them are in four.

Mrs. Carstairs: Well, it would be nice to leave the minister off the hook on that one, but that is not what I did. I took the average of six at \$237,000 and it comes out to \$39,516; and then I took the average at four and it comes out to \$43,425, so we are talking about only in the professional and technical group.

I presume that perhaps the highest level ones are still being attributed to the Department of Agriculture, and the lower priced ones are being attributed to Culture, Heritage and Citizenship, but there has to be some explanation for why the average salary has raised by some \$4,000 or 9.9 percent.

Mr. Findlay: Okay, Mr. Acting Chairman, there is provision for salary adjustments of some \$37,000; \$32,000 of that is due to two reclassifications.

Mr. Plohan: The minister might just want to outline what the department built into the Estimates for salaries overall, since we are still under Administration and Finance. What percentage was built in? I know we are dealing with legislation that says zero percent at the present time. Was there no provision for salary increase other than

increments and merit increases that come about as a natural course, for salary increases in this budget?

Mr. Findlay: The salary increases that are budgeted here are to do with the merit increases, though that within the bans, and any outstanding pay equity adjustments that have to be made. So the merit increases and the pay equities are covered here, but not any general salary increases.

Mr. Plohman: So when the Minister of Finance (Mr. Manness) said that he had to ensure that his projections for his budget were adhered to in bringing in the legislation for zero percent, it is because the departments—the minister can only speak for his department—have budgeted, or were told to budget zero for salary increases this year.

Mr. Findlay: Mr. Acting Chairman, the principle was laid out here in the House several months ago that the guidelines were zero and 2 percent. It was public knowledge that the guideline was zero percent in terms of general salary increases. -(interjection)- No, zero, and two the next year. Zero this fiscal year, two the next fiscal year, so the legislation is only confirming what had already been stated and had already been used in the basic development of this budget.

Mr. Plohman: So there was none built into the Estimates, that is right.

One last question on the Communications side. Can the minister indicate, just for clarification now, the four staff that are left? He said three are working in the Culture, Heritage and Citizenship branch, and he is paying for them, though, his department is paying for them. Does this mean that the Culture, Heritage and Citizenship does not have any staff years attributed to their central core communications function? It is all paid for by departments? Otherwise, these would be more appropriately settled in that branch as opposed to in the department.

Mr. Findlay: I cannot answer for the Department of Culture, Heritage and Citizenship. I can only answer for this department, and that we will continue to pay salaries for four, three of whom are in their central unit. What the total mix is with all the other departments and what contribution they are making to some of the staff there, you will have to ask Culture, Heritage and Citizenship.

Mr. Plohman: Does the minister know why his department continues to pay for them if they are working for another department?

Mr. Findlay: It is the same policy in all departments with regard to the central communications unit. What is happening here is no different than any other department.

The Acting Chairman (Mr. Rose): Item 1.(c) Communications Branch: (1) Salaries \$173,700—pass; (2) Other Expenditures \$225,300—pass.

Item 1.(d) Financial and Administrative Services: (1) Salaries \$846,600. Shall the item pass?

Mrs. Carstairs: I am going to drive the minister's staff crazy. I have exactly the same question, because I am interested in what is happening in terms of reclassification of people.

Here we see an average of 41,875 climb to an average of 47,100 or an increase in individual staff component of 12.5 percent. Whereas if you compare that with Administrative Support, there has been 3 percent which is pretty normal in terms of merit increases. You see one drop in a Professional/Technical person and yet that results in almost \$6,000 in average salaries for the remaining three. So there must be an explanation for this kind of thing, and perhaps again it is a reclassification.

* (1630)

Mr. Findlay: Mr. Acting Chairman, you are referring to the Managerial component here.

Mrs. Carstairs: No, Professional/Technical.

Mr. Findlay: In Professional/Technical there is an actual reduction of some \$26,000, and you are referring to an increase.

Mrs. Carstairs: Mr. Acting Chairperson, what I am referring to is the average salaries paid in that range. If you take four staff persons and they were paid \$167,500, their salaries would average \$41,875. If you have three positions at \$141,000, they average \$47,100. I want to know why.

Mr. Findlay: The position that was deleted was at a salary of \$27,600, so it was a low salary in the previous average. That is why when you just do the straight arithmetic, it makes the other three look quite high. That is the major reason.

Mrs. Carstairs: Has there also been a change in one of the Managerial jobs, because it would appear that, if there has not been a change, somebody is getting a hefty reclassification or a salary increase because the amount goes up by 9.1 percent?

