

## LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 27 April, 1987.

Time — 8:00 p.m.

### CONCURRENT COMMITTEES OF SUPPLY SUPPLY - HEALTH

**MR. CHAIRMAN, C. Baker:** Committee, come to order, please.

Who's first? Are we going to have some figures for the Support, or how are we dealing with that?

The Honourable Minister.

**HON. L. DESJARDINS:** Don't worry about it. We'll finish Health and then we'll have first, Minister's Salary and, during that time, we'll finish before we pass Minister's Salary.- (Interjection)- What are you laughing for?

**MR. CHAIRMAN:** Okay, are we finished? We've got Ambulance Program now, Section 7.

I don't see any hands up. I assume the Member for Pembina wants to . . .

**MR. D. ORCHARD:** Mr. Chairman, wasn't the Minister going to give me some information over the supper hour?

**HON. L. DESJARDINS:** We brought that document. The other thing, we said we'll give it to you as soon as possible. Is there anything we were supposed to get tonight?

**MR. D. ORCHARD:** Mr. Chairman, just on Ambulance before we leave, the Commission, according to the annual report, "ambulance vehicles and equipment are inspected annually to ensure compliance with minimum standards." There's been the odd community and one of them - gee whiz, I've got to get the road map - Billy Uruski's area on No. 6 Highway. I talked to the chap up there, and basically they were in the process of looking for a new ambulance even though their other one had low mileage and that sort of thing because it didn't quite fit standards, and they were being put to some additional cost. How often do we retire serviceable ambulances because they don't meet minimum standards? Is it because the standards are changing on a regular basis?

They were in the process of buying one from the Forces Base that was being wound down in the north end of Billy's constituency.

**A MEMBER:** You mean the Gypsumville?

**MR. D. ORCHARD:** Yes, the Forces Base, but it wasn't Gypsumville where the ambulance was going into service.

**HON. L. DESJARDINS:** Mr. Chairman, this is only a guideline, but it's usually approximately 140,000 miles - not kilometres, miles - or eight years, but that's a guideline of course. The one that you're talking about,

I'm told did not meet the minimum standards on this. It would have been poor service.

**MR. D. ORCHARD:** I didn't see the ambulance, but they were of the concern that it was reasonably serviceable yet, and I only bring it up because everybody's short of money. It wasn't life threatening, but then I guess maybe the one time it may have been life threatening, everybody would get blamed, wouldn't they? Isn't that what we try to cover ourselves for constantly in this little legislative game we play?

Okay, that can pass, Mr. Chairman, unless there are other questions.

**MR. CHAIRMAN:** Ambulance Program—pass.

Air Ambulance Program - the Member for Pembina.

**MR. D. ORCHARD:** Mr. Chairman, now this is Air Ambulance. This is the one that applies throughout the province basically.

**HON. L. DESJARDINS:** To what?

**MR. D. ORCHARD:** This Air Ambulance Program is the one that applies throughout the province. This isn't strictly restricted to Northern Manitoba?

**HON. L. DESJARDINS:** No, on emergency situations.

**MR. D. ORCHARD:** Okay, can you provide at a later date the details of usage in the first full year?

**HON. L. DESJARDINS:** From January to the end of December 1986, Lifeline has transported 458 patients. The majority have been from north of the 53rd Parallel. However, 79 patients have been from Dauphin, Swan River and Brandon. The 1987-88 budget includes \$1.751 million for operational costs and \$1.044 million for leasing costs.

The experience that we've had during this first year, it's been found that approximately 25 percent of the cases being transported required a physician in attendance, and the Manitoba Health Services Commission is at present exploring the idea of retaining an emergency critical-care physician on call to provide the service to the Air Ambulance.

If you remember last year, I also stated that we were going to look at the operation this year, and we wanted to see that we get our money's worth; in other words, if we have to pay for the pilots and pay for the nurses if they're on stand-by. Also, we would look at improving the situation. We've made some recommendations to Cabinet, and we haven't got that yet, but we're not asking for more money, just the money that's here. We feel that we could expand in some areas of the North probably with the same money that we have now.

**MR. D. ORCHARD:** Are you saying that you're in the process of moving the air ambulance and stationing it out of the North? Is that what you're saying?

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**HON. L. DESJARDINS:** No, no. Stationing it in the North?

**MR. D. ORCHARD:** Yes.

**HON. L. DESJARDINS:** No.

**MR. D. ORCHARD:** Okay, so that . . .

**HON. L. DESJARDINS:** I'm looking at the possibility of increasing the service, because the cost, of course, is for the pilot and staff. If they're standing by doing nothing, for a few more dollars we might be able to increase the service, but that will be announced. We don't have to wait for a year. If there's anything at all, that will be announced.

**MR. D. ORCHARD:** I thank the Minister for the additional information which just did nothing but confuse me.

**HON. L. DESJARDINS:** Well, that's part of the game.

**MR. D. ORCHARD:** I realize that.

**HON. L. DESJARDINS:** Let me try to be fair and be a little more specific. There's a possibility of going out of province. I offered this bit of information because that was discussed last year, the possibility to see that. Then there are some places up North that we might be able to cover also with approximately the same cost.

**MR. D. ORCHARD:** Okay. Now that means that one of the instances, I think, that I've discussed with the Minister, and I know that he's had correspondence on, is certain heart procedures. I'm not a medical expert, so I don't know what they are, but they are unavailable in Winnipeg and people go to London, Ontario for them, and transportation there is to Toronto and then back out to London. It's very complicated.

**HON. L. DESJARDINS:** That's exactly the kind of thing we're looking at.

**MR. D. ORCHARD:** That would be at no cost to the patient?

**HON. L. DESJARDINS:** I doubt if it would be at no cost, but there again, this has to be approved by Cabinet. We're looking at the actual costs though, not the staff. Just running the plane would be quite highly subsidized. I'm not saying that it would be at no cost at all.

**MR. D. ORCHARD:** Well, that's a very interesting development because that was causing problems. However, it was not only the logistics of getting into London, Ontario; it was also the cost as well.

**HON. L. DESJARDINS:** A charter flight to Toronto now would be \$6,500.00. Well, anyway, it would be cut down quite a bit, this is a prohibitive price, but I can't say much more until I get back from Cabinet with something concrete.

**MR. D. ORCHARD:** Mr. Chairman, this is Air Ambulance, Ambulance, even Northern Patient Transportation. The issue, it depends on how the team is used, but I think it's the neonatal team that goes out from Winnipeg to pick up mothers who are in the process of dangerous delivery. Bills have been issued under that program from time to time and in some instances they've been reimbursed or cancelled; in other words, the individual has not been billed.

Is there a policy now where there's no more billing and anybody who's billed should ignore the bill on that program?

**HON. L. DESJARDINS:** This, we would have the Provincial Government, the Winnipeg Ambulance and the Health Sciences Centre discuss the matter to see if we could arrive at a program. It's not the Provincial Government alone. It's not the air ambulance alone either.

**MR. D. ORCHARD:** No, I realize that. It can be a ground ambulance.

**HON. L. DESJARDINS:** So this is something that would be our first priority, if we ever expanded. In fact, I'd sooner spend money there than the previous program that we talked about, about the special grant. Because these are people who have to be brought in and it's a little bit tougher.

**MR. D. ORCHARD:** Okay, then on a case by case, as they come to a person's attention then, is the process to simply write you a letter, draw it to your attention and attempt to get it resolved that way, in the absence of formal policy?

**HON. L. DESJARDINS:** I'm not saying there's not a policy, but we're trying to expand the program, that's what I said. It hasn't been announced yet. There's a policy, it's from a certain . . .

**MR. CHAIRMAN:** The Member for River East.

**MRS. B. MITCHELSON:** Thank you, Mr. Chairman. I just want to ask a few questions for clarification. The Air Ambulance Program, is there a charge for each trip, with the air ambulance, to every patient?

**HON. L. DESJARDINS:** Not in the program that exists now as an emergency service. No, that's covered.

**MRS. B. MITCHELSON:** So there's no charge whatsoever for the Air Ambulance Program for any patient that's transported?

**HON. L. DESJARDINS:** Not now, but it might be expanded. It might increase or start a program where there could be a charge, where there could be a cost, but really help subsidize what we talked about earlier, maybe transporting out of the province.

**MRS. B. MITCHELSON:** Mr. Chairman, I guess I need a little more clarification because the Neonatal Program then, is that not under the Air Ambulance Program? Is that a different program?

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**HON. L. DESJARDINS:** That could be under the Air Ambulance and the City of Winnipeg ambulance, and the provincial - the other program.

**MRS. B. MITCHELSON:** Okay. So if I'm understanding correctly then, if a ground ambulance goes out from Winnipeg to bring someone into Winnipeg because of a high-risk situation, they are . . .

**HON. L. DESJARDINS:** At the present, the patient pays for that.

**MRS. B. MITCHELSON:** At the present time the patient pays, but if it was an air ambulance that picked up that . . .

**HON. L. DESJARDINS:** The patient would still pay for the ground ambulance to take the patient to the air ambulance and back from the air ambulance to, let's say, the Health Sciences Centre.

**MRS. B. MITCHELSON:** Okay, so if I'm getting this right . . .

**HON. L. DESJARDINS:** It will be sent only on an emergency.

**MRS. B. MITCHELSON:** Okay. So where is the air ambulance stationed?

**HON. L. DESJARDINS:** In Winnipeg.

**MRS. B. MITCHELSON:** In Winnipeg. So it goes from Winnipeg to . . .

**HON. L. DESJARDINS:** Wherever.

**MRS. B. MITCHELSON:** . . . the closest airport and that patient would come by ground ambulance to the airport and then would be brought into Winnipeg from there. So they pay the ground portion but not the air portion. Okay.

You indicated a little earlier that I believe it was 25 percent of the patients had to be accompanied by a physician via air ambulance?

**HON. L. DESJARDINS:** Yes, I did say that.

**MRS. B. MITCHELSON:** How are those physicians paid for that service, or are they paid?

**HON. L. DESJARDINS:** That doctor is a doctor who would be on the staff of the hospital, and he would be paid by the hospital. He'd be on salary by the hospital or some part of his salary from the hospital. He's part of that team.

**MRS. B. MITCHELSON:** Okay, so if there's an indication that the physician is needed to accompany that patient, he would go from that hospital, be paid - well, most physicians aren't paid by a hospital - or are they in the northern areas?

**HON. L. DESJARDINS:** If he's already been salaried by the hospital, which most of them are, he's already

paid. That's covered. If not, there would be a special arrangement made, a special salary, and that's where we're looking at the possibility, if it's going to be needed in that many cases, to see if we should have somebody working on the air ambulance, a doctor or an attendant.

**MRS. B. MITCHELSON:** So you're looking now at having a full-time physician paid for by the government, a contracted position or whatever, who would accompany the air ambulance for every patient.

**HON. L. DESJARDINS:** . . . especially when they are in need.

**MRS. B. MITCHELSON:** Just when they are needed, okay.  
I believe that's all.

**MR. CHAIRMAN:** The Member for Pembina.

**MR. D. ORCHARD:** Under the Neonatal Program, every patient using it or every family using it, are they all billed or are there some exceptions in the billing?

**HON. L. DESJARDINS:** Officially, the patient has to pay. There have been some instances, if they haven't got the money - you know, you don't get blood out of a stone - there have been arrangements. Either the hospital has raised funds at times or there has been a fund for bad debt and so on. There are certain cases. I want to be very careful. I don't want to encourage to say that you just don't pay the bill and that's it, I thought you had a special case. That's why, if there's any hesitation, I want to make sure that the regular policy is that they would have to pay for that, but there have been some cases, as I say, where they receive help either through private fund raising or whatever.

**MR. D. ORCHARD:** The Salary line for the eight staff who are in the Air Ambulance Program is increased by 15 percent. Why a 15 percent salary increase? That's higher than normal.

**HON. L. DESJARDINS:** The big difference there is overtime and stand-by wasn't covered in previous years and that's 11 percent. The regular increase was 4.3.

**MR. D. ORCHARD:** This Medivac jet is leased, with an option to purchase. Is this your lease or is it Department of Highways' lease? What I'm anxious to see is a copy of the lease so we can have a little look at . . . I've had some experience in these aircraft deals and . . .

**HON. L. DESJARDINS:** It's the Commission that leases the . . .

**MR. D. ORCHARD:** Would it be possible to see a copy of the lease?

**HON. L. DESJARDINS:** Sure.

**MR. D. ORCHARD:** Or it can be done at a later date.

**HON. L. DESJARDINS:** Sure.

**MR. D. ORCHARD:** Thank you.

**HON. L. DESJARDINS:** You're talking about - not with the air ambulance that we're leasing with a . . .

**MR. D. ORCHARD:** Okay, on page 16, it says, "This program provides funds for one Cessna Citation S-2 Jet, which was designed and equipped to be specifically used as an air ambulance. The lease was originally for five years and has an option to purchase at the end of each year."

**HON. L. DESJARDINS:** Okay, that's the one.

**MR. D. ORCHARD:** Mr. Chairman, I presume that Highways has that full complement of staff at their disposal all the time - pilots, engineers, etc., etc.

**HON. L. DESJARDINS:** Yes, they service them, but the nurses, the doctors and so on would be our responsibility.

**MR. D. ORCHARD:** Now the plane's been operating satisfactorily, it hasn't been on the ground when it should be up in the air?

**HON. L. DESJARDINS:** No, other than regular maintenance, it's been working well, except the first day it came here, it had to be towed in, when we were at a press conference to unveil it, and it was being towed in, but that's all. That's a couple of years ago.

**MR. CHAIRMAN:** Life has its embarrassing moments, eh?

The Member for Pembina.

**MR. D. ORCHARD:** The operation expenditures are increasing now. Is the charge for use the same? Like Highways, in other words, charges a certain cost.

**HON. L. DESJARDINS:** It would cover the individual wages and so on, of course, and gas, yes. They're not doing us any favours.

**MR. D. ORCHARD:** What do they do with you? They don't provide you an estimate every year. They simply charge you cost-plus? Straight cost, presumably.

**HON. L. DESJARDINS:** They'll tell us every year what it is, what the cost will be.

**MR. CHAIRMAN:** Air Ambulance Program—pass.  
Northern Patient Transportation Program - the Member for Pembina.

**MR. D. ORCHARD:** Well, Mr. Chairman, can the Minister indicate to me whether - in the description it says: "For certain elective cases." For instance, I'm not sure if health care facilities in the North have abortion committees at their hospitals. Is that the kind of elective case that would qualify for Northern Patient Transportation?

**HON. L. DESJARDINS:** Yes, if the service is not provided in that area.

**MR. D. ORCHARD:** Do you have Northern Patient Transportation by case type such as you could single out the number that have been brought to Winnipeg, presumably, for an abortion procedure?

**HON. L. DESJARDINS:** No, we don't have it by case. In this case, it would be quite difficult because it's not always specified. It could be for some examination or something, and then they decide they'd have an abortion or whatever.

**MR. CHAIRMAN:** The Member for River East.

**MRS. B. MITCHELSON:** Mr. Chairman, could the Minister indicate then how many elective cases and how many emergency cases there were in Northern Patient Transportation?

**HON. L. DESJARDINS:** I have the emergencies here for the first six months of '86, compared to the first six months of '85. January in '85 was 184; January in '86 was 257; February, 158 and 174; March, '85 was 219 and 148 in '86; April was 175 in '85 and 138 in '86 - Holy sm, what happened here! - 237 in '85 in May, and 117 in '86.

Yes, that is a bad comparison in a way. I thought it didn't make too much sense. It's because of this air ambulance being in place. Also, it takes a lot of emergencies. But anyway, that's what they would have. That's the emergency to show that the air ambulance is using.

It was 219 in June of '85 and then 182. So you see, although it was for the first few months, there was quite a difference in '85. Then it turned out that there were more cases in '85 than '86. The total for those six months in '85 was 1,182; in '86, 1,116.

**MRS. B. MITCHELSON:** 1,116?

**HON. L. DESJARDINS:** But in comparison to the early months, there was a big difference with '86, there were more in '86. In the later months, it was the opposite when the plane come in.

**MRS. B. MITCHELSON:** Okay, so these were emergency cases?

**HON. L. DESJARDINS:** Yes, those are just emergencies.

**MRS. B. MITCHELSON:** Okay, and what about elective? Do you have the breakdown for elective?

**HON. L. DESJARDINS:** No, we don't, not here anyway. I'll try to get that for you.

**MRS. B. MITCHELSON:** Well, I don't need it month by month. If you had so many northern patient cases in the first six months and you had 1,116 emergency, if there was a total, then we could figure out how many were elective.

**HON. L. DESJARDINS:** We'll get it for you.

**MRS. B. MITCHELSON:** Okay, so then the Northern Patient Transportation Program, is that a ground

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transportation then. If there's an air ambulance, is this - no?

**HON. L. DESJARDINS:** It could be both. It could be by car, by bus, by ambulance or by road ambulance or by plane, whatever the most appropriate commercial is available.

**MRS. B. MITCHELSON:** Whatever mode of transportation, and it's directly funded by the Commission, so this is a completely paid-for service by the Commission. There's no . . .

**HON. L. DESJARDINS:** Yes, and there's still an advisory committee up north of doctors and administrators in different places up north who work and make their recommendations, and they have a certain responsibility also.

**MRS. B. MITCHELSON:** So then, under the Northern Patient Transportation Program, if a patient was transferred . . .

**HON. L. DESJARDINS:** Excuse me, I want to make sure you understand. There is a budget we provide for the elective part of it, especially there's a budget that's given to these different centres. That comes from Churchill, Flin Flon, The Pas and Thompson.

**MRS. B. MITCHELSON:** They have a certain budget for the elective cases and, once that money is used up in the year, then that's all the money they get for it?

**HON. L. DESJARDINS:** Well, they have a budget.

**MRS. B. MITCHELSON:** So then part of the Northern Patient Transportation Program could be also part of the Air Ambulance Program. Could that be combined sort of?

**HON. L. DESJARDINS:** Well, when we talk about air ambulance in this case, we mostly mean the commercial planes. We're not talking about our ambulance which is used mostly for emergencies. But it could be that a patient is sent here by the carrier, a regular plane.

**MRS. B. MITCHELSON:** Okay, my understanding then for the Northern Patient Transportation Program, if a patient is transferred into Winnipeg in an emergency situation, it's completely funded by the Commission?

**HON. L. DESJARDINS:** Not the ground ambulance, the air ambulance.

**MRS. B. MITCHELSON:** Not the ground ambulance part, just the air ambulance part, but the ground ambulance portion then is still paid for by the user.

**MR. CHAIRMAN:** Northern Patient Transportation Program—pass.

Now we've got three items we're going to discuss together.

**HON. L. DESJARDINS:** Well, we'll try to go on lines, but we agree that we won't be too strict on that. In

fact, the Capital Program could be - there might be a certain case, the Capital Program tonight too.

**MR. CHAIRMAN:** The Member for Pembina.

**MR. D. ORCHARD:** Mr. Chairman, there were a couple things that I was going to quiz the Minister, and it's been explained on the reconciliation of the printed vote to the adjusted vote, because the Hospital Program had been increased by \$10 million but that was a transfer from the Medical line, according to the reconciliation offered earlier on today.

**HON. L. DESJARDINS:** Those were the community health centres, yeah.

**MR. D. ORCHARD:** Yeah, and a resulting decrease in the Medical Program by almost the same amount. I guess I'm back on track because I've got the figures both ways here.

Mr. Chairman, this is rather a massive area to all of a sudden start to delve into, so if I'm a little bit disjointed in terms of my questioning, bear with me. They all end up, I suppose, in betterment of the people of Manitoba.

Mr. Chairman, is the Children's Hospital now fully serviceable and usable and working?

**HON. L. DESJARDINS:** Yes.

**MR. D. ORCHARD:** What is the status of the . . .

**HON. L. DESJARDINS:** Some operating rooms will be situated with the adults, but it was always meant to be. The Children's Hospital is fully operative.

**MR. D. ORCHARD:** What is the status of the multiple lawsuits over Children's Hospital?

**HON. L. DESJARDINS:** It's still in litigation.

**MR. D. ORCHARD:** Have you been to court for preliminary hearings or anything yet?

**HON. L. DESJARDINS:** They're not suing us. It's between the architect and the contractor.

**MR. D. ORCHARD:** But isn't the Province of Manitoba a co-defendant in a couple of -(Interjection)- those?

**HON. L. DESJARDINS:** No.

**MR. D. ORCHARD:** I should just ask the Member for Kildonan because he knows more than the Minister over here. He's given all the answers ahead of time.

Mr. Chairman, one thing that amazed me, well, sort of amazed me in retrospect after I thought about it a little more, was an announcement the Minister made in the House in conjunction with, I think, the Variety Club, where you're putting in intensive care unit beds in the old wing of the old Children's Hospital. It struck me afterwards that why would you be doing that when you had a brand new Children's Hospital. Were there not enough intensive care unit beds designed . . .

**HON. L. DESJARDINS:** No, that is supposed to be meant in the last phase, and the intensive care beds

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are all together for the children and the adults; and that would take too long. In the meantime they needed something. When the Variety Club came forward and offered to work with us on some priorities, that certainly made it a little easier because that money would be spent and eventually it'll have to be torn down again, but that could take five, six, ten years. In the meantime it was felt that the children needed those facilities.

**MR. D. ORCHARD:** When will they be on stream?

**HON. L. DESJARDINS:** The temporary?

**MR. D. ORCHARD:** The ones announced.

**HON. L. DESJARDINS:** Approximately a year from now.

**MR. D. ORCHARD:** Mr. Chairman, physiotherapy is available through a number of rural hospitals as well as most of the City of Winnipeg hospitals. Can the Minister indicate whether physiotherapy staffing levels are able to be maintained in Winnipeg and in rural Manitoba?

**HON. L. DESJARDINS:** I know that we have a very acute shortage in certain areas, of physiotherapists; it is a problem. I think that there's an area that I'd like to see us beef up. I think it is important and in the past we haven't had all the funds or the staff.

**MR. D. ORCHARD:** I don't know whether it's unique to our corner of the world, but I'm told in the area of Morden, Winkler, Carman, generally Manitou, and I don't know whether it goes as far east as Altona, but they've got five physiotherapy positions budgeted, but they've only got, I believe, two of them filled right now.

Is that a unique circumstance to the area or is that rather a common problem as you go throughout rural Manitoba and even the City of Winnipeg?

**HON. L. DESJARDINS:** Yes, I'm not saying it's equal, but it's a problem all over, I believe.

**MR. D. ORCHARD:** What's the problem? Is it salaries in other jurisdictions that are drawing our physios away?

**HON. L. DESJARDINS:** It's the training.

**MR. D. ORCHARD:** It's the training aspect. Are we into a situation with physiotherapists - and I have to confess, I have not met with them to find out because they've written us all letters. I haven't had the opportunity to meet with them. Is it the same as Pharmacy, where you simply can't expand the faculty capacity and take more in for a few years? What is the problem with graduating physiotherapists?

**HON. L. DESJARDINS:** We did meet with them and it was a real concern, and we've asked the Health Review Committee to work on a committee with them because that hadn't been done and that was a concern that we had. I haven't got a date yet, but that is being looked at. No, we met with them and I don't remember exactly all the concerns. That's a while back and we

asked the Health Review Committee to work with them, as I say.

**MR. D. ORCHARD:** Are we into that sort of split responsibility between your department and the Department of Education in terms of funding, wherein the expansion of the training program may be constricted because university or Red River - like, where is the training program? Is it at the University of Manitoba?

**HON. L. DESJARDINS:** Yes.

**MR. D. ORCHARD:** And it's not at the community college level. It is at the university level. So that we're probably, I suppose, into the administrative argument that they simply don't have the dollars to expand the program. Is that fair, to sum up, from the lack of physios being graduated?

**HON. L. DESJARDINS:** Yes, definitely, there are the two departments involved, and the Department of Education is involved, and it reflects with the number that we're training, and that seems to be the concern now in other provinces also. So that could be another concern that we could lose some to other provinces.

**MR. D. ORCHARD:** I guess if I can state our case, and I say this without having met with the physiotherapists, but many people, particularly people involved in accidents or with broken limbs, back injuries, a whole gamut of injuries, probably the physiotherapist is one of their most important individuals for speedy recovery, not having particularly rural hospitals adequately staffed.

Like in the City of Winnipeg, there might be alternate services available; i.e., through Workers Compensation Board, there's a possibility, or even privately in the City of Winnipeg, but rural Manitoba simply doesn't have those range of options available. I have to say, Mr. Minister, that is a major concern, and I'm not going after you and blaming you or the department because an untrained staff shortage is a problem, but I think it would be one of the areas of medical personnel that would require some pretty immediate and definitive action to try to resolve that. It may well mean some dedicated funding to expand the training program at the University of Manitoba.

**HON. L. DESJARDINS:** I agree with that. I think one of the concerns is probably - you know how this was started. It was covered only in certain areas. Right now, the private operators are not covered, and it could be at that time that we weren't covering enough, maybe there wasn't the demand. That's what I want to look at.

But let me say that we want to look at that also in our review that we're doing with chiropractors also - is there an option, one or the other, and so on - we want to look at that. Usually, if you go to a chiropractor, you can go as much to a physiotherapist - I'm not saying in all cases - but that's one of the concerns, that's one of the things that is mentioned to us. So there is no decision, but we're looking at the whole thing.

It is kind of a similar service to a point, and it might be that we will have to try to beef up the physiotherapists. We will have to beef it up. Oftentimes when there is a new service and so on, because of maybe the lack of funds or something, they forget the role of the physiotherapist in that, exactly like my friend was saying, not only in . . . - (inaudible)- but in surgery after surgery and so on. It's really helpful.

**MR. D. ORCHARD:** Could you explain to me then, like right now, for instance, you've mentioned chiropractors; they are not under the purview of the Canada Health Act which put the ban on extra billing. In other words, if chiropractors billed for their complete service, that way they would not be in violation of the Canada Health Act; they might be in terms of the provincial act.

**HON. L. DESJARDINS:** No, because some areas they prefer it like that. In certain provinces, the last thing they want to do is be covered.

**MR. D. ORCHARD:** No. Similarly, then, physiotherapists are not part of the Canada Health Act either, are they?

**HON. L. DESJARDINS:** Sure, in the hospitals, they would be.

**MR. D. ORCHARD:** Oh yes, but I mean most of the insured service that we provide, if you happen to be in a hospital and fortunate enough to have a physiotherapist to help your post-recovery, but that isn't always the case. What I'm saying to you is . . . .

**HON. L. DESJARDINS:** I know what you mean. You're right. Because it's not insured in a doctor's office or in a private office.

**MR. D. ORCHARD:** That's right. So that what we have seemingly is the anomaly of if you go through the hospital system, it's paid for completely; if you go through a clinic or a private physiotherapy service, you pay for it yourself.

Now maybe this is an area where you need to have some fresh thinking, because it would seem to me that by having a 100-percent insured service in effect by delivering it through the hospital where the physio is available, you are doing the opposite to what you're attempting to do; i.e., take programs out of the hospitals and put them in the community. In a way you're defeating that purpose by having the physios 100 percent . . . .

**HON. L. DESJARDINS:** Yes and no. We're not taking all the programs out of the hospital. We're trying to get a lot of people who will not be admitted for day service and that is the case; but you're right . . . .

**MR. D. ORCHARD:** You want to de-emphasize the hospital scene.

**HON. L. DESJARDINS:** Yes. But this will be looked at. We have more money, not that much, but another \$200,000 for new jobs, and we can't even fill that in certain areas.

**MR. D. ORCHARD:** I realize that, because Morden, Carman, Winkler are having a difficult time keeping physios on staff, and I don't think they are unique.

Is this maybe an area where you start taking a look at a Pharmacare type of program for physiotherapy services where there is a shared responsibility? The way it's working right now is you don't have a sufficient level of service and it's not insured. It was never intended to be a 100-percent insured service. Maybe this is an area that you can look at in order to expand the service and putting it into a Pharmacare type of program where a patient pays so much money?

**HON. L. DESJARDINS:** I'd have no problem with that, or maybe under certain cases, maybe emergency or still some at the hospital would be covered, but that's something we certainly will have to look at because there is no doubt that we're suffering from a shortage of physiotherapists.

**MR. D. ORCHARD:** You don't have the money to expand it as a complete insured service.

**HON. L. DESJARDINS:** No, not as a complete, but we could have part of it as a complete, the way it is now, and then expand it.

**MR. D. ORCHARD:** And I think the same thing, while we're on this nice cooperative topic . . . .

**HON. L. DESJARDINS:** It's a program that is already done in that way to a certain point because they can get insurance through Blue Cross and there are quite a few people who do that. The big trouble right now - there might be a number of reasons - is the recruiting or training of enough physiotherapists. That's the main thing right now.

**MR. D. ORCHARD:** Okay. Mr. Chairman, when we take a look at the Hospital line in the budget, the adjusted vote takes into consideration the transfer of community health centres and puts them over into the Hospital line of funding.

In your opening remarks, you indicated that we have a total deficit of some \$23 million in the hospitals for last year, approximately 13.3 of which you are going to pick up.

Now my question is that in no way reflects in the adjusted vote in this year's Estimates, does it?

**HON. L. DESJARDINS:** Not in 1986-87, but in 1987-88.

**MR. D. ORCHARD:** Okay, that's the next question then, because you see, you've added roughly \$13.3 million, presumably, to the base funding of what - with the straight transfer, we'll use the adjusted vote figure of 654. Part of the hospital budget increase then will be an increase in the base-line funding to accommodate for your pickup of a portion of the deficit due to cost increases, contract settlements?

**HON. L. DESJARDINS:** The full 13 would be there and then a pickup of the other. As I say, that money is what we need to increase and improve a community clinic also and those programs.

