



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

**DEBATES
and
PROCEEDINGS
(HANSARD)**

40 Elizabeth II

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



VOL. XL No. 64 - 1:30 p.m., THURSDAY, JUNE 13, 1991



MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

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

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 13, 1991

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

TABLING OF REPORTS

Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Citizenship): It is my pleasure to table the Annual Report for 1989-90 for the Manitoba Intercultural Council.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, may I direct the attention of honourable members to the Speaker's Gallery, where we have with us this afternoon His Excellency Ramon Diaz, the Ambassador of the Philippines.

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

Je tiens à vous signaler la présence, dans la galerie publique, de cinquante-deux étudiants de la 6^{ième} année de l'École Bannatyne sous la direction de Sylvia Allard, Monique Renaud et M. Mollot.

Cette institution est située dans la circonscription du député de Sturgeon Creek (M. McAlpine). (I would like to indicate the presence in the public gallery of fifty-two pupils of the sixth grade from Bannatyne School under the direction of Sylvie Allard, Monique Renaud and Mr. Mollot. This school is located in the constituency of the Member for Sturgeon Creek.)

Also, we have in the public gallery this afternoon, from the St. Gerard School, eighteen Grade 5 students, and they are under the direction of Cheryl Unryn. This school is located in the constituency of the honourable member for Concordia (Mr. Doer).

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

ORAL QUESTION PERIOD

Free Trade Agreement - Mexico Government Position

Mr. Gary Doer (Leader of the Opposition): I am sure Manitobans watching television last night had

chills running down their spine when they saw Michael Wilson sitting there with Carla Hills and the Ambassador of Trade for Mexico talking about the continental trade agreement being proposed with Mexico, Mr. Speaker.

This is the man and the person in Canada who gave us the GST, the high dollar and the high interest rates, the high unemployment, the made-in-Canada recession and everything that goes along with it, Mr. Speaker. Now, he is, of course, the point person and his last hurrah in government to negotiate the corporate trade agenda with Mexico.

During the election, we asked the Premier what his position with free trade with Mexico was, and he said during the televised debate, he was opposed to it. We have asked him since, in his own Estimates and other Estimates, about his position on free trade, how has Manitoba expressed that opposition and what action has Manitoba taken on the proposed free trade agreement with Canada, United States and Mexico?

* (1335)

Hon. Gary Filmon (Premier): Mr. Speaker, seeing Carla Hills, Mike Wilson and the Mexican Trade Ambassador called to mind when Howard Pawley signed the communique at the Western Premiers' Conference some four or five years ago, in which he agreed to a North American economic union, and that went well beyond, as most observers understood it, free trade but rather economic union with Mexico and the United States. Certainly these subjects and these proposals and ideas have been before us for quite some time.

Mr. Speaker, as we have talked about before, we have indicated that we have a good deal of concern about free trade with United States and Mexico. The Minister of Industry, Trade and Tourism (Mr. Stefanson) has commissioned analyses and studies of the various areas of the Manitoba economy to try and assess what the potential effects might be, where there might be gains, where there might be losses, where there might be problems, where there might be opportunities. Under those circumstances, we continue to review that and be

very cautious, very skeptical and concerned as to areas of such an agreement that might not be in our best interests.

Essentially, we have in the past asked the Canadian government to ensure that we were kept fully informed as to progress, as to their intentions, and we continue to be of that mind, that Manitoba's concerns have to be taken into consideration and that we have to represent the Manitoba economy whenever any decision is taken.

Public Consultations

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, as the Premier well knows, Michael Wilson is not receiving and taking any input from the provinces in the country. He did not before on GST, he did not before on the high dollar, he did not before on high interest rates, he did not before on the made-in-Canada recession, so perhaps the Premier has more faith in Michael Wilson than we do on this side.

Mr. Speaker, the question is: How are the provinces going to take action on this trade agreement with the federal government, and in turn, how is this government going to take action to consult the people of Manitoba?

I note that the Premier mentioned the survey being done by his Minister of Industry, Trade and Tourism (Mr. Stefanson). Well, that survey included 165 businesses. We know from Frank Stronach the position of business on the free trade agreement. He said yesterday, profit means money, money has no heart, no soul, no conscience and no homeland. We on this side have a different view of trade and sovereignty of decision making than some of the business people in our country.

My question to the Premier is: How are the factory workers going to have any input into the say? How are the farmers going to have any input into this decision? How are the public going to have any input into this decision, or are we just going to go the same way as what the federal government is going and having a few business people give us advice rather than opening it up to all the people of Canada and all the people of Manitoba about the implications of this very important trade agreement?

Hon. Gary Filmon (Premier): Mr. Speaker, clearly, there are a number of issues here. When the member opposite talks about areas in which Michael Wilson did not listen to the public, he was

acting in areas of federal jurisdiction where he had the total authority. The fact of the matter is that the federal government does have authority constitutionally over international trade. Regardless of what we may or may not say to Michael Wilson or the federal government, they will still be under their own jurisdiction and authority in making decisions that they make. It is like a lot of things, that governments do not listen necessarily to what other governments tell them. When they have the authority to make decisions, they do that.

When Howard Pawley was in government and he decided to raise the sales tax in Manitoba from 5 percent to 7 percent, he did not listen to the public, because the public did not want that sales tax increased from 5 percent to 7 percent. When he imposed a payroll tax that caused the loss of tens of thousands of jobs and investment in Manitoba, he did not listen to the public or to the businesses of Manitoba when he brought in that. When he put in the 2 percent tax on net income, he did not listen to the public at all.

The New Democrats do not have a monopoly on consultation, and when they consult, they do not necessarily listen. I do not think we need to have any advice or suggestions from the Leader of the New Democratic Party.

The fact of the matter is, Mr. Speaker, that we are consulting in the areas of the economy that may indeed be affected, that may affect the jobs in our factories, that may affect the jobs in our farms, that may affect the jobs in a variety of areas of the economy. If indeed those areas of the economy say that they are not going to be affected negatively and are going to be affected positively, I think that is information that is important to us when we discuss free trade, because I do not think we should discuss free trade with Mexico just as a reflex response. We should do it based on knowledge.

* (1340)

Subsidy Definition

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, I am sure the 165 corporations that are included in the consultations will sleep better tonight. I am sure the other one million Manitobans who have not been consulted yet will not sleep well tonight with the Premier's answer. Howard Pawley had meetings all across the province on free trade with the United States, so let the record show about the discussions.

Mr. Speaker, this is a very important subject for Manitobans across all political lines, so let us deal with this, hopefully, on the high road.

Mr. Speaker, there are six tables established by the Wilson trade negotiations with the United States and Mexico. One of those tables does not preclude any negotiations on cultural sovereignty in Canada, an issue that is very important for us and, I am sure, for all Canadians. Another table deals with a number of other issues, including trade rules dealing with subsidies.

Mr. Speaker, in the last set of free trade negotiations with the United States, subsidies were not defined, and the whole issue of whether medicare would be included as a subsidy or excluded as a subsidy was left dangling for the next five years, which is three years ago.

My question to the Premier is: What is our position on the subsidy issue dealing with the United States and Mexico? Are we taking a strong position? Have we written the Prime Minister saying that we do not want medicare to be considered a subsidy in any trade negotiations? Are we going to have a made-in-Canada social policy, or are we going to have a continental corporate policy of social programs in this country based on the next free trade agreement with the—

Mr. Speaker: Order, please.

Hon. Gary Filmon (Premier): I might say for the edification of the Leader of the Opposition that, through the Minister of Industry, Trade and Tourism, his department has held a series of meetings with various sectoral organizations, such as agriculture, such as the manufacturing sector, the service sector and so on. They have included labour organizations within those consultations to ensure that labour did have their input and did have their ability to comment.

I might say that they are represented in this Legislature. Each and every one of the individuals in Manitoba is represented in this Legislature by representatives who obviously are going to be interested in putting their viewpoint forward.

I might say further to that, that Mr. Wilson has requested a meeting in early July with the trade ministers, including our own Minister of Industry, Trade and Tourism (Mr. Stefanson).

With respect to the whole area of subsidies, there has to be an ability to consider everything by way of subsidy. We have a concern, of course, that

environmental standards and environmental pollution control ought not to be considered to be an unfair subsidy. The fact of the matter is that we have to have comparative standards.

We have some concern on the part of agriculture producers that the cost of infrastructure, for instance, for irrigation systems has to be on the table when you consider that kind of thing, all sorts of things.

Mr. Speaker, the whole issue of subsidies is a very complex matter, and suffice it to say that we will not allow for anything to happen that will in any way damage our medicare system in this country, that will in any way damage our standards in medicare, that we want to have the highest quality of medicare and that we reserve the right to do that under any circumstances.

* (1345)

Health Care Facilities Bed Closure Study

Ms. Judy Wasylycia-Lels (St. Johns): Mr. Speaker, on November 5, 1987, the Minister of Health said a Tory government would not close a single Manitoba hospital bed. Well, we know that the minister has not lived up to that promise, and now we know he is planning to extend summer and Christmas bed closures. The three-month time frame on the study doing that very thing is up.

We would like to know from the minister if he can tell us the results of that study. Which hospitals will have extended bed closures, for how long and how he is going to explain these cutbacks to the growing number of Manitobans on waiting lists?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, again my honourable friend is asking for information that I do not have. My honourable friend is bringing an issue forward that is currently before the Urban Hospital Council as one of the options that they wish to discuss amongst the health care system in the city of Winnipeg, inclusive of the Brandon General Hospital.

I cannot indicate to my honourable friend an answer to the question, because I simply have received no recommendation from the Urban Hospital Council on the issue of summer bed closures, which are a reality in the system and have been for a number of years.

Second, to my honourable friend's question about acute care bed closures, my statement was made

very realistically basis the process that her government went through in 1987, Wilson Parasiuk, Minister of Health, where with no consultation they mandated the closure of 111 acute care beds in several hospitals in Manitoba with no consultation, purely as a budgetary measure. We have chosen not to do that.

Ms. Wasylycia-Lels: The minister has asked for summer bed closures to be studied—the extension of bed closures to be studied—so he can tell us the basis for making such a request.

Could the minister tell us, give us information about the waiting lists for each facility? Will he table that information? Will he tell us the number of patients in hospital corridors, the number of patients in holding rooms, so that we and all Manitobans can understand the impact of this government's cutbacks on quality patient care?

Mr. Orchard: Mr. Speaker, I know you must get bored with my constantly correcting my honourable friend in her use of cutback as language when the budget for health care has increased by 5.3 percent. More money is being spent in health care in the hospitals in Manitoba than last year. That is not a cutback, but I know my honourable friend will attempt to use that narrowed political rhetoric to try and establish her case.

Mr. Speaker, let me again clarify for my honourable friend, it is not government that is suggesting the consideration of summer bed closure extension. That was one of the issues that came forward in asking the Urban Hospital Council for issues to be studied. Government did not put that on the agenda—

Mr. Speaker: Order, please. I would remind the honourable minister that answers to questions should be as brief as possible.

Ms. Wasylycia-Lels: The people of Manitoba know that waiting lists are growing and that this government is closing beds.

Extended Care Conversion

Ms. Judy Wasylycia-Lels (St. Johns): I want to ask the minister about another one of his studies. Since time is also up on this working group to consider the conversion of one of our hospitals into a long-term care facility, could the minister tell us which hospital has been selected and how the people in that hospital surrounding community will

have access to community-based quality patient care?

* (1350)

Hon. Donald Orchard (Minister of Health): Mr. Speaker, again, I simply point out to my honourable friend, that is one of over 40 issues being considered at the Urban Hospital Council. No decision has been made, no recommendation has been made. I cannot provide to my honourable friend that issue, but let me tell my honourable friend one simple fact that I hope she will bring to Estimates debate this afternoon. Would she inform the people of Manitoba that this government, through reductions in budgets in other departments, has provided 5.3 percent increase in funding to health care in Manitoba, inclusive of hospitals, personal care homes, physicians. With that budget of 5.3 percent increase, we expect that we will be able to deliver quality health care to improve the health status of Manitobans. Surely my honourable friend as a health critic will agree to that—

Mr. Speaker: Order, please.

Minister of Native Affairs Resignation Request

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, since this government took office in 1988, they have talked about an urban Native strategy. We have had talk, but we have not had action. On May 27, 1991, in the Estimates process, the Minister of Native Affairs (Mr. Downey) gave evidence of what his action would be, and I would like to quote. The minister said: "... the enhancement of job opportunities and encouragement for those job opportunities outside of the city of Winnipeg or outside of our urban centres, to give a meaningful, productive opportunity in life, would be the most successful urban Native strategy that we could develop."

Mr. Speaker, the Minister of Native Affairs (Mr. Downey) is suggesting that we banish urban Natives from the city of Winnipeg and other urban communities. Would the First Minister immediately request this minister's resignation?

Hon. Gary Filmon (Premier): Mr. Speaker, I am not sure whether in the heat of the debate and the rhetoric the member for Arthur (Mr. Downey) said that or did not say that, and I will take that question as notice so that I may discuss it with him more fully and understand the intent of the statement that he

is reputed to have made by the member for River Heights.

Mrs. Carstairs: Mr. Speaker, this is a very serious issue. This is a quotation, page 2575, May 27, 1991, in this Chamber. The Minister of Native Affairs (Mr. Downey) is talking about, I guess the best and most productive solutions and then goes ahead and suggests that solution is to move our aboriginal people from our urban centres. The Premier certainly does not need notice on this question.

On the basis of this evidence, and I am quite prepared to table the page from Hansard, why will this First Minister not disassociate himself from this Minister's comments and ask for that minister's resignation?

Mr. Filmon: Mr. Speaker, I have seen comments in Hansard that oftentimes are said inadvertently where they—(interjection)— We have the member for River Heights who stood up in Minnedosa two years ago and said that she would turf out 40 percent of the residents who are in personal care homes in Manitoba, turf them out of personal care homes onto the street. That was her policy statement, and she has never refuted—

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

Point of Order

Mrs. Carstairs: The Premier is deliberately putting information on the record, which he knows is not correct. There is no quotation in any newspaper, in any article, in any Hansard which ever said I would turf people out of nursing homes.

Mr. Speaker: The honourable member did not have a point of order. It is clearly a dispute over the facts.

* * *

*(1355)

Mr. Filmon: Mr. Speaker, the quote in the Minnedosa Tribune says that 40 percent of those who are in personal care homes in Manitoba should not be there. That is what she said, 40 percent of them should not be there. That is the most outrageous thing I have ever heard in my life. She said it in Minnedosa, and she has never been able to refute that.

Secondly, she said that she would immediately—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Filmon: She said that she would immediately sell McKenzie Seeds in the midst of an election campaign. She said that she would get rid of 40 percent of the middle management at MPIC. All of these things—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Filmon: Mr. Speaker, I will ascertain what the circumstances were under which the member for Arthur (Mr. Downey) made those remarks. I will discuss it with him, and I will be glad to discuss it further with the member for River Heights (Mrs. Carstairs), but I say to her that we are intent upon developing an urban Native strategy to meet the needs of our aboriginal people in our urban settings in Manitoba. We regard it as a very high priority; we regard it as a long-term need that will involve all three levels of government, because it is a large challenge for us and one that must be addressed.

Mrs. Carstairs: Mr. Speaker, when southern whites said that the solution to the black problem was to send black people back to Africa, everybody recognized that as a racist statement.

Mr. Speaker, will the Premier tell us in this House today why it is not a racist statement to tell urban Natives to go find jobs outside of urban centres?

Mr. Filmon: Mr. Speaker, I think that the member for River Heights is getting into pretty desperate circumstances when she would try and trump up that kind of allegation. I think it is despicable for her to raise that kind of issue in this forum, in this Legislature.

Mr. Speaker, one has to wonder why she took two weeks to raise this issue, why she would come and trump up this issue in the Legislature two weeks later.

Point of Order

Mrs. Carstairs: Point of order, Mr. Speaker. Again the minister is imputing motives. I read the quotation for the first time today and raised it immediately.

Mr. Speaker: Order, please. The honourable member did not have a point of order.

* * *

Mr. Filmon: Mr. Speaker, one has to wonder why her critic, having heard that comment, took no issue

with it at the time, why her researchers, having read Hansard, took no issue with it at the time, why anyone took no issue at the time and, two weeks later, she decides that this is going to be an issue that she trumps up in Question Period. I said to her that oftentimes things that are contained within Hansard are a misrepresentation of what was said, or in fact the individual makes a statement that is not quite what they thought they were saying.

I will ask the minister to clarify what he said, and when I have done that, I will be happy to discuss it with you.

Urban Aboriginal Strategy Government Commitment

Ms. Jean Friesen (Wolseley): My question is also for the Premier.

In 1988, the government announced it would introduce an urban Native strategy. The Premier again said today it is a priority of his government. We have asked numerous questions in Estimates, in Question Period, from this side of the House, on the fate of this strategy, but we have seen only evasion, at the best, on this question.

Mr. Speaker, I would like to give the minister another chance today to commit himself to a date when he will present an urban aboriginal strategy to this House.

* (1400)

Hon. Gary Filmon (Premier): Mr. Speaker, of course, it is ironic to have that question come from an individual in the New Democratic Party when, for six and a half years in the '80s, they were in government and they did not even think about an urban Native strategy, did not even think about it, took absolutely no action whatsoever on it. At that time, we had a minister responsible for Native Affairs who was an aboriginal from northern Manitoba, but they got nowhere. They did absolutely nothing with respect to an urban Native strategy.

Mr. Speaker, this government believes that an urban Native strategy is important. This government has been in the midst of a consultation process with respect to the urban Native strategy and will continue to consult with the various organizations and individuals who would be affected by this so that they can have an urban Native strategy for the future needs of our population in Winnipeg and Manitoba.

Ms. Friesen: Mr. Speaker, I heard more rhetoric but no date and no commitment.

Interim Report

Ms. Jean Friesen (Wolseley): I am asking this to the Premier: The Minister of Northern Affairs has earlier indicated that at least \$400,000 has been spent in the last two budgets on the development of this strategy. It has resulted so far, that I can tell from the record, in one meeting with aboriginal people and two so-called conversations with the city and the federal government.

Could the minister indicate for us what else has been accomplished? Could he table a list of any contracts awarded? Could he tell us the number of employees involved in this program, and would he present an interim report on what has been accomplished with this \$400,000?

Hon. Gary Filmon (Premier): Mr. Speaker, I would have thought that all of those questions would have been asked of the minister during the Estimates debate. That is the purpose for Estimates, is to have all those kinds of complex answers and questions discussed. I do not know if the member opposite was here for that Estimates debate, whether or not she took any interest in it at the time. I will take those questions as notice on behalf of the minister and have him bring those responses back to her.

Ms. Friesen: Mr. Speaker, I was in the Urban Affairs Estimates asking exactly the same question of the minister at the time. My colleague the member for The Pas (Mr. Lathlin) did indeed ask these questions. The minister responded that he would table them, and we have not heard.

Government Commitment

Ms. Jean Friesen (Wolseley): My final question for the Premier, Mr. Speaker, is that I want to emphasize for him the urgency of this issue. Since 1988, and since we have had a majority government in this province, the single aboriginal parents in my constituency have lost their parent-child centres, they have seen the Abinochi kindergarten ended, they have seen the core area programs abandoned. They have lost Native communication programs, their student bursaries—

Mr. Speaker: Order, please. The honourable member for Wolseley, kindly put your question now please.

Ms. Friesen: My question for the Premier is: What advice does he have to those aboriginal families in my constituency?