Mr. Findlay: In the Managerial, there was a reclassification. One of the positions was vacant in the previous year and expected to be fully occupied this year, and that leads to \$7,400 of salary adjustment, and reclassification amounted to \$7,400, and the vacant position amounts to \$13,000.

The Acting Chairman (Mr. Rose): Item 1.(d) Financial and Administrative Services: (1) Salaries \$846,600—pass; (2) Other Expenditures \$102,300—pass.

Item 1.(e) Computer Services: (1) Salaries \$260,700—pass; (2) Other Expenditures \$76,700—pass.

Item 1.(f) Personnel Services: (1) Salaries \$265,600.

Ms. Rosann Wowchuk (Swan River): Mr. Acting Chairperson, I guess this would probably be the section where we can find out some information on decentralization and what is happening with staff positions. Can the minister tell us how many of the positions scheduled for decentralization have been moved out? How many of the positions that were scheduled for decentralization were then cancelled with this budget?

Mr. Findlay: Mr. Acting Chairman, in terms of decentralization, we started with 102.45 positions, and we will now be less eight positions. So eight positions that were additionally identified will not be part of decentralization. That brings us down to 94.

Ms. Wowchuk: Can the minister tell us how many of those 94 positions have been moved, are actually out in the field, or are they positions, or are they actually filled, or are they vacant positions?

Mr. Findlay: You wanted to know how many are decentralized now. Let me go through the entire list and I will try to give you where we are at in terms of update. I cannot give you just a hard figure right off the top. In Soils and Crops there are some 26 positions scheduled for Carman later this year; Crown Lands, there are some 15 positions scheduled for Minnedosa later this year; Crown Lands for Dominion City, one position is there now; under Animal Industry, one position to Stonewall is there now; one position in Brandon in Computer Services is later this year; swine specialist to Dugald is there now; soil and conservation specialist in Morden, one position now; soil conservation specialist at Shoal Lake is there now; soil conservation specialist at Roblin is there now; one

soil conservation specialist at Selkirk is there now; and one soil conservation specialist at Steinbach is there now; under the tripartite unit in Portage, eight positions are there now; MACC scheduled for Brandon later this year, 23 positions; MACC in Morris, two positions there now; Teulon, two positions there now; Shoal Lake, two positions there now; two positions scheduled for Roblin and Melita for later this year; and two positions in Gimli are there now.

We should have a total of 92 positions out of 102 initially—I am sorry, 94 now out of 102 initially. I would have to go back through and add up how many have taken place right now, but a lot are in the process. Crown Lands for Minnedosa, MACC for Brandon and Soils and Crops for Carman are in process right now and should happen the latter part of 1991.

Ms. Wowchuk: If the minister could provide us with that list, can I get a copy of that list?

Mr. Findlay: Yes, we will give you a breakdown of what I just gave you.

* (1640)

Ms. Wowchuk: Yes, okay. The question I would like to ask on that is, I would like to get the minister's opinion on how this is going. How many people are transferring out, keeping their positions and going? Are there a lot of people who are willing to go out, or are there a lot of people who are quitting because they do not want to leave their positions here? What is the minister's view on that?

Mr. Findlay: It is probably safe to say there are people in all categories, those who are going to go, those who are still thinking about going and those who said they do not want to go. I had one of the department people in the other day, and he related to me that their unit is destined to go, say it is Crown Lands to Minnedosa, and he said, we had one person, one lady who was adamant she was not going. There was no way she was going, and then the Minnedosa people had them out. They had a busload, they went out, her husband went with her. It was her husband who decided, hey, we are going out here. She said to him, how are you going to get your job transferred? He went to the company and he got transferred to Brandon. So she is going to Minnedosa because he wanted to go out to Minnedosa too. He wanted to go to the area.

So that is the kind of process that is going on. People are making their own decisions. Some of

them, obviously, are going to stay because of commitments that they have in the city and it is where they want to live. Others are analyzing it. Some right away said, yes, I am going to go. Others, the option is there to go, and I give credit to the communities to where they were decentralized that are making their best effort to attract them and convince them that it is not a bad place to live.

So we have people in all three categories: those who have made the commitment, those who are still thinking about it, and those who have said no. We will not know the final figure until the time comes, particularly in the bigger units of MACC, Crown Lands, and Soils and Crops.

(Madam Chairman in the Chair)

Ms. Wowchuk: Of those who are gone now, about what percentage of them—the positions that are filled there—are people who have transferred out, what percentage have retired or taken another position and are there any who have just quit because they would not have any part of going on?