**MR. D. ORCHARD:** All I'm interested in is getting some apples-to-apples comparison of figures.

With the Community Health Centre Program funding in place in the Hospital Program line and the approved budget that you are covering off, according to your opening remark, we should have funding in the neighbourhood of \$668 million, roughly, which would leave, if I do some rough calculations, and don't hold me to the exact numbers, a \$39 million increase in the hospital budgets available to fund deficits from last year that haven't been covered, totalling \$9.6 million, and any cost increases of operating those facilities in the coming year. That \$39 million will cover both of those areas?

**HON. L. DESJARDINS:** That's correct.

**MR. D. ORCHARD:** I'm just doing another quick calculation and knocking \$9 million off the 39 because we've got already a little better than \$9 million of deficits. We're down to \$30 million of new funding to cover increase in costs, expanding programs, whatever the hospitals may desire to do over the next fiscal year of actually available new money.

**HON. L. DESJARDINS:** Not necessarily for the hospitals. That covers the whole deficit in there. We are dealing with the hospitals. As I said, we need money to go for this transition period. We are working with these people with the coverage that we asked them; we worked with them to budget without a deficit in the two years, and that fund would be used then to promote the community clinics or whatever else is needed to change the system up to a point.

**MR. D. ORCHARD:** Okay. Then if I am following you correctly, I think my numbers are roughly correct.

**HON. L. DESJARDINS:** I'll give you this; it might help. The budget facilities in '86-87 supplementary funding was 16,964.3 million. The price, economic increase, 21,130.8 million; '87-88 new initiatives is 230.5 thousand. The annualization of '86-87 approved equipment borrowing, 416.3 thousand. The new facilities opened in '86-87, 3,352.1 million.

**MR. D. ORCHARD:** Run that one by me again, the new facilities.

**HON. L. DESJARDINS:** 3,352.1 million.

**MR. D. ORCHARD:** That's '87-88 figure?

**HON. L. DESJARDINS:** Okay. The new renovative construction for '87-88, approved equipment borrowing 462.5 thousand; new facilities opening in '87-88; 4,304.2 million, and other increases 2,769.1 million, and then there's another reduction of 329.5 thousand. That's a reduction, the last one. The total increase is \$49,300.3 million for budget facilities.

**MR. D. ORCHARD:** Okay. Now this is where we can waste too damn much time unfortunately. But what I want to establish is dealing with the facilities, like you've got new facilities that have come on stream and new equipment that's going to be taking \$4.7 million additional this year, okay.

**HON. L. DESJARDINS:** 4.766.7.

**MR. D. ORCHARD:** Yes. So we're always talking rough figures; it won't be exact figures.

What I want to do is find out on an identical basis, factor out new facilities, factor out new equipment, just how much more budget does an existing set of facilities funded last year have to operate with this year? What's their increase? It won't be the 49 million.

**HON. L. DESJARDINS:** Well, we can't be that specific. We're still working with the hospitals. That's the two first figures that I gave you, the supplementary funding, the deficit of 16,964.3 and the price economic increase of 21,130.8 thousand.

**MR. D. ORCHARD:** So that would be roughly 38 million.

**HON. L. DESJARDINS:** Yes.

**MR. D. ORCHARD:** And a portion of that, correct me if I'm wrong, picks up a substantial portion of last year's deficit?

**HON. L. DESJARDINS:** Yes.

**MR. D. ORCHARD:** Okay. In terms of brand new money, let's call it that, to operate those same facilities this year over last year, the real figure would be down to 21.1 million.

**HON. L. DESJARDINS:** Right.

**MR. D. ORCHARD:** Okay.

Now, I'm going to make the same argument I made with you last time around. Out of the roughly \$700 million that we're budgeting this year, which are going to go to operate those hospital facilities, is a figure of 80 percent roughly correct, in terms of salary component of those budgets? What would you use if you're wanting a ballpark figure?

**HON. L. DESJARDINS:** It'd be closer to 75, it'd be just under 75.

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

**MR. D. ORCHARD:** If I used 700 million, of the 707, would that roughly give me the amount of funding that's going to be provided to those hospitals throughout the province? You've got community clinics in there; they're staffed roughly the same way, the community health centres.

**HON. L. DESJARDINS:** That also - as I say, we're discussing this with the facilities. We're also looking at the teaching hospitals, also the staff of the teaching hospitals, the concern that we had. We want to make sure that we're making a fair comparison. There's enough discrepancy that we know there's something wrong, but not necessarily as much as we figure.

**MR. D. ORCHARD:** I'm just doing a quick calculation here, Mr. Minister. If you use a 75 percent figure on the - we're funding hospitals to the tune of \$700 million.



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If you use the 75 percent figure as a rough guesstimate of salary costs, all of which has been subject to an additional three-quarters of a percent on payroll tax - that in my calculation eats up \$5.25 million roughly of the increased budget.

**HON. L. DESJARDINS:** Don't count that health and education levy too fast. We're still negotiating with that.

**MR. D. ORCHARD:** That's an interesting statement. In other words, are you saying that . . . You see, we've got \$21.1 million basically of new money for the facilities to operate on year over year, because they were over budget before. We've got telephone rate increases, which would be a portion of the other 25 percent. We've got hydro rate increases, which would be a portion of the other 25 percent. But we know for a fact, that on the rough calculation of 75 percent salary component in those \$700 million worth of fundings, that we've got in excess of \$5 million in payroll tax. Now you're saying not to worry about it.

**HON. L. DESJARDINS:** No. I said that, as I said in the House, they were negotiating that with the hospitals at this time.

**MR. D. ORCHARD:** Now with the intention - I want to fill out what this negotiation is. Is the negotiation to provide them the costs of the increase in the payroll tax? In other words, supplement their funding by approximately 5 million?

**HON. L. DESJARDINS:** Mr. Chairman, that's certainly an option providing that we could work with them to stay out of a deficit, apart from that.

**MR. D. ORCHARD:** Now, that means that if that happens here, in order to keep hospitals out of the deficit, that we basically provide 5 million more in funding to cover the payroll tax, then I think you'd have a pretty tough time if you make that exemption in health care and the hospital facilities and not doing it in the personal care homes where we've got what, \$166 million in funding and probably 75 percent again?

**HON. L. DESJARDINS:** The discussion that we had is for all the institutions.

**MR. D. ORCHARD:** All of them, okay, so that we're into the neighbourhood - I just made a quick calculation - that's another \$1.25 million. We could be up to \$6.5 million, roughly. Now one of two things is going to happen. If you're not successful in your negotiations with the hospitals . . .

**HON. L. DESJARDINS:** We're questioning your calculation.

**MR. D. ORCHARD:** Well, I just added \$1.25 million on payroll tax and personal care homes, basis 75 percent of the \$166 million being salaried cost.

**HON. L. DESJARDINS:** The actual salaries in personal care homes is calculated as 4.5 percent of the levy - actual salaries, 4.5.

What were you using?

**MR. D. ORCHARD:** No, no, you're talking a salary increase there, right?

**HON. L. DESJARDINS:** No, no, for the levy, the 4.5 figure that we're using on actual salaries.

**MR. D. ORCHARD:** Well, that's the increase that the payroll tax would be.

**HON. L. DESJARDINS:** Yes.

**MR. D. ORCHARD:** Well, okay, we won't quibble over 2 million.

**HON. L. DESJARDINS:** What's 2 million?

**MR. D. ORCHARD:** I'm glad you said that, not me. But then that means that something less than 75 percent of your facility costs are salary.

**HON. L. DESJARDINS:** Yes.

**MR. D. ORCHARD:** That the 75 percent estimate is too high. Regardless of that . . .

**HON. L. DESJARDINS:** It depends if you include capital or exclude capital. I think it's 70 percent if you include capital and about 75 if you exclude it, somewhere like that.

**MR. D. ORCHARD:** Okay. One of two things is going to happen. Either the \$4.5 million will have to be found from within the budgets, or you're going to make them additional funding to the facilities; in which case, then, the deficit has to naturally increase because you're not going to find that probably in the rest of your Department of Health, although you probably could if you looked.

But, Mr. Chairman, that is a problem that now the government is finding themselves facing within their own funded institutions. We went through it with AFM earlier on today; now you're negotiating with the hospitals.

I presume, when we get to the Minister of Education, he, no doubt, will be having same and similar negotiations with school boards, universities, community colleges, because they, likewise, are having to pick this up from a global budget increase and they're going to indicate they can't afford to do it.

Mr. Minister, I should be directing these remarks at the Minister of Finance, but that's exactly the position you've put private sector business in and it's hurting you right now. You have to go back now and negotiate with your hospitals, your personal care homes - you're negotiating with MHO on this very issue - but business doesn't have the opportunity to negotiate with government.

**HON. L. DESJARDINS:** Well, Mr. Chairman, the private sector - because that's the tax from the government - could be an increase in something else; it could be an increase, for instance, in gas. We know how it works in the private sector. The private sector will have to

increase to cover, you know, instead of taxes - that's how they get it - and then the consumer ends up paying for it, we know that.

This is a service industry and the only place they can get it is through the government, that you can save whatever you can. You can take it from within as much as possible, but there has to be a limit somewhere. If you agree that it's part of that, you'd have to give them more money, definitely. There's no easy solution. Either you cut services or you increase taxes or increase the deficit or you, as I say, reduce the services; unless you've got some fat somewhere that you can save and we've tried that for a number of years now. It's not that easy.

**MR. CHAIRMAN:** The Member for Pembina.

**MR. D. ORCHARD:** Mr. Chairman, before we leave the Hospital lines, we'll talk about other aspects and other options. But, Mr. Chairman, right now, in terms of the Cancer Treatment Foundation, we have primarily the two treatment methods, chemotherapy and radiotherapy. Mr. Chairman, I don't have the numbers in front of me, but of something like - I'll give ballpark figures because I just simply don't have them in front of me right now - but probably 80 percent of the physicians there are specialists in chemotherapy versus radiotherapy.

**HON. L. DESJARDINS:** What percentage did you say?

**MR. D. ORCHARD:** Roughly 80 percent, but I may be out by 5 or 10 percent, but it's significantly skewed towards a provision of chemotherapy as a cancer treatment.

**HON. L. DESJARDINS:** At the present, yes.

**MR. CHAIRMAN:** The Member for Pembina.

**MR. D. ORCHARD:** Yes. Now I don't know whether that is right or wrong, or needs to be examined or should be looked at, but there are patients who are scheduled for radiotherapy that are coming in from rural Manitoba.

I talked to my colleague, the Member for Virden, just today, and he's got several people from his area that are coming in for radiotherapy treatments, and one individual, I understand it, if I recall correctly from what he said, has to be in for treatments five days a week. This individual is finding that the equipment is not always up. The equipment appears to have not been renewed over the last number of years, and because it ages like the CAT scan at the Health Sciences Centre, it's sometimes up, sometimes down, sometimes reliable, sometimes not.

Now, Mr. Minister, what I would like to know is whether there has been an effort to renew the radiotherapy equipment in the centre so that we have a reasonable radiotherapy program there, or has the emphasis been primarily on the chemotherapy program?

**HON. L. DESJARDINS:** Yes, the new high-energy radiotherapy treatment unit and the replacement of an older form of unit for the Manitoba Cancer Treatment

and Research Foundation, this equipment was approved in the Estimates process based on epidemiological evidence of need . . .

**MR. D. ORCHARD:** Last year?

**HON. L. DESJARDINS:** . . . for an increase - no, this year - in the number of cancer patients who would benefit from radiotherapy.

At this time, the location of the new high-energy unit has not been decided. A committee, appointed by myself, will be concerting the two sites. At one time it was supposed to be at St. Boniface. We discussed that with a certain place; we're not too sure if that's the right place. So we're considering two sites; that is, the St. Boniface General Hospital or the M.R. McCharles unit at the Manitoba Cancer Treatment and Research Foundation, and recommending the most appropriate location respective of both efficiency and effectiveness.

Now based on sound evidence, not only are the number of reported cancer cases increasing, but also the number of cases that could benefit from radiotherapy treatments. The government has approved the purchase of the new high-energy treatment unit and the replacement of our lower energy unit at the Cancer Foundation. The total cost of this equipment and the associated construction required is approximately \$3.7 million and operating costs for the new equipment will be \$218,000 annually.

This program expansion will assist the needs of cancer patients in Manitoba to ensure the most up-to-date and efficient, effective care available to those who require it. I think that there's been concern between the two - my friend is absolutely right - between chemotherapy and radiotherapy; it depends who you speak to and we've had some discussions.

**MR. D. ORCHARD:** Well, you see, that's exactly what we have been hearing. It's sort of like trying to corner mercury on the top of a table - you know it will squirt out here and there - and you can't really get a handle on whether there is a legitimate problem, whether there is a perceived problem, etc., etc. But the numbers that were given to me, and I'm sorry I don't have them, but there was a significant skewing of the medical expertise to chemotherapy versus radiotherapy. I'm not an expert in the treatment of cancer, by any means, but I do know that radiotherapy has a very significant role to play in treatment.

**HON. L. DESJARDINS:** The trend seems to be going the other way now.

**MR. D. ORCHARD:** To chemotherapy.

**HON. L. DESJARDINS:** They've probably exhausted the same people who had the concern. It was brought to our attention and . . .

**MR. D. ORCHARD:** Yes. They will be; that's good.

Now, Mr. Chairman, on the issue of cancer treatment, the Minister might recall, last year at Estimates time, I took a neighbour who had cancer to Toronto for some treatments. There are a couple of things I want to first of all point out to just in the operation of the hospital.

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He was at the Health Sciences Centre and I went down to visit him a couple of days where the only thing he was in for was CAT scan and he was rescheduled on several occasions for the CAT scan. It just seemed to me to be, well, it was a hell of a thing to put him through, because he sat there waiting, looking at four walls and out the window, No. 1; but he was occupying a bed for that time that that CAT scan was down and I think that if there is an area that hospitals in general have to really take a look at, it's in the diagnostic equipment.

I'll use the example of the Mayo Clinic which probably is the other end of the spectrum. Apparently you go down there, and if you're scheduled ahead of time so they know you're coming, it's bang, bang, bang, bang, and the tests are done. There is no waiting around. At the end of the day, you know exactly what maybe is going to be done, etc., etc.

Now part of the problem was the fact that the CAT scan was old and not as mechanically reliable, if that's the way to put it, etc., etc., and that's a move that's being made to resolve that in terms of the installation of new CAT scans. But I found that to be an unacceptable situation from the two standpoints: first of all, the patient is sitting there, waiting in anticipation; and, secondly, the cost had to be fairly substantial simply to have that person occupying a bed when they didn't have to be there. But that's not the issue that I really want to talk about; that's an aside.

I took the fellow down to Toronto and he was using the services of a specialist down there, a doctor who was in the Toronto General Hospital, but he had set up a free-standing clinic in downtown Toronto. I had quite a long afternoon's discussion with this physician because his approach to cancer treatment was extremely unique.

In non-medical terms, I'll just give you the background of it. It involved his belief that cancer was - okay, maybe I should start from square one. This individual, this physician, did not like to have cancer patients come to him after having chemotherapy, post-chemotherapy or even full radiotherapy, and his argument on both of those treatments is that it is not as selective in terms of getting at the cancer treatments and therefore you do harm to neighbouring healthy tissue. And I don't think that's wrong; I believe that happens with chemotherapy. People lose their hair. They go through some pretty stressful times when they're under chemotherapy; the same thing with radiotherapy.

His approach was that cancer is a rapidly growing cell structure in your body. Its primary food source is sugar. Now, I didn't know that; I still don't know whether that's right or wrong, but that was the indication that his research had done. What this individual had done, and he was in contact with a number of specialists who are treating cancer in the United States and across Canada - one across Canada, I believe, and several in the United States, from Texas to the eastern seaboard. These physicians were all working on the same sort of concept of cancer treatment, that being that, first of all, if the cancer cell relies on sugar as its food source to grow and expand, you block the uptake of sugar. So there were experimentally licensed drugs - I have to call them drugs because I don't know what else they would be - that his patients would take which would prevent the uptake of sugar, No. 1.

And then they would apply to the malignant areas ultra heat through a directing heat pad. His idea was that, first of all, by blocking off the food source, namely, sugar, that you put the cancer cell in a weakened position but normal healthy cells in your body had the ability to take in starch and convert it to sugar or any other number of food processes within healthy cells. So this chemical which blocks sugar did not affect any healthy cells, only cancer cells. Then in a weakened position, the application of the ultra heat really knocked the cancer cells out and he used about, I believe, if my memory serves me correct, a 10 percent dose of chemotherapy as well, which also went under the low rates and attacked the cancer cells as well.

To me, I was fascinated when I talked to this man, and my neighbour talked to a number of patients who were at this clinic, some of whom had liver cancer, were diagnosed terminal five years ago and were leading normal lives. They were under the full impression that they were cured. Now, liver cancer simply isn't normally curable.

The concept is fascinating, so I broached the question to him: why is it that you are doing this on your own? Why are you not in on the Cancer Research Foundation? This physician was originally from Winnipeg and he almost didn't like to answer the question, but the basic assumption came down to that there is an extremely powerful lobby in the health care field which is dedicated towards primarily chemotherapy in terms of treatment of cancer. That's driven by the research firms developing the chemicals used in chemotherapy. He believes that there may not be room, because of that, for some original and somewhat different approach to treatment of cancer in terms of acquiring public monies for research, etc., etc.

Now I haven't taken the time and I can't tell you whether that's right or wrong. I suppose your staff could investigate whether we're doing any unique approach to cancer treatment in some of our Cancer Research Foundation funding in Manitoba. But this whole concept seemed to me to be something that we, as responsible legislators, should be asking for more information on, because as I say, unfortunately my neighbour was not one of the lucky ones, but he talked to a number of people there who were extremely fortunate in receiving, and in this fellow, by the very nature of being a sort of a treatment centre of last resort, received the very worst of patients. Many of them had surpassed anybody's expectation, including their own as patients, of surviving. I think there was something there to it.

I simply use this opportunity to explain it because, No. 1, I don't have an opportunity. You can't do that in question period; you can't do it in any other opportunity. When I got the figures just recently in terms of the emphasis of chemotherapy in our own treatment centre, it again rang the bells of some of the things he was saying.

So I use that as an example for you to maybe take under some consideration and maybe you might want to make some inquiries. I tell you, Mr. Minister, it would be almost worth your while to talk to this individual, this physician, in Toronto because he was a very refreshing individual to talk to in terms of treatment of cancer.

**HON. L. DESJARDINS:** Well, Mr. Chairman, I thank the honourable member for those comments. I'd read

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something about this; I'd never heard of this doctor. I'd read something not that long ago, and of course there have been some concerns as some people hesitated and got in touch with me, some of them without giving names originally, to express their concern re the problem that we might have had in Winnipeg here re chemotherapy versus radio for treatment. This is something that I would like to talk to my honourable friend and get the name of that doctor, and certainly it could be worth following. It seems unbelievable that the people will not do everything in such a thing as cancer but, nevertheless, we should look at it to make sure.

We brought somebody in to talk to us about that other thing, about the radiotherapy vis-a-vis chemotherapy and in health. It was somebody who used to be in Winnipeg before who has now left, who has kind of retired, and he had that concern. That's why we set up that committee and so on, but this is certainly worth following. I'd read something in general, not in as good detail as you gave it to us.

**MR. CHAIRMAN:** The Member for River East.

**MRS. B. MITCHELSON:** Thank you, Mr. Chairman.

Just while we're still on radiotherapy and chemotherapy, I wonder if the Minister could indicate, I know we're acquiring or purchasing this new machine for radiotherapy. Is there any provision made for funds being set aside? Like, what's the life of this machine first of all?

**HON. L. DESJARDINS:** Which one, the new one that . . . .

**MRS. B. MITCHELSON:** The new machine for radiotherapy. I can't remember the name.

**HON. L. DESJARDINS:** Eight to ten years old, eight to ten years.

**MRS. B. MITCHELSON:** Eight to ten years before it would need replacement, the normal life.

**HON. L. DESJARDINS:** Is that the new high-energy radiotherapy treatment unit? Replacement of that, I'm told, is eight to ten years, but then that doesn't mean you have to replace the whole machine.

**MRS. B. MITCHELSON:** It might need some updating or some maintenance work of some kind. I understand there are a lot of other machines in the radiotherapy department. That isn't the only machine that's used exclusively for radiotherapy. There are other machines that are becoming very quickly outdated, need maintenance or need changing in fact.

I'm wondering if there's any money that's set aside.

**HON. L. DESJARDINS:** Were you absent for a while? Were you here all . . . .

**MRS. B. MITCHELSON:** I was here all the time, yeah. But I didn't hear it, maybe I just wasn't listening.

**HON. L. DESJARDINS:** Well, I made the announcement that the total costs that we had approved for these

facilities for radiotherapy treatment were \$3.7 million. That's why I didn't know if you had heard that.

**MRS. B. MITCHELSON:** For that one machine?

**HON. L. DESJARDINS:** Well, it's a new high-energy radiotherapy treatment unit, and an older form of unit that has to be replaced at the Manitoba Cancer Treatment and Research Foundation.

**MRS. B. MITCHELSON:** Well, is in fact then that the only radiotherapy machine that is in existence and is being used in the department? No, there are others and there are some then that are outdated. That's the point that I'm trying to make, some that need repair on an ongoing basis, that break down as a result of being old, being outdated.

**HON. L. DESJARDINS:** Well that's one that we're looking at replacing.

**MRS. B. MITCHELSON:** Yes, I understand that is one, but I'm sure there are more that could be replaced.

What I'm wanting to know is: Is there any money set aside or put into a fund? We know that, eight or ten years down the road, these machines are going to be outdated, are going to need replacement. Do you make any provisions in the department at this time to set aside some funds so that, when a new machine does have to be purchased . . . .

**HON. L. DESJARDINS:** There is a fund, I think it's about \$9 million at this stage, per year.

**MRS. B. MITCHELSON:** Per year, that's sort of set aside to - okay, that's what I was trying to . . . .

**HON. L. DESJARDINS:** Although that was reduced, I think, in a number of years, and then we're building it back up now.

**MRS. B. MITCHELSON:** That's what I was wanting to know.

I just want to go on for a few minutes again back to some questions that I asked in the House, I believe it was last week, the beginning of last week, about the St. Boniface Hospital and the cutbacks in the number of maternity cases that are going to be serviced at St. Boniface Hospital.

I believe that, well from an article in the Free Press, there were 4,338 deliveries last year at St. Boniface Hospital. I guess the Commission had agreed to fund 4,000 cases, and they were going to pick up the excess or the deficit from those excessive cases, but they're talking about cutting back to about 3,500 deliveries now at St. Boniface Hospital.

**HON. L. DESJARDINS:** 4,000.

**MRS. B. MITCHELSON:** They're cutting back to 4,000 from the 4,338?

**HON. L. DESJARDINS:** From about 4,300, yes.

**MRS. B. MITCHELSON:** I know there's a lot of concern out in the community, and I believe a lot of the MLAs,

myself included, are receiving letters from their constituents who have so chosen to go to obstetricians who practise at the St. Boniface Hospital and do indeed deliver babies at St. Boniface Hospital. There's some great concern and a lot of pregnant women are being put under a lot of stress and strain as a result of being told that there may, in fact, not be space at St. Boniface Hospital for them when their delivery time comes. They go through the preparation and, if they're going to have natural childbirth, they visit the hospital. They see the facilities and they become familiar, so that it's the least stressful situation when their delivery time comes.

There is a lot of concern out in the community that they are not going to be able to go to St. Boniface Hospital where provisions are made for high-risk situations. Those who are so-called low risk will be sent over to Victoria or Misericordia Hospital as a result.

**HON. L. DESJARDINS:** Well that's the concern. If you remember, and the members of your party criticized me as well when we closed Seven Oaks and Concordia on that. What I said at the time is exactly what happened. The people wanted to make sure. They talked to their doctors, and more and more the mothers wanted to go where there was at-risk, just in case. They weren't busy enough in those other areas. Now, the Health Review Committee are telling us, well, don't close any more.

There's no need that all of them should go there. That makes sense that the at-risk will go to St. Boniface and Health Sciences Centre, and I think Victoria told us that they could do another 300 or 400. That's what we're saying. On one hand, people are saying, why did you close Seven Oaks.

It might be that some people eventually would want all the deliveries. I know that was the other extreme. I think the Salvation Army Hospital in Halifax - is it? - and in Victoria or Vancouver are doing practically all of them. At one time, there were - what? - 6,000-7,000. So now we're looking at the whole thing, but it's no use keeping some of those places to keep them busy if they can do it. They can do just as well those who are not at risk.

The thing is people want the best and they're concerned and what if something happens - exactly what we said when we were told: why aren't you keeping Concordia and Seven Oaks Hospitals opened? So that's what we're discussing with them now and trying to arrive at something.

Then again, we talked awhile ago about the medical profession not agreeing on everything, and they don't on this. They've had for years and years while I was at the Commission yet, they had the Peddle Report. You must have heard of the Peddle Report, and that became highly political with the profession itself. The specialists were saying, all right, let's get an at-risk area, and let's all do it at the same place, and other doctors would say, no, that's not needed.

Then there was the division between the rural and city, the specialists and the family medicine and then the city and the rural area, so it's not that easy. The last report of the Review Committee is saying, no, leave some of those other hospitals open. It has to be feasible, and that's what we're doing now and we're working with St. Boniface Hospital. I think that we're not always

too happy with the way this was done, and there has to be some discussion and not scare the public either.

**MRS. B. MITCHELSON:** Mr. Chairman, I understand where the Minister is coming from, and I know there was some criticism when Concordia and Seven Oaks were closed. The rationalization that the Minister gave at that time was that the hospitals were small and the services weren't adequate and they weren't busy enough, whatever happened . . .

**HON. L. DESJARDINS:** No, no, let me correct you. I never said the service was inadequate. The service was good, but the public was demanding like they're doing now. Like now, you're saying, why can't we go to the St. Boniface Hospital? I'm saying, go to those smaller hospitals if you're not at risk. The people were doing that and, at a place like Seven Oaks Hospital, they had about - what? If I remember right - that's a few years ago - 35 staff for less than one delivery a day, point-something a day. That's what I'm saying, there are the two sides. But we're working with St. Boniface Hospital to relieve that concern that the public might have.

Also, the other point that was mentioned about admitting privileges to the - no, that was your colleague who asked me the question. Now, we're not going to have all the doctors with admitting privileges in all hospitals, obviously not. But in a case like this, we'll have to make arrangements; there'll have to be arrangements made.

**MRS. B. MITCHELSON:** Well, Mr. Chairman, I still have some concerns with this. I believe, at the time that Concordia and Seven Oaks were closed, a deal that was struck with St. Boniface Hospital was that the labour floor would be expanded to take care of the overflow from the hospitals, from the beds that were closed. In fact, indications are that the numbers of deliveries at St. Boniface Hospital are going up, so there is genuinely a need for some spaces.

**HON. L. DESJARDINS:** Mr. Chairman, even before we closed that, we were working on a program with St. Boniface Hospital and the Health Sciences Centre to expand because of exactly what you're talking about today, because of the demand, and that's what I said at the time.

Now they said, with that change, it will be very easy to allow for - with the change we are doing at this time, we will be able to take over from what Seven Oaks are doing, and they did, and Concordia, between the two. In Victoria, they tell you that they could go three, so what do we do? We have a choice. If we just specialize in that like some are advocating, then we would have to close those other hospitals also. There's no point in keeping the hospitals that aren't busy, especially if there's more and more demand and if there's a tendency for the prospective mothers to want to go, just in case it's a difficult case.

Then in other areas, some people are telling us to bring in the midwifery and have more of the births in the homes and so on, so still it's not cut and dry. There's a lot of expert advice here that does not agree, so we are looking at the whole thing.

**MRS. B. MITCHELSON:** I have some difficulty with deciding who's a low-risk and who's a high-risk

candidate when nobody really knows for sure until that mother is delivering whether that baby is going to be at risk or there are going to be some complications as a result of that delivery, where the baby might need some intensive care as a result of a very difficult delivery with some complications.

I'm wondering who's going to have to accept the responsibility, should someone come in to St. Boniface Hospital in early labour and is considered low risk and sent over to another hospital, a hospital not of her choice, as a result of the policy at the hospital saying that they've had to decrease the numbers and there just is no room available and they've got to be sent over to another hospital.

**HON. L. DESJARDINS:** They're not decreasing in the numbers. The facilities that they have, they can handle 4,000 safely and, after that, it becomes dangerous. Now if that statement that you made is correct - and it might be - it is also correct, you don't have to wait till somebody decides to go to St. Boniface and they're low risk and then there's a change. Even those, if that could happen, and it does in certain cases, a certain percentage, but if that's the case then, if we're responsible for that, then we're also responsible for keeping those smaller hospitals without the high risk open, and then we should close them. We should have only the Health Sciences Centre or St. Boniface or whatever do all the cases. So that is something that is considered.

Now on the other hand, what will the people in the rural areas tell us? Do you think the doctors will buy that, and what will the area in Victoria and those hospitals? Our Health Research Review Committee tells us that no, we shouldn't close any more at this time. As I said, some people are advocating there should be more births in the home with a midwife and so on, so these are all different things that we have to look at. We have to take into consideration the concern that you're saying, and I doubt if people who are transferred would not find a place either at the Health Sciences Centre. And that's why they want certain people to go to other hospitals who are not in danger so they can take the at-risk because that was the first intent. So we're looking at that. We'll look at it again, but it's not an easy solution. They're all would-be experts who give us this different advice.