Hon. Gary Filmon (Premier): Mr. Speaker, we continue to believe that it is important for us to develop an urban Native strategy, one that meets the needs that have been expressed by the member for Wolseley and many other needs. I am sure she knows that it is projected that, by the year 2000, one in every four people entering the work force in the city of Winnipeg will be of aboriginal descent. That is a very large challenge for us.

We have said that, in the course of a new tri-level urban renewal agreement, we believe that an urban Native strategy ought to be incorporated as part of that, that it is a fundamental cornerstone. We have indeed included discussions on the CP station, as the member for Crescentwood (Mr. Carr) points out. All of these matters are matters of long-term need. They are not short-term need. If they had been short-term need, they would have been addressed long ago by this government or the previous NDP government, but they were not, Mr. Speaker, because they are long-term challenges that are growing in complexity and growing in terms of the resource allocations that will be needed.

Under those circumstances, I think it is important to have a proper plan as opposed to ad hoc responses to problems.

Ecological Reserves Advisory Committee Staff Replacements

Ms. Marianne Cerilli (Radlsson): Mr. Speaker, some of us are preparing for a long day today as we begin the committee hearings for The Wildlife Amendment Act. Many leading ecologists and environmentalists will be in opposition to this government's proposed legislation. One presenter opposed to this legislation and to the real issue, the Ducks Unlimited building at Oak Hammock Marsh, was recently replaced by the minister with new appointments to the Ecological Reserves Advisory Committee.

My question for the Minister of Natural Resources is: Given that the work of the Ecological Reserves Advisory Committee is so vital to the identification and protection of ecological reserves, why were credible, impartial, recognized experts in the field replaced by, for one, the current curator for the D.U.

building and, two, an election worker from the last campaign for a Tory campaign?

Hon. Harry Enns (Minister of Natural Resources): Mr. Speaker, firstly, I am only too pleased to acknowledge the credentials and the excellent work done by members of the Ecological Reserves. In Manitoba, we have established some 17 ecological reserves, and that is an important aspect of our concern for the natural environment.

The board members that she speaks of have, I believe, served for a good number of years, several reappointments for a period of 10 years. It is natural that these boards get rotated from time to time. I trust she is not questioning the professional credentials of the persons who are being replaced.

Ms. Cerilli: Mr. Speaker, these are blatant political appointments, and the concern is that there is no longer any continuity in the research on this important board.

I ask the minister: How can he justify appointing pro-Tory, pro-development people to an ecological reserves board?

Mr. Enns: Mr. Speaker, let me deal with the issue of political appointments. Every member who was appointed by the previous administration was, of course, a political appointment. That is the nature of the beast. Every person appointed by an Order-in-Council is, by nature, a political appointment.

I say without any contradiction that the past board served this province well, as I am sure the incoming board will serve.

Ramsare International Letter Tabling Request

Ms. Marianne Cerilli (Radlsson): Mr. Speaker, my final supplementary is for the same minister.

In the Estimates on Monday night, this minister said that he had received a letter from the Ramsare institute, which has recognized Oak Hammock Marsh as an international wetland, that praised the Ducks Unlimited building on that marsh.

I ask the minister to please table that letter for the House.

Hon. Harry Enns (Minister of Natural Resources): Mr. Speaker, I do that with a considerable amount of pleasure because I am aware, of course, that first of all it is indeed a compliment to Manitoba and to the Oak Hammock

Marsh that that international organization, which is a watchdog, if you like, of important wetlands throughout the world—that to be recognized by that organization is an honour.

They have indeed sent a copy to me of the letter that they sent to one Duncan Stewart, chairman of the Sierra Club, just recently indicating that they have reviewed the plans for Oak Hammock. They take no issue with those plans. They are satisfied with the reporting proceeds established, and I would be more than happy, Mr. Speaker, to table that letter. I do not have it with me, but I will do so at my earliest opportunity.

Immigration Consultants Premier's Involvement

Mr. Kevin Lamoureux (Inkster): This government has failed to recognize the seriousness of exploitation of innocent families and immigrants or would-be immigrants. We have seen that in the lack of actions taken by this government.

My question to the Premier is: Has he or his principal secretary ever met with Claro Paqueo or Seech Gajadharsingh in the Premier's office or any other government office for the purpose of discussing immigration, investment or any political appointments?

Hon. Gary Filmon (Premier): With respect to Claro Paqueo, the answer is no, unequivocally no, Mr. Speaker. I have not met with Mr. Paqueo in my office or in this building, and from my principal secretary I understand that he has only met with Mr. Paqueo with respect to outside interests in working on campaigns, which have been identified in this House previously, and not with respect to any of the items that he listed.

With respect to Mr. Gajadharsingh, he worked in this building as a special advisor to the minister, and I had met with him on occasion with respect to his responsibilities in that particular position, not on any of the items which he referred to in his questions.

Mr. Lamoureux: I thank the First Minister for the answer, Mr. Speaker.

Seech Gajadharsingh Appointment Recommendations

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, my supplementary question is to the First Minister.

On two separate occasions, concerns have risen about appointments within the Department of Family

Services. Has this government made any appointments based on recommendations given, either by Seech or Claro, and if he has, will the First Minister table those appointments?

* (1410)

Hon. Gary Filmon (Premier): Mr. Speaker, that is a matter that is the subject of the review at the present time by the Civil Service Commission. I might say that we are investigating as well where—because I would be unaware at cabinet where recommendations would originate for people who are being put forward. Under those circumstances, we are having to dig deeper than in respect to anything that would come to cabinet.

It would not have necessarily, nor would it have had a recommendation signed or presented by the individual whom he has named.

Certainly with respect to Mr. Paqueo, he had no involvement with this government. In terms of any recommendations, they would not have come to cabinet or to ministers from him. Whether they came through any other source, I could not say.

Immigration Consultants Public Inquiry

Mr. Kevin Lamoureux (Inkster): Once again, I would repeat that the Civil Service Commission and the RCMP investigation is very limited in terms of what it is they can investigate, and the Premier nods his head indicating that is in fact the case.

Mr. Speaker, would the Premier agree with us then that, if that is the case, then he would agree to have a public inquiry into it?

Hon. Gary Filmon (Premier): Firstly, I said before that we are doing all investigations necessary under the matter, and that the other investigations that he is speaking of are clearly as independent as they can possibly be. That is, there is the total independence of the RCMP, and I am sure that not the member for Inkster nor any other member of this Legislature would suggest they are not independent.

I have also clearly indicated to him and to the members opposite before that there is the total independence of the Civil Service Commission. If he is suggesting that there should be an inquiry as to how we make our political appointments, Mr. Speaker, the political appointments are made with respect to the authority that is vested in government to make political appointments, that recognizes

political appointments. If he has any allegations of particular influence or particular appointments, I will be glad to investigate them.

Curriculum Development Branch Review

Mr. Dave Chomlak (Kildonan): Mr. Speaker, the Minister of Education and Training has gutted the Curriculum Development Department by getting rid of staff, cancelling the curriculum policy review council, the curriculum review committee and the joint committee.

In light of the effect that this will have on education in the province and the future of education in this province, will this minister undertake to reverse his decision and meet with the interested groups like MTS, MAST, the superintendents and the parents and teachers in order to at least review this decision prior to gutting the Curriculum Development Branch?

Hon. Leonard Derkach (Minister of Education and Training): Mr. Speaker, once again, the member should know that I meet with the various organizations, the Teachers' Society, MAST, MASS, MASBO, the parents organizations on a regular basis. Indeed, we try on a monthly basis to meet with the chairs of those organizations to ensure that there is some continuity in terms of the liaison between the organizations.

Mr. Speaker, I have to indicate very clearly that, in terms of curriculum development and the writing of curriculum, we are changing the way in which we are approaching the inservicing and the development of curriculum, but we are moving ahead with revising curriculum, with putting new curriculum in place. The new program as an example, Skills for Independent Living, will be made available to schools in the next few weeks, and it has been written—

Mr. Speaker: Order, please.

Education System Funding Formula

Mr. Dave Chomlak (Kildonan): Mr. Speaker, in light of that, maybe the minister will respond to the May 8 letter from MTS asking for a meeting to deal with these issues.

Mr. Speaker, this summer, within several weeks, the minister will be putting in place a funding formula that will be the single most important thing he can

do as a minister, that will deal with education funding for the next five years.

In light of that, will the minister undertake to bring before this House this funding formula prior to its unilateral implementation?

Hon. Leonard Derkach (Minister of Education and Training): Mr. Speaker, it is not a unilateral implementation. For the last year and some, we have been meeting actively with the organizations, the interest groups with regard to a new funding formula.

As a matter of fact, we reinstated the finance advisory committee that was abolished by the former administration—they were never activated—so that they would give advice on financial matters, especially on a new education finance formula. Some 16 meetings have been held with that committee, which has representation from the various interest groups, the educational groups to talk about and to deal with the specific issue of the Ed finance formula. We are now going to move to the interorganizational committee that will have access to the information on the Ed finance formula. There has been a—

Mr. Speaker: Order, please. The time for Oral Questions has expired.

Speaker's Ruling

Mr. Speaker: On Wednesday, May 29, 1991, the Leader of the second opposition party raised a matter of privilege: "That the Minister of Education and Training's (Mr. Derkach) conduct in providing information to government members and then refusing to provide the same information to opposition members by denying its availability be referred to the Standing Committee on Privileges and Elections to determine whether the minister misled the House and whether he is competent to remain in his position as the Minister of Education."

To summarize her points, on May 21 in the Committee of Supply she asked the minister for a list of schools that would be constructed in the 1991-92 fiscal year. The minister responded that the list was not finalized, but that as soon as it was he would send a copy to her. On May 27 during Question Period she asked why she still had not received the list, because three government MLAs had sent letters on April 17 and 18 to constituents indicating that certain school projects would be constructed.

On May 28, during Question Period, the minister admitted he had provided some information to the three government MLAs and that the information was inadvertently made public, adding that the action was done in innocence and not to pre-empt the usual process of public announcements. Later, during Question Period that day, the minister reiterated that the list had not been finalized, and that he would make public all decisions relating to construction in one announcement and would give the Education critics of the two opposition parties the list when he made the announcement.

The second opposition party Leader stated that May 29 was the first opportunity for her to raise a matter of privilege as she was awaiting Hansard from May 28 to verify what the minister said.

When a matter of privilege is raised there are two conditions to be met in order for the Speaker to rule it in order; first, was the matter raised at the earliest opportunity? I am satisfied that it was. Second, is there a prima facie case of a matter of privilege? "A prima facie case of privilege in the parliamentary sense is one where the evidence on its face as outlined by the member is sufficiently strong for the House to be asked to send it to a committee to investigate whether the privileges of the House have been breached or a contempt has occurred and report to the House." That comes from Maingot.

A matter of privilege is a very serious business, and I would like to paraphrase the Speaker of the House of Commons to clarify what my role on a matter of privilege is: In ruling on a question of privilege the Speaker does not decide on the matter; all the Speaker can do is to judge whether on the basis of the material presented to the House it appears likely that there has been a breach of privilege, which is so grievous that we set aside all other business before the House to consider the alleged breach.

I have reviewed the rulings of Manitoba Speakers and have not found a case identical to this one. However, the procedural authority of Joseph Maingot in Parliamentary Privilege in Canada is very clear on this point at page 191: "A complaint that a Minister of the Crown has made a statement outside the House rather than in the House or that the government provides information only to its supporters in the House may well amount to a grievance against the government but in the absence of an order of the House forbidding such activity, there is no personal or corporate privilege

that has been breached in the doing and neither does it constitute a contempt of the House in the 'privilege' sense."

The second point in the argument of the Leader of the second opposition party is that the minister misled the House. Here I would refer the House to a ruling of Speaker Phillips of August 21, 1986, where she very precisely states: "To allege that a Member has misled the House is a matter of order rather than privilege," that is, a motion of privilege should be worded in such a way that another member is alleged to have deliberately or intentionally misled the House. Speaker Phillips then goes on to say, "A Member rising on a matter of privilege which charges that another member has deliberately misled the House must support his or her charge with proof of intent."

While the Minister of Education (Mr. Derkach) himself indicated that the incident in question was a situation wherein he did provide some information to three MLAs that was inadvertently made public, and the Leader of the second opposition party (Mrs. Carstairs) may well have a grievance against the government, I must rule, based on the parliamentary authorities and past rulings of Manitoba Speakers that a prima facie case of privilege has not been established.

ORDERS OF THE DAY

Hon. James McCrae (Acting Government House Leader): Mr. Speaker, I wonder if there is a disposition amongst honourable members to waive private members' hour.

Mr. Speaker: Is it the will of the House to waive private members' hour?

Some Honourable Members: No.

Mr. Speaker: Leave is denied. Order, please.

* (1420)

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

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

CONCURRENT COMMITTEES OF SUPPLY SUPPLY—HEALTH

The Acting Chairman (Mr. Reimer): Will the Committee of Supply please come to order. This afternoon, the section of the Committee of Supply, meeting in Room 255, will resume consideration of the Estimates of the Department of Health.

When the committee last sat, it was considering item 1.(b) Executive Support: (1) Salaries \$499,700 on page 83 of the Estimates book and on pages 23 and 24 of the Supplementary Information book. Shall the item pass?

Ms. Judy Wasylycia-Lels (St. Johns): Mr. Acting Chairperson, I would just like to carry on with where we left off on Tuesday, a few more questions on the whole area of psychoanalysis.

The minister suggested that this area was not now insured, that it was being allowed under the psychotherapy series, and that he was having consultations with the MMA and the psychiatrists of Manitoba.

Having looked into this issue further, it is my understanding that psychoanalysis is very much a part of psychotherapy. In fact, the research suggests that psychoanalysis is psychotherapy, although a more intensive form of therapy.

It would appear, therefore, that the only way the minister can accomplish what he is pursuing is, in fact, to reduce the number of visits that are allowed under the fee schedule. I am wondering if that is exactly what the minister is considering doing. Is he considering capping a service now covered under our medicare program?

Hon. Donald Orchard (Minister of Health): Mr. Acting Chairman, I really appreciate my honourable friend's questions, but my honourable friend now understands, I believe, from the way she posed the question, that the information that she had yesterday that psychoanalysis was a billing procedure was inaccurate. It is not a billing procedure, and I indicated to her clearly yesterday that it was not. Now she appears to understand that, and in fact that—

Point of Order

Ms. Wasylycia-Lels: I pointed out the opposite to the Minister of Health, that in fact all information and research on this item suggests that psychoanalysis is a form of psychotherapy, and therefore for the

minister to single out psychoanalysis is to deinsure a service.

The Acting Chairman (Mr. Reimer): I would thank the member for her comments, but the comments are a dispute of fact.

* * *

Mr. Orchard: Mr. Acting Chairman, how do I put this genteelly so that I do not get into a big discrepancy with my honourable friend the New Democratic Party Health critic? Clearly the impression was left, whether it was deliberate or not, that psychoanalysis is an insured service. That was the impression that certainly members of the media who had interest in this question were left, the impression that psychoanalysis was billed as psychoanalysis.

I indicated to my honourable friend yesterday, in Question Period, I indicated to those in the media who inquired, that was not the case. You know, whether my honourable friend meant to leave that impression, did leave that impression, is irrelevant. It simply is not an issue of deinsure because it is not an insured service. So, again, I do not want to be argumentative, but my honourable friend uses words like cutbacks and deinsurance inappropriately. You cannot deinsure, something is not insured. So that is the point I am trying to make today and again reinforcing what I said yesterday.

* (1440)

Now, under the billing process that is allowed, there are billings, we understand, of psychoanalysis. Now I want to bring my honourable friend back to something that the New Democrats attempted to achieve with the MMA and, certainly, we are close to achieving with the MMA, and that is the whole issue of fee schedule reform.

We have a fee schedule manual that is that thick, a very, very thick, a very complex document. It has within it billing practices. Some of them have been unaltered for a number of years. Health care is an industry which is subject to more rapid change in technology probably than most others that government is involved in, in terms of purchase of service.

We legitimately make the argument, and physicians have written to me on this issue, so that physicians who are thoughtful about the system are concerned about the fee schedule and its structure. They believe the fee schedule has led to the kind—and let me tell my honourable friend the

distribution of tariffs and establishment of tariffs has been within the MMA's exclusive purview up until the last few years.

So some of the idiosyncrasies of the fee schedule system that are currently there, like anesthesiology, have not been created by government. They have been created by internal allocations in the past with MMA doing the internal reallocation of monies provided by government through the fee schedule negotiation.

There are other issues in the fee schedule where technology, methodology, new techniques, because the whole delivery of medicine is a changing dynamic, where a fee schedule established a number of years ago today is inappropriate. It either provides too much of a fee schedule today with changing technology because the time commitment today is less to undertake that procedure than it was when the procedure first came in.

Now, we are intent with the MMA and that was part of the agreement to analyze the fee schedule. We are trying to seek an independent third party analyst, expert analyst, to undertake that, to guide us on where we ought to be addressing inequities within the fee schedule.

Who do those inequities impact upon? They impact upon, first and foremost, the patient. If you are paying too much for a given procedure than its relative value compared to other procedures, patients lose, because you are using resource inappropriately. Physicians lose if within the competition for a block of monies to pay fee schedule there are inadequacies where some are overrewarded versus others who are underrewarded. That is not fair to the physicians. That can distort and alter practice of delivery.

Such is the case with psychoanalysis. It has been recognized for probably 10 years that it ought to be addressed. We are attempting to address the issue of psychoanalysis again from the standpoint that in the changing context of mental health service delivery there we believe is a more appropriate, there may well be a more appropriate use of those resources that are going to pay for psychoanalysis under the psychotherapy fee schedule. That is what we are looking at. That is what we are hoping to achieve a resolution of co-operatively with the MMA, co-operatively with the Psychiatric Association of Manitoba.

Let me tell you, it is not an easy thing to do, because there are individuals whose practice styles are built around that practice. Of course, they do not want to give that up. That is just a given, but in terms of prioritization of limited resource to get the best value to improve the health status of Manitobans in the greatest possible way, we believe it is an appropriate issue to address, not a new issue.

I have indicated to my honourable friend the New Democratic Health critic that she ought to consult with her Leader, the member for Concordia (Mr. Doer), who was just here giving her the advice about his thoughts on this, because he has some pretty strong thoughts on this issue. We are trying to achieve the best use of the fee schedule dollar in terms of its use towards billing for psychoanalysis.

Ms. Wasylycia-Lels: I can assure the Minister of Health that we are all united in our concern about this minister's moves to deinsure important services for Manitobans. The minister, in his long rambly answer, did not alleviate any concerns or fears with respect to his attempt not to allow psychoanalysis to be covered as an insurable service.

If the minister wants to ensure that psychoanalysis is not covered under psychotherapy, then it appears that he has only two choices to make. Either he has to cap a service and restrict a service to a certain number of visits, which in our view is a very dangerous precedent, and we wonder about what will be next. We know that there are many kinds of treatments that require repeat visits, require often visits, and we wonder if this means the minister is setting the stage, and then he or someone might consider capping a number of dialysis treatments, and the list goes on.

The other option he has is to target the two psychoanalysts we have in this province. He can go after them and say what they are doing is not allowed and not covered, and drive those two psychoanalysts out of the province of Manitoba.

I think that would be an absolute shame to the people of Manitoba who would like to have available to them a continuum of service as is available in just about every other province in this country. One of those psychoanalysts is a Barry Miller who has been through community medicine, has a very valuable expertise to offer this province and has spent years furthering his skills in terms of psychotherapy and psychoanalysis.