Mr. Findlay: We will get that information, a breakdown. We will give you the breakdown, as I read it to you earlier, of those who have already gone, those who are going and when, and some idea as to those who have gone as to whether they went or they quit. Some are looking at early retirement and a number of factors, but we will give you the history as it has unfolded so far of those positions that have been decentralized. The positions of tripartite are an example. Those were new positions opened up in Portage so nobody will have moved with those positions. It is all recruited in Portage.

Ms. Wowchuk: The minister has answered part of my next question which was going to be when there are positions that move, for example, that are new positions, are people in local areas given an opportunity to apply for those positions or how are they filled?

Mr. Findlay: Madam Chairperson, in terms of those positions where somebody does not go, the position is advertised. I cannot say that special treatment is given to those who apply from the local town, but they are certainly not discriminated against in any fashion. They have equal access to the job in the competition process, so in the communities where MACC is going or where the soil specialists went, all the local people have equal

access to that job in terms of the competition process.

Ms. Wowchuk: I have one more question on decentralization. When we were in the Decentralization Estimates, I was concerned about what would be happening in departments where people were not wanting to go and the department was going to be losing expertise.

Does the minister have any concerns about areas such as MACC that a lot of staff people who are here are not prepared to go and that a lot of expertise is going to be lost that is required in that department?

Mr. Findlay: In terms of losing expertise, I would say no, because if somebody does not go the job will be advertised and the job description will be looking for that expertise or maybe improved expertise in that position. So the person who will fill that position will be a qualified person.

I can tell the member that any job that we have applied, of a technical nature, it is not uncommon to see 50 and 60 applicants. So we are getting a tremendously good cross-section of people applying for jobs no matter whether they are regular jobs in the department or whether there are these decentralized jobs. By and large we end up, I would have to say, with a younger employee, probably a little more experience and education filling those positions when they are advertised because of the tremendous number of people who are looking for jobs and have the skills.

Ms. Wowchuk: Just one other area. Under this department, there is an affirmative action plan. Is this department fulfilling its requirements under affirmative action?

Mr. Findlay: Let me give you the affirmative action numbers as of a year ago, and I will give them to you as of now. A year ago we had 47.98 percent women. We now have 49.75 percent women in the department. We are up there, John. It is getting better, eh? Natives .39 percent a year ago, now .48 percent, so it has increased there. Physically disabled is 2.5 percent both years, so no change and in visible minorities, it was 3.28 percent a year ago and it is now 2.57 percent. So we were up in two categories, even in a third one and down in a fourth one.

Mrs. Carstairs: Madam Chairperson, you certainly could not judge from that table that we were doing much in terms of affirmative action.

I would like to ask some questions specifically with regard to the decentralization initiative. The minister indicated that he was expecting Soils and Crops, MACC and Crown Lands to move sometime by the end of the year. Well, that is certainly much better information than the Minister responsible for Decentralization (Mr. Downey) was able to give us.

When I specifically asked in those Estimates what contract completion dates he had with regard to renovations in Carman, I was told he did not have any. When I asked what construction deadlines he had for Brandon, he told me he did not have any. When I asked him what construction deadline he had in Minnedosa, he did not have any.

So does the minister have more up-to-date information as to when his staff is now going to be transferred into these communities as a result of the decentralization initiative?

Mr. Findlay: Simply, we are talking in terms of our expectation of when everything will come together, that that move can occur. In all three cases, it is late 1991 or early 1992. That is our expectation. All the various factors have to come into being. In every case, a building is being constructed, and contracts have to be signed and have it done. Our expectation as a department is that is when it will happen, and we are gearing up and giving staff the indication that late this year we expect everything to come together and it to happen.

Mrs. Carstairs: Madam Chairperson, I was quite surprised that there did not seem to be any target dates written into any of these contracts which the minister has admitted have now been signed in a number of areas with respect to decentralization. Well, the press releases have gone out to say that the tender has been granted and construction is beginning, can the minister tell us when his staff will be specifically informed that they will be making the move to those communities so that they can, in fact, make sure that their sale on their houses, or their rental leases here in the city of Winnipeg will come to an end and they can make appropriate financial arrangements for their families?

Mr. Findlay: They will be notified 90 days prior to when the expected date is. That date, as I say, in general terms we are thinking late this year. When we know that hard date, we will be giving them 90 days notice. I will tell you, several people have already made their commitments. They have bought their houses in places like Minnedosa, or

Carman, or Brandon and they are getting ready to make the move. Probably some will be wishing the move was earlier, rather than later. So people are making their own arrangements, but we will be giving the 90 days notice.