**MRS. B. MITCHELSON:** Well, Mr. Chairman, the Minister says we have to look at all different situations and we have to look at people who choose to have their babies at home with a midwife, they choose to go to their local rural hospital, they choose to go to their local community hospital, the smaller hospitals. That's all fine and well, if they should so choose. But if we have the right to choose and a pregnant mother should so choose to go to St. Boniface Hospital, for whatever reason, because it is her choice to choose her doctor and her hospital, and she is sent to another hospital that doesn't have provision for high-risk cases and something happens to her as a result or something happens to her baby as a result - and maybe we haven't come across a death as a result. I'm sure we've had some complications and I'm sure some of them could be substantiated.

But I'm telling the Minister that somebody is going to have to be held responsible for the loss or the damage of a mother or a child as a result of them being told that they have to go to a hospital not of their own choosing, or they are told to go somewhere where they did not choose to have their baby. Somebody is going to have to accept that responsibility, and there are going to be some legal implications at some point in time down the road as a result of these decisions.

I think the Minister is really going to have to think seriously and work very closely with St. Boniface Hospital, because there are people out there who have this as a genuine concern, and I can understand their concerns.

**HON. L. DESJARDINS:** First of all, the honourable member is wrong when she says there's only the responsibility if the people don't get to go where they choose. If we're giving them a choice of something that's dangerous, we're just as responsible. If it's not good in a certain case, even because those people chose that, but that's what we have to find out.

I don't know why you're shaking your head. You're saying that if they go to the St. Boniface hospital and the St. Boniface Hospital says to you, you're not an at-risk case and we need the beds for at-risk cases at this time, so therefore go to this hospital, you'll be well taken care of and if something develops, then we're responsible. But if a person goes directly to the Victoria Hospital and then something develops there, well it's okay because they chose to go there. I say it's not okay. Either we've got to give the proper service and I'm saying, are you advocating at this time that we close those other beds and build more beds at St. Boniface Hospital and the Health Sciences Centre? That's what I want to know. Are you suggesting that we should have every single bed for delivery ready for high risk? What are you going to do in the rural area?

**MRS. B. MITCHELSON:** Mr. Chairman, I'm not advocating anything. The Minister is trying to put words in my mouth really.

**HON. L. DESJARDINS:** You've been trying a hell of a long time to make me responsible for something that I'm not.

**MRS. B. MITCHELSON:** But if I should so choose or just let me say that I lived out near Concordia Hospital, I so chose to go to an obstetrician who practised at the Health Sciences Centre and I so chose to have my baby at Health Sciences Centre for my own reasons, okay, I didn't want to go to an obstetrician or a general practitioner from Concordia Hospital because I wanted to be in a hospital where there was some provision for high risk. I chose that and that was my personal choice.

There are people who do choose to go and they know full well what's available at the rural hospital or at their local community hospital and they choose to do that. We are not held responsible as a result of that. If you choose to go somewhere where there is more service available and you are told by government, because of government policy or because of government cutbacks, that you cannot go to that

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hospital and something should happen, then I say that you are solely responsible.

One of the letters, and I'll just quote from a letter, someone with a concern about the policy that's supposedly going to be implemented at St. Boniface Hospital. It says, "We are taxed into the poor house, which the government tells us is necessary to cover the rising costs of health care and then we are denied the very service we have paid for so dearly." How can I sum it up any better than that?

**HON. L. DESJARDINS:** You can sum it up by being responsible. First of all, when you're talking about cuts, you're all wet because there is no such a thing as a cut. I'm telling you now, that if we would do that on every area, if we're doing that in every area, then what would you do when those beds are full? You would have to make darn sure that there are enough beds that that they would never be full and that would be very good planning, and that would really reduce the cost and that would help us give good service. The thing is that there are so many beds. At times this is not required as far as the doctors are concerned and, first of all, it is not a policy of the government. It is a hospital who are saying they've done that for years. Certain beds are full, they'll tell you and you can't get in. It's the same thing here.

Now the point is, I've told you as openly as I could about the different advice that we're getting, the different concerns that we're having and we've increased that and the same people, your mates, were criticizing me a few years ago because I closed some of these hospitals. Now you want to go all the other way. I'm saying that we're looking at that. We're looking at the possibility. You can shake your head all you want, but if you've got a hospital that has the facilities, we're not going to build more beds at St. Boniface for that and keep 300 or 400 beds at the hospital not filled, not used at all, just so people have the choice. There is a limit in what you give.

**MRS. B. MITCHELSON:** Mr. Chairman, I'm sure the Minister and I can argue this all evening, but I just will make my point.

When Concordia Hospital and Seven Oaks Hospital were closed, there was a need for more maternity beds obviously somewhere else within the city and the commitment wasn't fulfilled to increase the labour floor at the St. Boniface Hospital to deal with that overload. Now we're running into the problems and the Minister can tell me that there are no cuts, but when he says they're only going to do 4,000 deliveries next year or they're only going to fund 4,000, and there were 4,300-and-some done, to me that's a cutback. It is a cutback in services and I'm sure that we haven't heard the end of it and I'm sure there'll be a lot more people out in Winnipeg that are going to write to their MLAs and to continue to put pressure on this government to look very seriously at providing the funding for St. Boniface Hospital so that those people who should so choose to go there or so choose to have an obstetrician who practises at St. Boniface Hospital will have that choice available to them.

**HON. L. DESJARDINS:** Well, there's no use arguing forever.

**MR. CHAIRMAN:** The Member for Kildonan.

**MR. M. DOLIN:** I'd like to follow up a little bit on the questions from the Member for River East.

At the moment, what hospitals are obstetrical patients being sent to where they are not high risk in coming out of St. Boniface?

**HON. L. DESJARDINS:** Sorry.

**MR. M. DOLIN:** What hospitals are non-high-risk patients, overload from St. Boniface . . .

**HON. L. DESJARDINS:** Misericordia was cut down, in their case they could do more, Victoria and Grace.

**MR. M. DOLIN:** Not Misericordia?

**HON. L. DESJARDINS:** Yes, Misericordia. They've all cut down because they are not as busy. The point I was saying, it's not that we had to cut down. We never expected to do more. We couldn't handle more than 4,000 safely and the point is that more and more people now, either through their doctors or whatever, even those that are not at the high risk are saying I want to go to the hospital. If we're going to have to increase, you can only do so many, no matter what hospital, unless you change the whole system and then we would have to close those other hospitals. Some people are telling us the opposite. So, St. Boniface Hospital, if there is somebody who is not at risk because they have a responsibility, they're high risk are saying, here, you'll be well-treated in this hospital. They've got the facilities. You go there. Of course, if they are at risk, then they would be moved the same as has happened in the past.

**MR. M. DOLIN:** I'm geographically looking at the hospitals that are available to non-high-risk delivering mothers. It seems Misericordia is in the centre between Victoria, Grace, St. Boniface and Health Sciences and they are all centred and that Concordia is doing some referrals. The Minister, correct me if I'm wrong, but is Concordia doing non-high-risk deliveries now?

**HON. L. DESJARDINS:** No, Concordia is not. Concordia and Seven Oaks were closed.

**MR. M. DOLIN:** Then my question is, in the City of Winnipeg the northern-most hospital doing any kind of delivery is Health Sciences, in the city? North of Health Sciences, dealing with the population, comprising at least half the population of Winnipeg on both sides of the river, there are no hospitals for non-high-risk deliveries, now that Concordia and Seven Oaks are closed? Is that not correct?

**HON. L. DESJARDINS:** That is correct, but that is not as big a factor as . . .

**MR. M. DOLIN:** Okay. Could I suggest to the Minister, perhaps consideration be given, at least in the short term. I see you're well aware of what I'm about to say. Perhaps the Misericordia, which is about 10 blocks away from both Health Sciences and St. Boniface is not the appropriate place to allow people access for

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non-high-risk deliveries; perhaps, even on a limited basis, to reopen some obstetrical beds in Concordia and Seven Oaks could be a reasonable consideration to allow lower risk for the people in those areas.

**HON. L. DESJARDINS:** Now I got it both ways.

**MR. M. DOLIN:** You can't have it both ways. All I'm suggesting is . . .

**HON. L. DESJARDINS:** I know what you're suggesting.

**MR. M. DOLIN:** . . . will the Minister reconsider? I'm not asking for a decision at this point. I'm serious in my request is the fact that geographical location is of relevance . . .

**HON. L. DESJARDINS:** But that's not going to . . .

**MR. M. DOLIN:** . . . low risk into high risk.

**HON. L. DESJARDINS:** That's not going to meet the concern.

**MR. M. DOLIN:** . . . whether or not it is not possible to reconsider perhaps Misericordia no longer doing deliveries, but some of those deliveries being done at Concordia or Seven Oaks?

**HON. L. DESJARDINS:** The problem is that apparently you need more and more - what we had said at the time - of the prospective mothers want to go, just in case, they want to make sure, either they talked to their doctor or somebody, into a hospital where they can look after their needs if they become an at-risk. So, therefore, just changing them around won't mean anything, especially if you're talking about the cases that aren't at risk, it's not the location.

First of all, it depends on where the doctor practises, so there were a lot of people who went to Seven Oaks from the other end of town, and there were some people who went to Concordia from the other end of town. In fact, the recommendation was that if there is going to be a third one, for this it might be that the answer to that mostly, and I would hope the member is listening, because this might be . . .

**MR. M. DOLIN:** This member's listening.

**HON. L. DESJARDINS:** No, but the other one is not. We're looking at the concerns that you say and what could happen. I'm certainly not announcing policy at this time is that there would be a third one, not that you can keep on forever at building more and more beds, unless that's all you're going to do in that hospital. But the point is that it could be a third one, in case of problems such as that, that would be equipped and do the at-risk, the high risk, and that was suggested. If that's the case, it should be around the centre of town, somewhere around Misericordia. As I say, I'm not announcing any government policy; I'm saying another option that might happen. That's what the specialists will tell you.

**MR. M. DOLIN:** Just as a final comment on this issue, could I suggest to the Minister that perhaps because

Seven Oaks is a newer hospital, it was equipped for obstetrics - we now have ophthalmology in the middle of an obstetrics room that could be full of babies with everything set up - that perhaps instead of considering an older hospital which needs revamping for the comfort and safety of the mothers, that if the Minister is considering a third hospital? Perhaps Seven Oaks would be more appropriate.

**HON. L. DESJARDINS:** Can I say that we'll consider all the options?

**MR. M. DOLIN:** Good, I'm glad to hear that.

**MR. CHAIRMAN:** The Member for Pembina.

**MR. D. ORCHARD:** Just on this topic, Mr. Chairman, as I pointed out to the Minister earlier before supper, he skilfully sometimes tries to avoid the issue. The issue on obstetrics at St. Boniface is the closing of obstetrics at the Concordia and Seven Oaks and the repercussion of that three-year-old decision. Part of the decision then was to, I believe, expand the obstetric facility at St. Boniface.

Now you've got a circumstance where you've got instances where your admission policy may well deny access to a mother and her physician at St. Boniface, because there's no room in the inn, if you will. It is not a problem that has just happened; it is part of the fallout of closing of those . . .

**HON. L. DESJARDINS:** Not at all.

**MR. D. ORCHARD:** Well, the Minister says not at all. But you're going to have an awful tough time convincing anybody from the Member for Kildonan's constituency; and the Member for River East; the Member for Rossmere's constituency, where Concordia and Seven Oaks Hospitals respectively are closer and don't have obstetric wards, that that isn't a fallout of that decision. By having a restrictive admission policy at St. Boniface because the facility is crowded can indeed put some expectant mothers, whose physician doesn't have admitting privileges at Misericordia or Victoria or another hospital, in the position where the mother is going to a hospital without her physician that's been with her for some time. Well, Mr. Chairman, the Minister shakes his head, but that's the nuts and bolts of the problem.

**HON. L. DESJARDINS:** All right, let's go back again and look at this situation. When we closed Concordia and Seven Oaks, the statement was made that it was so important to stay in the area. Now, one of the main reasons why that was done was because more and more people were requesting to go where they had the facilities for the high-risk delivery. Before we even made a decision to close Concordia and Seven Oaks, we were in the process of dealing with the Health Sciences Centre in St. Boniface to increase the facilities.

When we closed that, the last year was 250 and 173, it was about 400 between those two hospitals, and we went from 3,000 to 4,000 at St. Boniface, so that's an increase. We increased at the Health Sciences Centre also. Now, the Grace, Misericordia and the Victoria had



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facilities and they went down, even if we closed those hospitals.

So the point is it's not the beds, the beds for the at-risk, that's the idea. That's what the people want which we had said at the time, so my friend is absolutely wrong when he's saying that we're playing games and we try to blame - that's exactly what happened.

Now the situation is we say we want more beds, we don't want these smaller hospitals, and that is being looked at and the review committee tells us that, no, we shouldn't close any more at this time. One of the recommendations by some, where it has also been, well, fine, you should have, in case something happens for the high risk, a third hospital as security, as a stand-by or something. That's what we are talking about at this time.

So it's not a question of beds. We've got a lot of beds, but everybody wants to go to the same place. They want to go where they have the at-risk program, and St. Boniface Hospital is saying, all right, we were supposed to work with 4,000 and we're getting more than that, so we've got to start saying to people, who are not at risk, go to the smaller hospitals. Then, of course, definitely there has to be - that's why I was shaking my head - arrangements made to make sure that the doctors in cases like that will have to devise some way with the hospital to make sure that they have admitting privileges in those other hospitals.

So the point is the options that we have is we go all for specialty and when the member was out for a few minutes, we talked about the Peddle Report, which made that recommendation, and there was an uproar and a battle with the medical profession, because those rural doctors wanted no part of that at all, and the problem is still there. It's not that cut and easy and it's not a question of beds or beds closed; it is that everybody wants to go to the same kind of beds now, it seems.

**MR. CHAIRMAN:** The Member for Brandon West.

**MR. J. McCRAE:** Mr. Chairman, on a different subject.

I'd like to cast the memory of the Minister back to the fall of 1985. At that time, the Manitoba Health Organizations was negotiating with the International Union of Operating Engineers, on behalf of eight facilities. At that time, the province was considering a report calling for a restructuring of the Manitoba Health Organizations to give the government a more active role in labour negotiations.

Can the Minister tell me what report that was, and if it's been made available to the Legislature, and what the government's position is on what role it should be taking in labour negotiations?

**HON. L. DESJARDINS:** There was a report called the Johnson Report. It was made by the former Deputy Minister of Health. That was made available and it has been made available - it's a number of years ago. It talked about some changes with the MHO. We have discussed with the MHO some of those recommendations that we go along with. There's been some discussion with the MHO and something should be announced fairly soon. I don't envision vary major change, we're not doing away with the MHO or anything like that.

**MR. J. McCRAE:** Mr. Chairman, would the Minister agree that the mandate of the MHO is still then to negotiate on behalf of its participating facilities or on behalf of its policy advisory committee and not on behalf of the government?

**HON. L. DESJARDINS:** That was never the mandate of the MHO as such. The MHO receives that mandate from the hospitals only, the MHO is not a body that is set up to negotiate as such. That's part of the service that they offered to their member's hospital. But if the hospitals say no, we want to do our own negotiating or we want somebody else, that's the way it happens. This is not something that belongs to MHO.

There has been some concern from the labour with MHO, that's been an ongoing battle.

**MR. J. McCRAE:** Mr. Chairman, in cases where the MHO isn't doing the negotiating, does the government step in and get involved with labour negotiations between those facilities not represented by MHO?

**HON. L. DESJARDINS:** If they're not represented by MHO they're represented by the hospital. A hospital will, each institution in negotiating will set up their bargaining group and it could be the MHO or it could be people from their staff or whatever. The government will, dealing with the doctors or anything like that; we don't deal directly with them but then the government will say, that's the maximum that is available at this time. Nobody can just disregard that, they have to get the funds somewhere to pay. The government has to be involved in that case because they, you know, somebody's got to put the money in. It all comes from the taxpayer through the government.

**MR. J. McCRAE:** The Minister is talking about putting a ceiling on how much is available to a specific facility.

The case I'm referring to, Mr. Chairman, refers to a Memorandum of Agreement between the Manitoba Health Organizations and the International Union of Operating Engineers, negotiating on behalf of eight facilities. This has resulted in a collective agreement that runs from January 1 of '85 to December 31 of '87. At the time of those negotiations for that agreement, Mr. Sigurdson, who was then Chairman of the Manitoba Health Organizations said that he was instructed by two government officials to offer the union in that case, \$200,000, not to be passed on to the employees but directly to the union to be used for an education fund. The Memorandum of Agreement, Mr. Chairman, says that the employers agreed to contribute a one-time only total amount of \$200,000 to the union on a pro rata basis and proportionate to union membership at each facility.

This is not, Mr. Chairman, a case of the government putting a cap on what could be negotiated. This was in the summer of 1985 and the term used at that time is that we were on an election window or something of that nature. An election was coming along that fall; \$200,000 is directed to be offered to a union, according to this newspaper article to bring a strike to an end. I'm wondering what the Minister's position is on that now in view of my earlier question, is the government taking a more active role in labor negotiations?

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Mr. Sigurdson at that time had said that this was an interference in negotiations. We've certainly been hearing a lot from the Minister of Labour recently about interference in labour matters. Here we have the Government of the Day in 1985, instructing the MHO to offer a labour union \$200,000.00. Two days after the government offered the \$200,000 payment a collective agreement was reached.

I wonder if the Minister has any comments.

**HON. L. DESJARDINS:** Yes, I do.

I can tell you this, that the situation is, first of all that agreement that you're talking about came to less than what was offered by the MHO. The situation is this, that government has to deal, has to have a policy on wages in certain areas. They've tried at times to cut down on actual increase and gone down with other services, for instance, such as the service that might have been done. I can tell, without any hesitation, and you can check with Sigurdson and anybody else that you want, that I've never instructed MHO or anybody else to do anything at all.

What has been provided through the Commission, they've been saying this is what the government is ready to do. We are signing agreements with MGEA and different groups. We've tried to have a certain policy that you don't jump all over the place. That has been passed on. That was a concern; how do you let the MHO know if they are negotiating for management let's say, and what is available. That's what we've done in the past. At the request of MHO, because there was a concern and MHO said, well we'd like to have talks with you on that, listen to what we have to do and we have to have talks with you. This is what has happened.

I don't think that you can make the comparison about interfering on something that is in front of a labor board or something as during a collective bargaining. You say this is what the government is ready to do, because we have policies to look at a lot of employees that work for the government. Of course, all the money comes to the government, every single penny - well, the taxpayers of course, but through the government. Therefore the government has to approve and as they say this is all you get they also say we're ready to do that and they try to bring as uniform a policy as much as possible. I don't apologize for that at all.

**MR. J. McCRAE:** Is the Minister suggesting that Mr. Sigurdson was being untruthful when he said as reported in the Winnipeg Free Press, that he was directed, their negotiating team, MHO's negotiating team was directed by two government officials to offer the union \$200,000 even though that education fund which was to be financed by the \$200,000 was not even on the bargaining table in the labour negotiations. Was Mr. Sigurdson being untruthful in making that allegation?

**HON. L. DESJARDINS:** If he said that I gave him the instruction, he certainly was, you can check with him. The point is that from time to time the government has offered the MMA, for instance special allowance for shoring up different areas that they were lower. That was done through government. That was accepted and we have made the same offer to be consistent with

some of the agreements that we've had to make with the many employees of government. Either MGEA or in the department of Education and so on. We've tried to have policy on employment that would not jump from one to the other, without any guidance at all.

**MR. J. McCRAE:** Mr. Chairman, Mr. George Smith, the business manager for the Operating Engineers certainly at that time said that he bargained away his 2 percent increase on behalf of the employees in the first year of the contract for the education fund.

The point is that the \$200,000 didn't go to any workers, Mr. Chairman, it went to the union. This is sort of in line with some of the things that we've been saying recently that the government seems to be in lock step with the union in this situation in lining the union pockets to the tune of \$200,000 worth.

**HON. L. DESJARDINS:** It's the same thing when we go to the MMA. The MMA's a union.

**MR. J. McCRAE:** The workers don't get it is the point, Mr. Chairman. The union does, \$200,000.00.

Now, Mr. Chairman, another clause in this Memorandum of Agreement is that the Training and Education Fund shall be audited by the Provincial Government on an annual basis for the life of this collective agreement. Two years of that collective agreement have gone by, Mr. Chairman, so there should be two audits. Have they been made available to the Legislature?

**HON. L. DESJARDINS:** I wouldn't have that. I guess the Minister of Labour would have that. Do we have that?

Apparently we've requested an audit from their auditor that I didn't know about.

**MR. J. McCRAE:** Would the Minister make those audits available to either myself or the Honourable Member for Pembina?

**HON. L. DESJARDINS:** That, to me, should be public knowledge, as far as I'm concerned when I get it.

**MR. J. McCRAE:** It is public money, Mr. Chairman, and I should think . . .

**HON. L. DESJARDINS:** It's a one-time cost though.

**MR. J. McCRAE:** A one-time \$200,000 fund set up for a union, and I must insist, Mr. Chairman . . .

**HON. L. DESJARDINS:** Not for a union, for the members of the union to do exactly what is proposed for a specific purpose.

**MR. J. McCRAE:** That's why I think the audits will be interesting for the Member for Pembina or myself to receive, and I trust the Honourable Minister will make those available to us shortly.

**HON. L. DESJARDINS:** Fair enough, we can do that.

**MR. J. McCRAE:** Thanks, Mr. Chairman.

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**MR. CHAIRMAN:** Committee rise.

**HON. L. DESJARDINS:** No, we agreed to go on.

**MR. CHAIRMAN:** You want to go? I'm sorry, I didn't realize that you agreed.

**HON. L. DESJARDINS:** Another hour or so.

**MR. CHAIRMAN:** Sorry, you should inform the chairman what you agreed to.

**HON. L. DESJARDINS:** We did.

**MR. CHAIRMAN:** The committee will sit down again. The Member for Pembina.

**MR. D. ORCHARD:** Mr. Chairman, I want to bounce a concept off the Minister, and I will confess that I've got to put a little more meat on the skeleton or the concept.

**HON. L. DESJARDINS:** Not on me, I've got enough.

**MRS. B. MITCHELSON:** Well, he didn't call you a skeleton.

**HON. L. DESJARDINS:** It's about the only thing you didn't call me.

**MR. D. ORCHARD:** Mr. Chairman, when we go through the latest Annual Report of the Health Services Commission, it gives 1985-86 net MHSC payments to various hospital facilities throughout the province. I've done some calculations on them, but there are a few questions that I'd like to ask first off. Can you tell me what the occupancy rate is in various hospitals? Do you have that readily available?

I can give you some specifics that I'd like to make the comparison with, because I'm familiar with two of these hospitals, Carman and Winkler Bethel; and then because, when I was in Ste. Rose, there was substantial discussion on the Dauphin Hospital, so Dauphin; and then let's perchance take, okay, HSC as one and Misericordia as another, just as two of the Winnipeg hospitals. Would it be possible to determine the occupancy rate in those facilities?

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

**HON. L. DESJARDINS:** We'll see if we've got something here. If not, we'll get it.

**MR. D. ORCHARD:** It's not essential that I have the occupancy rate, although . . .

**HON. L. DESJARDINS:** Have you got this, '85-86?

**MR. D. ORCHARD:** No. Is it one of the packages that was there today, because I haven't had a chance to look at that?

**HON. L. DESJARDINS:** I didn't even know. It must have been when we were here.

Do you want any special one, or do you want . . .

**MR. D. ORCHARD:** Yes, like I've got three hospitals - Carman. What would be the occupancy rate there?

**HON. L. DESJARDINS:** Where is Carman?

**MR. D. ORCHARD:** It's in the 16-30 bed one.

**HON. L. DESJARDINS:** 63.1 percent for the 30 beds, eh?

**MR. D. ORCHARD:** Yes, 30 beds. Now let's go to Winkler Bethel. That's the last one on the 31-60 bed group. It's a 57-bed facility.

**HON. L. DESJARDINS:** It's 58.7 percent.

**MR. D. ORCHARD:** Okay, 59, call it then. How about Dauphin?

**HON. L. DESJARDINS:** Dauphin - wait a minute.

**MR. D. ORCHARD:** It's one of those ones like Morden where it's got acute . . .

**HON. L. DESJARDINS:** They're in construction.

**MR. D. ORCHARD:** Maybe it's included under acute care.

**HON. L. DESJARDINS:** 81.9, 82 percent.

**MR. D. ORCHARD:** Okay, let's call it 82 percent. And Dauphin might not be a good one, so we'll leave it at any rate. And then how about Health Sciences Centre, Misericordia as two Winnipeg facilities, or two over 125-bed facilities?

**HON. L. DESJARDINS:** Misericordia, 84.6 percent; Health Sciences Centre, 79 percent.

**MR. D. ORCHARD:** The reason I use Winkler and Carman as examples is that Carman's got a new hospital. You were there for the opening of it.

**HON. L. DESJARDINS:** We were there for the opening.

**MR. D. ORCHARD:** Yes, I had you invited.

**HON. L. DESJARDINS:** Wasn't I nice to you?

**MR. D. ORCHARD:** Well, you were publicly civil, but you weren't privately very nice to me.

**HON. L. DESJARDINS:** Holy God!

**MR. D. ORCHARD:** That's not quite correct. The Minister's always very civil to me, both private and public.

But, Mr. Chairman, in terms of Carman, there's a good medical team there, and they're doing some pretty substantive operations there - I don't know the terminology for it - but the bowel operation, where they end up with the - colostomy. They do those, and they've got the stapler instead of sutures and that sort of thing. Winkler's also got a good surgical team, got one very

excellent surgeon down there. Dauphin has turned into sort of a referral centre. A lot of people from Ste. Rose go up there, and I haven't toured the hospital, but I'm pretty sure that's a pretty fair facility.

In broad general terms, we've got Carman operating - and I'm using '85-'86 MHSC payments. You've got them operating on a cost per bed - and of course this is not a good figure because of your occupancy rate - but it's \$68,000, on the basis of operating one of the 30 beds per year. You've got Winkler at \$57,585, got Dauphin at \$74,779.00. Then you move into Health Sciences Centre as one of the teaching hospitals, you've got \$162,000 per bed. Misericordia is the lowest actually of the Winnipeg hospitals at \$87,000 per year per bed. Something like Brandon is \$93,000; Concordia, \$93,000; Victoria, \$98,000; Seven Oaks, very high at \$147,000.00.

But you're looking for ways of containing costs in the hospital system. It has been proposed to me by rural physicians, I will admit primarily. And you'll recall the other day, when we were debating, where there is that, once you get outside the Perimeter, everybody thinks that Winnipeg is trying toglom onto all the services, etc.

The proposition has been made to me, Mr. Minister, that in a lot of our rural facilities - and Winkler and Carman could be the examples I'll use at home, because I'm most familiar with both of those - have surgeons, have facilities, have the ability to do quite a diversity of surgery.

I talked to a fellow the other night who had the hip replacement done at Winkler, which is getting to be pretty complex surgery. Now the argument has been that through the College of Surgeons and Physicians and possibly through the MMA, you end up with restrictive procedures or restrictive practices being put on a number of the hospitals. In other words, you can't do certain operations in the Carmans and in the Winklers and in the Dauphins as examples. Often they have a physician, a surgeon, who is qualified to do it, but there is some other reason. It may be good, or it may be justified.

But you've got hospitals that are running at 63 percent capacity, so they could do more procedures. You've certainly got the cost per day considerably lower than the Health Sciences Centre, or than any other of the hospitals in Winnipeg, significantly lower per day.

I make to you a proposition of should you not be studying within your department the ability to offer a more diversity of services in some of our rural hospitals that are equipped with the physician manpower to do it? Because the proposition has been made to me that if you just allow some of the - if it's allowed, not you - I'm using the wrong terminology - because you don't have as much control over it possibly as what the College of Surgeons and Physicians may have, but if more procedures were done in the Dauphins, the Winklers, the Carmans, you can lower your costs, because the cost per day is lower in those facilities, and save yourself what appears to be a bundle of money.

Secondly, you provide a reason to expand your skilled physician or specialist base in rural Manitoba, because you offer them the ability to carry that out in other than a Winnipeg hospital scene.

Thirdly, you've got the advantage, certainly for rural Manitobans who many rural Manitobans come to Winnipeg for elective surgery all the time, or surgical

procedures all the time, if you do more of them at a hospital closer to home, providing they want to do them there, that is, because they may choose to go to a specialist in Winnipeg, which you can't really control; but I say the opportunity should be there to diversify the delivery of medical services throughout rural Manitoba. I'm not so sure that we're not running into a created institutional block to doing that, rather than a medically viable reason for not doing it in the Winklers, the Carmans, the Dauphins, etc.

As I say, I've got to do more investigation on this, but on the surface, it would appear as if there could be some fairly substantial dollars saved, because those Dauphin Hospitals, Winkler Bethel Hospitals, Carman Hospitals appear to be able to operate at a lower cost when you're attempting to really tailor the budget.

**MR. CHAIRMAN:** Mr. Minister.

**HON. L. DESJARDINS:** Well, in effect, when I read the five-year capital program, if you remember - and you spotted it immediately - we talked about some areas. We were looking at this, and that's exactly what we want to look at. We've talked before of regional facilities. It's been in name, but what have we done? You're talking about regional, those would be the ones up north, Flin Flon, Thompson. I have a list here. We talked Morden, Winkler, Selkirk, Dauphin, Steinbach, Portage, Swan River and those kinds of hospitals. Certainly, that should be a different level and we should do as much as possible, not something else but something instead of doing it in the city. Why bring them all the way?

Now, it used to work well. I'll tell you a good example in Flin Flon. It used to work well when all the doctors were together. Then there was a disagreement and they divided, the doctors, because you can send your patients where you want. We're sending them all the way, by-passing the doctors who had been partners of theirs before, who were well qualified to provide the service. They were sending them to the Health Sciences Centre. I think we've got to get the right to stop that. We've discussed that, and that's been in front of the medical profession at one time.