I want to know which of those two options the minister is looking at because either one is dangerous and not appropriate to the needs of Manitobans.

Mr. Orchard: You know, I do not have the knowledge of the individuals that my honourable friend has because I do not know the names of individuals who are practising psychoanalysis, and I am pleased my honourable friend does. The issue that we are trying to arrive at a consensus on is whether this process is meeting the needs of a large number of Manitobans who require the services of acute psychiatric care, because we do not have—this is maybe a difficult concept for my honourable friend and the New Democrats to understand—the resources to carry on with the delivery of the health care system without attempting to analyze the value of health status improvement we get for the various expenditures throughout the \$1.75 billion we spend.

This concern does make us ask some very serious questions. Those are not new questions. They are not questions that are stimulated narrowly by a Progressive Conservative government. They are the same questions posed by my predecessor to whom I enjoyed several years of critic-ministerial relationship, the Honourable Larry Desjardins.

Larry Desjardins was forewarning Manitobans five and six years ago that this expenditure treadmill we were on could not continue, that we had to start taking measures to contain the cost in the health care system. That was spoken as a New Democratic Party Health minister. His replacement in the New Democratic Party, Wilson Parasiuk, announced the closure of 111 acute care beds in hospitals in Brandon and Winnipeg, not because he wanted to, but because he saw that as the New Democratic Party approach to containing costs in the health care system.

We have chosen somewhat of a different route. We have tried to analyze and determine what the system does for 1 million Manitobans and whether the practice of medical delivery within the health care system for the service provided is improving the health status of Manitobans.

* (1450)

That crosses a wide range of issues including mental health, and in the mental health field, one of the issues that has come up is the issue of psychoanalysis and whether that is an appropriate

intervention in helping the greatest number of Manitobans with the resource it consumes. Although you probably will not hear from them, there are those professionals who are saying to government that it ought to be looked at, because in their opinion, as professionals, it is not delivering as much improvement to health status as other uses of that resource within the billing schedule for psychiatrists in the system.

We want to know, we want to find out, and that is the issue that we have put before both MMA and the Manitoba Psychiatric Association to try and seek out a resolution to this. I do not know what the resolution will be. I do not know what the decision will be that government ultimately might accede to, because I have not received recommendations on how we proceed.

This is opposition's perfect prerogative, is raising the very worst of scenarios with everything government does, but my honourable friend does not raise the scenario of saving upwards of several million dollars a year on lab tests because we changed the ways doctors order lab tests. She is not saying today that Manitobans are dying by the hundreds because we changed that order process, because she cannot. It did not happen. My honourable friend is not saying that the triplicate prescription that we brought in is killing Manitobans because we are denying \$700,000 of improper prescription of narcotic pharmaceuticals to Manitobans, of course not, because she knows that health status is being improved with those measures, but if we took that issue back, we could have my honourable friend saying exactly what she is saying today, raising fears which are unfounded about an analysis of an issue to assure that we are receiving value for health care dollars.

I cannot tell my honourable friend what the conclusion of that will be, but I am telling my honourable friend we are exercising an investigation in the hopes of resolving the issue so that dollars are more appropriately spent to serve those suffering from mental illness in the province of Manitoba. I call that reform of the health care system, and it is for the betterment of patient care, not the predicted calamity my honourable friend from the New Democratic Party would put on the record today.

Mr. Gulzar Cheema (The Maples): Mr. Acting Chairperson, I just want to add our views on the issue. I think the issue is not only one aspect of

psychoanalysis, it is a larger issue. As the minister will recall and everyone knows in Manitoba, in 1990, last year, when there was a sort of war going on between the MMA and the minister for binding arbitration, one of the agreements was that there will be a study done. There will be a consultation done and then the MMA and the minister will look at the various aspects of some of the tariffs and some of the fees and how the disparity would be made more equitable.

I think that issue still has not been resolved, and I do not think that there is a committee which has provided the final report. The minister has given the argument that is why one of the things they are going to look at is psychoanalysis. Simply, I think the minister should make it very clear, because basically what we are seeing here is whether the government is going to follow up their own promise, No. 1. Second, is the deinsuring of services.

There are two issues I would like the minister to clarify. The first issue is, are they following up on their own promise to wait for the consultation report?

Mr. Orchard: No, I do not believe we are. There are some services that we deinsured. The issue of fee schedule reform is to analyze within the fee schedule an appropriate—and probably would end up—redistribution of the fee schedule, but we have chosen in some of the issues that my honourable friend has brought up in the House, such as tattoo removal, to simply not pay for that anymore on behalf of the taxpayers.

Mr. Cheema: Mr. Acting Chairperson, with due respect then, the minister has said that they are not following their promise and they are looking at these services on a separate basis. Is that true?

Mr. Orchard: That is correct.

Mr. Cheema: Then can the minister tell us, other than psychoanalysis, what other services are they looking at present to deinsure?

Mr. Orchard: The ones were tattoo removal, reversal of vasectomy, the fitting of cosmetic contact lenses, varicose veins and certain cosmetic surgeries.

Mr. Cheema: Mr. Acting Chairperson, I think the minister is probably digging himself more and more into trouble, because psychoanalysis and psychotherapy—you tried to explain that the psychoanalysis as such was not a listed item under the tariffs. I have checked the tariffs; it is not there. It was under the sort of a vague statement under the

tariffs of psychotherapy. Even though the minister would have all the arguments to restrict that, still the psychotherapy is available. Is the minister going to allow the psychoanalysis to be carried and the psychotherapy? My question is, is that going to be used?

Mr. Orchard: Mr. Acting Chairman, that is what is happening.

Mr. Cheema: That means the minister would restrict the psychotherapy services.

Mr. Orchard: Are you sure that psychotherapy is what is being billed is the issue?

Mr. Cheema: Mr. Acting Chairman, I am lost with this issue. I would like the minister to clarify when the psychoanalysis is not listed in the tariffs and physicians are billing under the psychotherapy. The minister is saying we will not pay for psychoanalysis. That means they will not pay for psychotherapy. The issue is that the basic necessity of psychotherapy, which is very much a fundamental part of the mental health reforms, is to give more services other than the acute psychiatry care. If he is going to stop the psychotherapy services, one way or the other, whether it is going to limit the numbers or how many times the patient can visit their physician or the hospitals. Ultimately, I think, that is a very dangerous move.

I would like him again to clarify, because I think somebody in the department has not really dug up the whole research on the area, how the physicians are billing even though there are two psychoanalysts, as the member for St. Johns (Ms. Wasylycia-Leis) has said, but the other physicians are still billing under the psychotherapy, so how are you going to differentiate the whole thing? It does not make sense to me at all—absolutely zero.

Mr. Orchard: I cannot explain it any more clearly to my honourable friend than I have over the last two days.

Mr. Cheema: Mr. Acting Chairperson, then I will leave it up to the people who are going to suffer, the MMA, the minister's own department and us to, and analyse what the minister has said. Basically that means the minister is exposing himself to further questioning—absolutely. The second thing, the minister has said the varicose veins are going to be included for the deinsuring services.

Can the minister tell me how on earth he could include the varicose veins for deinsuring of services? This is one of the necessary services

under the surgical procedures done very commonly. There is a medical reason, there are surgical reasons, many reasons. I do not have to go through all the reasons but simply, if they are going to restrict the varicose veins, what is going to come next? Appendectomy? I mean, this has to stop.

Somebody is not advising the minister right. I had a lot of respect for the minister's judgement, but somebody is trying to derail the minister here and giving him the wrong advice. Varicose veins are a necessary surgical procedure, and tomorrow, when the people are going to find it out, the minister will get a lot of calls and a lot of questioning. Certainly, I am very much disturbed that the minister would include a procedure which is done so commonly and which is a necessity. Can he explain to me what is the rationale, what is the basis, what evidence he has and who gave him such stupid advice?

* (1500)

Mr. Orchard: My honourable friend asks some pretty interesting questions. I understand where my honourable friend is coming from. My honourable friend practises medicine, and so I understand that everything he does is considered to be medically necessary. Okay? I will accept that from my honourable friend as a given.

Let me indicate to you that varicose veins, in many instances, are surgically treated, and it is not related to any particular or specific medical condition, but it is primarily for cosmetic purposes. Now, let me—before my honourable friend jumps in with his medical arguments, the surgical treatment of varicose veins will only be covered when the physician makes the determination that it is medically required, as it is occasionally. We recognize that.

Let me tell my honourable friend a little something that a physician shared with me. A physician shared with me that this will not work because, he said, we will always have medically necessary removal of varicose veins whether they are medically necessary to be removed or not. Okay? A physician told me that. I just want to point out to my honourable friend that—my honourable friend indicated to me that he very much supported the centre for health, policy and evaluation. Okay. Absolutely, my honourable friend says.

You know, they do an analysis of what we are paying for in our health care system. One of the things that their analysis determined five years ago

was that Manitoba children were much unhealthier than children in Ontario and in Saskatchewan.

An Honourable Member: We have heard this one. You did this in last year's Estimates, Don.

Mr. Orchard: Well, if you do not want to hear this, then leave, because this is important to determining what is delivered as medically necessary. We in government do not determine what procedure is done, a physician does.

In Manitoba, physicians determined that children were unhealthier than Ontario and Saskatchewan because they removed their tonsils at a higher rate than either of those provinces. When that issue was drawn to their attention as a result of research by the Roos and published in the College of Physicians and Surgeons, do you know what happened within a year? Our children in Manitoba were as healthy as the children in Ontario and Saskatchewan because we did not take tonsils out as much.

Do you want to be blunt about what was happening with tonsillectomy? Children were being used to create income, not to cure a medical condition, because children are not more unhealthy today than they were when tonsils were being taken out just as a matter of procedure.

Mr. Cheema: Sure.

Mr. Orchard: My honourable friend for The Maples (Mr. Cheema) just said "sure" and says that is right. Well, that is right. The same thing exists with varicose veins now. I tell my honourable friend we have a problem because a physician has told me face to face, you have a problem, we are going to say everything is medically necessary. Well, okay, then that means that the system needs some real soul-searching as to what motivates the billing for procedures. Is it cosmetic, is it income driven, or is it medically driven?

I want to have a system and my honourable friend wants to have a system that is medical-needs driven, with health status improvement in terms of outcome.

I was in Victoria and I had a discussion with a physician, a very leading physician, and he made an interesting observation to me. This physician is a very, very excellent physician. He said to me that physicians drive the costs in the health care system because physicians undertake the procedures and they admit people to hospitals. That is approximately \$1.25 billion of our expenditures.

The physician told me, he said, you want to find out who your outriders are.

I had never heard the term "outrider" before. Do you know what an outrider is? Someone who practises beyond the norm of his professional colleagues and peers, in other words, does more hysterectomies on women, does more tonsillectomies on children, et cetera, et cetera than is the normal practice standard of other professionals making medical judgment. He said, if you want to control your medical costs, develop a method of identifying the outriders because no physician wants to be an outrider and will immediately come in within the practice standard.

You know, that is one of the things that the Centre for Health Policy and Evaluation is going to help us to establish, and do you know what? Manitobans will not suffer from that because I recalled in the House, before the 1988 Election, or maybe it was—no, it was before the 1990 Election when Maureen Hemphill used to make the observation that, you know, there is too much surgery done, period and paragraph.

Well, I do not know whether that is right or wrong. I cannot make that judgment as a Minister of Health, but one group of professionals that can help make that judgment is the Centre for Health Policy and Evaluation. That is why we are funding them to the tune of \$3.5 million a year to try to give us that guidance for policy formulation.

Mr. Cheema: Mr. Acting Chairperson, I think, when the minister last year had a full discussion, and as I said, it was ongoing for weeks and months with the MMA and the other professional organizations, everyone came to a conclusion that we spend a lot of money and we have to control cost, but they never, never even once, inside the House or outside the House or during the campaign, minister—and with due respect, they have their own philosophy. The question here: Is the philosophy they are going to follow to dismantle some of the services?

(Mr. Marcel Laurendeau, Deputy Chairman, in the Chair)

The minister has given the argument from his point of view on varicose veins. Whether they are correct or not, I think still the jury is out because, you know, this is one of the very commonly needed procedures for working individuals who work or workers who work the whole day standing. It is very common for people who have to work six to eight

hours a day, the varicose veins come. It is not for cosmetic purposes. It is very commonly done on the elderly population. That is true; that is a fact.

If that is kind of service the minister's office is going to take away, the fundamental question the minister has to answer—we are going to disagree with that absolutely, whether that is the intent to deinsure services and have the user fees, because the user fees, the minister cannot do it because it is not possible within the Canada Health Act. He understands more than anyone else. So that means that by deinsuring services, basically, you are getting away with murder, and this is from the policy point of view. From the minister's point of view, from their philosophy, that may be right; from the universal health care system, that is not right.

Mr. Orchard: Mr. Deputy Chairman, I am intrigued with my honourable friend's argument. My honourable friend says that the universal health care system was designed to do what? To do cosmetic procedures? I am saying to my honourable friend when I read to him the answer on varicose veins, where medically needed, they are an insured service. Where they are undertaken for cosmetic reasons, no. That is the difference. Medical need will be achieved, and we are asking professionals to make that decision of where medical needs arise. That is what they are trained to do. I do not think that is asking too much, to pay for medically needed services because, unless I have a misconception of the Canada Health Act, I believe that is what we were originally designing a system to do, to meet medical needs.

Now, if you are not meeting medical needs with a procedure, is my honourable friend saying the Liberal Party, and I know the New Democratic Party is there because they have argued against any deinsurance, even though they were not exactly without their cases, but nevertheless, you are saying that every procedure we do today has to be there, otherwise it is a violation of the Canada Health Act? That is not right. You will not carry that policy should you ever be in government, because you will analyze, when you are in government, procedures to assure that they are needed medically. That is what we are doing here, and no one can tell me, for instance, the removal of a tattoo is a medically necessary insured service the taxpayer should pay for, but it has been, and there are other procedures like that.

In 19—what was the year when the big controversy over plastic surgery took place? We were not government. It was in the last 20 years, and if we were not government there was only one other party that was government. Was that stimulated as a violation of the Canada Health Act by the NDP? Of course not. You know, I want to tell you, we did not participate in that controversy because it was not meeting a medical need.

Ms. Wasylycia-Lels: Mr. Deputy Chairperson, the minister likes to refer, whenever we get into this topic, to tattoo removal because it is a good way to deflect from some of the serious issues that are part of this deinsurance package of the minister. There are some very serious issues here in terms of services that Manitobans need, and as a result of this system and these moves to ensure by the Minister of Health, he is clearly, this government is clearly, setting up a two-tiered system. One that I have mentioned in the House before is the reversal of sterilization.

* (1510)

Now, Mr. Deputy Chairperson, under this minister's new policy, clearly, this government is not considering the fact that family circumstances change, and not clearly reflecting the fact that we should be providing the same kind of service across the board regardless of one's wealth or position in life.

My question to the minister is, and this goes back to what I asked on Tuesday—I do not want to have to beg for all of these items under deinsurance. He has now dribbled out one more item, varicose veins. I asked him for a list of all of the services being deinsured on Tuesday, that come to this total of \$2 million in savings as outlined in the Budget Address. The minister has said he could not provide it until we get to the Manitoba Health Services Commission line. He has the material in front of him. He has just read from that list. I would like him to table that list so that we could have a serious and intelligent discussion about this matter.

Mr. Orchard: You have just heard them.

Ms. Wasylycia-Lels: So the minister is saying the only one he left off this press release was varicose veins, and that he is getting \$2 million in savings by deinsuring tattoo removal, contact lens fitting, reversal of sterilization and varicose veins.

Mr. Orchard: Psychoanalysis and reversal of sterilization.

Ms. Wasylycia-Lels: Mr. Deputy Chairperson, the minister is now confirming that psychoanalysis, contrary to what he said on Tuesday, has been determined that that service will be deinsured contrary to his statements on Tuesday that he was studying this matter and consulting with the MMA and the psychiatrists of Manitoba.

Mr. Orchard: When you make budgetary decisions, you set targets for those budgetary decisions. That is not an unusual budgeting process. Within the services that are deinsured, a target saving is \$2 million. They are as I have indicated. Psychoanalysis was never an insured service. Listen to my honourable friend, the member for The Maples (Mr. Cheema), who just said he went to the fee schedule and determined that.

Point of Order

Ms. Wasylycia-Lels: The minister is not being straightforward with this committee. He just finished saying, when I asked him what was on the list of deinsured medical services and I went so far as to add varicose veins, he himself, on his own, added psychoanalysis.

Mr. Deputy Chairman: Order, please. The honourable member does not have a point of order. It is clearly a dispute over the facts.

Mr. Orchard: Mr. Deputy Chairman, psychoanalysis has been billed as psychotherapy and I will go through this any number of times my honourable friend wants because we still have 58 hours to go here.

Now I just want—I told my honourable friend the New Democratic health critic to consult with her esteemed leader because on April 8, 1988, during the election campaign when he was a fresh-faced new New Democratic Party leader, he was in Brandon. Mr. Doer said he wants to give a raise to psychiatrists in mental hospitals who are paid about \$80,000 a year. Doer said yesterday that hospital patients suffering from the most serious mental illnesses have less access to psychiatric services than well-to-do neurotics in Tuxedo.

Well, you know, I am taking this issue a little more seriously than Mr. Doer did when he said that hospital patients, meaning mental health patients in psychiatric facilities, suffering from the most serious

mental illnesses, have less access to psychiatric services than well-to-do neurotics in Tuxedo.

Now my honourable friend, the member for Flin Flon (Mr. Storie), is nodding his head. Maybe he can explain the policy that Mr. Doer announced in 1988 as to who these well-to-do neurotics in Tuxedo were and what services they were receiving.

Ms. Wasylycia-Lels: Mr. Deputy Chairman, the minister is deliberately avoiding this issue. He said on Tuesday, June 11, that the psychoanalysis issue is one that is in discussion right now with the MMA and the psychiatrists association of Manitoba. I am sure they will find it quite interesting to know that this is already a fait accompli by this government and has been included in this government's budget as a significant cost saving.

I would like to ask the minister, since he likes to talk about evaluation and utilization reviews and scientific evidence and all of that, which we do not disagree with, if he will table for us the evaluation, the scientific analysis, the data for each one of these services that this government is in the process of deinsuring so that we can better understand the objective basis for making this kind of a decision on the part of this government.

Mr. Orchard: Mr. Deputy Chairman, I do not think one needs to have a whole lot of scientific evidence around a number of these procedures.

Sterilization voluntarily undertaken is paid for under The Health Services Insurance Act, a lifestyle choice to reverse that will not be. Recall I said "lifestyle choice to reverse that will not be." That is not a small price to ask when my honourable friend asks of me almost every day for more money in the health care system. Where does it come from? Well, if you are an NDP, you would raise taxes or borrow money. We chose to do neither. We wish to—(interjection)—

Well, my honourable friend the member for Flin Flon (Mr. Storie) says, take it out of private schools, the same private school system that his Leader received his high school education at; the same private school system that the former Attorney-General, now Dean of the University of Manitoba, sends his child to. I mean, let us not be bloody hypocrites in the NDP about private schools. You send your children to private schools and stand in the House and complain about it. Put your principle where your students go and your children go.