* (1650)

Mrs. Carstairs: Madam Chairperson, had these people been given earlier notice which would have prompted them to have sold their homes? What kind of compensation package is being put in place for people who sold their homes on a notice from the government that they would be moving by a certain date, and are now paying mortgages on those homes and, perhaps, rental accommodation at the same time?

Mr. Findlay: Announcements were made some time ago. People in MACC knew where they were going, people in Crown Lands knew where they were going, people in Soils and Crops knew where they were going and they made their own decisions as to whether they were going to go, and whether they wanted to go out and look for a house early, rather than later. If you look at a place like Carman, and you know 26 people are going there, the probability is if you wait until the last minute and 26 new people move into town, there may be a shortage of housing. So people make their commitments.

I have had a number of staff mention that to me, that they have made their commitments, that they have their housing looked after. In the process of the move, we will be as responsible as we can—not only as a department, but as a government—in terms of dealing with staff for the individual cases where hardship may emerge.

As I say, the commitments have been made by people on the expectation that they are going. So there is nothing much we can do if they want to make their decisions to do what they have done. They have done it, and I congratulate them for it. They have got their commitments in place.

Mrs. Carstairs: Again, in Estimates of Decentralization, the minister refused to tell what his \$5 million was to be used for, because he indicated that the majority of expenditures would be within the departments themselves. Can the minister tell the House how many millions of dollars, or hundreds of thousands of dollars, have been built into this budget in the Department of Agriculture for the decentralization initiative?

Mr. Findlay: No, we do not have any costs built into the budget for decentralization costs.

Mrs. Carstairs: I do not mean to get annoyed at the minister, but, you know, when you go into Decentralization Estimates and you are told by the Minister responsible for Decentralization, I cannot give you any figures on personnel costs, because personnel costs are all coming out of each individual departmental budget, and then you go to a department where 95 people are going to be moved and you are told, sorry, there is nothing in this budget to provide for these personnel costs, then it is clear we are getting bafflegab in terms of what we are entitled to as an opposition member.

Can the minister tell the House today where he expects his people to go if they have costs which they have been told will be paid for by the Province of Manitoba as part of their move? Where are they to go and get this money from?

Mr. Findlay: Any relocation costs that we will experience in the department will be found in the existing budget. It is not identified, but it will be found. For positions where a person chooses not to go and is filled by a person who lives in Carman or Brandon or Minnedosa, there is obviously no relocation costs.

Mrs. Carstairs: If it is to be found in this budget, has the department done any preliminary estimate of what they consider to be the costs of decentralization to the Department of Agriculture, money which will be taken from service delivery and put into relocation expenses for those that they are transferring from Winnipeg to an alternative location?

Mr. Findlay: We do not have a firm figure at this time because we do not have firm projections as to just who all is going to go. As we get closer to that 90-day window, we will have a better idea as to what those are. Those costs will come out of Other Expenditures. The member mentioned out of direct service delivery, no, it will not be out of direct service delivery; it will be out of the Other Expenditures category. The member has criticized us in the past for being underspent. This will get us closer to being fully spent if that is what she really wants.

Mrs. Carstairs: Madam Chair, according to the minister, 24 positions have in fact at this point been relocated. Can the minister tell us what was the average cost of those positions to be relocated to an alternative centre?

Mr. Findlay: Madam Chairperson, as I mentioned, when a position is created and is a decentralized position and the person is hired locally, there is no cost. That applies to all the Soil Conservation positions, of which there are five. It applies to the eight positions in Portage under tripartite. They were new positions, so there is no relocation cost. In terms of the cost for the various positions at MACC that have already been decentralized, there are the two in Morris, two in Teulon and two in Shoal Lake. I will get the figure for the member; as well, I will get the breakdown of all the positions that are presently out there place by place for all the critics.

Mr. Plohan: Madam Chair, I think if the minister could give the total figures and where the money was found for those up to this point in time, at a later sitting I would appreciate having that. For those who were decentralized, did they guarantee the price of the home? Are there still costs to be incurred there, for example, if the person is being transferred the government has to guarantee the market value of the home, and it is not a very good selling time for homes in Winnipeg at the present time, or was not the last few months and year, are there some guarantees that the department is still sitting on in that regard? That is part of the overall cost, which we would like to have an idea of from the minister as soon as he can provide that.