Now if we do that, I want to make sure that we don't just invent something to keep that place like some of the areas, more surgery and so on that might not be needed - but I'm sure that's not what you're talking about, I think - instead of having it here to lower the cost. But if you do that, you will also have to look at the - you see, we're talking about the regional bases. Then there would be the district, which would be a little larger. Well this is what I had. Maybe you don't agree with this, this was done fast.

Besides the northern hospitals for the regional, we were talking about Morden, Winkler, Selkirk, Dauphin, Steinbach, Portage and Swan River. Then the district hospitals, we had Arborg, Ashern and Baldur, Beausejour, Birtle, Carberry, Carman, Crystal City, Deloraine, Eriksdale, Gladstone, Glenboro. Is that the kind of hospital you're talking about?

Then the community hospitals - but you have to look at the community hospitals. It could be that we could close the acute care beds and have a smaller community where it's viable of having some personal care homes for the area and maybe one or two or three multipurpose

beds that could be used in an emergency and so on, but count on those other hospitals. We can't duplicate these hospitals all over the place. We could keep probably the staff and that by using the personal care home as we'll need them, and kind of a clinic, community clinic type. I think we could do that with the support of their area. We'd very much like to look into that, exactly what you stated.

**MR. D. ORCHARD:** I am pleased to hear that, and I probably will be discussing this more with the Minister. I don't know whether it's real or whether it's simply perceived, because sometimes you can get that way when you start talking to . . .

**HON. L. DESJARDINS:** Well, the problem is to keep the doctors. They used to say in the area, well you know, the spouse of this doctor doesn't want to work in the rural area, and that is certainly one of the reasons. But we're told - and that makes it more complicated - that it's not that any more. First of all, they want to work for the group. They don't want to work together 24 hours a day, those days are gone.

But then, they are so used today and we're looking at - that's another thing we'll have to look at - with the university, look at what they're teaching in those medical colleges or medical schools. Now, it seems that if they are not near a CAT scan and everything possible, they can't operate. They haven't got all the specialists and, therefore, that's why it's so hard to find somebody who will go into the rural area.

Now we might be able to have some kind of a compromise. That would be more of this equipment that will get in those hospitals if we can do that work. That could be providing you don't just duplicate here again and just put more and more of those things. That, we'd have to be very careful.

**MR. D. ORCHARD:** Like, I'm not talking about the CAT scans in a rural hospital setting.

**HON. L. DESJARDINS:** No, I'm saying that's the doctors. That's why they find it hard to go in the rural areas.

**MR. D. ORCHARD:** Right. Look, I think, given the experience that you see in terms of malpractice suits, etc., etc., I don't think I can necessarily blame the physicians for wanting to have those kinds of assurances against or as much assurance against a malpractice suit as you can possibly get. It's a fact of our society nowadays, you know, sue the bastards. That's always the bottom line. I mean, sue everybody.

Now, Mr. Chairman, the concept that I basically want to get into and have gotten into, and the Minister appears to be, the department appears to be looking at, is not creating a new service out of an existing hospital but rather, as you say, transposing from the Winnipeg centres to the rural areas where it's safe and where the physician expertise is there. Because I simply tell you that I know from experience that the physician team in Carman, it's a very small hospital when you take a look at bed numbers, etc., but they do very good work. I say that without any equivocation and the same thing applies to Winkler.

**HON. L. DESJARDINS:** But it's not even transferring at first. The first phase is keep some of the things there instead of bring the patient to Winnipeg and then after that it could be that you could transfer some people.

**MR. D. ORCHARD:** That's right. So if that is a direction that's being looked at, it seems to me that you've got dollars that can be saved there.

**HON. L. DESJARDINS:** We can talk to you about that.

**MR. D. ORCHARD:** Now, okay, let's get off that and let's talk for a few minutes about the proposal that's before the Minister in terms of meeting budget by some of the major hospitals, wherein there are the proposals for a number of bed cutbacks. In Health Sciences Centre, etc., etc., I don't know whether I've got them, it doesn't matter, we've gone through the numbers in the House in question period. The Minister knows what I'm talking about.

Now, can I ask the Minister some general questions in terms of what government policy will be in the event of approving hospital bed cutbacks? In Brandon there's an outright closure of, what? 20, 31 beds. Thirty-one beds right now, as an example, because they seem to be on the leading edge of the new cost containment process of closing beds, but there are 31 beds closed and then they're closing an additional 48 for a four-month period over the summer. That was the proposal.

Now, Mr. Chairman, the policy last year at this time was no staff layoffs as a method of budget cost containment. Now, is that policy still in place? Will there be no staff layoffs?

**HON. L. DESJARDINS:** As of this time, yes, until everything is approved but the situation is this, that we call the hospitals in, and we said, all right, you've got a deficit, and I remember we had the figure in front of us, that sheet in front of us, and we've agreed, \$13 million, there was another 10, we said, all right. We picked up this \$13 million over a deficit. Then we said the other one, all right, we want you to come in, we left it up to them, we didn't give any directive at all. We said you've got to stay within your budget and you've got to cut down and we'll do it together in an orderly way, we'll do it two years. All right. And that is the funds that we will have to move in the community health care.

So we're waiting, we haven't seen that. All the lists that you gave, that's them, that for a reason they've gone to the news media or somebody, I don't know and I don't really care. The point is that they aren't going to submit this to the Commission, and I think that most of them must be in by now. Now that will be reviewed and they'll be reviewed with us also. We will have to see first of all what it will do, what it will do to the hospitals, the service of the patients.

For instance, the question that was asked today by your partner, on mental health -(Interjection)- aren't you a partner? - the possibility of making sure that these people have some service instead of just saying, well, you're out of the hospital. That's the first thing to do. And if we're not ready, it will be our fault. We'll have to work and it's not going to be done that easy. We've got to try many things. We've got to try some

of these community clinics that will, maybe with nurse practitioners and nurses delivering the primary care, and those kinds of services, maybe with some physiotherapists in there and some of those kinds of services in those clinics. We're not interested in building clinics that will just duplicate or offer another service; we can't afford that. It is one or the other. It is not both so that is one of the things we are looking at.

We are also going to look at staff and we're going to, first of all, look within the hospital what kind of a change they can do, what kind of re-educating they can do. If need be, we will look at attrition, first of all, and then we will look at some of these people, work with the unions. In the past there have been different unions and they said, no, you can't, if you're going to hire somebody there, it's our union. In fact it might be the same union but a different local, and they might say, okay, you've got to hire somebody else. Well, we won't go for that. We definitely, in other words, if somebody that's off the hospitals, they would have the first chance. We're not going to fire somebody and then start getting more people. The union will have to work with us on that.

Now, we've set up a committee of these people who work, so when that comes in, let's say Brandon or any hospital, we look at the situation. We'll also look at them when they say, well, give us the money to buy - I still have trouble with that word - the lithotrite, whatever, anyway, the stone crusher, that kind of thing. They used to come with us in the past, they used to come to us and say, hey, we can save money because we don't have to have this person in the hospital for more than maybe an afternoon or a day instead of a few days, waiting for all the tests, have the operation, and then it's harder on the patient and costs a fortune. So we won't need as many beds. We used to say, that's a great idea. We give them the equipment to get the people out of bed, but they'd hurry and put somebody else in the bed. And it kept on, kept on, so now we're saying, all right, you had the beds to do that, if you're going to get this money to do it, then you won't need those beds.

So we're not going to cut beds actually, but the only way that we're going change this by getting all this equipment and say, okay, you said you don't need this bed - because the beds will always be filled as fast as they can do so - so we're looking at that situation. That's what I said when I said we're going to do it in an orderly way and in a way that we don't take the service away from the public, so that's what we're going to do. In the meantime, of course, that policy of people being moved around will have to be changed when it's approved.

**MR. D. ORCHARD:** Okay. Mr. Chairman, the question is rather straightforward, and I don't want to get into the debate of the bed cuts or any of that sort of thing, but if you are reducing the size of your plant, in Brandon's instance, it's something like a 9 percent reduction in the available bed count, at the 31 that have been closed permanently, the simple question is, that given - and I believe we discussed that earlier before supper - that 70 percent of your costs in the hospital is staffing costs. If you were hoping to achieve budget savings by closing of beds, it naturally will follow that you have to lift your moratorium on layoffs.

**HON. L. DESJARDINS:** Absolutely. It's ridiculous to think that you can achieve it by keeping all the staff there and then closing beds. What the hell is it going to do?

**MR. D. ORCHARD:** That's right. Now, my question is will this staffing, the reduction in staffing, with bed cuts be equally applied, i.e., nursing staff, support staff, even administration, because let's bear in mind that the administration of hospitals are saying, well, we've got this idea of saving money and it involves closing down certain beds. If the beds are closed, there shouldn't be the need for as much administration, and I am asking the question: If there's a 10 percent bed cut, will the 10 percent staff reduction, if that is the applicable figure, apply universally throughout all categories of staff?

**HON. L. DESJARDINS:** Well, the principle, yes. Now to say that it's going to be . . . it might be very difficult and impossible to live with, say a percentage of everything. You might have one cook; you're not going to say you want a one-armed cook or something like that. It might be that some administration that you still need more - that's the point they already make. But the principle, yes. That's one of the reasons why we want to see the programs with them before we accept, before they can announce.

But you're right, we've got to eventually cut staff. We want to move that staff as much as possible, first with attrition and so on, and then transferring out of there - on some it's going to be tough. Exactly the point you're making, it's going to be tough. What do we do with people, cleaning staff, but we still have to address that. Those people could be in the community, work in the community; that's where we'll take our staff if at all possible, to work in a community.

**MR. D. ORCHARD:** Mr. Chairman, you've got two prongs, basically, that I see that you're going to have to investigate: (a) if bed cuts are a legitimate way of moving, then naturally staff isn't required in as many numbers; and (b) as I've said for almost three years now, that Manitoba and Medicare has identified our salary costs, in general, in our hospitals are significantly higher now than the Canadian national average. So there's two prongs to that.

Secondly, Mr. Chairman, and I guess this is maybe as important as anything: Are bed cuts the only option to cost containment in the hospitals? I say this, Mr. Chairman, not knowing the answer, but I have to question, as I have throughout your departmental Estimates, whether indeed you know, through your internal audit capacity, that the facilities are expending money in the most efficient way.

It was of interest to read an article on the front page of the Toronto Globe and Mail, just last week, wherein they indicated that our hospital system, our Medicare system, has got problems because the wrong economic signals have always been given to administrators of hospitals, that in the past they have had a budget to follow, but under the insured service system if the budget happened to go over, they could always go back to the funder and achieve a covering of the deficit. That has historically happened through all administrations since Medicare has come in.

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So the incentive was to spend rather than to contain cost because any administrator that had a \$1 million budget and came in at 950,000 of expenditures, that was his new base line. There was no incentive for him to ever encourage not spending the entire budget, because the next year he'd be penalized, efficiency, in effect, has been penalized. That's the same thing that applies in the education system, the school boards, the universities, etc., etc. I believe that we have given the wrong signals.

**MR. CHAIRMAN:** I think you meant "efficiency," didn't you; not "deficiency"?

**MR. D. ORCHARD:** Pardon?

**MR. CHAIRMAN:** You meant "efficiency," not "deficiency."

**MR. D. ORCHARD:** I don't know. I'll have to read Hansard. I'll correct it if it's wrong.

But, Mr. Chairman, the point I'm making is that before we embark on a potential series of bed cuts in the hospital system, I think it's pretty well incumbent on us to be able to answer the question: Are our hospitals and our health care institutions efficiently run?

Now I use the example - I've done some reading, in terms of the American system. I'll make this point and it'll be sort of the last I make on this area. But you take a look at the American system, and under the MHO's and some of the other medical service delivery plans, where some of these plans are dealing with a number of clients - equivalent to the population of Canada. I mean they're not little Mickey Mouse organizations; these people are providing, through the private insurance system, coverage to 20 million people, some of them.

Now when they have put some incentives in place, to make sure there's cost containment, you find hospitals which were being built just one after the other 10 years ago, 50 percent empty. Because they are finding better ways to utilize the hospital, etc., etc.

Now the point I'm going to make to the Minister is that we have got ourselves a system in the United States that has gone through this efficiency, the cost-squeeze if you will. We've got, no doubt, a number of management people down there, hospital management people, that have had to take a real hard look at how they operate their facilities for less dollars. We had Bud Sherman do a study on management of hospital facilities, and I believe the bottom line suggestion was that private sector management be investigated as a method of running our hospitals in the hopes of finding some cost containment, some cost saving methods.

Mr. Minister, I think maybe that is something you should be looking at right now, two things: First of all potentially, an administrator from a major American hospital has gone through some pretty sizeable changes, and have those people come up and take a look at a Health Sciences Centre or a St. Boniface or a Misericordia or any of the major hospitals we have, to see whether - and probably if he had access, if that individual, he or she had access, in a very quick way could probably identify some areas of obvious change that could save some dollars without jeopardizing health care.

So I make those two suggestions to you before you embark on what seems to be a relatively easy way to solve a budget problem, i.e. cut back beds. It might not be what you have to do.

**HON. L. DESJARDINS:** Mr. Chairman, first all obviously the only way to save is not by cutting beds. But I think it's just as obvious that the main way will be beds, because that's where the real cost is.

Now I want to make sure that we don't because we don't come back next year and say, hey, this hospital cost you more money than we did before and you've cut beds. I say that the hospital will cost us more than they are costing us now. Because they will be looking at tests and diagnoses and we've got to come back to that. That's a concern that we have. You will have people that are, instead of being there seven, eight days, and the last two or three days they are flirting with nurses or waiting for their trays or running around in the hall, I think you will have sick people. Then when these people go, they'll be replaced. There'll be people in those beds that are sick. So I want to make sure of that.

We're not saying that we're going to save from that hospital. The only way you're going to do it - if you compare from last year and say what have you achieved? The thing is that we are saving, first of all, by not building more beds, more acute care beds because we won't need them. But those hospitals will be quite busy. If we're lucky in some area and to prove that yes, we can close beds, and that's just the beds that aren't needed that we're talking about. Of course, we want to change the pattern. It's been . . . in the States and they've promoted it. You said yourself that the area where they've tried the HMO's and so on that it's cut down. It certainly has cut down.

The beds are certainly one. Then the question that we've got to prioritize and look at tests for instance. It might be that we will have to look to see if we can bring some legislation protecting the doctors up to a certain point. It's a real joke in the States that they're all going after them and it cost them more than they can make. They have to pay \$100,000 or more in insurance to start with. So what do they have to charge? That is certainly an area.

Now we would like to try, as an option, two clinics where we'd have capitation: one, an established clinic that's there now who have the service that we can work as a pilot project; and then kind of a co-op clinic that we would start also. What you would do in that area, we think that we can save there, from what we understand, up to 40 percent. I don't know if that's true. Now there's also a danger that you overdo it the other way. You keep everybody out of hospitals, because of that incentive that you are giving these people.

So in the States there's the competition, because if you're not getting the service, if you can get a better service somewhere else, you'll choose another place. But here, it's universal, so what are they going to do? So you'd have to bring an incentive for the patient also. You might say, the patients sign for this for awhile and you go along with this doctor - you have to go to those doctors though - but then you will have a dental plan, the same as if the unions might negotiate. So that is another area that you might save.

Then there's the area that we talked about, about the test and so on. We've talked about the private sector. The private sector has gone out, and hospitals with 50 beds in the United States have gone and got a CAT scan, and we're using that as an average and all that. I don't want that kind of average. That is certainly not needed, so they're pushing those high costs. Some of them would like to have some portable equipment, so we have to look at that also. We have to look at the possibility of that.

Now if we can get the staff redeployed, fine, and look at that. It might take a little while. Now the cost there, we could have - and I don't want to start. That could be an ideology battle and so on, on the staff, and our party is saying we're not going to do it on the backs of the workers. We want to pay them fair wages. It is true that there has to be a limit to what you do. It's the same thing with the medical profession.

There's a tendency, I would say, by your party to think that the medical profession could charge whatever they can, and cut down on the others. Maybe we exaggerate on the other side - I don't know - but that could be something that separates the two parties. In other words, we're going to get people at the cheapest possible salary and all that, and live at their expense because it is a service industry and because you don't see the profit coming in. I don't think we ever want to do that. We're ready to think that, all right, if it means taxes and that, society has to pay their people properly also. But there could be an abuse in there also, so that is something that we might disagree on.

Another place where we probably will disagree is on the question of privatizing. There are certain areas, fine, that we can go ahead, but privately owned hospitals, privately owned personal care homes, we've seen that and that doesn't work and that has been very costly. When you're talking about being efficient, it means doing it at less cost. I'm not going to take too much time on that because, no doubt, we're on opposite sides on that. But that's one of the concerns. We're ready to look at that, but privatization, I don't think there's much hope that we will ever buy that.

**MR. CHAIRMAN:** Before we go on any further, do we have an agreed time at which we want to stop?

**HON. L. DESJARDINS:** Fifteen minutes more.

**MR. D. ORCHARD:** Yes, okay. Mr. Chairman, I realize we can get into the ideological battle, and I don't intend to. My suggestion on management . . .

**HON. L. DESJARDINS:** On what?

**MR. D. ORCHARD:** . . . on management of the hospitals, I think that's a vast difference from privatizing hospitals because, as I point out to you, a number of U.S. facilities have gone through the very contraction within the hospital per se that we are presumably contemplating right now, and they've had the management experience of it. They have done it in face of (a) cost containment as imposed by the MHO's, and (b) the background of much more prevalent lawsuits and medical malpractice lawsuits.

Those administrators have faced both of those problems, one of which is not nearly as bad in Canada,

namely the lawsuits. The cost containment, I don't think any program you would implement would be as tough as what would be imposed on them by the MHO's. That's why I say that there may be very valuable lessons that these people, some of these management people can offer to you in Manitoba.

**HON. L. DESJARDINS:** That's just not one of the things that we're ready to accept as a policy yet. We have no problem and we've discussed with them and we've seen it. What I was referring to is out-and-out ownership of the facilities . . .

**MR. D. ORCHARD:** Nobody's talking about an ownership of a hospital outside of . . .

**HON. L. DESJARDINS:** I know, but you seem to think that I wasn't ready to look at that. I mentioned privatization as such, not management, which is something else.

**MR. D. ORCHARD:** Well my only suggestion was in the management aspect of it.

**HON. L. DESJARDINS:** But we're ready to look also at the people who are delivering it such as the doctors and so on, and we're looking at the different managements also or the different costs, the high cost of the teaching hospitals. Now the incentive, in a way, we're doing that now. We've started to do that. What I'm saying, if you want to buy equipment, all right. You save the money, you buy it. They couldn't do that before.

Now we're not giving them any money but say, save it. That's an incentive to save, and some of them are very happy with this suggestion. I would hope that I should have something to announce fairly soon, something more concrete. So I don't think that, in those areas, we're that far different. But when you're saying, is it only beds? It's not only beds, it's the incentive and the wages.

When we say there are too many doctors, it is not mostly - and the maldistribution also. It's not so much for the fees of the doctor, but it's the impact they have on the whole program with the tests and the beds and so on. So that is an area that we're working with them, but it's very difficult, because the people have been used to doing things for years and there's no give, unless what's in it for me. We think that the whole thing, we could lose the plan if we're not careful, and we all have to work together on that and we'll all profit.

**MR. CHAIRMAN:** The Honourable Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, I have a couple of questions I'd like to ask the Minister dealing with the Capital Program which was circulated today - it shouldn't take too long - a couple of areas of concern. I don't want the Minister to go off on a tangent with his comments that we want him to spend more money when he's short of money. We could get into a long debate on that, but I'd like some information that may be helpful. I know such communities as Wawanessa and Elkhorn and, when I go back through the Estimates or the document which was tabled today, raised some concerns.



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On page 2, it indicates that there be: "A review carried out of the role of all hospitals in the system and their interdependency, including the tertiary services in Winnipeg and Brandon, the rural and regional centres," such as Portage la Prairie, Steinbach, Dauphin, etc., the rural district centres and their role in assisting to relieve the pressure on the major hospitals, the future role of the community hospital in the smaller rural communities. "This will result in the deferral of several projects pending completion of a study now under way, these projects to include Benito, Elkhorn, Erickson, Manitoba, Vita and Wawanesa."

I know that, for example, Elkhorn, my colleague from Virden and I have discussed it and we've discussed it with the mayor. They've been waiting since 1980 for a 4-bed clinic and 20-bed personal care. I know that Wawanesa is waiting for work to be done and new facilities there.

But my questions are: Who will be carrying out the study which he's indicating in this report that he's having carried out? Will they be meeting with the communities, because I'm sure that each and every community would like to know where they stand? They're all on a waiting list and now he says he's got a study under way. Who's carrying out the study?

**HON. L. DESJARDINS:** That will be with staff who issue cards from the Commission, and working of course with the people in the area on the functional programs. We've been asked a few minutes ago to see if we can increase, for instance, the role of the regional centres and so on, maybe some of the things that are done in the city now. We want very much to try. We've talked - there's been lip service to regional centres and district centres and community hospitals. We want to move in that direction. We feel that there definitely could be more done in the regional centres and in some of the district centres. Some of the smaller areas, we might have to convert more and more to personal care homes where they're needed. So we're looking at the whole thing, because of the changing thing. We're looking at how these communities can work together in that area, and what is needed to serve the public and the facilities also.

As far as a waiting list, it's true that some people have worked very, very hard and they've wanted them. But that could be said of a lot of areas that we've never even considered, because nearly every district - that is, we're trying to reverse this business that everybody has to be in a bed, in an institution. That's not saying that there's no need. There's an aging population. We will have to look at that and it might well be - we've argued with Vita for three years, I think, and they're insisting on so many beds and so on which doesn't really make sense. We're looking at that area now.

These facilities are not cancelled. This is something that we're looking at the situation. We're looking at the possibility of having community clinics in these areas with a few multipurpose beds and mostly personal care beds. Many of those, if they were given the okay now, wouldn't be ready with their plans this year. That will work and, as soon as we have something to announce, we will do it. We won't stall on that.

**MR. J. DOWNEY:** Well, I think the important thing, Mr. Chairman, to the Minister, is that a lot of these people

in communities have been waiting, waiting, waiting. He's now going to carry out a study. He says it's an interdepartmental group of people. He's got a staff complement within the department to do this, or is he hiring an outside study group to carry this work out?

**HON. L. DESJARDINS:** No, it is the group with us with the policy. We're going and we might be, as we go along, hiring people to help us with the policy. Once the policy is worked out and so on, we have the people at the Commission who are constantly working on functional programs.

**MR. J. DOWNEY:** Mr. Chairman, representing the constituency of Arthur which Wawanesa is part of, who do I tell those people to contact? Who will be contacting that community who are expecting some work to be done.

**HON. L. DESJARDINS:** First of all, we will look at the overall policy, and then we will work with the people in the community. There's an awful lot of work and, providing that people keep an open mind, we're ready to work with some of the MLA's in that area if they want.

The point is, I'm not saying today and nobody can say today until this policy is looked at, fine because you've applied so many awhile back, we're going to promise all kinds of beds in personal care homes. We're looking at the best way to serve these people, to take care of these people, and then to provide the services and the facilities also.

**MR. J. DOWNEY:** A general comment, Mr. Chairman, in assessing the area which I represent, I think probably the emphasis now by community from what I can see is now on the need for more personal care facilities. The actual hospital bed care and that type of thing is for your more serious situations, move on to your larger centres. That is if Brandon, particularly in the Westman Region, has any beds left in it.

The point is that these communities have to be brought up-to-date and have to be kept fully part of the decision-making process. I realize that there's a shortfall of funds and they realize it too, but they can't be ignored. There has to be some meaningful, and I say meaningful, activity by the government to try and make those facilities available to them for the senior citizens and for the personal care beds.

I just want to add as well, Mr. Chairman, we go over to page 9 of the same document, and the staff and the Minister have to be aware as well that I've got communities such as the Hartney Hospital, and it falls with two other of my areas and this is the heading that they fall under. This comes under "possible construction start" or after "possible construction start of 1989-1990." This is the next heading. "In addition, the approval has been provided to carry out necessary preliminary studies to determine the role and scope of the following facilities."

I hope the Minister isn't saying that there's no longer the need for, say example, Melita Hospital and Personal Care; the Deloraine Hospital and Personal Care home; the Hartney Hospital. They've been wanting to convert their hospital to a personal care facility. They haven't

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had a lot of satisfaction, and I'm concerned about this whole heading when you've got the Morris Hospital, you've got McCreary Hospital; Treherne Hospital; Notre Dame Hospital; Swan Lake; Lions Manor in Winnipeg. There's a whole group of what I would consider pretty well-established and respected hospital facilities and personal care homes coming under this heading. They're doing studies to determine the role and scope of the following facilities.

**HON. L. DESJARDINS:** Well, that isn't changed at all. That page hasn't changed at all. This is what you call functional planning. We kept this, in other words, that they'd approached us once and so on. We're continuing looking at the functional program.

My friend wanted the answer, and he directed me how to answer. I will tell him that we have to look at the total cost, and I will tell him that I was told that we should decentralize in mental health beds. Maybe, we didn't have the will, because of my leader was from Selkirk, to move. I'm saying that we're going to look. It is a good step. We're talking now about personal care homes where everybody wanted a hospital, acute care beds. We realized that wasn't right.

But there's another step. We also want to look at programs in the community that we might not need all those beds. That's all we're saying. We're going to treat everybody fairly and we'll work with them. There's no way that everybody on the waiting list, that we're going to build personal care homes.

During the election - you like to talk about elections - I didn't go very many places. I went out a few miles here from the city. The first thing I know this fellow had a shopping list, and he wanted a personal care home. I was talking to people in a senior citizens home - (Interjection) -

**A MEMBER:** You promised him a personal care home if he'd run for you.

**HON. L. DESJARDINS:** No I didn't, no I didn't.

Exactly the opposite that I said. I said, well, why do you need a personal care home? Well we've got the property and we might not have later on, and you know the people are going to retire pretty soon. They'd want to make sure.

That's the concern that people have; and we say, well, what about the program? Oh, maybe we should have these programs. They didn't even know those programs were already there. They had a senior citizens home that had about 12 families in that area; that's all they had. They had some empty places. They needed a personal care home as they needed a hole in the head, but everybody wants that. What better security to the older people that you know that you're going to get board, room and everything for the rest of your life? That's not what we want, Manitobans to all end up in institutions. So we're looking at that, and we're going to start by, all right, looking at the type of beds and looking at the services also.

**MR. J. DOWNEY:** Mr. Chairman, just a concluding remark.

The community of Hartney has not given up and they realize that they cannot continue on with an acute care

hospital bed facility. They are quite prepared to have a conversion to a personal care facility; that's what they want. It fits into the whole program of decentralization. Don't make the one in Souris bigger. Don't make the one in some of these other communities bigger. Convert the small hospital to a personal care facility, lower cost, part of decentralization. The community wants it; the other outlying communities, that they are now a part of, support it. All I'm doing, again, is saying the people of Hartney have not given up on wanting to have a personal care facility.

**HON. L. DESJARDINS:** And we don't want them to give up.

**MR. J. DOWNEY:** Thank you very much, Mr. Minister. I would hope that it will be on next year's program so that we can see it announced.

**HON. L. DESJARDINS:** We want to work with them on a functional program the same as we did before, and that's a good first step, to get a way that everybody needs acute care beds. But the next step, go a little further, walk the last mile and look at programs that will keep you out of the institution. If after having done that, we still need the personal care home, we'll build it.

**MR. J. DOWNEY:** Mr. Chairman, a good first step, as far as the people of the Hartney community, would be to make the decision and to proceed with the conversion of their hospital from the acute care type bed system to personal care facilities and that would be a good step.

Thank you.

**HON. L. DESJARDINS:** Well, we'll look and every single MLA could say the same thing. Then some of them will say, hey, you've got a hell of a deficit; hey, your taxes. You don't like me to say that, but you've got to look at it.

**MR. CHAIRMAN:** Committee rise.

## SUPPLY - AGRICULTURE

**MR. CHAIRMAN, C. Santos:** The committee will please come to order.

We are now considering Item No. 5.(a)(1) Farm and Rural Development Division, Administration: Salaries; 5.(a)(2) Other Expenditures.

The Honourable Member for Virden.

**MR. G. FINDLAY:** Mr. Chairman, the Member for Ste. Rose asked some questions on Crown Lands at five o'clock. Are you going to answer them?

**MR. CHAIRMAN:** The Honourable Minister of Agriculture.

**HON. B. URUSKI:** Mr. Chairman, yes, I believe I've answered that question. There was an issue dealing more with land use than with agricultural Crown Lands policy. The honourable member I think - maybe it was more off the record than on the record - that we certainly

would, if someone has a specific request that they wish to make, have staff in the Land Use Committee look at the question as it relates to both Crown Lands and/or development and deals with the development plan of the area, if in fact there is one, whether it is a conflicting land use issue or not.

**MR. CHAIRMAN:** The Honourable Member for Ste. Rose.

**MR. G. CUMMINGS:** Mr. Chairman, I would like to know what the criteria Crown Lands is using for the basis of the appeals that come before them from time to time?

**HON. B. URUSKI:** Mr. Chairman, basically, the Crown Lands Advisory Committee would be using similar criteria in their appeals or an expansion of the criteria that would have originally allocated the land in the first place.