Now, Mr. Deputy Chairman, I just want to tell my honourable friend, because she just said that she has no disagreement with making sure that health dollars are appropriately serving Manitobans—okay, let us rhetorically deal with that issue and see how serious my honourable friend is. Bearing in mind that the Leader of the New Democratic Party in 1988 said, we have to improve the salaries of psychiatrists working in our mental institutions, because they are paid at \$80,000 while—and because they are only paid \$80,000, he believed their salary should go up. I want to tell you that is one of the things we did. We did that in 1988. I mean, we recognized that was a problem, and we enhanced the salary of psychiatrists employed by the government of Manitoba.

I do not know what my honourable friend the Leader of the New Democratic Party, Mr. Doer, meant in 1988 when he said that patients suffering the most serious mental illnesses in the mental hospitals have less access to psychiatric services than well-to-do neurotics in Tuxedo. It might be interesting for him to explain that. Maybe his critic could explain it, or maybe some of the members of his party who are here listening in astonishment could explain it, because the member for Flin Flon (Mr. Storie) nodded his head when I said this, because I guess this is shop talk in the New Democratic Party caucus.

Mr. Jerry Storie (Flin Flon): How many patients do they have?

Mr. Orchard: Okay, let us deal—my honourable friend the member for Flin Flon asked, how many patients do they have? Mr. Deputy Chairman, I will give you not just some hypothetical—

Mr. Deputy Chairman: Order, please.

Point of Order

Ms. Wasylycia-Lels: The minister is responding to a question that has been yelled from the floor and not recognized by the Deputy Chairperson, so I assume I can proceed to ask my next question.

Mr. Orchard: Well, I am not finished answering the question.

Mr. Deputy Chairman: Order, please. The honourable member for St. Johns did not have a point of order. It is a dispute over the facts.

* * *

Mr. Orchard: Mr. Deputy Chairman—

Some Honourable Members: Oh, oh.

Mr. Deputy Chairman: Order, please. The honourable minister is attempting to answer a question. I would appreciate a little bit of decorum.

Mr. Orchard: The member for Flin Flon (Mr. Storie) asked the question that his critic should have asked. How many patients do some of these psychiatrists see, who, I presume, are dealing with these neurotics in Tuxedo? Well, I am led to believe, one psychiatrist sees 40 patients, that costs us in excess of \$110,000; another one sees 23 patients, that costs us in excess of \$126,000; another sees 44 patients and that costs us in excess of \$140,000.

Now, I think that deserves some analysis, some discussion with the psychiatric association and with the MMA to ascertain whether those 40, 23 and 44 patients are appropriately consuming scarce dollars in the health care system and whether, in fact, a greater number of Manitobans might receive service if that money was reprioritized within the system—very interesting, a very interesting question. I am glad the member for Flin Flon posed the question that ought to have been posed by his Health critic, because I think it might shed more light on the Tuxedo neurotics that the NDP talks about.

* (1520)

Ms. Wasylycia-Lels: If, in consultation with the MMA and the psychiatrists association of Manitoba, those two organizations expressed their opposition to the removal of psychoanalysis from the current billing arrangement, will the minister then throw out this idea and give us the actuals in terms of savings from his list of deinsured services?

Mr. Orchard: Mr. Deputy Chairman, as I indicated to my honourable friend, anytime one prepares a budget, those are your best estimates that you have. I cannot presuppose a decision, a position or a recommendation from the MMA or the Psychiatric Association of Manitoba. That is why we have had some discussions already with those two groups around the issue.

Ms. Wasylycia-Lels: Mr. Deputy Chairperson, the minister made quite a lengthy comment in dealing with this issue, general issue of deinsured medical services, in terms of evaluation and the role of the Centre for Health Policy and Evaluation. I do not think in that context then it is too much to ask for the minister to table to this committee the scientific evidence and the objective evaluations that are the

basis for deinsuring the five services that the minister has mentioned.

Mr. Orchard: Mr. Deputy Chairman, I think the issue becomes, what is a medically needed and required service? That was an issue, to some degree, that my honourable friend the member for The Maples and I discussed just about five or 10 minutes ago.

We pay for the removal of a tattoo. The tattoo placement in the first place was a service paid for by the individual, not insured. We do not believe that it is a wrong decision to not have taxpayers pay for removal of tattoos. There is no detailed analytical study which shows that this is going to compromise the individual's health if the taxpayers do not pay for the removal of his or her tattoo.

Now maybe what we should do is find out whether that is one my honourable friend believes should be reinsured. Is that the New Democratic Party position? We can deal with that tattoo first and then I will deal with the rest.

Ms. Wasylycia-Lels: Mr. Deputy Chairperson, since we are getting no answers on this question, even though the minister likes to talk about evaluation and scientific approaches, I would like to move on to his Urban Hospital Council, which we have been dealing with in the House for the last couple of days and his 48 new studies in addition to the—

Mr. Deputy Chairman: Order, please.

Point of Order

Mr. Cheema: Mr. Deputy Chairperson, if we are going to move into another section, I have a couple of questions on the deinsuring services, if it is possible, with the permission from the member for St. Johns, so that we do not have to go back and forth.

Mr. Deputy Chairman: I would like to remind the honourable members that we are dealing line by line. The minister had noted that there were a number of areas we could go yesterday. I will have to refer back to those ones and see what they were, but let us try and keep within where we are with the staff that is present.

* * *

Mr. Cheema: Mr. Deputy Chairperson, can the Minister of Health tell us if the reversal of sterilization, as he has indicated they have included

in the budget, will not be insured, and if there are unforeseen circumstances, somebody has had an accident or somebody dies and remarries. What are you going to do then?

I think there is an issue that has to be qualified that if the minister is so insistent that they want to proceed in that direction, then he should tell us what will be the answer to that individual or that family if they want to have a new family and something has happened, a tragic situation. There are so many things that happen.

There are so many people having trouble in their family lives. They make a decision at an early age, and they may change their mind. That decision may be very much in the interest of a family. How those people will proceed and how the minister can justify and maybe if any provision or provisions can be made in the present circumstances to make sure that those individuals are at least covered.

Mr. Orchard: Mr. Deputy Chairman, there are always difficult circumstances around any decision like that, but the one circumstance, to put it this way, that we would insure and pay for the reversal procedure is when the original sterilization procedure was done because of a birth defect, disease or injury. We would pay for the reversal in those circumstances, but others we would not.

Mr. Cheema: The minister said initially that any procedure done for a family lifestyle will not be paid. That means that all the visits—if somebody is going for birth control pills, are they going to be deinsured, too?

Mr. Orchard: In terms of the Pharmacare program?

Mr. Cheema: No, in terms of the visit to the doctor or the gynecologist or a special clinic where they go for a family planning visit which is covered now under the tariffs. It is covered that you can go and get advice and get your birth control pills, and a physician can bill it. That is true. Is the minister going to deinsure those services as well?

Mr. Orchard: No.

Mr. Cheema: The minister is confused again, because he said initially that they will not pay for any reversal of sterilization which was initially done for the purpose of family life. At the same time, they are paying services on a daily basis for hundreds of people who go to their doctors, get family planning advice. It is paid.

Mr. Orchard: Surely my honourable friend is not suggesting that we do not pay for those?

Mr. Cheema: No.

Mr. Orchard: We are not suggesting that.

Mr. Cheema: I am simply telling the minister and giving him a valid argument for him to understand that is the case there. We are not asking him to do the same thing that he has done with the reversal of sterilization, but I will ask him to do at least one thing on a compassionate ground. There should be a section in the reversal of sterilization that should clarify that anybody who has an accident or somebody dies or remarries for some other reason, if they want to have a reversal of sterilization, it should be paid.

Mr. Orchard: I hear what my honourable friend is saying. I will give that consideration and ask the individuals within the ministry responsible whether that is a reasonable suggestion. I appreciate that suggestion.

Ms. Wasylycia-Lels: On that again, we have very real concerns that these kinds of decisions are being made on the basis of subjective feelings about a particular service. The minister is using the term "lifestyle issue" when it comes to deinsuring reversal of sterilization, ignoring the fact that, as my colleague the member for The Maples (Mr. Cheema) and I have both said, family circumstances change. A member of a family unit may decide to have the sterilization procedure. Then a member of that family may die or the family may split up, and new circumstances are posed to that individual, and the wish to have a family is reopened, but the minister is saying now, only if you are wealthy and you could afford this kind of service is that option available to you. If you are low income and you cannot afford to pay for reversal of sterilization, even though your family circumstances have changed and you have a wish to have a child, then you cannot be accommodated. Sorry—too bad for you.

Mr. Deputy Chairperson, that kind of subjective decision making is not appropriate for the field of health care, and that is why we repeatedly ask for the minister to follow his own advice and come forward with scientific evidence and evaluation data that provides the basis for deinsuring any service. Otherwise, we are on a very dangerous treadmill. I fear for what can come in this kind of decision-making mode.

* (1530)

Mr. Orchard: My honourable friend makes an interesting point, but I just want all here to note that my honourable friend did not answer the question as to whether the NDP wants to insure, for instance, removal of tattoos. She is into reversal of sterilization—voluntarily undertaken sterilization. There is not a medical reason to pay for that, and my honourable friend—I would like to hear her arguments around the medical ground.

My honourable friend the member for The Maples (Mr. Cheema) drew a certain circumstance together, and I am prepared to take a look and see whether that can be accommodated because that is a somewhat extenuating circumstance. I am prepared to take a look at that but, in terms of making an argument that this is a medically needed procedure under the Canada Health Act, I do not think my honourable friend can demonstrate scientific data research basis to make that case, and she has not answered whether she would reinsure tattoo removal as a New Democratic Party policy.

Ms. Wasylycia-Lels: Mr. Deputy Chairperson, the minister has the responsibility for clarifying to the people of Manitoba the basis for his decisions. He has failed to do so at every turn, and I think he has a responsibility to account for each and every service that he deinsures.

Let me go on to the Urban Hospital authority.

Mr. Deputy Chairman: Is that going to be under another department?

Ms. Wasylycia-Lels: This is part of the overall structuring of the department that the minister said we should talk about under this line, and I think it fits quite appropriately in this section.

Mr. Deputy Chairman: Carry on.

Ms. Wasylycia-Lels: The minister, as we have talked about earlier, has set up 48 studies, in addition to his 14 task forces under the Health Advisory Network, in addition to the dozens, perhaps hundreds of other studies that he is responsible for since becoming minister. I guess, actually, we are down to 47, since after Tuesday's exchange in the House, I assumed that the study group on user fees has been disbanded.

I would like to ask the minister on what basis he and his deputy minister made a decision to set up these 48 working groups and what he hopes to accomplish by this elaborate study session.

Mr. Orchard: I want to take and do two things. First of all, I want to have my two honourable friends have a copy of the terms of reference of the Urban Hospital Council, so that my honourable friend does not fly off on her little tangents of rhetoric where she has to end up losing creditability for not understanding the issue.

My honourable friend says, why did I and my deputy minister put these issues before the Urban Hospital Council? I want to explain the process to my honourable friend of how we got around to establishing the Urban Hospital Council.

Over the past number of months and, indeed, for some time, I have attempted—and not in isolation. My senior management within the department and my deputy minister, the executive director of the commission, my assistant deputy ministers and other senior people within the ministry who have working relationships with the major hospitals have developed a good working relationship.

We have attempted within government to try and reach consensus on issues so that we can plan health care reform in a strategic manner. I gave the example Tuesday to my honourable friend about a decision that was made. My honourable friend needs to have a little bit of a refresher course in policy, because the New Democratic Party established a policy for the hospitals of Manitoba that they should not operate in a deficit basis. That was a policy that came out of the mid 1980s when hospital deficits were approaching \$23 million, ranging from \$400,000 in one to 5.6, 5.7 in another major hospital. They made the decision that hospitals must operate within their global budget with no deficits. We have carried on with that policy of the New Democratic Party.

Since I became minister, one of the hospitals, and there is no point in naming the hospital because I am using this as an example, midway through the year looked like they were going to run up a fairly significant deficit. In terms of coming to grips with their budget problem, they met with the ministry and the commission and with myself even.

One of the areas of cost containment within their hospital that they were going to undertake was to discontinue the chemotherapy outreach program from their facility. That would have saved them some considerable dollars in staffing and in pharmaceutical and operating costs. That, as one might readily understand, was not accepted by

government because those people still need chemotherapy. So all you did was transfer the budgetary problem with the patient to the next facility which would provide the service. What I am indicating to my honourable friend is that you cannot make budgetary decisions all the time in isolation of the health care system.

Much to the benefit of Manitobans, our senior executives in the health care system in Manitoba recognize that and wish to work together through the form of the Urban Hospital Council to come to grips with the budgetary issue. Their increased request this year was in the neighbourhood of \$70 million. We are not providing that large an increase. We are providing less than that. That is the \$19 million cutback that my honourable friend the New Democrat keeps talking about.

An Honourable Member: I am glad you finally admitted it.

Mr. Orchard: My honourable friend says I am glad I am finally admitting it. My honourable friend still cannot make increased funding into a cutback despite how hard she tries. At any rate, in coming around the issue of how they are going to get by with their budgets this year, based on past co-operation with government. They wanted to make this effort a partnership effort because government has the responsibility of setting what the hospital global budgets are going to be. We do that because we are elected to do that.

Then we expect the boards and the management of our health care facilities to operate within those budgets and no deficit. That means some decisions have to be made. They are not going to be made in isolation. They are going to be made within the context of Urban Hospital Council to deal with system issues. Each facility, individually, is going to make decisions internally on operations strictly internal to their own facility.

Now, in establishing the Urban Hospital Council, the CEOs from all the major hospitals in Winnipeg and the CEO from Brandon General Hospital and the MHO executive director, my deputy minister and my associate deputy minister are on that, and it is not the director of Winnipeg Regional Services on the Urban Hospital Council as well, for the reason that she is the co-ordinator of community-based services, so that any decisions within the hospitals that may require enhanced community services, she should be there and part of the planning

process. So that is why that individual is there, although not directly attached to hospital funding.

Now, the concept was agreed to, that we would form a partnership arrangement with the CEOs and the ministry of Health and MHO involved. The next step was to determine what issues ought we to look at. We suggested some issues. We suggested several issues and the Urban Hospital Council membership suggested a whole range of issues. What my honourable friend tabled in the House the other day was probably the first list of issues that was put together, suggested from all areas of the health care, all the CEOs and the department.

* (1540)

Ours was not the suggestion. The ministry's suggestion was not the user fees that my honourable friend went on her little tirade on. When we prioritized and decided on a final list of issues to be discussed, we said, that is not one that is on the table.

This government has said, we do not believe that user fees are the answer to the health care problems. User fees are yet another form of taxation and, if extra money to the health care system was going to solve all the problems, then we ought not to have any problems, because we have done nothing but put money at the health care system for the last 20 years. That is why, in terms of publicly funded health care systems in the world, we spend more per capita than any other. We spend more money per capita than any other publicly funded health care system in the world. So we said user fees are not on the table for discussion.

A number of the other issues that were suggested both from government and from CEOs are being discussed. The process is that an individual chair and a small committee has been established to a number of these issues so that they can seek advice from a little wider range of advice and attempt to come to a recommendation which will be considered by the Urban Hospital Council membership. Those recommendations will then, after having received the approval there, be passed on to myself as minister, because the council will be reporting to me, and then government will have to weigh all aspects of that recommendation to see whether it has applicability to the health care system. There are a lot of issues being discussed on the Urban Hospital Council. I am not afraid of that kind of open discussion.

I realize that there is a substantial amount of political risk to undertaking that, because my honourable friend, as she has tried to do already, will attempt to paint the very worst possible outcome of decisions that have not even been advised to government, of each topic that could be discussed. I recognize that, but I simply say to my honourable friend that the process is very, very, very healthy. The process is very, very unique to Manitoba. There is no other province, and my deputy will correct me if I am wrong, there is no other province that has the opportunity to have the chief executive officers of all of their major hospitals sitting down with government and strategically planning reform and change in the health care system.

I want to tell you that every other province, including NDP Ontario and many Liberal provinces across Canada, would love to have the kind of co-operation and opportunity for intelligent decision making to be of their avail in determining budgetary policies in their respective provinces because, without exception, all provinces are facing constrained funding. The only exception is Ontario, where the same advisers who drove the deficit through the roof in Manitoba are now providing advice to Premier Bob, Premier Bob and borrow. They are the same advisers who now are recommending a \$9 billion deficit in Ontario, so that they are deferring to yet unborn Ontarians and Canadians the opportunity to pay for today's consumption. Every other government in Canada has chosen not to do that, Liberal, Conservative, Social Credit, even New Democrat in other provinces or other territories.

Now we have an opportunity here in Manitoba with our Urban Hospital Council to discuss the issues, to seek advice and try to come to a reasoned decision making. I think that makes for healthy public policy. I think that makes for a healthy management environment in the health care system. I think that is good for the system. If that is good for the system, there are only two groups of people who will benefit, the patients and the taxpayers. I say two groups of people when, in fact, they are one and the same. That is why I said yesterday in Question Period that the decision made at Seven Oaks has every opportunity to be a win-win, a win for the taxpayer and a win for the patient.

Now my honourable friend objects to that because she is into job protection, she is into no

layoffs. She is into having the health care system, not as a system to provide care to people in need of health services, but rather as an employment vehicle for unions. Oh, I am sorry. That is not the reality of today. That is NDP reality. It is discredited reality.

Now I also indicated to my honourable friend that decisions that emanate as Seven Oaks' decision has emanated, will be done within the context of the collective bargaining agreement and all other agreements that are in place. It will be worked through with as much co-operation as is possible to achieve when you have those kinds of decisions to make. That is the genesis behind the Hospital Council.

The issues, my honourable friend said, that were provided to the council by myself and my deputy minister—I simply want to indicate to her that we did not provide a number of the issues for discussion. We agreed to their discussion; they were not our suggestion. So I hope my honourable friend might contain her phraseology and reflect accurately the genesis of some of the committee questions being considered, that they are not government's agenda. They are the Urban Hospital Council's agenda.

Ms. Wasylycia-Lels: Well, that certainly appears to be coming as news to members of the Urban Hospital Council, given the CEO's comments from the Health Sciences Centre yesterday. I am wondering if the minister is communicating and there is that kind of dialogue happening. I am wondering if the minister would simply table his new list.

Mr. Orchard: Well, first of all, would my honourable friend be able to clarify what comments the CEO at the Health Sciences Centre made yesterday, which would confirm what she is trying to put on the record that those are all our issues? Would my honourable friend care to indicate what the comments were of the CEO from the Health Sciences Centre?

Ms. Wasylycia-Lels: I would be happy to, Mr. Deputy Chairperson. It was quite interesting to read Jim Rodger's comments in the Free Press when asked about this study group on user fees. It was reported to him that the minister had disassociated himself from that study group. He said, well, if that is the case, then we will not have it on our list. So it is clear that it had been on the list until yesterday.

I am wondering, given all of this—and the minister says that so he can clear up the air and simply table

his new list of working groups under the Urban Council authority.

Mr. Orchard: Mr. Deputy Chairman, I know that this is nitpicking, but Mr. Rodger is not the CEO at the Health Sciences Centre and Mr. Rodger has not been at the Urban Hospital Council meetings. It has been Mr. Thorfinnson; Mr. Thorfinnson is the CEO. Government removed the user fee question at one of the first meetings of the Urban Hospital Council, so you know I cannot change anything.

What I put on the hospital has to be accurate. What my honourable friend puts on the record does not matter, but my honourable friend just has to please accept what I am saying about user fees. We did not suggest it; we took it off the list; it is not on the list.