Mr. Findlay: Madam Chairperson, yes, as I have already said, I have already given the figures, read them into the record. We will give you the hard numbers and we will give you the costs associated with each of those relocations that have occurred so far.

* (1700)

Madam Chairman: Order, please. The hour being 5 p.m., time for private members' hour. Committee rise.

Call in the Speaker.

IN SESSION

Mr. Speaker: The hour being 5 p.m., time for private members' hour.

Committee Changes

Mr. George Hlckes (Point Douglas): May I have leave to make a committee change?

Mr. Speaker: The honourable member for Point Douglas, committee changes?

Mr. Hickes: I move, seconded by the member for Kildonan (Mr. Chomiak), that the composition of the Standing Committee on Public Utilities and Natural Resources be amended as follows: Interlake (Mr. Clif Evans) for Point Douglas (Mr. Hickes), Radisson (Ms. Cerilli) for Flin Flon (Mr. Storie).

Mr. Speaker: Agreed and so ordered.

PRIVATE MEMBERS' BUSINESS

DEBATE ON SECOND READINGS—PRIVATE BILLS

Bill 32—The Mount Carmel Clinic Amendment Act

Mr. Speaker: On the proposed motion of the honourable member for St. Johns (Ms. Wasylycia-Leis), Bill 32, The Mount Carmel Amendment Act; Loi modifiant la Loi sur la Mount Carmel Clinic, standing in the name of the honourable Minister of Energy and Mines (Mr. Neufeld). Stand?

An Honourable Member: Stand.

Mr. Speaker: Is there leave that this matter remain standing? Leave? Agreed.

DEBATE ON SECOND READINGS—PUBLIC BILLS

Bill 22—The Manitoba Energy Authority Repeal Act

Mr. Speaker: On the proposed motion of the honourable member for Crescentwood (Mr. Carr), Bill 22, The Manitoba Energy Authority Repeal Act; Loi abrogeant la Loi sur la Régie de l'énergie du Manitoba, standing in the name of the honourable Minister of Co-Operative, Consumer and Corporate Affairs (Mrs. McIntosh). Stand?

An Honourable Member: Stand.

Mr. Speaker: Is there leave that this matter remain standing? Leave? Agreed.

Mr. Reg Alcock (Osborne): Mr. Speaker, I would appreciate an opportunity to make a few remarks on this particular bill.

The last time we were debating bills in this House, I listened with some interest to the remarks of the member for Lakeside (Mr. Enns) who gave us a bit of a history of this bill and spoke, I think, somewhat—it was interesting in the sense that it was a history lesson of the evolution of legislation in this House, but it was somewhat confusing because

he seemed to speak on both sides of the particular issue.

He spoke, if I understood the lesson correctly, about a time back in the late '60s when they did not set policy for Manitoba Hydro, when they did not—as he would, I think, have expressed it—interfere in the operations of Crown corporations and how at some point that decision was changed.

He credited the former administration, I think the Schreyer administration, with starting this particular process and he spoke against it. He spoke about how it was not the way to do it, it was not the way to manage a corporation of this size, that in fact the corporation should be free to make decisions that were strictly based on corporate policy or what was in the best interests of the operation of such a corporation.

He spoke, I think, in favour of seeing this act repealed and he spoke basically in favour of the intentions of this particular bill put forward by the member for Crescentwood (Mr. Carr).

It is interesting to me though, Mr. Speaker, to hear him speak like that because at the very same time that he is doing that, we have the government doing exactly what he is speaking against. We have the government who is manipulating the information coming out of Manitoba Hydro in order to justify proceeding with a very large investment of this process at a time when there is increasing evidence that it is not necessary.

They told us very clearly, and they told the Public Utilities Board, that we do not need to proceed with Conawapa without -(interjection)- Well, they told us that we had to in order to meet our energy needs by the year 2000, 2001. They are now telling us, or at least information is beginning to show, that may not be necessary for another decade or more.

The question is, why are we going to make such a huge investment in this province at this time if it is not based on need? It is because it seems to be based on the political agenda of the government. The government wants to have that investment. They want to have that kind of stimulation to the economy, coincidentally, just prior to the next provincial election.