What I mean, Mr. Chairman, is that sometimes not all information is relayed to the Crown Lands Branch at the time an application is made. When people appeal a ruling that was an allocation made by Crown Lands, there have been a number of instances where all the information that is requested in the application form has not in fact been provided, for example, of their land holdings, of their lease holdings, private and public. The question of need then changes substantially and that would be generally the basis on which appeals are heard, any new and expanding information using the same basic criteria of need as the Crown Lands Branch uses.

**MR. G. CUMMINGS:** In the area of land holdings, does the Crown Lands look at total acres or do they look at the type of land that is being held; for example, a cow-calf operation that has a base, that has large arable land at base, but would like to continue to maintain or expand that cow-calf operation?

**HON. B. URUSKI:** Mr. Chairman, we calculate or use the entire land holdings in the calculations of carrying capacity and on cultivated acres. As I understand it, the department uses half the credit of animal units towards cultivated land.

**MR. G. CUMMINGS:** Are there any circumstances or extenuating circumstances whereby a farmer who owns a Crown lease and for financial reasons has to cut back or reorganize his operation, that that person can maintain that lease or is it automatically, if it's not used for a year or a short period of time - I forget what the criteria that Crown Lands uses at the present time - that would allow for an exemption to that regulation?

**HON. B. URUSKI:** Mr. Chairman, yes, there are occasions in which extensions are provided to the use of Crown land. For example, I would think if a farmer, who was farming and had a lease with Crown Lands, became ill and had to cut back on his herd and the new herd size would of course likely place him ineligible to hold whatever Crown land he might have because of other holdings, or it may have been just the total Crown land unit that he or she would have, those kinds

of circumstances might of course prompt complaints from neighbours indicating that they are not using it because the herd size has been cut down. A staff would investigate and ascertain the circumstances surrounding the situation and in fact would discuss with the farmer what the possibilities would be, what his intentions are.

In fact, if within reason, some plan of action or recovery is possible, if the farm unit is viable, then there may be an occasion where a year or two, and it could even be longer if progress is made, that the leases originally held would in fact be left with the original lessee.

I think generally, once the lease is granted, the department attempts to be fairly flexible in terms of giving the benefit of the doubt, generally, to the lessee in terms of the land use; but given certain circumstances, if certain projections are not met, then there are recommendations made to the branch director and ultimately to the Crown Lands Appeal Board as to whether or not those circumstances are met. If they are not met, usually there is a hearing, the farmer is called in to a hearing - I guess you could call it almost like a "show cause" hearing - as to why a lease should not be cancelled. If the appeal board is satisfied with the new information that's provided, an extension of time is again provided; and failing the terms that were given to the appeal board at the time of hearing, if that period of time goes by and the conditions are not met, then cancellation would ensue. But there's a fair bit of latitude given to the original lessee.

**MR. G. CUMMINGS:** Once a farmer has achieved a lease with Crown Lands and then continues to expand other portions of their operation, is there any point in time when Crown Lands will review or look at the operation again and say, today, because of the base that you have, you're no longer eligible to hold this Crown land? Is that a possibility?

**HON. B. URUSKI:** Mr. Chairman, there is within the regulations a maximum holding of, I think it's 4,800 animal unit months of carrying capacity that would of course necessitate a review and a hold on any additional Crown lands that any one individual could maintain.

**MR. G. CUMMINGS:** Does Crown Lands have a policy at the present time for public access to Crown lands, that allows public access to Crown land being fenced in with privately owned land, as many of these shares are, leads to a great many problems, as I'm sure the Minister is aware?

Has the department and Crown Lands given any consideration to reviewing and possibly revising this policy in the light of the concerns that have been raised?

**HON. B. URUSKI:** Mr. Chairman, I'm advised that that issue is, by the Crown Lands Classification Committee, presently under review as to what options there might be for a policy revision or a policy clarification on what should be provincial policy in those areas. There's no doubt that this issue - I think I and my colleague, the Member for Arthur, a number of years ago, debated this whole question of boundary lines and access and fence lines.

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There are many areas in the province where surveys have not been completed, and who owns or who leases what parcels of land, especially in areas where there are not vast amounts of Crown land that have been cleared, so that you'd be operating on natural meadows and fields. In those kinds of instances, there have been some pretty fierce debates. In fact, in one instance, we had parties claiming that one other party took the bales of hay that this party made and this party alleged that he hayed on this one's lease. So those kinds of instances do occur and they do lead to, quite frankly, some fierce debates. No doubt, I may not be aware of all of them, but they do come up from time to time.

**MR. G. CUMMINGS:** Mr. Chairman, I'm not sure if this falls under the expertise or the administration of the people that the Minister has here, but is there any requirement on the part of an owner of private property who has a road built through Crown land to private property, is there any requirement on the part of the - and because it's related to the Crown land leases is why I'm asking the question - is there any requirement of that person to maintain free and open access to that road after it reaches private property?

**HON. B. URUSKI:** Mr. Chairman, there is an issue that we have now where, in fact, Crown Lands Branch leased a parcel of land that, I guess, is divided or cut off by a parcel of privately held land. The private owner is, in fact, refusing access and long-time access - I gather, there's a trail through there for many years - to the new lessee. I guess the private owner felt that he should have been granted the lease and, as I understand it, the private land holder was, by virtue of other employment and other occupation, ineligible to hold Crown lands. He was a schoolteacher and, as I understand, that matter presently is headed for the courts in terms of the matter of not allowing the lessee the right of access to the Crown land.

Now if the honourable member is indicating whether or not Crown land, an access through a parcel of Crown land to enter private lands, whether there is any policy in place, generally speaking, if there has been an historic use of what can be only known as a trail of record, and if there is such a thing that there is no road allowance per se that is cleared, that would be a stipulation that Crown Lands would, in fact, knowing that, try and keep within the lease that access would be maintained. However, we have no ability to record the reverse on private land.

**MR. G. CUMMINGS:** Mr. Chairman, while the Minister is cognizant with what would appear to be a specific issue, while I have a specific issue, I am asking in general terms. The terms I am framing it in, is if the road runs through Crown land on to private land and terminates there, is there any reason that private landowner must keep that road free and clear to the general public? It would appear from my experience that there is some requirement in law or in regulation that would require that, and I'm having trouble understanding why that should be.

**HON. B. URUSKI:** Mr. Chairman, I must say I'm just a little bit confused. I'm not sure that I understand the

situation that my honourable friend is trying to portray for me. Possibly, if he could repeat that, maybe I can catch it.

**MR. G. CUMMINGS:** I'll try and be a little more articulate. The situation is that a road runs from Crown land to private land, terminating on private land. That private land also runs down to the edge of a lake. Now is the private landowner - and this is not beach-front property. This is ranch land, bush predominantly. Is there any requirement connected with Crown Lands that means that private landowner must maintain that open roadway or keep it open to the public?

**HON. B. URUSKI:** Mr. Chairman, my honourable friend is asking me for a legal opinion on this one. Well, if he wants my opinion, if the trail has been of long standing, I think there could be some understanding that access has been provided. However, as I have indicated earlier, Crown Lands, I don't believe, could not, as a part of their lease, stipulate, unless of course the lessee happened to be the one private owner who would be on that road. But if the lessee happens to be someone else, there would be no way of trying to put into the lease on Crown land against the private land a requirement that the private owner, who is other than the lessee, give the right of access. We would have a difficult time there.

**MR. G. CUMMINGS:** Mr. Chairman, obviously, there is some misunderstanding somewhere in the system, and I'll have to leave that question where it is, but I want to leave one comment on the record.

I would hope that the department and the Minister would give very serious consideration to the problems that are associated with the right of leaseholders to protect their property, particularly when that property is livestock that they are running on Crown leases. There have been numerous occurrences that have come to my attention and to other members on this side, and I'm certain that most of them have also come to the attention of the Minister, of where there have been difficulties, in some cases, situations involving firearms that could have been life-threatening or, if they weren't life threatening, certainly if tempers had flared much more, they would have been life threatening and a far worse situation. It seems that with the value of livestock today and with the private land and the public land being put together as a unit where people are trying to run these units without having to cross-fence, certainly the public is not aware, once they go across the gateways, of which is public and which is private, or very often they don't. It leads to a great many problems and misunderstandings out there.

I would encourage the Minister and the department to take very serious consideration of the problems that are involved there, and give some thought to the value and the effort that the leaseholders: (a) have on the property and the work they have put into the property. They consider, in many cases, that their work and their assets are being put at risk. It is running at odds with what appears to be the present policy of Crown Lands.

**HON. B. URUSKI:** Mr. Chairman, I'd like to advise my honourable friend that in the case of the dispute that

he was pointing out, the Crown and Crown lands would be treated by the courts as any other landholder. We would have no special rights or privileges bestowed on Crown lands that we could, in fact, dictate what might occur on private landholdings adjacent. There will be many instances where I would think that there are lands that are locked in by other lands, the reverse, by Crown on private or by private onto Crown. I've given the honourable member an instance that we're aware of, where private land is locking in Crown land, and the dispute, it appears to us, is headed for the courts.

So that kind of a situation will not be able to be resolved readily by an act or a regulation of the department, because you'd have the reverse argument. If the Crown started dictating what occurs on private land, can you imagine a number of you getting up in this House and saying, what are you doing to the private landholdings of this province? You are now, by de facto, taking over all the land. I mean, those are the kinds of shouts I would expect to hear from members opposite in this Chamber, Mr. Chairman. They would be the first to do that.

Mr. Chairman, the Crown has recognized and does recognize the value of the leaseholders' management on Crown land. When we instituted our new Crown Lands leasing policy several years ago, we recognized the contribution of Crown land lessees. Our lease rentals are based at no more than 75 percent of the administrative costs of operating the Crown Lands system. We do not make a profit on Crown land at all. We don't even come close to meeting the expenses. We recognize that 25 percent value, and that was discussed through a committee that was representative of rural municipalities, of farmers, of ranchers, a committee of some, I think, 13 or 17 people across this province who held meetings over a number of months.

In fact, the Member for Lac du Bonnet was the chairman of the Crown Lands Advisory Committee at the time and he headed up the task force before becoming an MLA, which made these recommendations on behalf of the farmers who were involved. The 25 percent is a recognition that the public does have a right of entry during hunting seasons and sightseeings. But the member is not quite up on the fact that there are readily available maps as to which lands are Crown and which lands are privately held. Now the question may come into being as to when you cross this fence, where are you, but generally speaking, with more and more road allowances being opened up, especially in Local Government Districts, that is becoming less and less of a problem.

But I will admit that if you went into - what I would call the Sleeve Lake area between Ashern and Fisher Branch - if you got into that area, you would have probably some difficulty in recognizing on which section of land you were. Whether there would be any private landholdings there, I'm not too certain, but generally speaking, you would have some difficulty in identifying which section of land you were on, I admit that.

**MR. CHAIRMAN:** The Member for Arthur.

**MR. J. DOWNEY:** Thank you, Mr. Chairman. Just a question dealing with policy, Mr. Chairman, to the Minister.

Have there been any changes in policy dealing with the sale of Crown lands to leaseholders; have there been any policy changes dealing with access to land which is occupied by farmers with livestock, who are concerned about either indiscriminate entry by hunters, or that type of thing, which in fact could put livestock at risk?

I know that there was a change in the law, an act, or regulation during our term of office, which I believe restricted or allowed the tenant to restrict entry when the land was occupied with livestock. Is that policy still in place, Mr. Chairman, or is there in fact a policy in that regard?

Because with the value of livestock that there is today, I know that there's a major concern for many communities that when they have the title, particularly when it's occupied by their livestock, they feel that they should have some control over the entry. I would like clarification on the policy and the sale. Are there any policy changes; are there any policy changes dealing with the allowing of entry of individuals when it's occupied with livestock?

**HON. B. URUSKI:** Mr. Chairman, not since we last debated this issue on Crown lands, there's been no policy changes dealing with the sale of Crown lands. The issue that the member speaks of dealing with the posting and the right of entry or access to Crown land was an issue - if I understand his statements correctly - was as a result of amendments passed to The Wildlife Act.

Neither his administration nor ours have passed those regulations that the members seems to recall were being discussed while he was Minister; neither his administration has passed them and neither has ours. We have left that an open question and we have used generally The Wildlife Act and the dangerous hunting provisions as the basis for prosecution and/or dealing with problems of dangerous and possibly of livestock being hurt. But that question of posting has never been dealt with.

**MR. J. DOWNEY:** My memory wasn't quite as clear as it should have been. I was aware that it had been dealt with, and, as I understand it, it was our administration that passed the act which provided for the introduction of regulations, which would give the farmer who had the lease . . .

Mr. Chairman, my question to the Minister is: What is he waiting for? Why is he not proceeding to give the farmer that has a lease on the property the right to protect his investment on that property? You know, he laughs. I don't say that they should be kept out 12 months of the year. I'm saying when it is in the best interests of the tenant, who has his or her livestock on that Crown land, they should have the right to prohibit entry to protect those livestock in a reasonable manner. I don't see who could argue with that in our society.

He's paying for the use of the land; he's paying for the harvesting of the grass by his livestock. Why would the Minister not proceed to pass regulations that would protect that individual's investment? He's giving him the land to rent; he wants to encourage livestock production. My question is: What is he waiting for? Why won't he pass the regulations allowing that person

to protect his investment in livestock on that Crown land?

I don't care, he can come back and say all he likes that we didn't proceed . . . If I remember correctly, we probably lost the election and didn't have the opportunity to move, but I know that we passed the legislation that he indicated would allow the regulations. Why is he not proceeding? Does he have something against farmers who are producing livestock, protecting their investment on Crown land? I'm not saying totally stop hunting, totally stop the outside from going in; but, in a reasonable way, allow the farmers to protect their investment by the posting or that kind of means when their livestock are on pasture. Is he intending to move on it and, if not, why not; and if he is, when will he move on it?

**HON. B. URUSKI:** Mr. Chairman, we have moved on that issue in terms of recognition of the question of leaseholders' management and leaseholders' improvements in terms of the management of Crown lands by our lease rental policy, whereby we acknowledge that society in general, whether it's bird watching, whether it's hunting, does gain a benefit from the Crown lands and we have adjusted our leasing policy in that way by, as I've indicated earlier, providing for a rental policy which acknowledges that 25 percent of the rental in terms of administrative costs should be borne by society in general.

Seventy-five percent of administrative costs of Crown land is the rental policy. We do not make any money on Crown land rentals. The question of the posting and the timing of posting, Mr. Chairman, has been debated long and hard and will continue to be debated. Likely, we haven't moved for the very same reasons that his administration wasn't prepared -(Interjection)- Well, Mr. Chairman, that act was passed, I believe, and I will check the records, over a year before they were out of office, Mr. Chairman. If they were so inclined on moving very quickly on that issue, they know that there are two sides to that argument from the community.

Mr. Chairman, the best policy, I believe, is the policy of respect - the policy of respect of the leaseholders' rights by people asking for permission to cross that Crown land. There are always a small minority who in fact abuse those rights and cause the problems for the vast majority of people who gain access to Crown lands.

So, Mr. Chairman, that is an issue that I'm not sure how quickly we will deal with, but our rental policy reflects that duality or multi-disciplinary use of Crown lands and it's reflected in the amounts that farmers pay in it. We've recognized their contribution and we recognize it in how much they pay for Crown lands.

**MR. CHAIRMAN:** The Member for Virden.

**MR. G. FINDLAY:** In the granting of Crown lands, how many appeals are heard on an annual basis?

**HON. B. URUSKI:** Mr. Chairman, in the season we have just concluded, there were 468 parcels of land advertised; number of parcels with multiple applications, 171; number of parcels involved in appeals, 91; number of parcels with upheld allocations, 51; number of parcels with changed allocations, 40.

**MR. G. FINDLAY:** When a person comes for an appeal, is there a rescoring done for the allocation?

**HON. B. URUSKI:** Mr. Chairman, if there is new information, there would be a rescoring.

**MR. CHAIRMAN:** 5.(a)(1) to 5.(h)(2) inclusive were each read and passed.

Resolution No. 10: Resolved that there be granted to Her Majesty a sum not exceeding \$12,352,200 for Agriculture, Farm and Rural Development Division, for the fiscal year ending the 31st day of March, 1988—pass.

Item No. 6.(a)(1) Policy and Economics Division, Administration: Salaries; 6.(a)(2) Other Expenditures - the Honourable Minister of Agriculture.

**HON. B. URUSKI:** Mr. Chairman, thank you very much.

Before we enter Policy and Economics, perhaps I should - and I neglected to do it earlier - introduce two colleagues in the House, the Director of Crown Lands, John Neabel, who has been director now for it's almost two years; and the Assistant Deputy Minister of Policy Economics, Craig Lee, who has been with us earlier.

Mr. Chairman, Canadian farmers today certainly are facing very difficult and tough economic times, and projections by various segments of the industry are not promising. Overproduction, excessive storage stocks and the trade subsidy war between our major competitors continue to depress grain prices and erode Canada's ability to compete for export markets. Manitoba is fortunate to have a more diverse agricultural sector than its neighbours to the west. The foresight of this government to implement ongoing livestock stabilization programs has provided the required long-run stability to ensure growth of our livestock industry.

In 1986, Manitoba's farm cash receipts rose 5.9 percent to \$2.114 billion, \$14.9 million. Livestock receipts increased 9.4 percent to \$782.2 million, while crop receipts rose 5 percent to \$1,309 billion.

Our province's growth in 1986 compares favourably to the static farm cash receipts recorded for Saskatchewan and Alberta and the 3.3 percent increase for Canada.

The Manitoba producers advancement over Alberta and Saskatchewan counterparts is far more evident if one considers the total farm cash receipts relative to the number of 1981 census farms with sales over \$9,999.00.

In 1986, the average farm cash receipts per farmer in Manitoba was \$98,728 - up \$5,459 from 1985. The averages for Alberta and Saskatchewan were \$95,427 and \$73,928, with the Alberta average declining \$241 from 1985 and the Saskatchewan producer improving only \$199.00.

But, Mr. Chairman, what does the future hold for Manitoba producers? Our government is certainly deeply concerned about the impact of even lower grain prices in agriculture and the farmer's ability to survive on the returns from the marketplace alone. That is why we must develop and implement programs and services designed at meeting the short-term and the long-term needs of the farmer and the farming community.

The Policy and Economics Division is an integral part of the development of such programs. It is

responsible for the collection, storage, analysis and dissemination of statistics, marketing and production information on Manitoba's agricultural commodities. It also conducts research, analysis and long-range planning in regard to issues, concerns, opportunities and trends in agriculture and rural areas. The division provides leadership and coordination of policy and program developments, ensuring they are consistent with the overall direction and priorities of the government as a whole.

Over the past year, in addition to the extensive list of statistical publications released, this division has participated and/or financed research projects to, for example, identify and develop management options for low-priced production just in initial discussion phases; identify provincial and federal assistance and programs directed at the red meat industry - of course, those discussions deal with the tripartite income stabilization plans; identify transportation issues and work in cooperation with the Department of Highways and Transportation; determine financial requirements of beginning farmers and provide comprehensive analysis of beginning farmers, as well as evaluate and work on the most recent issue that has been with us, the sugar beet debate and the sugar beet stabilization.

This branch has assisted and provided briefs related to two-price wheat, egg quota allocation, methodology, countervailing hog duty, provincial egg pricing, major reports of the Manitoba markets weekly report - Outlook '87. Manitoba Agriculture Review is a new publication providing an economic overview of primary agriculture and its impact on the economy; of course, our annual agricultural year book; and A Look at Manitoba Agriculture, a general information booklet for the information of people that are interested in agriculture both from a farmer but also a non-farmer point of view.

**MR. CHAIRMAN:** The Member for Virden.

**MR. G. FINDLAY:** Thank you, Mr. Chairman.

With regard to the activities of the Economics Branch, the first question I want to ask is where the Minister stands on a feedlot plan for the Province of Manitoba.

One of the big concerns that we raised earlier on in Estimates is the loss of a number of calves from the province, either last fall or during the winter, simply because our local small feedlot operators could not compete in the auction marts to keep the calves in the province for finishing. Therefore, not only did the calves leave the province, but a lot of jobs that could have been here for the feeding and processing industry also left the province.

As the Minister well knows, Canada Packers is closed up; Burns in Brandon is concerned that they're not getting enough animals for slaughter, and right now, 75 percent of their kill is coming from Saskatchewan. They have announced plans to expand their killing operation out there, but now they're reconsidering them because of the lack of numbers that appear to be coming from Manitoba feedlots, and this is all due to the fact that the calves have left and because the farmers couldn't compete with money that came from outside the province.

Ontario, Saskatchewan and Alberta all are involved in some level of stabilization of the feedlot industry,

either provincially or federally, and I guess eventually, before long, they'll all be federal tripartite.

Where does the Minister stand on feedlot support or feedlot stabilization in this province either as part of the Manitoba plan or allowing these feedlot operators to join the federal tripartite plan so they can be on a somewhat more level footing than where they're at right now?

**HON. B. URUSKI:** Mr. Chairman, I wish that was the only issue in terms of the question of cattle finishing in this province, that if we had a feedlot plan, that would be the end of calves leaving this province. I wish that was the case, but I don't believe that it is or will be the case.

Certainly, it's one issue that we are grappling with and we have been having ongoing discussions with the feedlot industry. I know that some within the industry are unhappy that we have not moved on this question as quickly as we can. In fact, in the short run, one could argue that they have the benefit now of no premium and high calf prices; they should be into finishing.

But quite frankly, what the issue really is, Mr. Chairman, is that there is no synchronization of the cattle industry and programs across this country. There should be greater harmony between the various plans in place.

Right now, Mr. Chairman, notwithstanding a federal tripartite scheme that might be available, what you have, for example, where many of our calves or most of our calves would have gone this year would have been to the Province of Alberta, would be the question of bottom loading where the Alberta Government is providing a subsidy which amounts to anywhere between \$35 and \$50 per finished animal on the basis of the Crow offset. That is a debate that will go on.

When we talk about harmonization and balkanization of this country, there is the prime example of how a not on top of the table program, but one that's under the table, Alberta's in federal tripartite. But what is the good of Alberta being in federal tripartite when they are bottom loading the cattle industry, the finishing industry, with a payment of anywhere from \$35 to \$50 per animal finished?

So that, quite clearly, goes beyond any kind of financial support of financial subsidy that I believe we could even contemplate providing that would in fact stop the movement of calves which I talked about a couple of weeks ago when we talked about the Beef Commission and I indicated that a large number of calves had been leaving the province.

It's one issue that certainly we have attempted to promote, the one-owner finishing and the custom finishing of feedlots, which would have protected the feedlot operator in terms of the input costs.

I've indicated as well that the attitude and the mentality of many of our cow-calf people has not been one to basically attempt to have those animals finished within the province. They've, in some instances, basically taken the short road of saying, well, at the time that our premiums and support level dropped, market prices started climbing and cow-calf men made their decisions on the short run and took the \$1-\$1.10 a pound for their calves and basically moved them out of the province.

Now that situation may change very dramatically, very quickly, Mr. Chairman. If in fact finished cattle prices are not going to rise correspondingly with calf prices, you may see a lot of feedlot operators not very happy with the end result of finishing those high priced calves. And so it is a double-edged sword which may come home to haunt them in a not too distant future.

**MR. G. FINDLAY:** It's not really the one-owner finishing that I'm so much concerned about. It's the feedlot operator, the grain farmer who has a feedlot where he finishes 100, 200, 300 head, and they've been a very significant factor in feedlot finishing in the province for a number of years. As I see it, more and more of them are just finding it impossible. Once they close the lot for a year or two years, it's very likely they'll be out of the business forever and a day, and these are professional feeders who are going by the wayside.

I guess I'd like to ask the Minister: Have proposals been drawn up and discussed and not surfaced, and for what reasons are you not bringing these proposals forward of some method of getting them involved in a stabilization program, federally or provincially?

**HON. B. URUSKI:** Mr. Chairman, whatever discussions we end up on, we will have to be very careful in not stabilizing - and that will be the difficult one - the same animal twice. We may not be able to achieve that in terms of stabilizing it only once. So it is a matter of costs and how much money do you put into an industry over a number of years and what benefits, in the longer term, do you derive? It's not that we certainly have no concerns or sympathies for that aspect or that segment of the industry. It is a matter of dollars; that's certainly a consideration.

But, Mr. Chairman, I don't believe that whatever kind of stabilization - I repeat - whatever kind of stabilization program we can bring into the Province of Manitoba, that we will be able to compete with the bottom loading of the Province of Alberta.

**MR. CHAIRMAN:** The Member for Ste. Rose.

**MR. G. CUMMINGS:** Mr. Chairman, I'd like to move into the area of the Beef Commission.

In the sales of the finished cattle in the province, what percentage of cattle does the Beef Commission handle that are owned by farmers who are not part of the Beef Income Stabilization Plan?

**HON. B. URUSKI:** Mr. Chairman, we were going to have the Beef Commission here in item 8. We haven't reached that segment, item 8. If the honourable members want to move to that whole area, we should move on in order, Mr. Chairman. No? Okay.

**MR. CHAIRMAN:** The Member for Virden.

**MR. G. FINDLAY:** With regard to the Natural Products Marketing Council, certainly, there are a number of commodities in there that have production quotas. The same old story comes up year after year and is especially coming up now with grain prices being in difficulty and these farmers looking at methods and ways of diversifying their actions, their operations. I've

had letters and requests from people wanting to know how they get into producing things like milk and broilers and eggs and turkeys; and, Mr. Minister, I have no qualms with the success that the operators of these commodities have had in terms of controlling their own destiny and controlling quotas and being able to serve the domestic market.

But, Mr. Minister, one of the problems that occurs in these controlled commodities is they're serving only the domestic market. They're not really effectively getting involved in the export market whereas hogs and beef, who don't have production quotas, are expanding their export horizons. I look at the statistics on milk and eggs, the export potential. The export activity is basically a flat line over the last number of years. There's a sense of satisfaction with the domestic market and not an aggressive action to go out and pursue the export market.

I wonder if, in the Economics Branch or in some other part of your department, there's some real analysis going on to see, because of our comparative advantage here to producing some of these controlled commodities, if we are in any way finding a way to expand the production of these types of livestock where we can get into the export market in a greater way than we are right now. I'm thinking particularly of the milk, broilers, eggs, turkeys and those kind of commodities.

**HON. B. URUSKI:** Well, I would have to say that the argument that the member has put forward would have been valid, say, five or six years ago. Today, Mr. Chairman, it is not as valid as it was that long ago. The marketing boards in the areas, with the exception of milk - and I'll deal with milk, Mr. Chairman - and the poultry products certainly have been aggressively promoting further processing and/or export markets.

I think, to make a fair comparison as to how aggressive or non-aggressive these commodities were, one should examine what was the industry doing prior to supply management. What role did that industry play in export markets before supply management came in? I venture to say, Mr. Chairman, you will find that they were probably even less aggressive than the member paints them today. I don't believe that you will see great amounts of historical evidence in those sectors of our economy that he mentions that are now under supply management as being great promoters because they were in the open market. I don't believe that you will find that kind of information as being any information supporting his argument.

Mr. Chairman, when it comes to milk, we should be thankful in this country that we have the system we have in place. Europe is rolling and flooding in milk and milk products. The U.S. has paid farmers to get rid of dairy cows the last couple of years, to eradicate 10 percent of their dairy herd, and subsidizing farmers to get rid of their dairy cows, and the Member for Virden is saying we should get into an export market.

Mr. Chairman, we have done an excellent job in terms of supply-managed commodities and making sure that the consumer is provided with a fresh, reasonably priced commodity. The milk producers and people in supply-managed areas have been doing that, but in the milk precisely, it is a classic industry as to why one should



be grateful of having the kind of industry that it has, and it is well-managed in terms of the Canadian scene. There will be overages, I will admit, from time to time in milk that goes into skimmed milk powder, but, Mr. Chairman, that will occur certainly not in the mounds and mountains of product that we see in Europe and in the United States.

Mr. Chairman, what I don't want to get into, dealing with supply management and quotas, is to do what the Federal Government and the Ontario Government are doing at present.

Do you know, Mr. Chairman, that the Ontario Government and the Federal Government are contributing \$15 million each to buy back quota from tobacco growers that they gave out freely? Mr. Chairman, the Federal Government and the Ontario Government are putting on the table \$30 million to buy back quota that was used for export markets. That's what's happening today.

Now I hope that members opposite are not suggesting that we enter into that kind of a system where eventually, when we've given out all this quota and said, let's go on this export kick, and then when people start producing more than they can sell, what do we do then, Mr. Chairman? Do we pile it up, or do we burn it, or do we do what Ontario and the Federal Government are doing? Put up \$30 million to buy something back that they gave away for free? Now is that sound economics and sound planning?

**MR. G. FINDLAY:** Mr. Chairman, my question has nothing to do with tobacco in Ontario, and that's quite an irrelevant issue for this discussion.

The Minister has put in place in the last year a new quota transfer policy in the dairy industry, and we'd like him to explain how it's operating right now.

**HON. B. URUSKI:** Mr. Chairman, I'm not sure that all, certainly the Milk Board, are all that happy with some of the provisions of the Milk Board. Mr. Chairman, I can provide you with statistics of the result of six quota exchanges that occurred. That was October, November, December, January, February and March, 2,567 litres of quota was retired from 10 producers. The quota was applied to 14 existing producers, who received 1,400 litres free. I'll go through the statistics, and I may get to the financial results and everything for the honourable friend.

Of that 2,567 litres, 1,400 went to 14 existing producers free. There are 231 litres reserved for new producers, and 21 existing producers received 1,026 litres. Due to the application of surplus funds, the exchanges allocated 1,631 litres at no cost and 1,026 litres on bids, for a ratio of 64.1 percent to a 38.6 percent ratio instead of the 50-50.