Ms. Wasylycia-Lels: Would the minister table the list?

Mr. Orchard: I certainly will. Yes, I will give my honourable friend a list, but before I do, I want to count up the number of issues so that she understands. Unless I have made a mistake, it is about 26 issues that are being discussed now.

Ms. Wasylycia-Lels: While we are waiting for that list, I do know that on the original list his deputy minister was studying the issue of cancelling—or was chairing the study group to cancel projects from the Health Services Development Fund and put those monies into other areas given the financial crisis.

I found that very curious, given that the Health Services Development Fund was such a major initiative of this government, of this minister, when he first came into government. There were big pronouncements about the Health Services Development Fund. Now we see, we believe, understood at one time anyway, it is under study in terms of complete annihilation, but notwithstanding that issue, we also know that there has been a significant reduction in this whole area.

What has caused the minister to change his thinking with regard to the significance of the Health Services Development Fund?

Mr. Orchard: Nothing. That issue has been discussed with the CEOs. The Health Services Development Fund will remain in its mandate of providing a window and bridge funding on reform of the health care system. The monies in the Health Services Development Fund will not be diverted, as

suggested by some on the Urban Hospital Council, to current care delivery.

* (1550)

It is still a topic at the Urban Hospital Council because that is a fund which they have an ability to give us projects which may meet the criteria of the deciding group, of the decision-making body to help in areas that we are dealing within the Urban Hospital Council. It is still there as a topic of discussion under the original purpose and mandate and envisioned utility of the Health Services Development Fund with no change as suggested.

Ms. Wasylycia-Lels: The minister, in comments around the budget, in terms of the reduction in the Health Services Development Fund, said that the reduction was the result of less uptake than originally expected. I am wondering if the minister could tell us how many applications there were, what each of them—if he could give us a list of each one and how many were finally approved.

Mr. Orchard: I do not know whether we have—because we are bouncing all over the place, Mr. Deputy Chairman.

The last count I have is there were approximately 122 applications before the Health Services Development Fund, 13 of which received approval, a number of which are now actively undergoing. A number of the contracts are being finalized so that the project can be undertaken. There have been no recent approvals of projects to the Health Services Development Fund.

Mr. Cheema: Could we go back to the Urban Hospital proposed working groups? I have a few questions and maybe the minister can clarify. The minister has made a statement and given us a copy of the objectives of this group, and he has said that the group is an independent group and has its own mandate, and they have decided on their own which area they want to study. Can the minister clarify that there were no directions given from his department to this group on who should be on the committees, who is going to be part of the committee structure of all the groups, and what are the areas they should be looking at?

Mr. Orchard: Mr. Deputy Chairman, first of all, the Urban Hospital Council, before we even got to the issues to be decided, agreed to the terms of reference that I have given to my honourable friend, guided by Attachment A, The Goals for Health and Health Care, which are goals that I think are quite

reasonable in their intent and the principle regarding the chief executive officer's participation in the Urban Hospital Council. The membership was deliberately decided to be of CEOs and very few other staff, i.e., my deputy, my associate deputy minister, my regional director for Winnipeg services and the executive director of MHO. So we have a small committee.

In determining the number of issues that my honourable friend has just received from a number suggested, 50 or so suggested at one time, we have agreed that these are the issues that we ought to deal with at the council level.

Mr. Cheema: Mr. Deputy Chairperson, so the minister is well aware of the issues they are going to look at. Is that true?

Mr. Orchard: I am familiar with the issues, the 26 or 27 issues that have been brought forward in terms of, generally, what each issue is supposed to be in terms of an issue for the health care system. It might be worthwhile this afternoon for us to go through them and talk about each one and find out. It might be an ideal opportunity for both my critics to provide advice on whether they think it is appropriate for the Urban Hospital Council, the health care system, to be dealing with each of these issues, and to provide some of their comments and advice and suggestions on how these issues could or could not be investigated.

Yes, in a general term, I am familiar with the issues that are being investigated here.

Mr. Cheema: Mr. Deputy Chairperson, I would be very willing to go through the whole list and I am sure the member for St. Johns (Ms. Wasylycia-Leis) also, but I just want to start with the one copy I have, and I am sure the minister has a copy. If you look at No. 3, A Review of the Emergency Departments, this clearly shows that the group has met four times and have prepared the data, and they are in the process of preparing the original draft. By this, I was told and I have the impression that there will be decision making probably by the end of June.

I have given the minister, the other day, arguments, and I will again give the minister my arguments why we are opposed to the closing of any emergency room in Winnipeg, and I will give him all of the rationales why I think, on behalf of my party, the emergency units either partially or totally should not be closed.

The other day, the minister was saying, first of all, that they are basing information on one month's strike and that is not enough data to be collected. There were a lot of problems in the strike. People did not go to the hospitals and after the strike was over, there were definitely more services utilized in the emergency departments. Secondly, the role of the emergency department in any given hospital is very essential. It is basically a gateway to any given hospital, especially the community hospital.

Can you imagine any community hospital without an emergency room? If the admissions are done, some of them done through the emergency room, the physicians work through the emergency room. Patients and their families know that is the one route to go. Even the walk-in clinics and the other physician services do not deal with some of the problems, so they have to go through the emergencies.

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

* (1600)

Each and every hospital has a catchment area and it is very well established that people do associate themselves with their given hospital. A community has developed a relationship with the hospital and the development of a community and the development of a hospital very much go hand in hand. Especially in the areas of north Winnipeg and the areas downtown, there is a need like any place else that the emergency services should be kept, but that area should not be based solely on the financial aspects because emergency care, sometimes you can see 10 patients which are very serious. At times you may not see more than one or two, so to base any decision on financial incentive is not going to be a very rational one.

I am sure the minister would not do that because we know that he has more understanding of the issue than he is sometimes given credit, but that is why I will warn him—maybe "warn" is not the proper word to use in the English language but I will caution him that closing any emergency unit in any hospital will be the death of a particular hospital eventually, and that has happened in the past. Look at on Selkirk Avenue, St. Joseph's hospital. I gave you the example of what has happened eventually when the emergency was closed, then it was converted into a personal care home. Eventually that result may come to any of the other hospitals.

Here I have to criticize the previous administration, also, when they closed the obstetrical floor, and I am sure there were a lot of NDP caucus members who did not like that but they were unable to stop the minister at that time, and by taking that unit away, the hospital still has not recovered. Any further insult by the way of partially or fully closing a unit will not be in the interest of the public at all, and I would like the minister to give us the argument why that item was even kept in the Urban Hospital Council group. That is something you should have just kept away. That is the part and parcel of a given hospital, and I would like to hear what the minister has to say about this.

Mr. Orchard: Mr. Acting Chairman, I appreciate my honourable friend's comments and observations, but there are hours in which emergencies are closed in hospitals across Canada. When that is happening elsewhere, one ought to analyze how they are able to cope, why they are able to shorten the hours of emergency service. The strike was one issue that I mentioned to my honourable friend the other day.

We had an experience last summer right about this time of the year with one of our community hospitals in terms of difficulties retaining adequate numbers of emergency physicians. That operation was curtailed for evening and late night hours and Health Sciences Centre was utilized. Mr. Acting Chairman, I cannot prejudge a recommendation out of this committee.

It is one of the issues that they have met on a number of times. They are also taking a look at a number of issues around use of the emergencies. I guess one of the things that I found interesting to ponder was that we had during the eight-hour period, midnight until 8 a.m.—apparently, the average calls at our emergency in all of our community hospitals in Winnipeg, the five of them, averaged 51 in that eight-hour period of time amongst five hospitals. Of the 51, there is an average of four admissions. I do not know what that means in medical terms, but I think that means that there maybe was not a life-threatening circumstance is probably an appropriate conclusion. That information is being considered by the Urban Hospital Council.

Let me indicate to my honourable friend something that I know he already knows. The emergency department of our hospitals are our most expensive point of entry into the health care system.

I guess one has to start to question, when we do not have unlimited dollars, when we are making throughout government and throughout the whole health care system in Canada difficult decisions and choices on how we fund needed services in health care. You have to look at where your high cost areas of generation are. Emergency departments clearly are a major high cost generating centre in our health care system. All of that discussion is taking place at the Urban Hospital Council.

I cannot give you any more information. I cannot give you a—government does not have a preconceived agenda here. If that is what my honourable friend's concern and fear is, we do not. We are asking that the issue be considered—and this is one of the topics that we put on as government into the Urban Hospital Council in terms of the Urban Hospital Council's ability to analyze the system as to whether there are any changes to the operation of emergency departments that would adhere to the terms of reference of the Urban Hospital Council.

They are studying that issue, given experience in other provinces, given the data that is available to them in the Manitoba experience, and are trying to conclude a reasonable approach that they would recommend through the Urban Hospital Council to government. I do not know what that recommendation might be. I appreciate my honourable friend's concerns.

Mr. Cheema: Mr. Acting Chairperson, I want to put some more comments on the issue, because I think that this is one of the issues we feel very strongly because of the community hospitals. One point I think they should take into consideration through the deputy minister, who is probably in constant touch with these individuals. When the admissions are done in any given hospital, you have to have a physician. That means physicians have to have a privilege in more than one hospital.

The second thing, transferring patients from other hospitals is very expensive. It costs more than \$100 for ambulance services for even ordinary admissions. Who is going to take care of that? It will be very, very expensive.

The third point is that the minister has made the point that nighttime admissions—there are 51 or whatever the average is. That is a very variable number. For the emergency, you do not know when they are going to come, what kind of emergency you

are going to encounter. So any specific numbers in a given month may not reflect the true picture.

The other issue we should look at is that the emergency medical officer and the house medical officer do provide coverage at nighttime for inpatients for the whole hospital. That is a very inexpensive way of providing a health care system. If you would end up having 40 physicians coming and seeing their patients for a special call, you may end up spending \$5,000 a night. If every time any patient's doctor, if there are 50 doctors in any given hospital, if there are 20 to 40 special calls, that is a lot of money.

You have to consider all those factors before the decision is made, because every physician is responsible for his or her patients. At the same time, when the HMOs and EMOs are in the hospital, they take care of those patients, especially at nighttime and during the day. So any physician who will make a special trip to a hospital to see his or her patient, it will be costly.

The other issue, I think we should not ignore the areas which are growing in number, when the population is growing. In our area, the population is growing at a very tremendous rate. I mean the true census within six months is going to be out, and we will see how the younger population in the area has grown. It is very difficult for people to go for admission to Seven Oaks and go for treatment to Health Sciences and deliver a baby at St. Boniface and get hip surgery done in some other hospital.

We have no objection for centralizing specialized services. That is not the issue. The issue here is the basic emergency care which is essential, whether it is a rural hospital, whether it is an urban hospital, because there are a number of variations, a number of factors that have to be looked at. Some of those questions are going to come eventually, and I am just putting those arguments on the record.

I am hoping that the member for St. Johns (Ms. Wasylycia-Leis) and the member for Flin Flon (Mr. Storie) will put their opposition, because so far I have not heard how they really feel about the whole issue. I think it is a very important issue to discuss and to make sure that every party has the opportunity to put their views forward.

So I would like the minister to consider all those factors before they make any decision. I want to make it clear again that any closing of emergency in Winnipeg we will not tolerate. Even though my

relationship with the minister is very good, but certain things I think we will be opposing to the maximum. I will use every possible way in the public and political sense to oppose that move. I have made my argument the best way I know.

I am sure the people who are affected and the population which is affected will make a major noise. Do not take it for granted that the session will not be on in July or August. It will be. The issue will not die, because I think we should look at the many areas, many issues. If we want to save money, there are different ways. Some of your proposals in other areas, we will support, but the emergency care—I think, basically, if you want to kill a hospital, first kill the emergency and then you kill the hospital. I think that is the point I wanted to make, make very clear today.

* (1610)

Mr. Orchard: Mr. Acting Chairman, you know I really appreciate my honourable friend's perspective on this, because it is valuable in terms of passing on to the council as they deliberate. I just want to tell my honourable friend that there is a committee of individuals who are significantly involved in the operation of those emergency departments and understand the operation of emergency as well as my honourable friend does.

I will assure my honourable friend that the cautions that he has and the questions he has posed will be passed on as soon as Hansard is available, because I value his advice. I am simply saying to my honourable friend that I do not have a preconceived decision that I believe will come out of them. This committee is going to give us the best possible advice based on their experience and their expertise in the field.

Mr. Cheema: Mr. Acting Chairperson, if we had to make politics out of this issue, then we would have never said anything, and we could have kept our mouth shut and waited until the things came. I am just telling them, this is an issue we are going to oppose. It is very important. We have reason to oppose it. We are making it very clear. It may not look good for now. I think eventually the minister would appreciate these were important points. He is very good with words, and eventually he will stand up in the House and say that we did not say anything when we are discussing. I want to make it very clear that we are registering our opposition to the whole

concept of consolidating the emergency services in Winnipeg.

Mr. Orchard: My honourable friend, I would never do such a thing to him, he knows that. Look, I am serious. I will pass on my honourable friend's comments to the committee. They have not provided me with any recommendation or decision, and his comments are appropriate and timely.

Mr. Cheema: Mr. Acting Chairperson, we want to discuss the second object, the review of pediatric services. We have no difficulty if they want to consolidate some of the specialist services like neonatal in one or two hospitals but, at the same time, the minister should remember that Thompson has a neonatal unit, too, where they treat two or three newborn babies, a very inexpensive way of providing the care. If they can provide the services there, if they can have a specialist there who knows what they are doing, I think it will be worthwhile to continue with that. Also, Brandon does provide services for the neonatal care—as long as the Minister of Health (Mr. Orchard) is not thinking of shutting down those services.

I think it will not be economically viable, and it will not serve the purpose. What happens at a time when—the minister knows that when professionals or certain groups have their own interest, they may have different views. From the public point of view, I think we have to look that those hospitals do provide services. They are very economical and those services should be continued.

The other day I did ask the minister a question on psychiatry services and how they are going to consolidate. I understand that the services commission has been meeting with various hospitals getting their input on how to reorganize the beds. We will wait for the minister's comment, if he wants to tell us something today, which hospital is going to lose their beds. We will make our judgment accordingly. All of us have to be very careful in this issue, because we cannot say we have community-based care, and when the decisions are made, they have to be justified from each and every party's point of view. We will wait for the decision.

When the final decision comes, then we will give our comments. Definitely, community-based care has to be kept in mind but must be put in place before anything is done. That criticism is going to come, and I am just telling you in advance that we should have a plan before you do anything else. It

depends upon which hospital, and how you are going to do it, and how many beds, and how you are going to reorganize, or what is the time frame, and how that will have an impact on the other delivery services. We would like to hear from the minister, what the minister has to say about the closing of psychiatry beds.

Mr. Orchard: Well, Mr. Acting Chairman, under the reform of the mental health system that all of us have talked about, and I do not believe anybody has operated under any illusions, when the community groups in the mental health field talk about reform of the mental health system and the fact that 88 percent, according to the Canadian Mental Health Association, is spent in institutional care and only 12 percent in the community care, and they want to see that shift. All parties I believe agree with them in that shift. I even believe the NDP has stated they agree with that. I know my honourable friend agrees with that.

There is no question that means that there will be fewer psychiatric beds in the system after we go through an exercise of reform. So I know that is going to happen. I know that when we move into Phase II of mental health reform, there is going to be fewer acute psychiatric beds. I believe both opposition parties understand that.

The test is going to be whether my honourable friends in opposition decide to undertake narrow, political criticism and say well, you know, we really did not mean to support that, after government has made a decision, and try to harness the politics out of it. I think that would be dangerous. I am not saying that either of my honourable opposition party friends would do that, but clearly unless there is any illusion, and both opposition parties are here, if they believe reform of the mental health system means maintaining the existing bed complement and acute psychiatric care, speak up now, because that is not the impression that they ought to have after having discussions with such groups as the Canadian Mental Health Association.

Now, narrowed to this study—this is in the Urban Hospital Council where I believe, four of our community hospitals and both teaching hospitals have acute psychiatric beds in varying numbers. Observation has been made by many that we do have an overabundance of psychiatric beds within the system.

Some of the factors that will be part of the discussion that this Urban Hospital Council group comes around is the occupancy of beds throughout the system, whether there is similar admission criteria, for instance, to the acute psychiatric beds facility by facility and try to come to an understanding of what is needed, where presumably those services could be reasonably provided, and to provide maybe a more intelligent forum for making the decisions which are part of mental health reform in terms of rationalizing and reducing the numbers of acute psychiatric beds.

That is also why we have in this instance our regional director there, because my honourable friend indicated that you cannot do that necessarily without community support services. We understand that, and we have in the past two years put in place both inside and outside of Winnipeg some reasonably successful community-based support services and new initiatives. We have also put in place alternate housing capacity in the system, both in Winnipeg and outside of Winnipeg.

So those are all options that are considered in the larger issue of mental health reform, but this issue here is only dealing with the four community hospitals, two teaching hospitals, their complement of acute care psychiatric beds, their utilization, admission procedures, et cetera. Again, we have professionals around those issues which we hope will give us reasonable guidance in decision making on this issue.

* (1620)

Mr. Cheema: Mr. Acting Chairperson, when we will be discussing mental health and then maybe we can go into more detail what kind of community services they have put in place for special areas. I think you have to look at the total number of outpatients, acute plus chronic patients and how many are in given hospitals. How many physicians are there? How are they serving? What is the catchment area and how you are going to be able to serve those displaced patients? How are they going to notify them and how are the hospitals going to react?

I think those issues eventually are going to be coming to the forefront, and I am sure the headlines will be, so-and-so Hospital loses so many beds, but as long as it is explained properly, I am sure when the three political parties are supporting the Mental Health reforms, I think it will be really suicide for any

special group to really criticize things as long as they are done in the right fashion.

Certainly, we will see how the minister does it. It is just going to be important how that transition is done. It is not a secret that you do not have extra money, you have to transfer money from institutions to the community base and that will have some problems for a short while but eventually things will smoothen out. As long as everyone is informed properly, patients are notified, the hospital knows in advance so that arrangements can be made, I think that is the right way, the right approach, of dealing with this serious problem.

Certainly I would like to give the time to the member for St. Johns (Ms. Wasylycia-Leis) if she would like to comment on the issues of the—shall I continue? Okay. I will just express my -(interjection)- Sure.

Mr. Storie: I hope I am not taking the committee too far off course, but I had a couple of questions that I wanted to ask on, I guess, a related area. It does not have specifically to do with the Urban Hospital Council, but it has something to do with the advisory committees, the task forces the minister has established that are working on specific issues which affect rural and northern Manitoba.

I note that the minister, in making the announcement back in May of 1989, referenced that one of the task forces that would be set up would be the Northern Health Services Task Force. That is more than two years ago now, and I am wondering first whether the minister can indicate who serves on that task force and whether it is the same group as was originally announced, whether there have been any changes in the personnel and whether the task force has reported or the minister is anticipating a report from this group in the near future.

Mr. Orchard: Mr. Acting Chairman, as far as I know the committee is the same as was announced. They have completed the public hearing process. I have not received a report. I believe they have an interim report that is out for distribution and comment. Is that not right, Frank? Yes, they have a draft report being finalized. I have not received that report from the steering committee.

Mr. Storie: Can the minister provide myself or the committee with, I guess, a list of the task force members and if there are written terms of reference, if the minister or the Department of Health has given

them any specific direction in terms of issues that needed to be addressed in their review?