When the Pawley administration was in government, they did exactly the opposite. They spoke over and over and over again about how the NDP should not have proceeded with Limestone because there was no Manitoba need for such a

development. They come into office, they do exactly the same thing. What this is doing, what is being recommended here, and I believe if I heard the government correctly as the various members spoke, that they support the intention of this and they intend to do it. They simply are not going to do it on the bill from the member for Crescentwood (Mr. Carr) and the only reason for that, as near as one can tell, is that they simply do not want to share the responsibility for doing it, that they want to do it in their time instead of doing something that would be co-operative.

At the present time, Mr. Speaker, we have all sorts of entities that interfere with the operations of Manitoba Hydro. When you go through them all, we have cabinet; we have Treasury Board; we have the minister who is responsible; we have the corporation; we have the board of Manitoba Hydro; we have the Manitoba Energy Authority; we have the Crown Corporations Council; we have the Public Utilities Board.

The question that the member for Crescentwood (Mr. Carr) raises is, why do we need the Manitoba Energy Authority? Why do we spend the time and energy going through operating such an entity when it just seems to do two things.

As the member for Lakeside (Mr. Enns) said, it interferes in the operation of a corporation that should be allowed to stand on its own, but also it—Mr. Speaker, the argument that the member for Crescentwood puts forward very clearly is that all of these organizations are simply not necessary. We do not need to have as many elements of control placed between the policy making of the government and the legitimate operations of the Energy Authority.

The member for Lakeside, I think in his remarks—which I found to be quite interesting and quite insightful—suggested that, at the time, had they not interfered with the decision making of the corporation, that they would never have raised the level of Lake Winnipeg. Had the corporation been allowed to function in accordance with the needs of Manitobans and been functioning merely to meet the power needs of Manitobans, we would not have done the damage to South Indian Lake that we did; or that we might have raised the level of South Indian Lake, we would not have done the damage to the rest of the watershed that we did.

It was a political decision that led to that. It was a political decision that produced that change, and we have all paid the price of it for a good many years. I think the argument that the minister was making was that politics should be taken out of this process as much as possible.

The question I ask the minister—and I certainly agree with him in that—is how does he then defend the actions of the government relative to the timing of the building of Conawapa when there seems to be energy information coming forward that says that there is no Manitoba need for Conawapa for perhaps another decade. Is it not time the government began to live by its own words and step back from the operations of these corporations and allow them to function within their mandate which is to provide power for the people of Manitoba.

It strikes me that removing this authority exposes, I suppose in some ways, the levels and the variety of decisions that impact on a corporation. If you want to have good management of the corporation, I think the member makes a good point. You want to step back. The government should set policy; government should set the broad parameters in which the corporation acts; and the corporation should be allowed to act to fulfill its mandate. If government wants to change its mandate, it should do so legislatively.

That is not being done at the current time and, in fact, the responsibility for the operation of this corporation is becoming increasingly diffuse. The cabinet makes decisions about it, Treasury Board makes decisions about it, the Energy Authority makes decisions, the board of Manitoba Hydro makes decisions, the minister makes decisions, the PUB is involved in decision making, and it is simply time that we clarified that a little bit and we made it possible to function without.

* (1710)

I think it is possible for this corporation to operate like a corporation, free from the—other than the legitimate policy decisions that government makes, and I think it is time that we got some of these entities out of the way, and The Manitoba Energy Authority Repeal Act as proposed by the member for Crescentwood (Mr. Carr) is a step in that direction.

What I do not understand though is why, when the minister agrees with this, when the Minister of Natural Resources (Mr. Enns) agrees that this thing is unnecessary, and when the minister of Hydro (Mr.

Neufeld) agrees that this is unnecessary, why they simply are not acting to allow this bill to pass. There was an attempt, and in fact I believed that the government was going to support the passage of this bill, and when I saw the member for Crescentwood rise and the House was canvassed to see whether or not they were prepared to allow the member to speak in closing debate, as is the tradition, the member was recognized to close debate, and immediately the member for St. Norbert (Mr. Laurendeau) leaped up on his feet, and the member for St. Norbert gave a spirited, albeit somewhat inconclusive, argument about the need to retain the Manitoba Energy Authority. He spoke against the passage of this bill, and no sooner has he concluded his remarks, which I found certainly illuminating, if not enlightening, than the member for Lakeside (Mr. Enns) stood up and spoke in exactly the opposite manner, spoke about the need to do exactly what this bill calls for, and I think it is about time that we did it.

I think it is about time that the government simply decided to proceed with something that they say is worthwhile and that the member for Crescentwood (Mr. Carr), through a great deal of research and discussion with members of the corporation, feels is also appropriate. Why do we not simply stop wasting time and take the advice of the member for Lakeside and pass this bill? Thank you very much, Mr. Speaker.