Mr. Chairman, the 21 bidders bid a total of \$253,255.96 for an average per litre price of \$246.84. The payment to the 10 retiring producers for 1,285 litres, which is half the total litres, \$179,815.21, which is \$139.93 per litre - that's the Retirement Fund. Transferred to the Program Reserve Fund, \$25,000 to support low bids, and March 12, 1987 balance to be applied to retired quota for free distribution on April 13, 1987, \$48,440.00. So there is \$48,440 left in the reserve fund to transfer quota that will be retired under the plan.

**MR. G. FINDLAY:** Mr. Chairman, I'd like to ask the Minister; as I understand it, when half of the quota is retired to the board and the other half, the producer receives the \$139 or \$140 per litre, and then one-half of it is allocated to new producers, or a little over half went to new producers, and that which was bid, what have been the bid prices per month since the quota exchange started?

You said it started back in October and you gave me an average price at the six months. What has the bid price done over this period of time? And what are the litres per month; is it an increasing amount that's coming into the exchange or a decreasing amount?

**HON. B. URUSKI:** Mr. Chairman, I don't have the statistics of what was bid per month. I've given my honourable friend the average for the total period of the 1,026 litres that were, in fact, put up for bid.

Mr. Chairman, just so the member is clear, the retirement allowance that is paid is paid on 50 percent of the quota retired. However, for new producers, 15 percent of the quota that's turned in is allocated to new producers, 15 percent of the quota. Any dollars in excess of \$25,000 that are bid in excess of a pool that is reserved of \$25,000, is used to purchase quota at the retirement price and is not put on the bid.

In other words, let's say the board right now has \$48,440; it can purchase approximately, I would say, between 300-400 litres of quota, and before that amount of money is used up, none of that quota will, in fact, be put on the exchange to be bid against. That quota will be removed and given out freely to producers. That's why the ratio now is roughly 61 percent and 39 percent bid. It's not a 50-50 ratio because of the agreement to use excess funds to take off the market additional quota.

**MR. G. FINDLAY:** This amount that is from the reserve fund, in other words, is pulled off the market by the amount of money that's in the reserve fund, so that does not get onto the exchange.

Has the exchange operated in the fashion it was designed to, or is there not enough quota there to allow it to really find a true value?

**HON. B. URUSKI:** Mr. Chairman, the exchange is operated as it was designed to. There have been no modifications to the exchange at all. There was one month, February of '87, where there was no quota retired but there was quota retired in October, November, December, January and March since it's been operating. Every month, with the exception of February, when there was no quota retired.

How much was placed in the exchange, the entire 1,000, now whether there were months, five out of those six months, whether or not there were additional months where there was no quota put on the exchange, I can't tell from the statistics I have because of the reserve fund. There may have been an additional month; there could have been. I'm not certain where the reserve used up any quota being retired; I'm not sure of that. But in the months where there is quota put on the exchange, the exchange is operated as it was envisaged.

In fact, Mr. Chairman, the plan we originally proposed, the 60-40 split without the exchange - that was turned

down by the board. They opted for this 50-50 proposal, and it was their suggestion that we use this reserve aspect. Quite frankly, it's coming to what we had originally proposed, so I don't think any one of us is any less or further ahead.

**MR. G. FINDLAY:** The amount that is allocated free - there's some allocation to new producers and some allocation to existing producers. What minimum amounts are allocated? Is the list, the waiting list that's been in effect for umpteen years, is it still intact? And every producer's position on the list is as he entered it whenever he entered it? Where are we at in terms of serving that list? How many years behind are we in terms of . . . If it's a person entered into the list some time ago, how far is he from getting to the top?

**HON. B. URUSKI:** Mr. Chairman, what occurred prior to the new exchange process coming into place, every producer who was on the list was written a letter and asked to reconfirm whether they wished to have their name remain on the list. That list was updated and verified prior to the new system coming into place. Existing producers, if their request is at least as much, are allocated a minimum of 100 litres per request. That's what occurs on the list.

New producers, we are still not at because of the amount of litres being returned to the board. We still do not have enough litres in reserve to set up a new producer. We are at 231, and a new producer requires a minimum of 300 litres. Under the new scheme, it was updated from 200; the board and council arrived at the new system of 300 litres. As soon as we hit the 300-litre mark, we will be bringing on a new producer.

**MR. G. FINDLAY:** This goes back to my question earlier, whether the exchange was working adequately since its inception. I also ask the Minister whether there was enough quota coming in to really make it work.

When I see that you've been operating for six months and still have not made a single allocation to a new producer, then I question whether it really is functioning properly. That being the case, then I ask you why are the litres of milk not being turned into the exchange? Because I thought there was a fair amount of quota up on the market and exchanging in the years past.

**HON. B. URUSKI:** Mr. Chairman, I want to tell my honourable friend, I was never convinced that there was going to be a great amount of trading.

Mr. Chairman, all the statements that were made by industry people that there was all this pent-up quota that just wanted to move has not occurred. Quite frankly, I think it was overstated. I believe that those statements made by members on your side, and members of the industry, were in fact overstated. The great statement saying that people were just waiting for a new system to come into place, that quota was going to move, were exaggerated to say the least. I have never thought that there would be very much quota being moved - especially in times like this - what is a more secure operation than a regularly-funded income from a dairy operation?

There is no other operation in agriculture that can provide the stability of income that a good dairy herd

can provide for the farm community, and people are, quite frankly, hanging on. They're not about to start getting out of an industry that has provided them a stable income all these times, and quite frankly, Mr. Chairman, I had never anticipated that there was that great pent-up desire to trade quota. Those who were promoting free and open access of quota now are finding out that their statements are ringing a bit hollow.

**MR. G. FINDLAY:** Mr. Chairman, I would also understand that there's still the policy of complete farm transfers, of complete farm sale, and in the past when those sales occurred, there was an affidavit signed that there was no value to quota. Now that you have a value to quota, at least a minimum value of 140 and probably a maximum value of something like 250, has that changed the value of those farms changing hands and the affidavit they signed, is it any different than before?

**HON. B. URUSKI:** Mr. Chairman, along with this policy, all farm unit transfers are subject to appraisal, and that policy will continue. There is no assignment of value for quota on a unit transfer. There may be, as we've argued, built-in to some degree. The values of those buildings would not be worth very much if in fact cows were not being transferred with empty barns. So implicit in that there is some value there, but there is no deliberate allocation in the calculations of the value of that property towards quota because those assets then are paid and bought for in the unit transfer, and that's why there is no allowance, no direct and discernible allowance for a quota value.

**MR. G. FINDLAY:** One of the things that I've heard dairy producers say once in awhile is that they wish there was some collateral on the fact that they have a quota.

Now that there is \$140 minimum value on quota that is turned in, does MACC give collateral to quota in terms of setting up a line of credit?

**HON. B. URUSKI:** Mr. Chairman, no, the quota is owned by the board. The quota is the property of the board.

**MR. CHAIRMAN:** The Member for Roblin-Russell.

**MR. L. DERKACH:** My question to the Minister is with regard to the Beef Commission, first of all.

Is the Minister anticipating any substantive changes to the Beef Commission as it exists at the present time?

**MR. CHAIRMAN:** That's item No. 8. That's too far down.

**MR. L. DERKACH:** Okay, so I'll defer that question to a later time. If I can come back to that at a later time, I'd appreciate that.

I have a further question with regard to marketing boards and, specifically, to that of poultry. The farmers who have had not the quotas but the permits for being able to produce eggs up to a maximum of 500 hens, are those permits transferable from one farmer to another?

**HON. B. URUSKI:** Mr. Chairman, if I understand my honourable friend's question, there is no regulation that

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allows any quota in any of the regulated commodities presently to be transferred between producers.

**MR. L. DERKACH:** Mr. Chairman, my question was not with regard to quota. It was with regard to the permits that are issued to producers who have 499 hens. Now in an event where a producer is retiring from farming, is a young producer allowed to purchase the birds and the equipment, and apply for a permit to produce eggs up to a maximum of 499?

**HON. B. URUSKI:** Mr. Chairman, I know that the board has considered one or two of those kinds of situations which may have been promoted by interests in the community like a hatchery; and they may have, in fact, allowed and listened to representations to be made on that issue, but normally speaking, that would not be the case. Those unregulated producers basically are handled by permit, and the permits, once the producer ceases production, would in fact be turned back to the board to be allocated to any of those who may be on the waiting list that wish to enter into the industry.

**MR. L. DERKACH:** Mr. Chairman, can the Minister tell me then whether a young farmer - a farmer who's just starting into the business - whether he can apply and get a permit to produce eggs?

**HON. B. URUSKI:** Mr. Chairman, on eggs, I'm just looking at marketings; in 1985, the unregistered marketings were 1,135,882 dozen eggs; in 1986, that had dropped to 968,801 dozen eggs. It would be my understanding, if these numbers haven't changed substantially, that the board should be in a position to consider applications from producers who wish to produce eggs within the criteria that is allowed unregistered producers. They would have to entertain those applications.

**MR. L. DERKACH:** Last year, Mr. Minister, you indicated that no farmer as yet had been refused a permit, to your understanding, with regard to the unregulated production of eggs.- (Interjection)- Yes, you did, and you had indicated that to that point in time, no one who had applied had been refused.

Now, in my area, there are several young farmers who need the income, the diversified income, to help their family farm survive and they have applied for permits for the production of eggs. In a couple of instances they have received no word; in one instance it has been refused.

Now I would like to know whether the egg production has dropped for 1986? You indicate that there might be room for additional producers, but yet here are producers, young producers, young farmers, who need the income are being denied the opportunity to get into the business.

**HON. B. URUSKI:** Mr. Chairman, we'd have to check as to how many applications the board might have had.

Let's understand a little bit about the egg industry, Mr. Chairman. The egg industry has not been at 100 percent historical production in Manitoba. They have been on what can be considered reduced production or cutback and, as a result, there has never been a

list arrived at or potential new producer list arrived at in the egg industry.

As a result, it's my understanding that we're aware of here, and unfortunately our staff who would be intimately knowledgeable on a day-to-day basis as to what is going on are not available. The board has in fact approved one producer an application and denied another.

If my honourable friend has constituents or producers who wish to produce eggs in an unregistered fashion, I'm assuming that they would have written the board and the board would have given their decision on that. Their decision, of course, as any commodity group that is under supply management, is subject to appeal to the council if there is any basis for appeal and that's not knowing the individual circumstances that the member brings up. That's the only advice I can provide him at this point in time.

**MR. L. DERKACH:** All right, I can provide that information for you, Mr. Minister, and I will.

On quota production, what happens to a quota once a farmer wishes to cease farming and he has a quota allocated to him? What happens to that quota when that farmer decides to retire from the business?

**HON. B. URUSKI:** Mr. Chairman, it goes back to the board.

**MR. L. DERKACH:** I know for a fact that there is a 28,000 bird quota that the operator has recently stopped farming and in that case, if the quota goes back to the board, what does the board do with that quota then?

**HON. B. URUSKI:** Generally speaking, Mr. Chairman, if the industry is on a cutback production formula and they are not at 100 percent, generally speaking, what would happen is that the quota would be reallocated and prorated amongst all the producers.

**MR. L. DERKACH:** Who is the quota reallocated to then? Now there are people who have had their names on the list for I know at least eight years, who have been waiting for allocation of quota, and their names have not come to the top of the list, I suppose; and yet I can name several quota farms who are getting increases in their quotas.

I'm wondering on what basis they're able to have their production increased when there are new producers who are still waiting for a quota to be allocated to them. Can I have that explained?

**HON. B. URUSKI:** What my honourable friend should do is go to the chicken board and ascertain the quota that was originally allocated to that farm when supply management came into being. I believe he will find that the quota allocated at that time is certainly greater than what the actual existing production quota is today. The honourable member shakes his head in the negative.

I think he will find that that will be the case and that those producers, the egg industry has and still is today, on what is known as not reached 100 percent of their historical allocation in the national criteria. They are

below the 100 percent range. The only commodities that we are at the historic range in the feather industry right now is the broiler industry. Turkeys are in the 90's. We are not even at 100 percent of historic quota of market share that we were allocated originally, because of cutback. The industry is growing so we're getting near that stage, but we're not there yet. We are still a little ways back. In the turkey industry, I think we're probably at 96 percent, something like that. We were below 90 percent there a few years ago.

In the egg industry it varies by cycle, but they are not at the historic production. If the honourable member has any information that is contrary to what my understanding is, I wish he would draw it to my attention or the council's attention, because it may be, if there is an infraction there, because otherwise any other circumstance to me would seem to be an infraction of the rules in this instance. I don't know of any other situation but there may be a situation that I am not fully aware of and he may want to apprise me of it.

**MR. L. DERKACH:** Mr. Minister, when a quota is turned back to the board, if that is in fact theory - I don't know whether that's what happens in practice - but let's assume that a quota comes back to the board, how is it reallocated at a time when it is reallocated? Is it broken down into smaller quotas, is it given to existing producers, or is it given to first-time or new producers?

**HON. B. URUSKI:** Mr. Chairman, generally, if the commodity that we're speaking about is below their historical market share, it would be prorated and given to all producers. I want to indicate to my honourable friend, for example, in 1974, when I entered Cabinet, two-thirds of our turkey quota was returned to the board and was allocated amongst all turkey producers in the Province of Manitoba.

**MR. L. DERKACH:** That's 12 years ago, that's 13 years ago.

**HON. B. URUSKI:** That's right. We have not received and been unable to receive any quota back, even if we wanted to expand today, Mr. Chairman. So let's understand what does occur in the system. If the farm, of course, is sold and the entire farm unit is sold, generally, the application is made to the board that this farm is being sold and the assets would be sold, conditional upon the board giving approval that the quota be transferred. That's the normal procedure in total farm sales.

**MR. L. DERKACH:** What you're saying, Mr. Minister, is that when a quota comes back to the board, it's simply redistributed among the existing producers; and, in effect, no new producer can begin in the feather industry or egg producing industry even if a quota is turned back, because all that happens is it goes to that small group of people who are in the industry already?

**HON. B. URUSKI:** Mr. Chairman, I didn't catch the honourable member's comments. I was looking at recent guidelines with the three poultry boards, that council has approved guidelines for appraisal of farm

assets developed in cooperation with the three poultry boards, with the assistance of an accredited appraiser. The board has adopted these guidelines to ensure that value is not attributed to quotas when farm assets with quota are transferred from one producer to another. Council has approved the first major revision of the board's administration by-law incorporating conflict-of-interest guidelines and a clear description of the duties and authorities of members of the executive committee of the board.

That clarity has been incorporated in the egg board provisions. I didn't catch the comment that the honourable member made. Perhaps he could repeat it for me.

**MR. L. DERKACH:** Mr. Minister, when a producer ceases farming and the quota goes back to the board, what you said was that that quota then is redistributed among the producers that are already active in the industry.

My question is: How does a new producer get quota allocated to him or her, even when quota is turned back?

**HON. B. URUSKI:** Mr. Chairman, those provisions are set out in each quota regulation order of each board. They may vary somewhat between separate boards, and I will repeat for the third time, Mr. Chairman, it would be my understanding, generally speaking, in the commodity where the production of that commodity, such as eggs, where the regulated producers are not up to 100 percent of historical production, are below that historical production, that quota would be prorated and left with those producers.

In the case of unregulated production, that has been left open and we're prepared to look at the situation that the member wishes to provide in writing to see whether the board has been consistent or whether we should be advising producers to appeal the board's decision in the allocation or non-allocation of registered permits.

**MR. L. DERKACH:** I think it's a well known fact, Mr. Minister, that there hasn't been a new quota given to any producers in this province for quite some time. Quotas are just simply reallocated or are bought in a case where a farm is sold.

But my question to the Minister is whether or not he would consider, when a quota is returned to the board, breaking a quota down into smaller segments so that family farms in the province that need the diversification can then take advantage of a situation like that whereby they can get into production on a small scale of 2,000 birds or 3,000 birds and then it's not going to cause an over-production?

The industry is still going to be viable. Those who are in current production at the present time are not going to go bankrupt because they are still surviving even though they are not at 100 percent. But it also expands the industry to where people who need the diversified income can get into it in a reasonable way and at a fairly low cost, might I add.

**HON. B. URUSKI:** Mr. Chairman, I'm very pleased to hear the honourable member speak. It's the first

Conservative member I've heard repudiate previous Tory provincial policies.- (Interjection)- Pardon me? Mr. Chairman, the Member for the Member for Lakeside was the Minister of Agriculture when the broiler board was set up. Fifty-five percent of that industry was controlled by a handful of producers vertically integrated. It was the Member for Arthur, the Minister of Agriculture of the Day, who signed a national agreement giving full protection to those corporate interests, Mr. Chairman, in terms of the production of broiler chickens.

Mr. Chairman, it was a Schreyer Minister that refused to sign the national agreement and the Member for Morris knows that, being a former chair of the Natural Products Marketing Council. But at least it takes a Conservative member now to repudiate those kinds of policies that were instituted by his own colleagues. At least now finally the light is clicking on for some of those Conservative members when they're arguing that smaller producers get new quota.

Mr. Chairman, there is new quota being distributed to new producers in this province in some supply-managed commodities. Let me tell my honourable friend that 10 new barns have been built in the Province of Manitoba for the production of broiler chickens at 10,000 square feet each, 10 new barns in 1986 and 10 new marketings in 1987, or - yes, 5 new marketings - 5 in '86 and 5 in '87, Mr. Chairman.

It's been a long time . . .

**A MEMBER:** That's redistribution of wealth, is it?

**HON. B. URUSKI:** Mr. Chairman, clearly, in terms of the growth of the industry, it has taken persistent efforts to make sure that wealth in production rights are redistributed to new producers because there are individual producers who can in fact produce birds well. It's not only those huge, large vertically integrated operations that can in fact do that production well.- (Interjection)- Oh no.

**MR. L. DERKACH:** Mr. Chairman, I'm wondering how many of the 10 new barns that were allocated were bona fide farmers in the broiler industry, and I hope that each and every one of them were.

But in the egg industry, Mr. Minister, you've been Minister now for quite some time and you haven't changed that policy that you are condemning, that the Conservatives were responsible for, and if you are such a forward looking and positive Minister, then I challenge you to change that egg marketing policy to where small producers and new producers can get into the feather and egg producing industry; and where income can be diversified and young producers can remain on family farms; and that this quota go to farmers and not to somebody who has no interest in farming whatsoever.

**HON. B. URUSKI:** Mr. Chairman, I'm glad that my honourable friend keeps raising these issues. I want to tell him that it was a Schreyer Government that made sure that Modern Dairies and Labatt's, who had more than 130,000 laying hens, laying eggs, Mr. Chairman, they ceased production, when we entered into the national agreement, and that production turned into private hands to farmers. That's what an NDP

Government did, Mr. Chairman, and I want to remind my honourable friend - let him remind his own colleagues and talk to them in that caucus room once in awhile about the whole question of broilers.

**MR. CHAIRMAN:** The Member for Virden.

**MR. G. FINDLAY:** Mr. Chairman, a few minutes ago, we talked about the retirement policy for the milk board.

I'd like to ask the Minister: Have any of the other marketing boards requested or are in the process of discussing a former retirement policy?

**HON. B. URUSKI:** Mr. Chairman, there are no discussions, or have there been, for any other commodity.

**MR. G. FINDLAY:** Last year, have any of the boards introduced, or are they planning to introduce, any changes to the maximum number of units that can be produced without having to have a quota in any of the marketing boards?

**HON. B. URUSKI:** Mr. Chairman, none that I'm aware of.

**MR. G. FINDLAY:** Mr. Chairman, last year in Estimates, and back in the days when I was on the marketing council, we had requested that the various boards in their annual report report the remuneration received by the chairman and the various directors.

I'd like to ask the Minister if he's acted upon that yet and has it in place by some form of regulation change or whatever needs to be done to get that into the annual report in some way that the producers can understand how much is spent and for what purposes, by the directors and the chairman?

**HON. B. URUSKI:** Mr. Chairman, I'm not sure that the actual total per member remuneration is paid. There is a global amount that is paid and what is shown, I believe, in the report - I'll have to check that - is the rate at which a member and the chair is paid and the global amount. The rates would be put in per member.

For example, the rates for chicken, egg and hatching eggs are per diem of \$125, with members at \$100; hogs at \$120 plus a \$5,000 annum fee; milk at \$170 a day for the chair, \$135 for members; turkey board the same as eggs and chickens; vegetables at \$35, plus \$150 a month; beef at \$125 a day for chair, and \$100 for members; honey \$50 a day and \$50 for members. Those are the kind of expenditures and remuneration schedules that we have presently.

**MR. G. FINDLAY:** That still does not go as far as I would like to see it go. I would like to see it broken down into the total amount paid per member, or per chairman, rather than just the amount per day, or the other way is to report the number of days they drew that per diem.

The next question is: Have there been any applications for increases by any of the boards?

**HON. B. URUSKI:** Mr. Chairman, I like the honourable member's suggestion.

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Mr. Chairman, I know the council has had discussions. I believe that there were some requests, and I'm going from memory now from the milk board, when the General Manager, Mr. Vincent, had his stroke and was incapacitated. There were certain overtures made to council to provide an honourarium, I think in the amount of something like \$25,000, until the December 1987 annual meeting. This honourarium represented the chairman's assuming many of the duties of the general manager who was presently unable to resume his duties. I know that the council did not accept the combining of the functions of the chair and general manager for obvious reasons, and they're in the process of hiring a new general manager for the milk board presently.

**MR. G. FINDLAY:** The milk board chairman draws how much per year now and a request of \$25,000 honourarium on top of that was what was put forward; and you say it was turned down?

**HON. B. URUSKI:** Yes it was, Mr. Chairman. I know, in terms of milk, the chair would have received \$53,883 in per diems.

**MR. G. FINDLAY:** How much?

**HON. B. URUSKI:** \$53,883, a little bit more than a Cabinet Minister, I would say; and \$27,689 in expenses, for a total remuneration of \$81,572.02.

**MR. G. FINDLAY:** Mr. Chairman, I'd like to ask the Minister if he's prepared this year to follow through and see that the full disclosure of these amounts of income does get into the annual reports, so the producers are aware of what is going on and they can assess, in their own minds, whether they're getting adequate activity for the money paid.

**HON. B. URUSKI:** Mr. Chairman, I just want to be clear, and I appreciate the advice the honourable member is providing. He's suggesting that the expense per diem and expenses for every board member of every board be provided in the annual report, is that correct? I think I will follow through with council and see whether or not that could be instituted by the time the next publishing of the board's reports are put into place.

**MR. G. FINDLAY:** Mr. Minister, I've got a question or two on the Manitoba Farm Lands Ownership Board.

I gather that the board analyzes every land transaction that takes place in the province and in the 1985-86 Annual Report, it appears that a little over 6,100, almost 6,200, statutory declarations were investigated by the board, and it appears that only 22 applications were denied.

That's a very small percentage of the total number of transactions that occurred in the province and, following from that, I have to wonder if there's any real need for the Farm Lands Ownership Board to be scrutinizing all the land transfers that are occurring in the province, and whether the \$170,000 that is budgeted for that operation this year is being spent in the best possible way.

If there isn't the demand for land in the province there used to be a few years ago by foreigners living

outside the province, if that's not going on, according to the statistics that were presented for 1984-85, then maybe there's no need for the board and it can be disbanded, or the money be allocated to a higher priority in the Department of Agriculture.

**HON. B. URUSKI:** Mr. Chairman, the board certainly serves a useful function in determining rules and operating of the legislation that we have in place. Mr. Chairman, last year there were 380 applications; 41 of those applications were in fact denied.

**MR. G. FINDLAY:** '85-86?

**HON. B. URUSKI:** '85-86. I'm going '86-87.

**MR. G. FINDLAY:** '86-87?

**HON. B. URUSKI:** Yes - 10.79 percent of the applications were denied. As a percentage of acres in the applications, it's just slightly over 9 percent, would be the number of acres that would not be approved in compliance with the act.

**MR. G. FINDLAY:** The number you gave me though would be the number of applications for exemptions, I would imagine, not the total number of transactions that occurred. The total number of transactions would be many times the number you gave me, so the percentage of actual rejections is very, very small.

As I said, '85-86, only 22 are rejected out of over 6,000 land transactions, and the figure you gave me would not be the comparable figures.

**HON. B. URUSKI:** Mr. Chairman, the board would not comment on applications that would normally be allowed under the act. They would only deal with those on which there are applications for. The number I gave him, I'm sorry, Mr. Chairman, I should correct myself, that 380 figure is the cumulative total to date of applications.

**MR. G. FINDLAY:** I understand that land transfers between relatives are considered okay, but I would like to ask a specific question and see if it qualifies.

A father that owns land in Manitoba is close to retirement age and wants to sell land to his son who at present is living in Alberta and may eventually, probably will eventually come back to Manitoba. Is there any problem with him selling the land to his son while he still lives in Alberta?

**HON. B. URUSKI:** Mr. Chairman, because it's been awhile since I perused the regulations, I will have to take that question as notice and provide that information for him. We'll, if we can, even in the next day or so, get that information to him. If there are any questions that I can't answer, I will endeavour to get the information.

**MR. G. FINDLAY:** Mr. Chairman, I'd like to maybe spend a few minutes now on The Family Farm Protection Act and ask the Minister at what stage the setting up of the board and the panels is at, and how many applications do they have before them? What stage

are you at in setting up the board and the panels and how many applications are now before the board?

**HON. B. URUSKI:** Mr. Chairman, just to, on the previous question that I took as notice, in the Annual Report 1985-86, the member will note on page 2, under the heading of General, a comment, and I'll read it into the record: "A retired farmer or her spouse, or an active farmer who has farmed for at least 10 years, may also transfer land to certain immediate relatives although these may be non-residents." If he's been a farmer for at least 10 years; if he has not been a farmer for 10 years, then, of course, an application would have to be forwarded to the board.

**MR. G. FINDLAY:** In this situation then, no application to the board would have to be made, is that true?

**HON. B. URUSKI:** Mr. Chairman, it would likely necessitate an application because it would be a non-resident commitment and that would be routinely approved.

Presently there are 15 applications before our review panel, 6 of which are leave to foreclose, and 9 for a review panel, so that the applications are beginning to trickle in.

**MR. G. FINDLAY:** Mr. Chairman, I seem to be losing my voice, but I think the word "trickle" is the right word to use. The Federal Debt Review Process has an excess of 300 applications in front of it. It appears that, for whatever reasons, the choice of the farmers, the choice of the credit institutions, seems to be to go the federal route. I have not heard any great complaints about what is being resolved at that level, and I wonder at what stage the Minister and his act is at in terms of getting a cooperation between the two levels of debt review, between the federal and provincial level.

I would assume that many of those 15 applications have already been in front of the federal board and maybe weren't resolved to the satisfaction of the farmer or the bank, whatever, and now we're going to go through a duplication of the process of gathering the information.

I would like to know if there has been any communication, any attempt at cooperation to reduce costs between the two boards that are in operation in this province?

**HON. B. URUSKI:** Mr. Chairman, let's understand that the federal process is totally voluntary, and I venture to say that there is certainly a certain amount of unhappiness out there in terms of what is happening to date.

I venture to say that we will have to reconsider and review our position vis-a-vis this whole process very soon in light of the recent announcement made by the Federal Government in removing the moratorium on foreclosures of FCC. I heard the announcement today. I'm having staff analyze the implications of that announcement and what it might mean to the farm community in Manitoba, and we will be reviewing our position vis-a-vis the act.

As well, Mr. Chairman, we are also reviewing a recent court decision in the Province of Saskatchewan

concerning the role of the Provincial Mediation Board and its authority dealing with chattels other than land, and once we have that review completed, we'll be in a better position to ascertain as to how much further we should be exerting the role of the provincial board in this whole area.

We are allowing some time to pass. We've had discussions with the federal board. There certainly seems to be a difference of legal opinions provided to the Manitoba board than there is, either provided or left out, in terms of the Saskatchewan board. We understand that there is a very close working relationship in Saskatchewan. We have not developed the closeness, as yet, but we certainly are not intending to be obstructionist in the whole process.

We are certainly looking at a number of areas dealing with the results of farmers in the federal review process, as well as the most recent areas that have been raised about the charging of variable interest rates on previous accounts. So there is certainly no shortage of work that is looming for the board and the staff there, in cooperation with our own staff; but, at the present time, we are just getting in the process.

**MR. G. FINDLAY:** Certainly, the involvement of chattels is undoubtedly one reason that many people have chosen the federal route because there it would be a total package; the land, the equipment, the livestock is all involved in the arrangement. In the provincial process, by the time you get around to going in front of a mediation board, all you're talking about there is land and the person kind of lost his equipment and lost his livestock at that point and really no way to carry on.

Another thing that has come to my attention fairly often is that a very high percentage of the people who reach, or are close to the end of the line or realize they're at the end of the line, is they don't want a long drawn out process. They know the end is here and they're just looking at the federal mediation board as a way to try to get the best possible deal because they know it's over. They don't care to get involved in a drawn out process, which the provincial route can be, once the mediation board report goes to the court.

Another piece of information that is happening out there is that an awful lot of the people, for every one that goes in front of a mediation board, I would gather five to ten take the quitclaim route.

I wonder if the Minister has any data on how many farms are closing down just by the quitclaim route rather than going through a mediation process. We're losing a lot of farmers, a lot more than the statistics show, and it's going to accelerate over the next period of time and maybe the process of The Family Farm Protection Act should be a greater cooperation with the federal board and utilize that \$6.5 million which is in place for this year.

Would the Minister give us some guidelines on how that \$6.5 million will be used by the board? Can it be used by taking the results from the federal board, and then your board separately administer the utilization of the funds?

**HON. B. URUSKI:** Mr. Chairman, I want to indicate to my honourable friend that it would be my contention

that most farmers who wish to appear before the debt review panels are not there because they want to get it over quick.