Mr. Orchard: Yes, there is a list. I believe I gave it to my honourable friend last year, and there are terms of reference which I believe I gave to my honourable friend last year, and we will attempt to get those to him again this year.

Mr. Storie: Mr. Acting Chairperson, I certainly do not take issue with the establishment of the task force, because I think there is no doubt a lot of expertise and opinion in the medical community and the nonmedical community that would be of use to the minister. I am wondering whether, in fact, some of the minister's announcements, some of the changes that are being made right now to, for example, the Northern Patient Transportation Program have been discussed by the minister with the Northern Health Services Task Force.

Mr. Orchard: No, Mr. Acting Chairman.

Mr. Storie: Mr. Acting Chairperson, I guess then there are going to be a lot of people who are going to ask the question, what really is the value of these task forces? Are they simply window-dressing? Are they an attempt by the minister to appear to be addressing problems when he obviously is not paying much attention to the issues that are important to northern people? If the minister will check his file, he will now know that virtually every community in my constituency has now written the minister and expressed their concern, frustration, anger over the introduction of the user fees on the Northern Patient Transportation Program. The minister says, no, I did not discuss this with the Northern Health Services Task Force. Is this the kind of consultation and partnership the minister is always talking about?

Mr. Orchard: Mr. Acting Chairman, you know, we can get into Northern Patient Transportation Program now and debate it. We can go all over the map. If my honourable friend wants to show up when I have my staff here for Northern Patient Transportation Program, we will discuss the issue with him. We will discuss it in full. We will get his thoughts on it, but I want to tell my honourable friend that when he makes the statement of, what is the sense of the Northern Health Task Force in addressing issues if we did not refer this issue to them, their terms of reference I do not believe included an analysis of the Northern Patient Transportation Program. Even if it had, one does

not discuss budget decisions in advance of the budget. If I did that, my honourable friend would then ask for my resignation and the resignation of the Finance minister.

(Mr. Deputy Chairman in the Chair)

A budget decision was made—Northern Patient Transportation Program. It will be implemented July 1, the criteria of which will be widely known to all of those served, and it will bring an equal opportunity to pay for elective transportation cost that all Manitobans have, and only individuals had their entire cost paid under the Northern Patient Transportation Program.

My honourable friend can shake his head and disagree. That is fine. We will have that debate when we get to Northern Patient Transportation Program, and I am willing to debate that any length of time my honourable friend wishes to debate it. When my honourable friend makes the statement that, is this northern task force only window-dressing and government really is not serious about the issues of northern health, I want to remind my honourable friend of something that he has probably forgotten.

The task force, the steering committee of the Health Advisory Network was announced in December of 1988. We were in session at that time. I sat in the back row of the New Democratic Party caucus with my honourable friend the member for Flin Flon. I informed him that we will be establishing a northern task force to discuss and review issues of northern health, and I would look forward to suggestions from the member for Flin Flon of membership that he might think appropriate for the task force. The task force was struck five months later. My honourable friend for Flin Flon did not have one single suggestion of task force membership to make to me so I could pass it on to the steering committee.

So when my honourable friend makes the case on the record today that this issue was window dressing, I gave him an opportunity to nominate, to suggest people to serve on this committee, and he chose not to provide one single individual's name. That was his concern in December of 1988 about northern health issues, so let not my honourable friend try to be holier than thou and own the issue of northern health. He did not even have the ability to provide me with a name of a person who could serve

on the Northern Health Task Force in December 1988 to May 1989 when the task force was struck.

* (1630)

Mr. Storle: As usual, the minister diverts from the original question and launches into a personal attack, which is quite normal in these kinds of circumstances.

Mr. Deputy Chairperson, the reason that I did not submit any names is because I knew that the minister had no real intention of listening to anyone but his own advice, and it is quite obvious that happens.

For the Minister of Health to say publicly that a \$50 user fee on the Northern Patient Transportation is only a budget decision is, I think, a display of incompetence and irresponsibility that we do not see that often from this minister. Clearly, the \$50 user fee is also a health issue. For the minister to suggest that he could not ask advice about the implications of this user fee, if he could not ask advice of Northerners, practitioners, local representatives before he went ahead and moved on the basis of budgetary necessity or priority, is also ludicrous.

Would the Minister of Health consider eliminating other essential services without consulting the medical profession about their implications? The minister has the responsibility of prioritizing spending in the Department of Health, and this is one of those areas where cutbacks are going to have repercussions on the health of Northerners. It is quite clear. For the minister to suggest otherwise, I think, is clearly unforgivable. It shows that he has not consulted with any health practitioners in northern Manitoba.

When the minister announced this, I did talk to doctors in northern Manitoba, and I can tell you that they said that there are going to be instances when this decision is life-threatening. For the minister to rationalize it and say, well, we could not talk about it because it is a budgetary decision is frivolous and foolish. It is beneath this minister to suggest that is the case.

This minister acknowledged today that he has established a Northern Health Services Task Force, and he did not consult that group at all when making one of the most important health decisions that has been made that affects northern health care in a long time. I find that shocking and quite sad.

The minister can make all the personal accusations he wants. The fact of the matter is that the task force has, in fact, turned out to be exactly what it was predicted it would be, an excuse for doing nothing, an excuse to delay improving the services in northern Manitoba, rather than the contrary.

My question was to the minister. Why did he not consult with this group prior to making the decision to implement a user fee on the Northern Patient Transportation Program?

Mr. Orchard: Mr. Deputy Chairman, I have already given my honourable friend the answer. If my honourable friend wants to come back to debate the Northern Patient Transportation Program, he can do that when it comes up instead of interfering with other people who have other issues that are appropriate to be discussed now.

I want to deal with my honourable friend. If a physician tells him that this will be life threatening, I want him to ask the physician why he would not call in the air ambulance, which provides absolutely free transportation to the individual? This \$50 consumer contribution is for elective procedures, not life-threatening ones. So my honourable friend does not understand and does not want to understand because he wants to get on his rhetorical, political horse.

Now, I want to tell my honourable friend I find his comment, about not suggesting a member to myself for the northern task force, to be offensive to those members who are serving on the northern task force, when he says he did not give it to me because he believed I only wanted my own advice, my own people on that task force.

My honourable friend fails to recognize that I did not pick one single member of the northern task force. That was the responsibility of the Health Advisory Network Steering Committee. I did not suggest a single person. I would have passed any names my honourable friend had on to the steering committee. I informed him of that in December 1988, so that the Health Advisory Network Steering Committee could use any suggestions he was willing to make, and he chose not to. Nor did he go directly to the chairman of the Health Advisory Network Steering Committee, namely, Dr. Arnold Naimark, and suggest any names himself. I had left that offer open to my honourable friend. He chose not to take it and now he has the audacity to sit back

here and say, well, you know, I am not going to listen to any advice.

Well, I did not get any advice from the member for Flin Flon (Mr. Storie) representing a northern community with a task force to studying issues there. He chose not to provide me or the steering committee of the Health Advisory Network with any names, but yet now he reserves the right to automatically say that anything that task force, of dedicated Manitobans who have served many, many hours trying to come up with recommendations, will just now be totally valueless. He reserves the right without having made one single suggestion of membership to criticize anything they might suggest.

Well, you know, that shows the shallowness of my honourable friend, the member for Flin Flon. I did not consult with the task force on northern health around the budgetary issues for the reasons I have already given. My honourable friend chooses not to accept that; that is fine. He can come back and argue the point with me on the Northern Patient Transportation line when we hit that in Estimates. If he has other questions on the Health Advisory Network, I will accept them.

Mr. Deputy Chairman: I would like to remind the honourable members that we are dealing with (b) Executive Support: (1) Salaries \$499,700, and we should attempt to remain within close proximity.

Mr. Storie: Mr. Deputy Chairperson, let me make it very clear to the minister. He will twist this as he sees fit, undoubtedly. He seldom deals with anything in a straightforward manner. The fact of the matter is I did not criticize any of the recommendations or suggestions of the Northern Health Services Task Force because they have not made any yet. The minister just told us they have an interim report that he has not even seen yet.

What is ironic is the minister established this task force more than a year ago and has not sought their advice on any of the decisions he has made affecting northern health care. If there is anyone that is showing a lack of respect for this group that he appointed, it is the minister. He does not even have the courtesy to discuss the most important health issue facing Northerners with the northern health task force that he appointed.

If that is not showing contempt for a group that the minister appointed, then I do not know what is. Certainly, I will be looking at the recommendations.

I know that had the minister had the good sense to present this issue to the Northern Health Services Task Force before making a decision, he would have found a group that was not in favour of his decision and did not support it at all, because it cannot be supported in health terms.

Mr. Deputy Chairperson, I will be bringing forward a lot more questions about the Northern Patient Transportation Program in the future. I bring this up at this time under Executive Support to indicate that the minister is using these groups for his own purpose. He has no interest in really understanding the health issues, particularly when it comes to northern Manitoba, and the contempt with which he has treated the Northern Health Services Task Force illustrates that more clearly than anything I can say.

Mr. Orchard: In leaving, I hope my honourable friend the member for Flin Flon (Mr. Storie) might at future times have the courtesy of suggesting someone to help us in making northern health care decisions instead of turning his back on the North and not making any recommendations when I have asked him to do so.

Ms. Wasylycia-Lels: I would like to ask a few more questions on the Urban Hospital Council. I noticed that the two areas I was concerned about earlier today are still part of this exercise. The question of extended summer bed closures and Christmas bed closures is still very much under active consideration, and I remain concerned about the impact of that on patient care in the context of what I understand to be still a situation of fairly lengthy waiting lists and reports of patients still in hospital corridors and holding rooms and so on. I am wondering if this working group is looking at that in the context of waiting lists, and can the minister give us any indication of what waiting lists might be for each urban facility?

*(1640)

Mr. Orchard: Mr. Deputy Chairman, I would presume that those factors will be considered by the members of the groups studying the issue. It would be helpful, as my honourable friend the member for The Maples (Mr. Cheema) has given me some advice. Maybe it would be helpful for us to go through each one of these items so that my honourable friend has the ability of giving the position of the New Democratic Party on whether these issues should be discussed or not discussed,

because my honourable friend from the New Democratic Party wishes to leave the impression that she understands the health care system—

Point of Order

Ms. Wasylycia-Lels: I simply asked the minister a very straightforward question for information on waiting lists in the context of a working group on this paper he has distributed. Surely, to goodness, I can have the courtesy of a response. If he does not want to answer, he can say so, and we will go on to my next question.

Mr. Deputy Chairman: The honourable member for St. Johns does not have a point of order.

* * *

Mr. Orchard: Mr. Deputy Chairman, if my honourable friend wants to get into waiting lists, we can do that when I have my staff here from the Manitoba Health Services Commission. I indicated to my honourable friend that in discussing the issues that are before the Urban Hospital Council, I would fully expect that the experts there, people who are involved in health care, will discuss those issues. That is what I am pointing out.

What I would like to get from my honourable friend, because there is no better opportunity and forum than right here and now in Estimates around the issues of the Urban Hospital Council, to get the New Democratic Party position on whether these are issues that ought to be studied, questions that ought to be dealt with in the health care system, or is my honourable friend—no, I will just stop.

Would my honourable friend want to give us some advice so that we can discuss these issue by issue as we go through them and see, for instance, whether my honourable friend wants to offer advice on whether we ought to be considering the cost effectiveness of centralizing high technology equipment maintenance contracts? I would like to know if my honourable friend thinks that is a reasonable initiative to be discussed at the Urban Hospital Council.

Because we can have this back-and-forth discussion without the constraints of Question Period and the Speaker calling us out of order, let us get right into discussion of health policy and the issues, and let us find out where the New Democratic Party stands, if they have a stand. If you do not have a policy position on this, I will accept

it, and fine, but let us find out where you stand because—

Point of Order

Ms. Wasylycia-Lels: The time of Estimates is a time for the opposition to ask the minister to account for decisions that he has made.

Mr. Orchard: Absolutely.

Ms. Wasylycia-Lels: It is a chance for us to get some information on a detailed basis. Mr. Deputy Chairman, I would ask you to call the minister into order and answer questions.

Mr. Deputy Chairman: Order, please. I would like to remind the honourable member for St. Johns that this is not Question Period, and we cannot answer to any way the minister wants to answer your questions. The honourable member did not have a point of order.

* * *

Mr. Orchard: Mr. Deputy Chairman, look, I do not know what my honourable friend fears because, you know, she wants to know information around decisions. Well, I have not made any decisions on the Urban Hospital Council other than to establish it as a forum, which is unique in Canada, to come around the issues. Now those issues are going to be there whether I am Minister of Health, whether my honourable friend from St. Johns is Minister of Health, whether my honourable friend from The Maples is the Minister of Health. They are not going to go away.

What Estimates can do to Manitobans is provide some insight on where a party's policies would drive the health care system. This is an ideal opportunity. I cannot answer any questions as to what government would do on each of these issues because we have neither received advice, nor have we made recommendations.

If my honourable friend does not want to offer to Manitobans a New Democratic Party policy position on some of these issues, as my honourable friend the member for The Maples (Mr. Cheema) has done on two of the issues right now, then fine. I simply conclude the New Democrats do not have any health care policy.

They only have narrowed criticism that they want to come at us. No matter what decision government makes, it is always going to be wrong without them explaining what they would do with their government, where they would get money from,

where they would make decisions, and where they would tax, borrow or spend to the hilt.

This is an ideal opportunity for my honourable friend to tell us what the New Democratic Party believes in, in health care. My honourable friend the member for The Maples (Mr. Cheema) is not afraid of that kind of discussion. He and I will have that discussion during these Estimates if he so chooses because I am deeply interested in it, and Manitobans could be guided by the wisdom of my honourable friend, the New Democratic Health critic.

So let us start out. Do you think we should look at cost effectiveness as centralizing high technology equipment maintenance contracts? Is that a reasonable policy initiative?

Point of Order

Ms. Wasylycia-Lels: On a point of order, it is surely out of line for the minister to be directing the questions and what we as critics in this area should be asking. I cannot understand how that is not out of order. I asked a question simply about waiting lists.

I will now ask a question. If the minister could give us some clarification of the group that is studying further deinsuring of services, could the minister indicate to us if this is above and beyond the list of services he has already indicated will be deinsured, or is it something else entirely?

Mr. Deputy Chairman: I would like to remind the honourable member she did not have a point of order, but I do believe she had another question in there.

* * *

Mr. Orchard: No, Mr. Deputy Chairman.

Ms. Wasylycia-Lels: I am wondering if the minister could tell us what he means by a luxury fee?

Mr. Orchard: Let us deal with a luxury fee language, not our language coming from the committee. When you go into some of our major hospitals right now, and this has been the case inclusive when the New Democrats were in office, if you chose to have a private room in a hospital, you paid an extra amount. The NDP charged that. We did not yell and scream and say, user fee, user fee, user fee. It was a charge for a service above the standard service in the hospital.

The Urban Hospital Council is taking a look at some of those issues.

Let me give you an example of one where I think I would like to receive advice from the Urban Hospital Council as they deal with this issue. One might recall the debate around the Activase versus Streptokinase debate in terms of people who are suffering heart attack when they show up at emergency.

We were told by the pharmaceutical firm—we, I mean the health care planners and physicians were told by the pharmaceutical firm when they first brought this out that this bioengineered product was much safer, much more effective, much better and, therefore, should be the drug that we use regardless in an emergency service system.

They did a very effective job of selling that, so that the demand started to come on the health care system by physicians who believed in the sales pitch of the pharmaceutical company that this was better for their patients. They started to demand Streptokinase versus Activase. The cost, and I do not know how accurate this is, but the relative cost difference was some \$3,000 for Streptokinase as a bioengineered product versus \$500 for Activase. There were families who would threaten the health care system with lawsuits if Streptokinase was not there, because they believed the sales pitch that it was better.

The New England Journal of Medicine some 12 months ago came out with a report that said, there is no clinical evidence whatsoever that Streptokinase is better than Activase in terms of outcome, et cetera. The New England Journal of Medicine is not in the business of selling Activase or Streptokinase. The firm is. There are still people who insist or could insist and will threaten lawsuits that if you do not have Streptokinase, I have been improperly treated, because I believe it is better. If they choose Streptokinase versus Activase, I would like a recommendation as to whether the taxpayers of Manitoba should pay the extra \$2,500, because there is no medical efficacy for spending six times the money. If you spend it there, you do not have it to spend elsewhere. That is the kind of "luxury" issue that they are coming around, not dissimilar to the private or semiprivate room charges that have been administered throughout the health care system.

Ms. Wasylycia-Lels: So when the minister refers to the term "luxury fee" it is not, as the Liberals have done in the past, with respect to things like paying for Kleenex and toothpaste -(interjection)- I just

thought I would check that. I have a couple of other quick questions. Could the minister tell us what time frame we might be looking at in terms of the reports for these working groups.

* (1650)

Mr. Orchard: There are some issues that the committees are expected to report on in the fairly near future. Others are much longer term. There is a variation of terms depending on the issue.

Mr. Cheema: Can we go back again to the issues we were discussing? I just want to raise one serious concern, and I want the minister to know why we were raising it. Under his Urban Hospital proposed working groups, under A-7, examining, changing one of the existing acute treatment facilities to a long-term care facility. I would like the minister to explain what is the understanding he has and if he has any other understanding than what we have.

I believe that this is going to convert one of the hospitals, ultimately, to a personal care home or extended care facility. That is what the wording says. Is this a policy of this administration? That reinforces my first point, when we are saying closing emergency in any hospital will be the first step. Second will be this step. I just wanted the minister to clarify that. When we have a waiting list for many procedures, and the minister knows that full well, why choose that item even to put into the working group. It does not make any sense.

Some of the areas that the minister has put are very worthwhile. We have no objection if they want to buy things where they are cheaper, you want to use some of the stuff, to consolidate some of the services like the specialists so that you do not have to have in each and every hospital high-tech stuff. It should be consolidated in some of the hospitals rather than all the hospitals. But to conclude that topic ultimately will lead to closing one of the acute care facilities. I think that has to be clarified, and this would go against the minister's policy and his commitment and basically their own philosophy, which is effectively manning the health care system. I want him to clarify and maybe ask the working group to scrap that A-7 from their discussion paper.

Mr. Orchard: Mr. Deputy Chairman, the issue is there for discussion obviously because within the Urban Hospital Council they want to come around and see whether this is even an explorable option. I have no preconceived idea or condition around that, but you have to appreciate that every hospital

has capital redevelopment requests, et cetera, all of them impacting on the overall cost of the system.

My honourable friend might contemplate, so he understands where the Urban Hospital Council CEOs are coming from. At one point in time, I believe both Deer Lodge and the municipals offered acute care services, and they do not anymore, because the evolving system changed their roles into specialized extended treatment and long-term care functions. I do not think anybody would argue with the excellence of program in either of those hospitals because they were able to convert over a period of time, without any mandated decision, their operations from acute care to rehabilitative and long-term care.

I have no preconceived idea on this, but in this case I cannot accept my honourable friend's suggestion that we prejudge a bad conclusion from this issue that is on there. I think it is healthy to have that kind of discussion and provide that kind of guidance. I do not think anyone would argue that the transfer of acute care services from, for instance, the municipals to other hospitals and its commissioning as a long-term care facility specializing in polio in the '50s was bad for the system then and now. So I think it is a healthy topic to be discussed.