Mr. Jack Reimer (Niakwa): Mr. Speaker, this gives me a great deal of pleasure again to stand up and talk about a very significant part and parcel of Manitoba, which is energy. Energy here in Manitoba is—

An Honourable Member: Your father was an electrician.

Mr. Reimer: No, my father was not an electrician, so I will have to rely on the wisdom of my knowledge of Manitoba and the energies that we have in hydro. As has been pointed out by the honourable member for Osborne (Mr. Alcock) that the repeal of this legislation here, The Manitoba Energy Authority Repeal Act, is something that has been put forth and talked about by various members here.

In talking about the energy here in Manitoba, naturally we are talking about one of our greatest resources, which is hydro. Hydro plays a very significant part in Manitoba in that it has provided over the years the countless jobs, sometimes of a

questionable nature as to how they came forth but, at the same time, the object of Hydro and the utilization of Hydro here in Manitoba is of very prime importance.

Hydro is playing a more significant role in all industry, especially here in Manitoba, because of our central location. We are in an enviable position for attracting a lot of industry, trade and the use of a very cheap commodity, which is Hydro, Hydro being made available because of the foresight of planning and the vision that down the road the dam and the proposed Hydro development on Conawapa will not only fit into the structure and the needs of Manitoba, but also we have the opportunity to capitalize and to profit in a sense of selling off the excess and the Hydro to our neighbour to the east, where they may need Hydro.

It depends on their industrial base and their expansion down there. With their government right at the present time, it is hard to say how industry will react and their needs will be in the future. We have to be optimistic that Ontario and the needs down there will prevail and we will be in a position to supply this energy for them.

Here in Manitoba we have to look at energy in the sense of supplying our industry and the attraction of stable energy here in Manitoba, the fact that energy is in abundance through electricity, which is cheap, it is clean, it is renewable. The only thing we have to rely on, in a sense, is the rains and the flow of the water down the river, because the water through the dam is what causes the hydro to come forth.

An Honourable Member: Down the river.

Mr. Reimer: Down the river is right. So we are in an enviable position in looking at the wants and needs of the Hydro here in Manitoba. The use of the hydro in attracting industry here to Manitoba is of prime importance because, as was mentioned previously, the location of Manitoba is conducive to technological industry, which uses electricity and the modes of high-tech, if you want to call it.

Resource and research is all conducive to a stable energy source. The fact that when we look at some of our eastern seaboard counties and cities down there where they have tremendous use of hydro, they get exposed from time to time to what we call brownout, where electricity is not available. It goes in surges and peaks and valleys.

That is very, very harmful for any type of high technological work because of the fact that if there

is a surging of electrical power that comes through on, for example, in computers, and it seems that we are becoming more and more aware of the computers and the facts of what they do and how they operate, but electricity and the surging and the peaking and the spiking, if they want to call it, of electricity is one of the most harmful things for computers.

In fact, what can happen is, it can destroy a whole database. If we look at industry, the destruction of a database is absolutely phenomenal, because it can wipe out all the customers' programs, the information that is required, the data that are required and the research, possibly even if we look at the inclusion to the medical profession, where there is a tremendous reliance on records. Here in Manitoba, where we have a very strong medical and health environment, the keeping of records and the fact of a good reporting system is something that makes medical importance here. So the fact that electricity and the energy that is being utilized here in Manitoba should be of a high quality, should be what we might call a clean electricity, so that there is not the worry of any type of interference or distortion or disruption of services. So these are some of the things that come forth when we look at an energy package.

We talk about The Manitoba Energy Authority Repeal Act which was brought forth by the member for Crescentwood (Mr. Carr). There has to be a certain amount of empathy and recognition that the repeal act possibly is something that this government should be looking at in a sense of a positive manner. At the same time, there needs to be an analysis of it and a careful consideration as to the ramification, as to what type of repeal and the ripple effect it will have on the whole industry, because hydro in all its various aspects is a very complicated and a very intricate resource here in Manitoba.

So the repeal, just by the fact of repealing it, has to have a strong consideration as to how it is going to affect other aspects of industry. A repeal just for the sake of repealing sometimes is of benefit and at times, I guess, there is a decision that has to be made.