It would be my contention that they're there to fight, that they're hoping that someone will be an advocate for them when they go to negotiate with financial institutions. It is not, as the honourable member tries to put it, that they want to get it over with quickly. Mr. Chairman, if they want to get it over quickly, they will take the quitclaim route and move off. It's those who want to stay and fight and say I want a second chance, I think I'm a good operator, I'm going to hang in there. Those are the ones who are hoping and praying that this process will, in fact, be able to give them a second chance. Mr. Chairman, clearly for some it may not be that second chance but we have to attempt to do as much as we can.

Mr. Chairman, we're looking at a number of options that the board is considering now, and as it's negotiating its first cases, we will be making determinations as to how that money might be used. Some of the options might be, as envisaged, a temporary payment of interest on a farmer's loans when short-run viability may be doubtful but long-term viability appears to be relatively firm; guarantees against future deterioration of acid values to stabilize loan security if such stabilization of security permits continued operation on a viable basis; guarantee of loan set aside after lender concessions have been made in cases of doubtful short-run viability and relatively assured long-run viability; the maintenance of the basic farm unit by a partial payout to a mortgage holder or land transfer and leaseback if a viable farm operation can be created in this manner; provision of emergency operating funds in cases where there is reasonable assurance of viability but all conventional sources of operating funds have been exhausted; or the provision of assistance which might make it possible for conventional lenders to provide the operating funds required, and the reduction of farmers' payments on debt after concessions have been made by lenders in order that debt consolidation might take place with the current lender or a new lender in cases where viability may be created. Those are some of the considerations being made by the board in review of the cases that we have now.

Mr. Chairman, I want to indicate that it would not be my intention to basically rubber stamp the federal review process and then say, Debt Review Board, you go ahead and deal with the question of financial assistance through the federal debt review process. It would be our intention that the deals being made by the provincial debt review process, the review board would have had the full analysis and full information on each case that was presented to them.

Because of the confidentiality of the situation, it would be my intention that those funds be used unless there is some close agreement that is arrived at. But at this point in time, it's not my understanding that we've reached agreements even though we've put forward a number of proposals to the federal review process as to how we see the two operations melding.

If that occurred, Mr. Chairman, then I would have no difficulty in having those application and that process melding, and the funds used for wherever that application was handled. But as it stands now, Mr. Chairman, what the honourable member - and of course

he doesn't know what has transpired between the two boards - he's asking us to basically rubber stamp every decision.

**MR. G. FINDLAY:** Mr. Chairman, I never said I was rubber stamping any decision. I was just asking the Minister where he's at in the state of negotiating between the two boards.

I guess the next question is, Mr. Minister - \$6.5 million is a fair bit of public money, and that money is in the hands of the board, I understand or would imagine. Can they allocate the funds or make decisions, or do they make recommendations back to you or your staff? Is that where the final decision is made on how and when to allocate money to particular debt problems?

**HON. B. URUSKI:** Mr. Chairman, I should put on the record what the Manitoba Mediation Board provided to the federal board in terms of trying to meld the processes as a proposal that we've made to them. We made the outreach to them. Mr. Chairman, back in February, the Manitoba Mediation Board wrote to the Farm Debt Review Board and proposed the following:

"With the consent of the farmer who is in danger of losing farm land due to a foreclosure action, that an investigation and analysis be conducted which will satisfy the requirements of the Manitoba Mediation Board and the Farm Debt Review Board with all data analysis to be full and openly shared by both forums.

"Secondly, with the consent of the farmer, where a Farm Debt Review Panel will be established to review the case of an insolvent farmer in danger of losing farm land due to foreclosure action, that a member of the Manitoba Mediation Board or a person designated by the board be appointed as a member of the Farm Debt Review Panel and participate in the review. The salary and expenses of the Manitoba mediation representative would be paid fully by the Manitoba Mediation Board.

"That all consultants should have the right to work for either board at any time. This will serve the individual farmer in providing satisfaction that the choice of the consultant is not politically motivated.

"That land title data and costs be shared between the two boards.

"That the costs of farm financial advisors be shared, salary and expenses, on an equitable basis."

The response, Mr. Chairman, was to the effect - and I will indicate that we received their response just about three weeks later - indicating that they are seeking legal advice from legal counsel in this regard prior to any offer of voluntary participation with the Mediation Board.

"I am certain you can appreciate how the above situation may affect the ongoing work of the Farm Debt Review Board. I will get back to you when we receive some clarification of the above. Sincerely . . . "from the Chair of the Review Board.

Mr. Chairman, that, as my understanding, was the last correspondence or response we've had from the Federal Debt Review Board.

**MR. G. FINDLAY:** In other words, what you're saying is that you have not responded back to their letter.

But my question to you was: Who is effectively responsible for the final administration of the \$6.5 million to the debt review cases?



**HON. B. URUSKI:** Mr. Chairman, it appears that my honourable friend wasn't listening very well. Mr. Chairman, the federal board indicated to us that it wishes to receive legal advice. Mr. Chairman, we know what the operating rules are between the Saskatchewan Board and the Federal Debt Review Board. Those rules are there. We know what goes on between those two boards; in fact, they're sharing the same office.

So, Mr. Chairman, I really don't understand what the hang-up is here in Manitoba in terms of saying we have to seek legal counsel and legal advice. We haven't heard from them. The honourable member indicates that we have to respond to the letter. What do we respond?

Mr. Chairman, I will read the entire letter for the record, just so it's there:

"Further to your letter dated February 18, and my reply to you of February 27, our board has discussed your proposal of areas of mutual cooperation between the two boards. Our directors recognize the importance and desirability for as much cooperation as possible between these two bodies.

"However, concern has been raised about the possible legal implications of our board members and our field staff being subpoenaed as witnesses before the courts from time to time pursuant to applications received under The Family Farm Protection Act. We are therefore seeking advice from our legal counsel in this regard prior to any offer of a voluntary participation with the Mediation Board.

"I'm certain you can appreciate how the above situation may affect the ongoing work of the Farm Debt Review Board. I will get back to you when we receive some clarification of the above. Thank you. Sincerely, Garnet M. Kyle."

So let the record be clear that we have not received the kind of cooperation and the kind of process that has been in place since the boards were set up in the Province of Saskatchewan.

So, Mr. Chairman, this almost reminds me of the situation that we've had with sugar beets, where we had an agreement in black and white and they're saying: why don't you sign the agreement? The same argument keeps cropping up from the Conservatives.

**MR. G. FINDLAY:** The Minister says that he knows what is happening in Saskatchewan. They even share the same office, he says.

One of the questions I asked you about 10 minutes ago was would you be prepared to take the results of the Federal Debt Review Process where all the costs have been incurred and the field work has been done and it's gone before a panel, and then the board has made a recommendation.

Are you prepared then to step in and utilize your money to save the additional duplication of all the field work that has already been done? Are you prepared to work board-to-board and take the recommendations from the federal board and then utilize your money, your \$6.5 million of farm assistance at that point, if you're prepared to cooperate to that extent?

**HON. B. URUSKI:** Mr. Chairman, if the federal board had at least an equal sum of money to put on the table to deal with recommendations they made, I'd have no difficulty. We have put forward what we felt was a

workable solution. We were prepared to use our funds for either board, Mr. Chairman. That has not been accepted. I've indicated I will not be one to rubber stamp the federal board's actions.

**MR. G. FINDLAY:** Just going back to the question I asked about three questions ago, Mr. Minister, I asked you, the way it's set up right now, you have a board, you have panels and you have 6.5 million of farm assistance - who makes the final decision as to where the money is going to be allocated? Is it by the board or by yourself?

**HON. B. URUSKI:** Mr. Chairman, there is a working relationship between the Board of Directors of MACC and our Mediation Board. What I have indicated, that close working relationship between the MACC Board of Directors and the Debt Review Board be maintained, and that the monies be disbursed on consultation and discussion with MACC.

It's my hope, Mr. Chairman, that there may be some instances in which MACC, through its regular portfolio, may be in a position to become involved in restructuring, and the regular portfolio of MACC would be able to be used. So that working relationship is in the process of being set up between the two boards.

**MR. G. FINDLAY:** Mr. Chairman, pass section 6.

**MR. CHAIRMAN:** 6.(a)(1) to 6.(g)(2) inclusive were each read and passed.

Resolution No. 11: Resolved that there be granted to Her Majesty a sum not exceeding \$2,499,600 for Agriculture, Policy and Economics Division, for the fiscal year ending the 31st day of March, 1988—pass.

Item No. 7.(a) Federal-Provincial Agreements, Agri-Food Agreement - the Member for Virden.

**MR. G. FINDLAY:** Thank you, Mr. Chairman.

Just before we rose at 5:00 o'clock, the Minister circulated the approved projects. It's a fairly large book, some 100 pages, and certainly there are a lot of good projects in there.

My first question to the Minister is: Who is responsible for approving the projects that are here, and what percentage of the applications that are made were actually approved?

**HON. B. URUSKI:** Mr. Chairman, there is a federal-provincial management committee of the program, and that committee makes the recommendations to whichever level of government provides the funding for whichever project, and in terms of projects, and on applications, probably maybe half, maybe slightly less than half, of the applications and suggestions that have been made have, in fact, received some funding.

**MR. G. FINDLAY:** Mr. Chairman, certainly, what is going on here, there are a lot of projects under way and a lot of useful information will be gleaned from them. There is also a lot of research going on at the universities. I always am concerned that the information that's generated from these projects gets out to the

producers that need to have an opportunity to see the results.

I have been quite happy to see the agri-food reports that have appeared in the Co-operator. I think the first one came out last fall, about October, if I'm not mistaken, yes, October 30, and one in December and one quite recently, if I'm not mistaken - I can't find it in here right at the moment - but I believe these are good reports. For anybody who is interested, they are certainly well written and nicely presented.

I believe in the third one, I saw somewhere that this was being reanalyzed as to whether they would continue putting these reports out. I would highly recommend that these reports continue to be put out because if you're going to spend the money doing the projects, it may as well be in a form that people have an opportunity to read. If they choose not to read it, that's their problem, but at least the information goes out, and I've been quite happy with the way these have been written and the way the information has been presented. I hope that the intent is to continue to put the information out in this form.

**MR. CHAIRMAN:** The Member for Morris.

**MR. C. MANNES:** Mr. Chairman, just one question, and it flows again from the information presented by the Minister in the Agri-Food Agreement.

There was one project area there dealing specifically - and I say "there" within the list of projects presented - dealing with conservation districts. Does the Department of Agriculture have anything to do with that at all or is that solely under the purview of the Department of Natural Resources?

**HON. B. URUSKI:** Which conservation district?

**MR. C. MANNES:** Mr. Chairman, the Minister asked which conservation district. I'm talking about the \$1 million allocated to the development of additional conservation districts.

**HON. B. URUSKI:** Mr. Chairman, the conservation district funding directly is within the Department of Natural Resources and is administered by their department. However, under the additional components of the program, we may have and do have in some conservation districts additional demonstration projects which our staff would be working with farmers and with staff of Natural Resources in those areas. So the conservation district budget is within Natural Resources, but there would be some additional projects which we may fund under other areas in the agreement that would be involved in districts as well. So it's a combination.

Mr. Chairman, the Daerwood Soil and Water Management Conservation District has a total funding of \$249,000 federal and \$120,000 provincial over the five-year period. There is not only the Manitoba Agriculture; there is the Department of Natural Resources, the Daerwood Soil and Water Association, PFRA, and the R.M.'s involved. So there are a number from the departmental level, cross-departmental representatives and local representatives.

**MR. CHAIRMAN:** 7.(a) Federal-Provincial Agreements—pass.

Resolution No. 12: Resolved that there be granted to Her Majesty a sum not exceeding \$1,311,000 for Agriculture, Federal-Provincial Agreements, for the fiscal year ending the 31st day of March, 1988—pass.

Item No. 8.(a) Income Insurance Fund, Beef Stabilization Plan; 8.(b) Hog Income Stabilization Plan; 8.(c) Sugar Beet Growers Assistance, with zero dollars on it - the Member for Virden.

**MR. G. FINDLAY:** Thank you, Mr. Chairman.

The Beef Stabilization Plan has been in existence for almost five years, I guess; certainly four years past. Last year, on July 3, a letter went out that certainly reduced the support level in the program by some \$7.5 per cwt. There's been a lot of people who were basically fairly happy with the plan prior to that date and became a little less happy since then.

I'd like to know whether that has been translated into a number of contracts that have been terminated, well, since last fall, and if there have been terminations, in what categories have they been? Have they been people who produced finished animals or people who produce cow-calf?

**HON. B. URUSKI:** Mr. Chairman, I will provide the honourable member with these statistics. Original sign-up contracts were 4,816; terminations, many of which were at the beginning of the program, 400; new contracts, when we say new contracts, which there were no productivity enhancement grants paid on those contracts, 416. Totals as of January 31, 1987: 4,832.

**MR. G. FINDLAY:** My question, Mr. Minister, was how many contracts have been terminated, say, since last September? Do you have those figures?

**HON. B. URUSKI:** Mr. Chairman, I don't have those figures here and I guess primarily, because I didn't believe that we would be moving as fast as we've moved today in the Estimates, I did not ask certain staff to stand by. I will endeavour to get that information. We're making notes of questions that I have been unable to provide information for, and we'll try and provide it likely in a memo form to my honourable friend on answers that we can't provide.- (Interjection)-

We may have that information. Mr. Chairman, in the three months of '86 we had 65 new contracts; and in the last three months of '86 there were 65 terminations, so it pretty well broke itself even.

**MR. G. FINDLAY:** What is the deficit state of the stabilization plan at this stage?

**HON. B. URUSKI:** Mr. Chairman, in terms of the actual fund at this time, I'll have to get that. At the end of January, Mr. Chairman, the deficit in the fund was \$29.6 million, and it has come down a couple of million dollars since then.

**MR. G. FINDLAY:** Mr. Chairman, certainly, one of the things that I hear about quite regularly on the phone is the action by the Beef Commission that all animals that a farmer markets, if he's in the plan, the first marketings in the year are those on which he has to pay the stabilization for his operation. I'd like to just

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review with the Minister for a couple of minutes what has transpired in the past.

On March 31, 1987, a letter went out to all MBC participants, indicating in summary the intent of the amendments of October 26, 1983, and in the Order-in-Council of 1983, there were five items listed: (1) all producers are eligible to participate in the plan; (2) maximum stabilization limit is 80 percent of the basic cow herd; (3) which establishes as a minimum marketing level for subsequent years; (4) marketings can be spread over two consecutive years; and (5) - this is the item that I want to talk about - that first marketings in any calendar year shall be those stabilized, regardless of whether the animals were purchased by the producer or born and raised on the production unit, as per Section 5.(5) of the amendment referred to at the opening.

Mr. Minister, I went back and got the Order-in-Council and, yes, the Order-in-Council says all those things, No. 1 to 5; they're all there. But then I go back to what this letter says, in that the farmers were all informed of this in a letter dated December 2, 1983, what the Beef Commission is saying is that the farmers were aware of these five points since December 2, 1983.

When I go through the letter of December 2, 1983, Mr. Minister, items 1, 2, 3 and 4 are covered in the letter of December 2, 1983, but there's no mention in this letter of December 2, 1983, absolutely no mention that first marketings are those that are stabilized. Repeatedly throughout this letter of December 2, 1983, it says "born and raised on the farm."

"Born and raised on the farm" are the only animals that can be marketed. It mentions the 80 percent. It mentions that 65 percent of that can be steers. It mentions that the marketings can be carried forward, but at no point does it mention that first marketings are those that will be stabilized.

Mr. Minister, there's a clear problem with communication between the beef plan directors and the farmers, and this has been repeatedly brought to my attention that farmers who signed the plan, signed it on the basis that they could only stabilize animals raised on the farm, and that's what they've been marketing.

And I can tell you, Mr. Minister, I've talked to you privately about a particular case, and you wrote me a letter which really, I'm sure, was written by somebody in the Beef Commission, sort of whitewashing their actions, but without taking into account the fact that the farmers have never been informed even though the Beef Commission says they were.

Mr. Minister, I think that what is happening here is that farmers are being unjustly charged a stabilization on animals that they can't stabilize - that's all that's happening - and many of the farmers that I talked to have those calves that they raised on their farms still in their feedlot. They went out and bought some animals last fall which have gone to market already in the normal feedlot portion of their operation.

Mr. Minister, I think it's only fair that the farmer who cannot stabilize these animals that he's purchased and fed out, he should not be charged a stabilization fee on them, especially in light of the fact that the contract said that you could only stabilize those animals that you raised on the farm, and the letter of December 2, 1983, did not mention first marketings as being those that the fee would be charged on. Back in that point

in time, the commission did not want to pay out stabilization on those animals. So now why should, a few years later, they change their plan?

Mr. Minister, the letter sent out on March 31, 1987, is truly in error if they're saying that the first marketings were mentioned back in the letter of December 2, 1983. I think a considerable injustice has been done to you and your department and to the Beef Commission by this attack that's going on right now, going to the various marketing positions and going through the records and finding out under what name certain animals are marketed. If they cross-check the man to be a contract holder, they immediately send out a demand letter.

Mr. Minister, if there is any doubt about whether the person is trying to beat the system, then an inspector can check on the farm to see if his truly raised animals are still there, and secondly, to make a phone call, if you don't want to make the trip, to see if the man has got the animals there.

Probably the clearest example, Mr. Minister, is a case where a farmer has his calves born in the spring and they go to market in June, July, August of the following year, and that's the traditional pattern. You cannot change that pattern, you cannot speed it up. You might be able to delay it, but you can't speed it up. If that farmer ends up with cattle going to market in January and February, they clearly cannot be the calves he raised the year before because it's just physically impossible.

I think the Minister should speak to the Beef Commission and get this corrected and charge the stabilization fee only on the animals raised on the farm, not those that are purchased and put through a feedlot in conjunction with his total operation.

**HON. B. URUSKI:** Mr. Chairman, I will want to make sure that I review those letters that the member makes reference to, especially the one back in 1983, based on the allegations that he has made. I don't have the letter here with me, but I certainly will want to be one of those to review whether the commission has, as the member suggests, exceeded its authority. I doubt whether that is the case, and I say that, I do recall - and I'm going back to '83 when the commission was set up - that the commission did originally start out with that very concept of trying to determine the marketings were those marketings born and raised on the farm.

The problem is, when you've got an 1,100 pound steer, I'm not sure that you're going to tell at that stage of the game whether that animal was born on the farm or whether it was born on another farm. It was born on some farm. Whether it was born on the farm of the one who fed it and raised it was the whole debate in this matter.

In fact, the commission really had its hands tied as to how in the Sam Hill do you define whether that animal was born on that farm, and that was the dilemma they got themselves into.

There's no doubt; it created all kinds of havoc and they went with ultimately the only practical solution that they could, and that is to say that regardless of where that animal was born, because there is no way of basically marking that animal if it was born on the farm because you'd have to be there right at birth. If you weren't there right at birth to determine that in fact

this happened, then what are you doing? What are you really determining? You're not determining anything.

So, Mr. Chairman, the commission did the only practical thing that was open to them, and said the first marketings are the marketings from the commission because, I want to tell you, in the actual experience of the operation, they found that the commission cattle for some reason at times were poor grades and lighter weights, and those that were bought from elsewhere, they were the healthiest and the best grading animals that we had on some of the cases that went through the commission.

So, Mr. Chairman, there were those kinds of instances, and I hope the honourable member is not suggesting that we go back to the system, and he obviously had suggested it, but I hope that he doesn't stick to that argument for any length of time because, Mr. Chairman, I would not want to recommend that we go back to that system.

But if we have done something clearly that is not legal, Mr. Chairman, I will want to ensure that staff and the board of that commission hears of my honourable friend's comments, and they certainly will hear it from me if we've done something that is not legal. We will want to make sure that it is clarified, if it hasn't been.

I want to check that out but clearly, in practical terms, what the commission has done is really the best way of handling the situation, because there is no other way around it. You go ahead and try and prove where that animal was born.

**MR. G. FINDLAY:** Mr. Minister, I won't say anything more about it, other than check your Order-in-Council of October 26, 1983, the letter the commission sent out March 31, 1987, and the letter they sent out December 2, 1983.

I'm not saying there's anything illegal. I'm just saying that the statements made in the March 31 letter are not totally consistent with the letter of December 2, 1983, with regard to the first marketing issue. That element was missed in the letter of December 1983, so producers were not informed that was policy. I'm unaware of any subsequent letters that ever said that. Having not informed the participants of the plan and then start to go around with a heavy hand and start collecting is a failing on the part of the commission.

Also, Mr. Minister, I'm a little bit upset with the approach that they used in a letter of September 23, 1986, where I shall read, because I understand only recently they started going around and checking the various auction marts to see who had marketed animals without indicating them as Beef Commission animals, and then are charging them the levy. That's what's going on, Mr. Minister. - (Interjection) - Well, Mr. Minister, you've just made my case for this next letter. You're automatically calling farmers crooks without giving them a fair chance to hear their side of the story.

Mr. Minister, the letter of September 23 by the Beef Commission, and I shall read: "It had become evident that a small number of contract holders are attempting to avoid paying premiums into the Beef Stabilization Fund now that favourable cattle prices preclude a deficiency payment." - and in big, bold letters - "This practice shall not be tolerated." And further on down in the letter, in big, bold letters: "We now have the

legal authority to inspect the records of those purchasing livestock to determine who has chosen to circumvent the rules," a real heavy-handed approach, Mr. Minister. It sounded, when this letter came out, as if I as a personal MBC participant was being accused of defrauding the system in some fashion.

There was never any indication that any of us might have been following the legal route and, with some 5,000 contract holders, I would have thought when they sent that letter out there must have been 1,000 or 2,000 people beating the system. Mr. Minister, a subsequent report comes out on February 12, 1987, and this happened to be in the Co-operator, saying that out of the 5,000 contract holders, there were only 33 serious offences that the MBC was prosecuting.

With only 33 cases out of 5,000, does that warrant this heavy-handed letter that we now have the legal authority to stomp out those few who are trying to circumvent the rules?

Mr. Minister, when any commission sends those kinds of letters out, it sounds to me like the Minister has directed them that we shall go out and collect the money at all costs - we're out to get money now; we're not out to have a plan to keep everybody happy.

Mr. Minister, I think that they overextended their moral obligations by treating farmers as crooks, and I don't like your comment earlier that you implied that many of us are. I think that's extremely unfortunate.

**HON. B. URUSKI:** Mr. Chairman, I certainly didn't imply that anyone was a crook, but I want to tell my honourable friend there's nothing inconsistent in how the commission has applied this policy. If in fact stabilization payments have been paid out on first marketings, what's inconsistent about applying the premiums on first marketings? Nothing, Mr. Chairman.

Mr. Chairman, the fact of the matter is stabilization payments were made. When stabilization payments were paid out, they were paid out on first marketings, basis of the policy that was announced. Now, when it comes the other way around, what is inconsistent about collecting premiums on first marketings in the same way as you make payments? There's nothing inconsistent about the approach.

Mr. Chairman, I want to look at the question. I've indicated that in fact if the commission is doing something, and the Member for Virden has acknowledged that he doesn't believe it's not illegal, I want to look at the whole question and, quite frankly, if farmers have in fact been not dealt with properly, certainly either by appeal or by policy change, I will want to correct that; but in terms of my knowledge of how the plan has operated, there has been nothing inconsistent that I can determine, and the member hasn't said anything to me that the commission has operated inconsistently. When we've made payments, they were on first marketings.

Now, when we're requesting premiums, why would we now all of a sudden change the process?

**MR. G. FINDLAY:** Mr. Chairman, I'd like to ask the Minister at what stage the Beef Commission is at in terms of moving to putting finished animals through the auction ring?

There's certainly been a number of cases brought to my attention. A number of times people have told

me that they believe the commission is being surcharged a cent or two a pound by the packing plants because of a reasonable chance that a number of those animals won't be fully finished.

What I say to the Minister is, if that is what's happening, if a number of animals are coming in unfinished and the packers are unhappy with them and, therefore, they're not prepared to bid top price, should not those animals be marketed through the auction ring where those two-way cattle can then find a home and be properly finished?

The auction ring has worked well in past years, and I wonder why the Minister will allow the auction ring to work for calves and feeders, but won't allow the auction ring to be utilized for the finished animals.

**HON. B. URUSKI:** Mr. Chairman, I don't believe that information accurately reflects what the commission does in fact obtain in the marketplace in terms of determining the grading and the type of finishing, that the commission attempts to encourage in the farm community, along with our field staff who are there to assist any farmers in determining whether the animals are indeed finished, and advice.

Mr. Chairman, during 1986, 84,633 head of slaughter cattle were stabilized, of which 92 percent graded A's. This compares to a provincial average of 91.4 percent. This favourable record, as I've indicated, is made possible by the assistance given to producers by our four field men and our marketing manager in advising on the correctness of finishing and marketing time. So, Mr. Chairman, the actual sales by the commission in the marketplace determines that the job that they have been doing in advising farmers on finishing has been the right one. In fact, generally speaking, the commission has had the whole range of producers in this province to deal with and has consistently reached and exceeded the provincial average of Grade A marketings.

**MR. G. FINDLAY:** For your information, Mr. Minister, I have on more than one occasion been spoken to by a dealer - dealers who organize loads for the Beef Commission, and they know where their load is going. They know the packing plant the load is going to and they know the price that the packing has bid.

And they tell me - this is more than one individual - that load is going on, let's say a Thursday, and they have some extra animals from the same farms ready for market, and the farmer will say sell those for me too. So the dealer phones up the same packing plant and asks them for a quote on exactly the same animals they've already quoted on, and he says that consistently, 'I guarantee you a cent or two higher bid,' if he knows that it's coming from me, straight from a farm, and I will verify what they are as opposed to coming through the commission.

So I say the consumer of Manitoba or the taxpayer of Manitoba is paying a tariff for the operation of the Beef Commission. If that is true, why don't we allow the auction rings to competitively operate along with the central marketing desk? If the central marketing desk is working so well, it will survive on its own and a farmer can choose whichever route he wants to market his animals.

**HON. B. URUSKI:** Mr. Chairman, if we wished to get into the entire philosophical debate and the economic debate dealing with marketings, we should do what the Hog Commission has done with hogs - market all the hogs through the Hog Commission. That really would end any debate on this whole question of which market can produce what, Mr. Chairman.

The Ontario Commission, for the former Tory Minister, inquiry into cattle marketing in that province basically said, look, don't waste your money on these outside marketeers; every time that an animal changes hands, the consumer and the taxpayer ends up paying the shot. So, Mr. Chairman, that's generally the advice that was given to a former Conservative Minister who set up an inquiry into cattle marketing in the Province of Ontario.

I happen to agree with that kind of advice, Mr. Chairman, and so if there comes a time that the marketing of cattle should use another outlet other than the slaughter grade basis, the commission will be looking at that, and in fact I will not be hung up to say no, they can't use it. Mr. Chairman, I don't accept the kind of advice from time to time that we receive, especially based on the results of the commission's marketings to date.

In terms of price, that will be an ongoing debate, and I've had a number of letters with certain allegations. When the commission checked the marketings of that date and did the proper analysis, Mr. Chairman, I have been at least assured in my own mind that they know what they're doing in terms of saying here's why we got this price on this day for this kind of an animal, and here's what was happening, and they are able to do that.

So if my honourable friend has certain information that people give him on this, please put it in writing and we can certainly get the analysis of the corporation on the specifics of that date of marketings.

**MR. G. FINDLAY:** Certainly, with the operation of the commission, you're dealing with several million dollars, and it might be advisable for the Minister to get some degree of independent analysis of the efficiency of the system and the cost effectiveness of the central selling desk as opposed to the auction ring. It might serve to give him another line of evidence or information. Just to ask the Beef Commission if they're doing a good job, I guess they'll always find a way to say yes. It's called self-interest.

I would think if the Minister believes that he's on sound and secure ground, he might be well advised to get an independent person to do an analysis of how the commission has operated over the years.

Maybe I'm wrong; maybe he's wrong. Maybe we're both right and maybe we're both wrong, but I think to clear the air that would be one way to do it.

**HON. B. URUSKI:** Mr. Chairman, I find my honourable friend's suggestion in this area very disturbing, and I find it disturbing in a sense that while it sounds so casual and plausible that here we are just being requested to look at an independent review.

Mr. Chairman, would an auction mart not, in its own view and its advice, be self-serving? Mr. Chairman, would their analysis not be self-serving to the interests

of an auction mart? The Honourable Member for Morris shakes his head in the negative. Certainly it would be.

Mr. Chairman, the best test, if he wants a test, ask the hog producers if they would in fact do away with the Hog Commission and the selling and the way they sell cattle, sell hogs, in the Province of Manitoba, through the central selling system, the pooling system, that they have today, whether they would do away with it.

Mr. Chairman, when the Hog Commission was being set up, the kind of archaic debates that we're hearing today from the Member for Virden took place then. Those arguments were running hot and heavy right across this province, Mr. Chairman. All those free marketers in hogs - in fact some of those occurred about a year or so ago when the U.S. market was opened to live hog sales - at that time they wanted to by-pass the commission, the Hog Marketing Board. Why, Mr. Chairman? They could get away with the premiums. All of a sudden they cornered something that no one else was going to because they believed in the central desk system.

So, Mr. Chairman, the question was: Why couldn't the hog board do the same kind of a job? They did, Mr. Chairman. They made sure that those producers would not circumvent the system and made sure that they paid their premiums because the central desk selling system was working. It works well when prices are down, because it was nice for those producers then when prices are down, they could gain on it. When the market prices tended to be up, they were all of a sudden free marketers, Mr. Chairman. They were running all over the place; they were going to hold the world up on their own; they could conquer the world in their marketing strategy. Well, Mr. Chairman, it was at the expense of the rest of the producers in the industry. So the best example to deal with his question, Mr. Chairman, is to ask the hog producers.