But, Mr. Deputy Chairman, I am glad to see the Leader of the New Democratic Party (Mr. Doer) here, because maybe he and his critic both would like to sit down, participate in this discussion, and tell us what issues they would like to discuss, whether they have a position on each of these issues they would like to share with the Manitoba public, so that Manitobans, as they go to the elections next time, might have a clearer idea of what NDP health policy might be. Because the member for Concordia is here, he might want to now explain to us for the education of his critic—

Point of Order

Ms. Wasylycia-Lels: The minister, it is his common tactic to go over examples time and time again. He is very proficient at eating up valuable Estimates time and not answering questions. We started this set of Estimates, I thought, with a better understanding than last year's set of Estimates, with the hope that if we asked shorter, more precise questions we might get shorter, more concise answers and less of the debate that the ministers so want to do. So I would hope that we could get back

to the question right now being posed by the member for The Maples (Mr. Cheema) and hear from the Minister of Health (Mr. Orchard).

Mr. Deputy Chairman: I would like to remind the honourable members that speeches in the Committee of Supply must be strictly relevant to the items or clause under discussion, but the committee has allowed the questions and the minister to not be dealing with exactly the line we were dealing with.

So the honourable minister has 30 minutes in which to answer. There is no ruling that says he has to be relevant to any question that I can find.

* * *

Mr. Orchard: Mr. Deputy Chairman, I am pleased that the Leader of the New Democrats is here, because he said he has their health care policy in the can ready to be told in the next election. He could share it with us right now if he is so anxious, because he could also tell us what he meant by when he said in Brandon on April 8, 1988. Doers said that hospital patients suffering from the most serious mental illnesses have less access to psychiatric services than well-to-do neurotics in Tuxedo. What did my honourable friend mean? Would he like to have his Health critic explain to the committee what that meant?

An Honourable Member: Sure, I will explain it.

Mr. Orchard: Fine. You are on.

Point of Order

Ms. Wasylycia-Lels: I do believe there was a question being asked by the member for The Maples. I do believe the rules, as you have just cited, Mr. Deputy Chairperson, are that the answers must be relevant to the question.

Mr. Deputy Chairman: The speech is relevant to the line. The committee has decided that they did not want to follow that rule, that they wanted to vary away from the line. That was the decision of the committee prior to, so the honourable minister was within his right to wander, as the questions have been wandering.

Ms. Wasylycia-Lels: Mr. Deputy Chairperson, we have been dealing with the Urban Hospital Council, which falls under no other line and, in fact, is administered and co-ordinated by the deputy minister, which is Executive Support. So I believe we are relevant to that line, and I think the minister should be relevant to the questions.

Mr. Deputy Chairman: I will ask all members to please try and be relevant to the questions that are being asked, and we will try and keep it as close as we can.

* * *

Mr. Cheema: Mr. Deputy Chairperson, I thought we were proceeding very well, but anyway we can maybe try again.

I just will continue with the issue. I just want to put out our thoughts, because even having a discussion about something which is not possible at least this year or next year or the year after that, to close any of the hospitals permanently and convert them to personal care homes, I think is an irrational way of even having a process.

We should look at the areas. Some of them are very important. We will support them, but you are discussing something which should not be there. If you look at the waiting lists, you look at how many people are waiting, how many patients are going to the U.S., you have two eye clinics operating because people cannot get to surgery. So how can you even put that—and I will continue with my arguments.

Certainly, there are other areas we will explore, but some of the areas, we make it clear, we have no difficulty. I think some of the things we have to discuss and make sure the money is saved and well spent, but not this section when you are going to ultimately close a facility.

Mr. Deputy Chairman: Order, please. The hour now being 5 p.m. and time for private members' hour, committee rise.

SUPPLY—AGRICULTURE

Madam Chairman (Louise Dacquay): Order, please. Would the Committee of Supply please come to order. This section of the Committee of Supply is dealing with the Department of Agriculture. We are on page 14, item 1.(f) Personnel Services. Would the minister's staff please enter the Chamber.

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

Item 1.(f)(2) Other Expenditures \$22,200.

Mr. John Plohman (Dauphin): Madam Chair, did the minister have any information that was asked for in the last day that he was going to bring forward for the committee today before we move ahead? I

believe there were some undertakings on decentralization.

Hon. Glen Findlay (Minister of Agriculture): Madam Chairperson, yes, I have a listing here of the position transfers completed, positions left to be transferred, relocation costs, those that have given retirement notice.

Madam Chairman: Is the honourable Minister of Agriculture tabling that document? Item 1.(f)(2).

Mr. Plozman: Yes, we will pass this and move onto other areas, Madam Chair, under the understanding that if there are some questions arising from the information, that we can revert. I hate to do that but normally—if the minister would have just brought some copies of it, we would not have this problem.

Madam Chair, for the record, the minister had tabled a copy and when a copy is tabled it goes to the Clerk who then will provide copies on request, and that is why we did not have a copy on this side of the House.

In any event, in order to expedite the process, we will move on at this point in time and perhaps have some questions later on, on this matter. Thank you.

Madam Chairman: Item 1.(f)(2) Other Expenditures \$22,200—pass.

Item 1.(g) Program Analysts: (1) Salaries \$244,400—pass; (2) Other Expenditures \$12,200—pass.

Item 2. Manitoba Crop Insurance Corporation (a) Administration \$2,604,000. Shall the item pass?

* (1430)

Mr. Plozman: Madam Chairperson, this is, of course, a major area within the minister's responsibility and covers, in this instance, an area that is increasing the importance of this, to this section, to the farming community in Manitoba because of the new programming that is now included under the Manitoba Crop Insurance Corporation, including the \$61 million up from \$22 million for crop insurance, GRIP and a number of other minor programs. Of course, we have had quite an extensive debate on GRIP over the last several months.

It is certainly an area that has caused a great deal of controversy amongst producers, amongst politicians, amongst people from the rural communities, as to whether it has been designed in such a way as to adequately meet the needs of the farming community on an equitable basis across the

board. We felt that there have been serious inadequacies in this program and that it has not been done as fairly as it could be. We have also been told by the minister repeatedly that this is a program designed by farmers for farmers. I think that is one of his classic overstatements on issues.

An Honourable Member: You got it straight now.

Mr. Plozman: Well, the minister knows that we had three farmers of course from Manitoba involved in the program. -(interjection)- Pardon me?

An Honourable Member: Nineteen out of 33.

Mr. Plozman: He says 19 out of 33—across the country. The problem is that these farmers are from many different jurisdictions, so in terms of representing the needs of Manitoba farmers—and mostly had three—we have to look at the cross section of representation. That is why I asked the minister the other day, I would like to know a little bit more about the farmers who represented the province of Manitoba. We had raised principles with the minister regarding capping, for example, the reliance on crop insurance for this program and so on—questioned that.

I know that one Owen McAuley, who was recently named Farmer of the Year by Red River Exhibition, is one of the representatives. I mean, he is a fine person. I am sure that he certainly is a successful farmer, following in the footsteps of probably his father and grandfather and who knows how many others. I do not take anything away from a person who comes from a long line of producers who have had the farm perhaps handed down to them from generation to generation. Obviously, they have to continue to manage well to ensure that the farm stays progressive and up-to-date and adjusts to the changing needs.

I am not questioning that, and I do not want the minister to throw that slant on it by my questioning the background a bit about the people who are involved.

I did note though that the information that was provided in the Co-operator on Owen McAuley shows that he is farming seven sections of land. I understand that those are all owned sections. Perhaps they are not; we do not have to get into all that detail, but seven sections of land, some 1,900 hectares, over 1,300-and-some hectares that are sown. That is a substantial amount of acreage. I believe it was said, something like 3,400 acres. I do not know about the other two, the minister can name

the other two representatives on the boards but Owen McAuley was involved in NISA as well as GRIP, I understand both committees; whereas the others were not involved in both.

The minister can give us some background. I would like to ask the minister whether he appointed these individuals, or were they federally appointed and would be recommended by himself, and a little bit about the background of the three appointees in terms of their qualifications for the job that they were asked to do on this committee.

Mr. Findlay: Madam Chairperson, I cannot remember the exact date but well over a year ago, maybe a year and a half ago, a task force was set to deal with safety nets by the federal Minister of Agriculture and he called upon different organizations to nominate people. In the province of Manitoba he asked Keystone Agriculture Producers to nominate a person. They nominated Owen McAuley. He asked Manitoba Pool to nominate a person. They nominated their vice-president Ken Edie. On the Western Grain Stabilization board they appointed Bob Hopley. So those are the three Manitoba representatives.

Mr. Plohman: Who was the last one?

Mr. Findlay: Bob Hopley from Oak River. I believe he is on the Western Grain Stabilization board—

An Honourable Member: Hockley?

Mr. Findlay: Hopley. H-o-p-l-e-y. Those are the three Manitoba farmers who were on the federal task force of safety nets appointed by their peers, by the organizations they represent. I know they have extensive qualifications when their peers nominated them.

I think the member tried to insinuate that I appointed them and I did not. The federal minister asked for nominations from farm organizations, and those are the people who were proposed. So on that basis a broad cross section of people were involved in determining that those are the people they wanted there to negotiate on their behalf with regard to the farm representation on the federal task force.

I have to congratulate those people for the hard work they put in, not only on the committee but back in their farm organizations to determine what direction they wanted to take the safety net task force discussion. They ended up with a proposal laid in front of ministers which culminated in the GRIP program and the NISA program to be done in

conjunction to supply safety net protection for the farm community to deal with the situations in front of them today and for a few years to come.

Mr. Plohman: I thank the minister. He indicates that the three groups were asked to provide representation on this task force that was set up by the federal minister, and the province did not have any input into the selection of individuals. The minister is saying that the peers of the individuals and other producers were the ones who through their boards nominated or appointed essentially, or nominated, I guess, for official appointment by the minister of these people.

He therefore extrapolates from that, that there was extensive involvement of the organizations in the work that was undertaken by this committee because the farmers had, through their organizations, three organizations, nominated one individual.

Can the minister indicate whether any of these individuals or the provincial representatives had formal recommendations as a starting point as to where they were going to go with this whole GRIP, or was the initial program devised in Agriculture Canada and then put forward to the committee? How did this develop? Can the minister give any light on how the process developed?

Mr. Findlay: I cannot think just which one it was now. It would have been in late '89, I guess. A number of proposals came forward from different groups. I remember Sask Wheat Pool had a proposal, the province of Quebec, UPA farmers had a proposal.

When the safety net was struck and they started to meet in very early 1990, as I recall, some eight proposals were laid on the table for the safety net task force to consider. Through their considerations, they boiled those eight down essentially to the two proposals that we ended up with, GRIP and NISA. I cannot say that any of the initial products were exactly as it ended up. In fact, I am positive that it is not. What came out of it was an amalgamation of some of the elements of the various eight proposals that were brought forward.

The member keeps continually saying, well, the federal bureaucrats railroaded something through, and I do not see it that way. As ministers, they were not involved intimately in what was going on. The task force was set up and given the objective to come up with something that was acceptable to the

farm community and, at the same time, of course, it had to be affordable to the governments and the taxpayers. They had tremendous leeway to analyze the eight proposals put on their table. They went through a process of many, many meetings, as I said earlier, not only in the task force, but back with their farm organizations as they evolved the existing programs that they laid in front of ministers.

* (1440)

Mr. Plohman: The minister knows that the agreement of the 33 people working on the committee insofar as the program that was developed was not the same program that the ministers approved. In the final analysis it changed. The minister even admitted that it changed. It even changed after that because there was really confusion out there, as the minister had admitted perhaps, and the Liberal Leader had referred to earlier amongst staff who were out there trying to explain this program but could not explain it in many instances. At least, that is the information I had from farmers who attended, because there were a lot of questions which remained unanswered.

They had to say, well, that has not been finalized yet. It was no fault of the individual staff. Of course, they did not know how these things were going to finally be worked out, so they could not provide the information to the farmers when they asked specific questions.

I wanted to ask the minister, who changed the program from the time the committee said, this is what we want, to what the ministers—and I am not talking about the final, nit-picky details about what went into the final version of it, but the basic principles of the program, the change from when it was approved by this committee and the ministers agreed on a program. Who changed it in between that time, and was there such a change?

Mr. Findlay: I am just not quite sure what the member is searching for about change, because the program was in constant evolution, even when the initial parameters were laid on the minister's table the end of 1990, January of 1991. The task force committee itself was still in the process of evolution of certain fine details, and he might say, well, why did you make the announcement before it was ready? Simple, simple situation: we were on a collision course with grain price. Nobody a year ago would have thought grain price would be where it is at today. It is so terrible, and the conditions of what

happened in GATT were not expected to unfold as bad as they did, and they are very bad. The price the farmer is going to get for this crop that he now has in the ground, we all know it is going to be horrendously terrible.

You cannot go on and say, we are just going to sit around and twiddle our thumbs and try to come up with something. Something absolutely had to be done. A signal had to be given in the farm community in January saying: We do have something that is in the works; it is not final but here is the basic detail. They needed to have some signals that it was not all fluff and puff. You would have been the first member standing up here yelling, do something, do something, tell them something. We told them something. We had them involved in the process of the final detail evolution. I like to remind the member of these kinds of headlines that came out—I do not know if I have the date on here but it was in January of 1991: Farmers want Findlay to sign.

They wanted detail, as much as was available. They did not care about the fine detail; they wanted to know, is he going to be involved in the program? Simple question. They needed that assurance because they saw prices being terrible and incomes being in the tank. They wanted something, and the basic decision was made, yes, we are in, and we will work out the fine details over the next couple of months, like through February and March.

The task force was involved, the crop insurance corporations were involved, and the farm community through their organizations was involved. We made some adjustments along the way and some fine-tuning improvements that were all to the farmers' benefit. Those are the kinds of changes that occurred, and the final, minute, detailed evolution that happened in the months between January announcement and the sign-up occurred through April and the first two weeks of May.

Mr. Plohman: Madam Chair, getting back to the representatives on the committee, can the minister classify the three representatives in terms of the size of farm that they operate? I would call Owen McAuley a pretty large grain farmer or oilseeds and grain or whatever farmer. What about the other two? I do not know anything about them.

Mr. Findlay: Madam Chairperson, I do not know the detail of those persons, and I think it is totally

irrelevant to this discussion. As I said earlier, they were nominated by their organizations, and I do not know how big a farmer Ken Edie is. All I know is, he is vice-president of Manitoba Pool, first vice-president, and Bob Hopley, Western Grain Stabilization board. That is all I know about them.

I know them personally and I can give you a high recommendation on them as individuals, as farmers, as leaders over the years, and obviously by being chosen by their peers, they were seen that way by them too as being capable, honest people who can negotiate at the table for the good of farmers from the basis of their background and their experience not only as farmers but in farm organizations.

Mr. Plohman: Again, the minister should not take this out of context. I certainly am not saying there is anything wrong with these individuals, that they are not sincere and that they are not good farmers and good people representing, good spokespeople and so on, and I congratulate them for the work that they put into this effort.

I am talking about the cross section of representation that we have here, and that is why I asked that question. It was not meant to pry into their individual affairs; I do not want to know how much money they made or lost last year, or anything like that. All I am saying to the minister is I wanted to get an idea of the size of farmer.

All three, I would assume, are largely grain farmers, although I know there is a mixed operation from the information I have read. I have not researched it. I just want to know basically what kind of representatives, what size of farm and type of farm they represented, because I think that is relevant in the context of the minister's statements that this was a program—and the minister may recognize where I am coming from and I will say it right up front—he said it was program designed by farmers for farmers. I want to see exactly how true that is.

We have to remember we only have three farmers out of 20,000 or whatever in Manitoba, so it is pretty small representation, but the minister says that all of the time. These three cannot certainly represent the broad cross section of farmers in this province. Let us see who they do represent at least.

Mr. Findlay: For the third time, I will repeat what I said. They are representatives of their

organizations, so they do represent through their organizations a very broad cross section.

Keystone Agricultural Producers is a general farm organization in the province of Manitoba. Manitoba Pool is the largest farm organization in terms of members, and everybody who delivers to Manitoba Pool is a member, and if I am not—

Mr. Plohman: Charlie Mayer says they do not represent farmers.

Mr. Findlay: Well, in terms of, his government asked them for a nominee, but I think they are involved in some 58 percent to 60 percent of the grain trade in the province of Manitoba, so a lot of farmers do business through Manitoba Pool and, through their directors, they have a level of representation of the farm community, clearly, as well as the representation in terms of their grain co-operatives, the businesses which they run.

Just so the member has a broader context in terms of the farm representation that was at the table, there was Don Downe, vice-president of the Canadian Federation of Agriculture; Gil Pedersen, representative of the National Farmers Union—I am giving all the information I have here.

From the Atlantic region was George Burris, secretary-manager of the Atlantic Grains Council; in Quebec there is Yvon Proulx of the UPA; Ontario is Terry Daynard, Ontario Corn Producers' Association; Roger George, vice-president of Ontario Federation of Agriculture; Larry Miehls, Ontario Soybean Growers' Marketing Board.

* (1450)

From western Canada there was Gordon Cresswell, chairman of Western Canadian Wheat Growers Association; Ken Edie is Manitoba Pool; Alex Graham, vice-president of Alberta Wheat Pool; Terry Hanson, Advisory Committee, Canadian Wheat Board; Ed Armstrong, director of Western Barley Growers Association; Bob Hopley we have already mentioned; Keith Lewis of Prairie Canola Growers; Owen McAuley, whom I have already mentioned; Roy Piper, director of the United Grain Growers, another grain co-op; Barry Senft, Saskatchewan Wheat Pool; Frank Spanbauer, director of Western Canada Pulse Growers; and Brian Haddow, B.C. Federation of Agriculture.

Those are the 19 farm representatives who are on that committee, and I do not know anything other than they are all representatives of producers throughout Canada, from the Maritimes right

through to British Columbia. As they tried to design a national program, the credentials of the people who have been mentioned, as far as I know, they are primarily grains and oilseed producers.

Owen McAuley—you have seen his history in the paper. You know that he is somewhat involved with cattle. Ken Edie, I am not aware that he is involved in cattle, and Bob Hopley, I am not aware that he is involved in anything other than grains and oilseeds, but they have been grains and oilseeds producers all their lives. I would say most of them are in the range of 45 to 60 years of age.

Mr. Plohan: Could the minister provide any record of the meetings and minutes of the meetings and progress of the development of this program over the course of time? Did he get regular reports on activities of that committee in terms of what was being proposed and where it was coming from and so on, something that has not been made public in that regard?

Mr. Findlay: Also on that committee were provincial government representatives. From our department there was Craig Lee, Assistant Deputy Minister of Policy and Economics Division. It was ongoing, back and forth discussion as the thing evolved over time, but we put a lot of dependence on the ability of the producer component to bring forth the kind of program they want and make the recommendations. We did not feed in desire to control that system from our provincial government point of view.

Mr. Plohan: Well, Madam Chair, could the minister indicate whether he or his department officials who were represented on that committee, or any of the Manitoba representatives, ever made recommendations with regard to the capping issue in terms of targeting this program, setting a maximum level of coverage or acreages or dollars that could be covered under the program?

Mr. Findlay: Really, when you are looking at the grains industry with the price protection system that GRIP represents, the hurt is the same on every acre and every bushel. It does not matter what the size of farm, you have the same input cost per acre, on average. You have the same hurt on a per bushel or per acre basis with the grain price situation as it is. We did not see the need for caps.

The whole system, the grain industry in Canada, is so heavily dependent on the export market and that is where the majority of the hurt is. We have to

have a market-driven system in this country. The minute you start putting caps on, you just cause farmers to find ways and means around those caps.