* (1720)

At the same time, we are criticized from time to time for decisions that are made too fast and too hastily. We get criticized for acting too fast. We get

criticized for acting too slow. The one thing that we have to be aware of is that there has to be an analysis of this type of situation, that we look at it in a very constructive manner, and we analyze it so that we are not jeopardizing something that we may not have been aware of. If anything, it is better at times to err on the side of caution than to err in a manner of haste. Once an amendment is made or a repeal is put into effect and the act becomes enforced, we would not want to find out then that there is some sort of aspect or some sort of condition that we were not aware of that could have a very negative ramification down the road.

We are becoming more aware of some of the incidents in the papers lately regarding settlements and the fact that monies are owed. There are negotiations going on regarding the settlements to Indian bands regarding some of the other projects that came into being through Hydro. We have been exposed to the fact that we have had flooding. We have had the fact of settlements for some of the tragic situations that happened with some of the lakes with pollution. These are all very, very important items, not only for the residents of northern Manitoba, who are very, very important. The considerations of northern Manitobans and all peoples in that area have to be considered as they form a very, very important aspect of the mosaic and the culture here in Manitoba.

The people of the North are in a position where Hydro and the jobs that it generates create a tremendous amount of wealth. The job opportunities and the training opportunities, if handled properly and approached properly, can have profound and lasting affects for these peoples in the North. A job like Conawapa, if and when it comes into effect, the preliminary work, the environmental work, the work that has to come before the final switch is turned on for the hydro to flow, these are all very important. They all complement and compound the effect that the job creation and lasting jobs will be provided to the North because of the fact of hydro, again, being utilized here in Manitoba.

We are fortunate that the river flows and the water that goes into these large rivers, particularly I believe it is the Nelson River, that we use for some of these dams, are good, flowing rivers. They are on a good gradient, so there is strong current flow. At the same time, the possibility of damaging the environment is being approached and being

analyzed. At the same time, because of the channelling of the river and the flowing of the river, there is a good possibility because of these considerations that we are not going to be faced with severe types of conditions that we may be regretting later on.

All these items have to be addressed in looking at the motion proposed by the member for Crescentwood (Mr. Carr), The Manitoba Energy Authority Repeal Act, because just to repeal it and not have a strong and a critical look at it does not give us the time and the scope that we need. Granted, we get accused, as was mentioned, that we sometimes do not make the decisions, but making decisions is easy if everything is in place. Once things are analyzed and there is a conscious effort put forth and the decisions that are being made are on the right track, then the decision that is made will benefit not only the people of the North or the people who are using the hydro, but it will have the effect of benefiting industry. It will have the benefit of resource people and research people and the fact that the energy can be utilized and hydro will flow on an even manner.

All these things have to be considered even though, like I say, it seems that maybe the decision making is being prolonged. Unless there is adequate debate and adequate input, these concerns cannot be brought forth, because people want to know, people have a right to know as to what type of effect they are going to have on repealing something like that.

The energy that is brought forth, not only because of the fact of the people involved, creates an environment for industry that will have the competition, and the competition for jobs will be created. There will be the fact that the industry will be looking favourably here in Manitoba and the fact that the procedures that we have taken forth and the projects that we are proposing have gone through a strong and strenuous analytical procedure. They

have to be addressed. We have to look at the whole process, because whenever a large corporation starts to look at Manitoba as a place of investment, they have to look at the opportunities and they have to look at the leadership. They have to look at the track record, if you want to call it. If this government shows a strong track record in approaching one of the most fundamental commodities that industry looks at, which is energy, they will look very favourably at the strong legislation and the strong leadership that has been put forth by this government.

There is the need, Mr. Speaker, to have this message put forth by all legislation that comes out of this House, because we are in a very critical time in Manitoba, here in Canada. We have to compete very strong and strenuously for everyone who wants to invest in our province or in our country.

If we do not show the vision, the opportunity and the leadership of being conducive not only to business, but to the people of Manitoba, and the people of Manitoba have a right and they deserve to have government that is on track, if you want to call it, with strong legislation and with the vision and the foresight to know that we do not work and act in haste all the time or we take into consideration their needs.

The people of Manitoba come first. They are foremost in our assets, those are the greatest assets we have in our province. In fact, it is the best asset we have in this province. If the people are given the knowledge and the direction that this government is working in a very positive, responsive and in a manner of dedication, then I am sure that we will look at this bill in a very positive manner at times.

Thank you very much, Mr. Speaker.

Mr. Speaker: Is it the will of the House to call it six o'clock? Agreed. The hour being 6 p.m., this House is now adjourned and stands adjourned until 1:30 p.m. tomorrow (Wednesday).

Legislative Assembly of Manitoba

Tuesday, June 11, 1991

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