**MR. CHAIRMAN:** The Member for Ste. Rose.

**MR. G. CUMMINGS:** Mr. Chairman, I don't know why the Minister thought maybe I was sleeping, I wouldn't notice what he was saying about hog marketing or what. But if he wants to use the export of hogs to the United States, one of the reasons that the hog board system is working well is that it allows for the dual system. In fact, the American market was developed by the private enterprisers and that they've moved the hogs into the system. The Manitoba hog producers who were having their hogs sorted at the hog board weren't getting a propersort on their hogs. They weren't getting as much for the loads as they were through the private dealer, so don't give us a load about the hog board working on the export market in that particular situation.

**HON. B. URUSKI:** Mr. Chairman, I have not heard any more malarkey than I've heard tonight from the Member for Ste. Rose.

Mr. Chairman, the Manitoba Hog Board has shipped thousands and thousands of hogs directly to the United States. Since when, all of a sudden, did some private farm or private entrepreneur develop the U.S. hog market for live hog sales? Nonsense, Mr. Chairman, that is pure bunk.

**A MEMBER:** Hogwash.

**MR. G. CUMMINGS:** "Hogwash" is a good description, I think, both ways, if that's the way the Minister feels.

I wonder if the Minister is aware of the numbers that are going both ways, because I think that that's the bottom line in that argument; but I think we're getting a long ways away from the base argument about the central marketing programs in the province.

Could the Minister now possibly answer my question about the number of animals that the central selling desk is handling that are not coming from producers that are part of this stabilization plan?

**HON. B. URUSKI:** Mr. Chairman, we'll quickly look through the notes that we have. If we have that information, we will provide it; if not, I'll take that as notice and provide it for my honourable friend.

I want to indicate, Mr. Chairman, to the Member for Ste. Rose, the main reason a year ago, when there was a lot of live hog sales to the U.S. by some individual farmers, primarily there were two reasons: No. 1, the market price was up in terms of the exchange; but, No. 2, for a period of time they found a way that they didn't have to pay the premium levy for marketings, and they had the best of both worlds.

**MR. G. CUMMINGS:** Mr. Chairman, the Minister insists that there was some kind of ulterior motive other than to finding an export market to move hogs into the United States. There's still a considerable number of sows, boars, moving in that direction and I think that it would be a mistake on the part of hog producers of this province to even for a minute consider that we should be turning our back on a market there when we export well over half of the hogs that are produced in this province, or half of the pounds of pork that are produced.

The question that I want to pose to the Minister regarding the central selling desk is that I've had on at least two occasions people approach me where they're had mixed loads of where two people are sending cattle - I say mixed, they're mixed in terms of two owners - where they felt that there was little difference, in their opinion, that could be attributed to the lots of cattle.

In both these cases, and the reason that they came to my attention, was that the person who was a member of the stabilization program felt in both cases that their selling price was discounted for some reason in comparison to the other cattle that were in the same load. The numbers weren't large, so I'm quite prepared to accept that the comparison may not be a valid one.

But when the cattle are assembled and they come in, in groups, such as I've just described, where there are owners who are in and owners who are out of the plan, are they assembled separately or are they made into lots that are homogeneous, if you will, and moved to the packers?

**HON. B. URUSKI:** Mr. Chairman, I'll take that question as notice, but I believe they would be separate. If they're in small quantities, they may be separate, but I may be wrong in that area. I'll have to take that question as notice and get that information.

**MR. G. CUMMINGS:** Mr. Chairman, there is a separate allocation of the cattle under the two areas which we were mentioning. If there is that, then I think there is a possibility that some of the assertions of these producers may have some basis, in fact, where they were discounted in a manner that they felt was discriminatory.

If the Minister would be prepared to provide the numbers and the manner in which they are handled, I'd be satisfied with that.

**MR. CHAIRMAN:** The Member for Virden.

**MR. G. FINDLAY:** Thank you, Mr. Chairman.

That July letter for September 1 implementation date for the lower premium, lower support level, what percentage of farmers opted for the lower level?

If I'm not mistaken there were two deadlines; one was July 31 and the other was December 31. In the total combined between the two, what percentage of producers opted to choose a lower level?

**HON. B. URUSKI:** Mr. Chairman, July and December allowed for contract holders to voluntarily accept a \$7.50 cwt. reduction in my price support levels in return for a 25 to 33.3 percent reduction in premiums or to continue the current coverage in increased premium. Eighty percent of contract holders chose the lower levels in July and a further 8 percent accepted the offer in December, so it's a total of 88 percent.

**MR. G. FINDLAY:** I understand then that producers have had two opportunities to make a choice.

Has there been any inquiry since the end of December for producers saying that they missed it, and will there be any consideration given to them to opt out at this point in time?

**HON. B. URUSKI:** Mr. Chairman, I don't recall any inquires from producers at all since then. There may have been some direct to the commission, but that's really the reason for the December opener in terms of making decisions, and the not sending of the response in either of those two instances was in fact a decision on its own.

**MR. G. FINDLAY:** Back when the Beef Commission was set up, there was the appointed board and I think many producers are certainly under the impression that appointed board would eventually or some day become an elected board.

There was also discussion in the early days about having advisory committees in each district of the province. Neither has materialized. We don't have the advisory committees in place, nor do I see any move to an elected board for the Beef Commission.

When is the Minister going to act in those two areas?

**HON. B. URUSKI:** Insofar as the advisory committee, the commission has actually taken a different approach. They have held and continue to hold regional meetings on an annual basis in every region and have held public meetings. So they've used that concept or that approach I guess in exchange or as an option to advisory committees. They've used the public meeting

approach and they've held usually anywhere from 10 to 20 meetings throughout the province when there are changes or discussions that they've held and it's usually at least once or twice a year.

Mr. Chairman, insofar as an elected board, I believe at such a time as the majority of cattle would be marketed through a central desk system, at that point in time - and of course there would still have to be a commission or board of some type as we have had in the area where there is a stabilization program - there would generally be an appointed board in terms of running a stabilization program, as we've had in the Hog Stabilization Plan, as we have the commission. I would see an elected board dealing with the marketings and the marketing aspects of the commission role, but there would be a separate body to deal with the question of stabilization and the stabilization program.

I would not advocate putting myself, if I was Minister, in the position of having to deal with an electric (sic) board on an issue of which really they have only one master, and that is the rest of the producers, even though the commission has a master. I can disappoint members of commissions where there is a fundamental difference on policy, whereas I could not deal with an elected board, and yet I would be the one responsible for the expenditures directly that would have to come from stabilization, and they would not have to be responsible for those expenditures. So there is a fundamental difference in approach in terms of which group would in fact represent and be responsible for which part of the stabilization and/or marketing.

**MR. CHAIRMAN:** The Member for Morris.

**MR. C. MANNESS:** Mr. Chairman, I don't rise to correct the Minister when he talked about an "electric" board. I think I know what he meant - the hour is drawing late.

Mr. Chairman, I wasn't here last week, so the very general question I pose -(Interjection)- Well I wasn't here; I was out trying to create wealth for the nation and the province and also for my family, Mr. Chairman, last week.

It's my supposition that cow numbers in this province are falling. I could be wrong, I used to know these figures, I used to carry them around in my head, but I've forgotten. But, in a relative sense, compared to other provinces, our numbers are more or less static, if not dropping, but certainly not showing the rate of increase in other provinces. Why is that? Why is Manitoba's rate of growth, by the Minister's indication that they are growing - my indications are that they are dropping some - why is Manitoba lagging in cow numbers, relative to other provinces?

**HON. B. URUSKI:** Mr. Chairman, I don't accept that assertion at all from my honourable friend, and he should know that by now. In terms of statistics, and I don't have them here - we're just looking to see whether we have some numbers. We will provide the statistics for my honourable friend, but in terms of doing worse or less, in terms of our cow numbers, we are holding our own and there may be a slight increase in terms of cow numbers in the province.

Proportionately, we are very small to our neighbouring provinces and the honourable member knows that,

where the population in Saskatchewan, if I'm not mistaken for cows, is about five times - maybe not quite five, about three times ours - and Alberta is about five times ours in terms of proportion. I think that's generally been the historical relationship to Manitoba.

We did this year, and as I've acknowledged on a number of occasions, a lot of our calves have moved out this year, out of the Province of Manitoba. Oh yes, I mentioned that when we were debating the whole issue several weeks ago, Mr. Chairman, that the number of calves this year has moved in much greater proportions than they have been in the past; and I've said that even if we had a feedlot proposal, it would not have been able to take the place of the \$35-\$50 per head support through the Crow offset in Alberta, and that's where most of the animals went.

**MR. C. MANNESS:** Mr. Chairman, we'll debate the issue of cow numbers another time. I don't want to move into a long discussion on that but I wanted to ask the Minister one other question and it's very general in nature. He's provided most of the answer to it in the last part of his just given answer.

Mr. Chairman, I don't have many feedlots in my area. I guess nobody does anymore but there was one here just a couple of months ago north of Carman in my constituency that closed, indeed the large one at Sanford is only one-third capacity.

And I guess the hard question to the Minister of Agriculture is: What is going to happen to the feedlot industry in this province and indeed is it being ruined solely because of a subsidy that's in place in Alberta? Does he totally direct that cause, that government program in place in Alberta, as the direct cause to the feedlot industry being decimated in this province?

**HON. B. URUSKI:** Mr. Chairman, I don't accept that the entire feedlot system is being decimated. The feedlot system has been up and down in this province and historically, I think that relationship, in fact, will continue. There will be times when it will be profitable to feed cattle and people will, in fact, jump in and fill those feedlots and feed animals.

Mr. Chairman, obviously some of the cow/calf people this last fall felt that 1.10 a pound for calves was a good price and they weren't prepared to put animals in the feedlot and they let them go. Only time will tell whether that was the right decision to, in fact, let them go or, in fact, to feed them, whether there will be money made at the other end of the scale.

But, Mr. Chairman, what will occur to the feedlots in the province . . . What we've had, Mr. Chairman, is, we've had discussions with the feedlot association and I've indicated to the Member for Virden in terms of dollars, in terms of support, in terms of what has happened to the marketplace, at this point in time we have not been able to bring about a feedlot plan in the province but it's certainly one of those that is under active consideration by this government.

**MR. CHAIRMAN:** The Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, I don't want to get the Minister excited or cause him to do anything that would be irrational. I have not participated to any great

extent in his Estimates and I -(Interjection)- well, the Minister makes his shot from his chair, have I got an auction mart for sale? Well, Mr. Chairman, one would be less than truthful if they said anything but yes. I mean, in the business environment which we have in the Province of Manitoba, there are a lot of things for sale, not only my auction mart. There are numerous things.

At least, Mr. Chairman, it's not particularly like Canada Packers, what happened to Canada Packers under this current Minister. Well, that's a federal problem; that's again a federal problem. Although we spent \$30 million in a beef stabilization program at Canada Packers, that's really the result of some of his programs.

All I want to point out, Mr. Chairman, is that every time we turn around, we see another failure in the agricultural industry. Who's the Minister? What are his reasons? Well, it's the Federal Government's fault. The sugar beet industry, it's the Federal Government's fault; Canada Packers closing, the Federal Government's fault; Versatile Equipment, well yeah, that's the Federal Government's fault too, but they saved it, you know, they saved it. I'm reluctant to get into a lot of detail, Mr. Chairman, because I could. There's a story to be told.

I have a concern, and it's with the Minister's inconsistent policies dealing with stabilization. Yes, we had a stabilization for the hog industry, wrote off \$3 million to \$5 million. We have a beef industry stabilization program which hasn't worked. Now the industry is recovering with prices improved. The Minister is there with his hand out for \$30 million. I don't see the Minister for Manfor with his hand out for the money that Manfor owes. I don't see the Minister for Flyer Bus, the Minister of Finance, saying anything about the \$100 million that went in Flyer Bus. In fact, he gave another \$1 million to get rid of it.

**A MEMBER:** Ten.

**MR. J. DOWNEY:** \$10 million? I thought it was \$1 million. But why is it that we see the beef industry, when it gets back on its feet or is attempting to get back on its feet, we've got to put the money back in the Minister's hands?

You know, there are some detailed questions that I think have to be asked over the Beef Commission. I think the whole handling of the Beef Commission deserves a review - I don't necessarily say by the Provincial Auditor - but I think that there has to be some very close scrutiny . . .

**HON. B. URUSKI:** He's there too.

**MR. J. DOWNEY:** Well, the Minister said, he's there too. So now we found out, Mr. Chairman, that fishing expedition brought out a little bit of information. The Provincial Auditor is now -(Interjection)- Well, the Minister says, who do you think audits their books. Well, is the Minister telling us something? Is it a special audit that's being carried out, or is it a normal procedure? Who called for it? I think there is need for it probably, Mr. Chairman.

I've got a constituent, Mr. Chairman, and I wrote the Minister, dealing with a retired farmer who entered into



the program to help himself following a tough cattle business. Then what do they receive from Mr. Dunsmore - and I'll mention him - but a bunch of threatening letters. I'll tell you, for a retiring farmer, lived a lifetime, tried to make a go of it in the cattle business, contributed as much as he could, gets a nice thank you letter from Joe Dunsmore, saying I want that money back, like I'm really going to fix you. You know, it was difficult for this elderly individual to cope with.

But the whole problem is, Mr. Chairman, the Minister got himself into another ill-conceived beef program. He was part of the government during the Uskiw years, ill-conceived beef program. We got that cleaned up for them, Mr. Chairman . . .

**A MEMBER:** And we'll clean this one up, too.

**MR. J. DOWNEY:** That's right, we cleaned that one up, got the beef industry back onto somewhat of a normal scale again. Here they come again! It took awhile, but 1982-83, right back into the soup again, Mr. Chairman. We got the producers in dire need, everybody clamouring to get into a beef program, only to reap the rewards of an ill-directed department by this Minister of Agriculture. They got their hand caught in the trap again, you see, because they went after that dollar that the Minister handed out just to have the Minister set up a marketing board. He says have I got an auction mart for sale? You know why it's probably for sale? It's because he set up a Beef Commission, Mr. Chairman, to market all the cattle.

Well, I think not only should there be an investigation into the whole operations of the marketings; I think the whole pricing mechanism - how do they strike a price? How do they determine what price the beef should sell at? I'd like to really know the whole exercise of the operation of the Beef Commission. I won't take any more time, Mr. Chairman.

As I say, I have a series of questions. I think that, over due course, if we could get the Beef Commission to come before special committee to explain why cattle numbers are down, explain why Canada Packers closed, explain why all the feeder cattle went out of the province this year, explain why they don't want to encourage people to continue on in feeding cattle, because I can tell you, all the feeder cattle are gone. I don't blame the farmer for selling feeder cattle at over \$1 a pound for 600 and 700-pound weight cattle. That's the bonanza they've been waiting for. Why sit around and feed them to take a chance on losing money in the coming months?

I don't think the Minister has a clear understanding of the whole process of the livestock industry but I'm not surprised, because he doesn't have a handle on any other part of his department either.

Thank you.

**MR. CHAIRMAN:** 8.(a)—pass; 8.(b)—pass.

Resolution No. 13: Resolved that there be granted to Her Majesty a sum not exceeding \$11,235,900 for Agriculture, Income Insurance Fund, for the fiscal year ending the 31st day of March, 1988—pass.

Item No. 9. Drugs and Semen Purchases—pass.

Resolution No. 14: Resolved that there be granted to Her Majesty a sum not exceeding \$6,130,400 for

Agriculture, Drugs and Semen Purchases, for the fiscal year ending the 31st day of March, 1988—pass.

Item No. 10. Special Farm School Tax Assistance Program - the Member for Virten.

**MR. G. FINDLAY:** Thank you, Mr. Chairman.

We've asked the Minister several questions on this area earlier in the Estimates and in question period, and he still has not brought forward any details as to how this program is going to be administered. It's a little difficult to know whether the \$12 million will entirely be spent without having any idea as to what some of the guidelines the Minister is going to bring into place for this program.

We certainly have a lot of concern about whether hobby farmers and holders of small lots who aren't farmers, whether they will qualify. I have concern about whether a father-son combination farming or two people farming in partnership, whether there is one qualification or two qualifications.

When I look at the number of commercial farmers in the Province of Manitoba, those who are truly making their living off farming, or a very high percentage of their living off farming, I wonder if it's possible, with the \$500 limit that the Minister has in place, for the entire \$12 million to be utilized.

I would like the Minister to at least indicate to us tonight if it is his intention to use the \$12 million, regardless of whether the \$500 ceiling is too low or not. Should it turn out that the \$500 ceiling is too low, will he raise that ceiling to whatever appropriate figure is needed to allow the entire \$12 million to be paid out to bona fide farmers in the Province of Manitoba?

**HON. B. URUSKI:** Well, Mr. Chairman, I want to indicate that when we talk about the assistance of \$500, that is of course on top of the \$325 that is presently available and the additional \$175 that is available to elderly taxpayers in terms of school taxes payable. So there is the provision of up to \$1,000 of assistance per farmer.

Mr. Chairman, as I've indicated, we are concluding our discussions hopefully very soon with the Union of Manitoba Municipalities. In fact, I'm to be meeting with the president and the Minister of Municipal Affairs on Wednesday to have some further discussions. On the basis of those discussions, we will be finalizing how our program will be administered, whether it will be through generally accepted or whether we will have to go to individual municipalities if there is some reluctance to administer the program.

There are some concerns there, and I'm not sure what all the concerns are from some of the union members, but it's my hope that we can resolve those concerns so that the bulk of the program can be administered locally and farmers can receive their funding quickly right at the municipal level. That's our hope, and as soon as those discussions are through, it's my hope that within a short period of time after that, we will be announcing the program and in the process of developing the information to present to farmers.

**MR. G. FINDLAY:** How many staff have you allocated exclusively to this, or have you hired any new staff for this program?

**HON. B. URUSKI:** Mr. Chairman, we have not hired any new staff. Existing staff from our Policy and Program Review Branch have been working with the Department of Finance, people who are involved in the other assistance programs. If this program operates as we envisage it operating with the cooperation of municipalities, we should not require any degree of - we may need some term staff during peak time, but no additional staff would be required to operate this program as we envisage it now.

**MR. CHAIRMAN:** The Member for Morris.

**MR. C. MANNES:** Can the Minister explain the philosophy behind the program, whereby farmers who have in their farm base acreages of, let's say, 1,000 acres or more were held so punitive in the process?

Mr. Chairman, farmers that have any acreage at all are receiving virtually no rebate in a percentage form. What was the thinking of the government in denying those farmers who may operate in excess of 320 acres any reduction of education tax beyond 320 acres?

**HON. B. URUSKI:** Mr. Chairman, if our proposal is paltry now, what were the Conservatives putting out during the election campaign? Was it a fraudulent election promise of \$20 million?

Mr. Chairman, I mean is the member now suggesting that the assistance that we're providing to the pensioners, leaving the \$325 alone, the pensioners, and the \$500, is that now a paltry measure in terms of school tax assistance? If that's what he's calling it, I'd like to know what he's saying.

**MR. C. MANNES:** Mr. Chairman, I didn't call it a paltry measure. I never believed \$1 million, let alone \$12 million, is a paltry sum, Mr. Chairman. You'll never hear me say that.

The question was very specific. What was the philosophy behind the government deciding to have a break point of roughly 300-320 acres, after which point, no forgiveness of education tax would be attributable to any farm? That's the question. What is the philosophy behind the decision to bring in this program compared to the one that we were talking about where, indeed, size was secondary? Regardless of whatever size of farm you ran or the acreage you owned, you would have a rebate of 50 percent of the provincial levy for education purposes.

**HON. B. URUSKI:** Mr. Chairman, in terms of this program, we looked at the amount of money that might be available and we made that decision as to how much money we would have available to assist the farm community.

Mr. Chairman, we looked at the amount of money that was available and we said in what way and to whom might that money be distributed, and we decided that we would distribute it to operators of farm land, as opposed to just going with owners of farm land. We felt that operators of farm land, who are actually operating the farm land, should get the benefits under this program. When we looked at the numbers of tax filers in the Province of Manitoba filing farm tax returns on the basis of the amount of money available, that's how we came up with the numbers in this program.

**MR. CHAIRMAN:** The Member for Virden.

**MR. G. FINDLAY:** Well, Mr. Minister, now that you mention our election promise, you must have been looking over our shoulder when you came up with the figure \$12 million because it's very, very close to the same figure.

But our commitment was an ongoing commitment; it was a commitment not for one year, but for perpetuity, in terms of recognizing the inequity that farmers have been facing in terms of paying education costs.

I would like you to tell us whether your proposal now is something that will be permanent for the farmers of Manitoba beyond 1987; and, secondly, whether you're prepared to continue to recognize that inequity by expanding the exemption in subsequent years?

**HON. B. URUSKI:** Mr. Chairman, it would be my hope that in reviewing the necessary changes in municipal taxation and in education funding and the whole reassessment question, that more fundamental change in the longer term is made.

This is, as announced, an interim measure and it should be treated as such. What the final product will be in terms of the restructuring of the tax system has yet to be determined, and future years' changes may not require the kind of program that we have here may be built into the system completely different, into the reassessment system.

So, Mr. Chairman, that's why there will not be any indication that this in fact is going to be the final blueprint of what restructuring occurs. I certainly would not be in a position to make that determination now. One would have to await future budgets and future determinations as to what kind of assistance and in what form it will take.

**MR. G. FINDLAY:** One last question then.

Can I extract from what you said that you're committing yourself to removing education tax from bare farm land?

**HON. B. URUSKI:** Mr. Chairman, our party, I'm sure, has taken the position, and I believe there may be other parties who have in fact accepted the principle, that services to people should be paid for generally out of people taxes, general revenue taxes, and services to property should be paid from property taxes. Therefore, the whole notion of education tax finance from property is certainly an ideal and a principle that we accept should be shifted. The question is: How quick can we do it and from what other sources do we make up the difference in revenues? That's the difficulty facing not only this government but other governments in this country.

**MR. CHAIRMAN:** Special Farm School Tax Assistance Program—pass.

Resolution No. 15: Resolved that there be granted to Her Majesty a sum not exceeding \$12 million for Agriculture, Special Farm School Tax Assistance Program, for the fiscal year ending the 31st day of March 1988—pass.

Item No. 11. Expenditures Related to Capital (a) Capital Grants—pass?

Monday, 27 April, 1987

**HON. B. URUSKI:** Mr. Chairman, just to indicate to honourable members, this capital request is our sewer and water program through the Manitoba Water Services Board.

**MR. CHAIRMAN:** Pass.

Resolution No. 16: Resolved that there be granted to Her Majesty a sum not exceeding \$4,150,000 for Agriculture, Expenditures Related to Capital, for the fiscal year ending the 31st day of March 1988—pass.

Back to the Minister's salary, item No. 1 - the Member for Morris.

**MR. C. MANNES:** Mr. Chairman, I have just one short question, and it may have been dealt with earlier on, but I would ask the Minister for his indulgence, if he would indicate to me what the thrust and the present objectives are of the home ec program; which of course, the government tried in its greatest fashion to do away with, eliminate completely last year, and thanks to the efforts of the Opposition, was maintained, transferred to some degree from Health into Agriculture.

Can the Minister indicate whether there has been any change in thrust or objective associated with that program?

**HON. B. URUSKI:** Mr. Chairman, first of all, the program was not being done away with within the Department of Agriculture; it was the provision of central services.

And I want to say, not any thanks to any honourable members opposite; all they did was attempt to fan the flames of misinformation on this issue totally.

However, we did have a fairly lengthy discussion on the issue of the human resource strategy of our department of which not only the home ecs are playing a very key role and are leading off the role in terms of the development of that strategy, but our ag reps are involved and our other specialists are involved, but the home ecs and the ag reps are involved very integrally in the provision of services to families who are either in financial difficulty and stress, or also involved with families who, in terms of the income strata, have had difficulty in maintaining their incomes within the agricultural community.

**MR. C. MANNES:** Mr. Chairman, that's a laudable goal and certainly one that we can accept.

I think what I'm trying to draw forth from the Minister is whether or not there has been any change in emphasis associated with the objectives of that group. I could understand at this point in our time how a lot of their times and efforts would be directed to the farm community; but is it the commitment of government, that once we pass through this stage in agriculture, that indeed they will direct their services towards all families in a rural sense and that that objective will stay in place?

**HON. B. URUSKI:** Mr. Chairman, all roles of extension people are, what I would call, evolutionary. They will evolve as the circumstances within agriculture dictate, and we will want to review those roles as circumstances change.

A number of years ago, when the Province of Manitoba started embarking on farm financial

management and financial management, there were no courses, for example, in the University of Manitoba dealing with financial management in that sense. They brought new instructors into the university to expand those kinds of courses.

We led the way in extension work in these areas, and so are we in terms of the provision of services and the coordination of, as I've indicated, both public and community services to try and better the assistance in terms of stress, financial management and family living to rural families. That's the thrust that we're embarked on presently. It's more group work, more individual work with families under financial stress. When I say group, yes, small groups; there are the farm management courses, farm financial courses, those kinds of groups.

**MR. CHAIRMAN:** The Member for Virden.

**MR. G. FINDLAY:** Thank you, Mr. Chairman. I've just got a few comments I'd like to make just before we wrap up these Estimates.

There is no doubt, and I know the Minister is well aware, that Agriculture is in a pretty severe crisis. The end, which nobody can see, may be in two or three or four years at this level of income in the grain industry. There are a lot of farms in trouble, but also an awful lot of the infrastructure that serves agriculture is in severe trouble.

The Member for Lac du Bonnet got up on his Throne Speech and mentioned that his last dealership had closed there. The Member for Swan River knows that they had a major dealership close up there just not too long ago, Hunt's Farm Equipment, a dealership that I'd heard about years ago and I thought was so strong that nothing would ever happen, and there I see it's closed. When those sort of things happen in a rural community, even though the farms might survive, there's a serious problem for the farmers in getting parts and service in the years down the road.

Mr. Minister, when we opened these Estimates, I mentioned that I believed that our strength in this province is diversification. It's value-added industries, it's trade, and we must continue to be actively involved in trade. I hope that you will be pushing your government to be sure that the trade negotiations that are going on with the United States are followed through with, such that we do maintain our trading relationships, our trading agreements. There is no such thing as free trade. All we're trying to do at that table is establish agreements that we now have been taking for granted, establish them and on into the future.

Mr. Minister, we've talked a lot about stabilization through tripartite, and I believe there are other segments of agriculture that are going to need stabilization in the future: lambs, white beans, the feedlot industry. I hope you will act fairly quickly in some of those areas.

Another area that certainly is going to be up for discussion in the coming months is the next deficiency payment from the Federal Government. I don't doubt that you, as a province, will be asked to participate financially in some meaningful way in the '87 deficiency payment. I hope you do not take the same approach you have taken with sugar beets, and saying the feds are offloading. I think you have to accept some level

of responsibility to see that the farm community is adequately supported in terms of offsetting the drop in initial prices that is nobody's fault in this country. It's the fault of powers and activities and countries well beyond our borders.

You indicated, through Estimates, that you would not discard out of hand the participation of the Western Grain Stabilization, where it's now \$2 federal and \$1 producer, that you would not discard out of hand in some way the province being involved in that program in the future, and I hope you meant that when you said it.

I would like to see the Minister act with some changes to the Guaranteed Operating Loan Program. I was quite amazed to find the level of dollars that are in the operation right now far below the maximum allowed. The Minister may very well be advised to look at extending it, raising the limit, because maybe the limit is too low now. That's why there aren't enough people using it.

**HON. B. URUSKI:** \$125,000.00?

**MR. G. FINDLAY:** Maybe it's too low; maybe \$150,000 or \$200,000 is the more appropriate figure. If the money is there and there's such a demand, I would think it should be in circulation. So something's not quite right in the way the thing is being administered right now.

I hope that his interest rate buy-down program can get in operation fairly quickly, because all those people who received the interest rate reduction to 8 percent in past years were given no forewarning they would not get 8 percent money this year. Now they're being told to put money up front in order to get the lower rate of interest for this year and coming years, so that's been a significant change in direction for those mortgage holders of MACC. I think that they need to be given full details on that plan very, very quickly.

I would hope the Minister follows through with the education tax proposal and gets the information out

as quickly as possible, and get it out so that it serves the actual grain farmers of this province, the practising farmers or the commercial farmers, as I prefer to call them.

The other area that I'm quite concerned about is in the Budget that was announced this spring, the land transfer tax. Farmers receive a temporary exemption, and I would hope that the Minister will correct that so that it becomes a reasonably permanent exemption on into the future rather than just temporary.

Mr. Minister, with those comments, I would ask you to address the serious problems facing our agricultural industry and move to institute some actions that will put Manitoba on a much more level playing field with Saskatchewan and Alberta.

Thank you.

**MR. CHAIRMAN:** 1.(a) Minister's Salary—pass.

Resolution No. 6: Resolved that there be granted to Her Majesty a sum not exceeding \$2,745,000 for Agriculture, Administration and Finance, for the fiscal year ending the 31st day of March, 1988—pass.

**MR. DEPUTY CHAIRMAN, M. Dolin:** Committee rise. Call in the Speaker.

#### IN SESSION

**MR. DEPUTY SPEAKER, C. Santos:** Do we have a motion on the floor?

**HON. E. KOSTYRA:** I move, seconded by the Minister of Industry, Trade and Technology, that the House adjourn.

**MOTION presented and carried** and the House adjourned and stands adjourned until tomorrow at 1:30 p.m. (Tuesday)