I will tell the member—I had a delegation here yesterday from Romania. Four people came here. They are coming trying to learn how our system works so successfully. They are a country that has been devastated by 40 to 50 years of socialist control. Central planning totally, utterly failed the people, the country, the economy, they recognize very clearly.

They are over here trying to learn our system. They should have been here 30 years ago. Twenty years ago they might have been able to get this thing off on track, but now they are in a terrible dilemma, how they can gear their people to a market-driven economy. They believe more strongly in that principle than I have heard anybody in this country talk about, because they have seen the ultimate and complete failure of the alternative system.

When you talk caps, you are trying to manipulate a good system back to a system that failed. When I hear that member, day after day over the last three months, raise the kind of questions he is talking about, he wants a socialistic system that does not work. I have had many delegations come with the same message from that part of the world.

They see us as having incredible success. They are incredibly envious of us, and yet are going to have a hard time being able to learn our system and get up to speed to compete with us. Not only are the farmers going to suffer but the people over there, in terms of food supply, are going to suffer.

You see what is happening in Russia right now and our system is the right system. It works well as long as they are market responsive, and the challenge in front of us is to be able to remain competitive. I will be the first one to also say that the use of subsidies as presently used, as I have said many times, by Europe and the United States, is totally, utterly ridiculous and unsupportable by all the history of economics.

It just totally destroys a market-driven economy. We are trying to fight that principle on another front. We thought a year ago that we were going to make some progress in GATT, as you wound down in the final months of 1990. We went into November and into early December, the thing did not succeed.

One of the principles that we talked about a year ago, right now, at a Ministers of Agriculture meeting,

was that there were two prongs of attack, one, that we will have long-term resolution under GATT. That meant, in my mind, from 1995 and beyond—because it will take some time for the corrections to kick into gear to allow recovery of price. In the shorter time, between now and 1995, the safety net had to be the system. They are using tax dollars to keep the farmers farming on the land till the better days came when the market would respond in a positive way.

Now, the major plank of that proposal, the GATT process, is in serious, serious trouble right now in terms of giving the kind of resolution we have to have for Canada, Australia, New Zealand, Brazil and all the small countries who want it developed on the basis of producing food and selling it on the world market to earn foreign currency to bring back into the country to develop their economy. It is a serious, serious problem not only for us, not only for developed countries, not only for exporting countries in the grain sector, but for small countries trying to develop, like the Romanias, like the Tunisias, like the Yugoslavias, like the Polands, like the Czechoslovakias. They need the opportunity to earn foreign currency.

It would be a breath of fresh air for that member to hear those kind of people tell it as it really is, so that he understands how you cannot take a good system and destroy it and expect to stay competitive.

Mr. Plohman: The minister knows that we have what he calls a good system, and what many people would probably categorize as one that has hurt a lot of farmers in this country. They have relied on government help over the years, so I guess what the minister is saying is you have the best of both worlds. You have a free market system, which does not really exist anyway, and you rely on government whenever that system is not working, which is about 90 percent of the time. That has been the fact insofar as reliance by the agricultural sector on government support.

What we have been promoting is a cost of reduction system that would ensure that the costs are covered so that farmers can be assured of a fair price for their product and target that because of the limitations of government dollars. So that is not control.

He talks about Romania. Gee, I think the minister would know better than to use that as an example

of what he is trying to say that I am advocating. I mean it is so ridiculous, it does not deserve a response. If he wants a look at successful socialist countries, he can look at some of the Scandinavian countries, but do not talk about the oppressive, communist dictatorships in eastern Europe and say that is what the member is advocating.

It is precisely that kind of extremism in comments made—now, the Minister of Agriculture (Mr. Findlay) is giving the same kind of comments that they throw around during election time in southern Manitoba, and one of the reasons why the New Democrats have not made any dents down there, because they are always saying it is a communist government.

It is absolutely ridiculous to make that kind of a comment and a comparison with Romania, absolutely unbecoming of this minister who would be exposing, through his teachings and so on, young people in this province. If that is the kind of slant he would put on alternatives that are being put forward in this province, I can certainly see why it is very difficult for a lot of young graduates coming out of agriculture to appreciate some of the co-operative approaches that are put forward by the New Democratic Party.

* (1500)

I am really sorry to hear that the minister would use that kind of example. I really do not think it is becoming of him. He is talking about one of the most oppressive, communist dictatorships that, from what we have seen in the last couple of years since Ceausescu was murdered and was overthrown, to hear that kind of stuff coming out of the minister is absolutely ridiculous.

Let us look at what we are trying to say here in proper context. If we have a farm of 3,000 acres insured at 40 bushels per acre, that is nearly a half a million dollars if there is a crop failure. Now the premiums would be a small portion on what, 7 percent or 10 percent of that overall across? The remainder would come from the taxpayers, to one operation. All we are saying, that is a huge amount of money to draw it for one producer out of a government program from the taxpayers. So we are saying, support to a certain level, and if you are going to be larger than that, fine. Take your chances. You want the free market anyway. Take your chances on it. You do not have to be covered right up to the hilt.

Now the minister shakes his head. He says, well, we want to control, control, control.

An Honourable Member: You got it.

Mr. Plohman: No. We do not want to control. We are just saying, look, you want to be bigger, take your chances on it. We want to ensure that the average family farm in this province is protected to a proper degree to ensure their viability rather than covering some to such a low extent right now, for the minister's edification, that they will not be able to make a go out of it even with GRIP, whereas others are going to get the guaranteed windfalls out of this program.

That is all we are saying to the minister. I wish he could admit that in fact there are going to be huge winners out of this program, and there are going to be losers to a dreadful extreme under this program because they cannot get the coverage through the fact that they were not in crop insurance before. So they cannot get any bonus coverage, or because if they were in crop insurance they have had disasters over the last while. Now we have to explore that heavy reliance on crop insurance records. It was convenient, certainly, for the minister, I know that, to rely on that completely for this program.

What is the genesis of that reliance on the crop insurance program here in the province of Manitoba? What can the minister—what light can he shed as to using that as the only basis and then for the way people have been treated who were not in crop insurance, how does he explain that?

Mr. Findlay: Well, the member really exposed himself completely. I mean, he has left himself so vulnerable. Really what he wants to do is control, control, control. He wants to tell farmers what they can grow, who can grow, how big they can get. He wants them to stand up and bow to him every morning and say, what can I do, sir? That is the ultimate communist approach which he said was not the case. He just exposed himself completely.

Madam Chairperson, this member has not got any idea of what makes rural Manitoba run, and I hope the member for Swan River (Ms. Wowchuk) has a better perspective.

An Honourable Member: What makes it run?

Mr. Findlay: What makes rural Manitoba run? The member asked the question.—(interjection)— Okay. I will go ahead.

Agriculture is what drives rural Manitoba. It brings the dollars into the communities, and farmers circulate that money and there is no better circulator of money than farmers. Every farmer that I have ever talked to wants to have that income from the marketplace. He wants to have that income from the marketplace. In the short term, the consumer, whether it is in the province, this country or the world, is not giving him an adequate return at the marketplace.

The program is set up to bridge the gap between now when those days of recovery of the marketplace hopefully occur. But to use the statement, certain farmers will have big windfalls, he loses sight of the fact that no matter who farms 5 acres, 500 acres or 5,000 acres, has technically the same cost per acre in terms of input cost, if he is farming under normal farming practices. He buys those goods and services in his towns, his communities throughout rural Manitoba and he circulates the dollars. He circulates the dollars.

That is what makes rural Manitoba run. To use this ridiculous ideology that it is this big windfall because you are a big farmer and you are rich is ludicrous. Generally speaking, it is the smaller, medium-sized farmer who is heavily diversified who is making the better dollar return on his investment. It is not the guy with the big acres.

So he is wrong. Farmers make the decision as to what is an economic unit based on their ability to utilize land and capital and his personal resources, his family resources. It is just ability to manage. Some people can manage 500 acres. Some people can manage 1,000, some 2,000. It depends on the family unit, their commitment, their technical ability and their ability to manage land and capital. That is what makes the decisions, and they all generate economic turnover in their community regardless of the acres they farm.

When he says certain farmers should be capped, he says he wants to limit them and control them. This society does not want that. He cannot figure out why they cannot get votes in rural Manitoba, and he just told us again why it is happening, why they refuse to vote for him—because they do not want the control system. They do not want his ideologies of central and eastern Europe. He cannot figure that out.

The member for Swan River (Ms. Wowchuk) I had hoped would bring a fresh air of light to the member

for Dauphin (Mr. Plohman) who does not even understand what makes the farm community in rural Manitoba tick. The program is set up to leave the responsiveness in their hands as to what the marketplace is telling us. If the marketplace is telling you to grow wheat, they should grow wheat. If the marketplace says, do not grow wheat, they should not grow wheat.

If his system of cost and production gives everybody a guaranteed income, what signal is there to grow to the market? I will tell you, Mr. Member for Dauphin, that if I am a farmer and you are going to give me a guaranteed income, I will put virtually no input into the land. I will grow wheat, wheat, wheat, and you can be concerned about how to sell it and whether there is any market for it.

You cannot run a controlled system in a market-driven economy. The society of Manitoba, the farmers of Manitoba, want a market-driven economy. They believe in it. I will confirm to them that, yes, it is all fouled up because of things that have happened outside this country. To say, okay, we will control everything—we do not have the tax base to compete with the treasuries of Washington and Brussels. We simply do not have the treasury.

He may have taken the position of spend, spend, spend. He used the statement the other day, well, every other government is doing it, let us do it. Run a deficit. Make the grandchildren pay. It does not work. It does not work. -(interjection)- Well, that is what you meant. You said every government is doing it, deficit finances, no problem. That is what he said the other day.

Mr. Plohman: No, I said others ran deficit financing—a sign of the times.

Mr. Findlay: So you said that made it okay for you to do it. So they all do that. Farmers designed this program for farmers. That is why I told him the previous two answers ago that our input as a provincial representative was not there to control what was said and what was decided. They had a representative at the table, but he came back and reported what the farm community wanted through their representatives. This is the program they came up with. They wanted to remain entirely market responsive. They wanted to promote the producers who could produce to produce, because that is what makes the economic system of rural Manitoba run. The more bushels that we can produce for export, the better the society of

Manitoba and western Canada and all of Canada does by bringing foreign currency into this country.

Mr. Plohman: I will just start with the minister's last comments. The more bushels we can produce, the better it is for the economy of this country—yes, but who is going to pay for them? The minister seems to lose sight of the fact—he ridicules the statement about deficit financing, which he is in the middle of doing right now, his own government running a huge deficit. He cannot get away from it; he cannot blame it on other governments. That is what he is doing right now, so he is not pure. But let us deal with the issue of who is paying for it.

We are saying the taxpayers of Canada can only subsidize grain for export to a certain degree, for gosh sakes. That is an enormous cost to subsidize consumers in other countries, and the minister wants to provide the subsidies to the nth degree when the price is low, so he is putting no caps on it, no upper limits to it. Here, my wallet is open. Take what you think is fair. Well, come on now. He does not believe in putting any kind of a cap, no limits whatsoever on this export production that he is talking about. I am not talking about domestic consumption in the province, in the country. We are talking about the world. We are talking about subsidizing consumers in other countries, huge amounts of dollars.

I understand that the farmer's income drives the rural economy. That is the whole purpose. That is why we want to have viable farms. The more farmers we have, the better, and the minister should realize that his—well, to a certain degree, but there has been a drop-off in the number of farms considerably over the last 10, 20, 30 years. The rural economies are suffering; the rural communities are suffering; the hospitals and schools are being closed and becoming unviable and so on. The whole economy is suffering as a result, so we are saying, keep the small family farms. Each one is a unit that will take those dollars and distribute them through the economy, but the minister is saying that it does not matter if you only have one farm for every 10 sections of land, and that is what is happening in this province and this country.

* (1510)

We are saying that if you can have more smaller farmers, it is to the benefit, and he even admitted it when he said the mid-sized, highly diversified farms are the ones that are doing the best at it, so you do

not need to have the large units to make them profitable. You need those mid-size farms, and what was small is now mid-size; perhaps we call that small now. Maybe a thousand acres would be something that is, at least, desirable.

We do not want to control how big or how small a farmer is, but we just want to say that if you want to rely on the public tax dollars, then you can rely only to a certain degree, and after that you are on your own, fellow. That is all we are saying. The minister calls that control; then he says that the free market system is a failure and that everybody is relying on government dollars, if that is what drives the whole thing. We are not saying that; we are just saying that in certain times it is necessary. Let us put a limit on it. Let us ensure that we keep as many family farms and their children, families, on the land in the rural communities, and retain the rural way of life. We do not want to see that stopped.

He talked about guaranteed incomes distorting market signals. We are already told that this program distorts the market signals. They say that they have planted way more wheat in this country this year because of GRIP than they would have without GRIP, and the same with other crops that were not planted. Canola acreage will be down—

Some Honourable Members: Oh, oh.

Mr. Plohman: That is what the predictions said in studies that I have—and others were changed. Well, the minister can say I am wrong on that, but the fact is GRIP has—in the study that I referenced, well, I will find it. I have the facts on it, but they have recommended that the findings of that study where canola was down in terms of acreage and wheat was up—there are two examples. The minister does not dispute the fact that wheat was probably up as a result of GRIP.

So talking about distorting the market signals, that is already there within this program. He also says that the farmers would cut inputs under a guaranteed income program. It depends what kind of a program was put in place. They are already cutting inputs in many areas of the province under GRIP. They are, because they cannot afford—now the minister knows that when you are only getting coverage for 20 bushels per acre, you cannot afford to put in your fertilizer and chemicals that you would like to put in, so you have to, because you cannot get the money, you have premiums to pay for, you have no choice but to cut corners. That is

unfortunate, but that is what is happening because of this program as well.

So I do not think that the evils that the minister points out are realistic in terms of being a deterrent to putting in place a program that would be targeted to hit the vast majority of the farmers, to help the vast majority. Now I do not know whether the minister believes that the large farms have the same per acre cost as a small farm would have.

There is a critical mass of efficiency, certainly, where the costs would come down because you do have to buy expensive machinery regardless, whether you have another thousand acres to use it on or less. There is a critical mass of size that would be the most efficient. So the cost per unit would come down above a certain size. They would not necessarily be as expensive, and I do not think that they are beyond a certain size of operation.

So when the minister says, well, they all have the same, technically he says, all the same costs—I am glad he used the word technically because in fact they do not have the same costs. Some of the larger operations would have lower costs because they are able to average their costs out over a larger number of units.

So I say to the minister that he has not given any arguments, other than political innuendo against myself, in raising these concerns as to what my agenda might be when I am trying to put forward a way to limit the liability of the taxpayer, at the same time to help and ensure a fundamental basic level of support for the vast majority of producers in this province, instead of putting in place a program, which we will get to in terms of some of the details, a program that has in fact further complicated the inequities already in the system where we have some farmers being treated one way, more favourably under this program than others. I will ask the minister about the basis for that.

Before I do, I want to get back to the changes that took place. The minister, last year in the Estimates, said we were talking about 80 percent coverage in this program. It is throughout the Estimates. The figure we were using in the discussions here was 80 percent, was 70 percent after. What happened to the 80? It is one thing we did not attack the minister on in the House here.

An Honourable Member: Eighty what?

Mr. Plohman: Eighty percent coverage levels instead of 70. The minister said that there would be

80 percent coverage levels under GRIP. That was what he talked about. It is in Hansard last year. He did not deny—that was the figure I asked the minister about, and we referenced those figures during the discussions. I never attacked the minister on that point. It is a significant point, a much richer program at 80 percent. What happened to the 80 percent? Why did they abandon that level of coverage, and when did the minister introduce—I will leave it at that one first.

Mr. Findlay: Madam Chairperson, certainly the member has talked about a lot of issues in those last five or 10 minutes. Really, let us go back and spend a few minutes just talking about the farm community as it exists. I will give my comments, and I do not suppose we are really all that far apart in what we are really trying to see done at the end of the day. Yes, I go back to the comment that the smaller, medium-sized, more diversified farm is the one that is doing the best economically.

You know, when you go out to Steinbach, like where I was this morning and last night, and you talk to producers out there, they do not know what a recession is—neither the farmers nor the community—because it is so heavily diversified on the farm, in the town.

They have a lot of agricultural-related processing there in Blumenort with Granny's Poultry and Friendly Family Farms in Steinbach. Go by there, and there are 200 people, 350 people employed in the communities, and a lot of them live on the farms. It is off-farm employment. You drive through the countryside, and there are blue silos all over the place, and there is a set of buildings on pretty well every half section. There are all kinds of livestock barns on those farm sites in poultry, in hogs, in dairy.

That area has done well over the last 25 to 30 years because they got involved in such a high level of diversification in terms of—they really do not need to worry about exporting grain because they feed pretty well all of it out in that part of the country. It has stabilized that community. They will handle any level of depression or recession that the rest of the country will be hurt by. They will handle it very well. They also have a credible work ethic that has caused them to do that.

I come from a part of the province that listened to the University of Manitoba back in the early '70s that said grain, you can grow grain and make great profits, and you do not need to get up in the middle

of the night and tend to a cow calving or feed hogs in the wintertime. You do not need to do that. Unfortunately, too many people listened to that and they got out of livestock. They paid the price ever since they made that decision.

I have talked many times in the last few months across rural Manitoba that this program GRIP is an interim measure. It is a cushion to fall on while you make the adjustments, because the world has changed on us. The world has changed. We cannot do what we did 20 years ago and expect to make a profit at it, like growing raw grain and exporting the raw product. We have to do something else to that raw product to as much an extent as we can. That adjustment cannot be done overnight but those farmers, as I have already mentioned, southeast and south of Winnipeg, who have done that are very well positioned for the difficulties of today and exceedingly well positioned for the future.

They have the supply of management production in their area. It is going to be difficult for somebody else to get into poultry production in other parts of this province or into dairy production to the extent that they may like to in the years ahead. That is a very significant problem. It is a reality.

We must make that adjustment and to go on and say we can give everybody a certain level of income and they will survive forever is giving them absolutely the wrong signal. We have to be market responsive. We have to produce something that somebody is prepared to pay a reasonable dollar for, so that we can get our return from the marketplace. I almost do not care whether it is a food product you produce on the land or some product that is used by industry. There are many of those. Producing grain for ethanol production is another example.

* (1520)

Those are the kinds of things that we have to be more proactive in what we do in the next few years ahead. We cannot say everybody should have this level of income. Let us stand where we are and let the world go by. Unfortunately, we have done that throughout the 1980s. We figured we could make it and we put government subsidies starting in 1986 with the Special Grains Program; '87, Special Grains Program; '88, a drought program; '89, Crop Loss Compensation Program; and now we are into GRIP. The taxpayer will not be with us forever.

I am truly amazed that the taxpayer is still prepared to fund the massive injection that we are putting into the farm economy in GRIP and NISA over the next few years. They still understand they were hurt for reasons beyond our control. It is not bad management that has caused it to happen. They have not yet focused and started to say, well, you should have made some different decisions. Everybody knows hindsight is hindsight.

We are here today, and we have to make some structural changes in our industry, try to promote people to think differently, try to do something differently, broaden their base of production, decrease a dependence on growing wheat. Yes, GRIP is not totally market neutral. No program is, but the farmers want it to be as market neutral, as feasible as possible. If you give a guaranteed income, that is absolutely not market neutral, does not cause you to produce what you can sell. You produce to get the biggest government dollar.

In GRIP, your first income has to still come from the marketplace. You had better grow something that you know you can market and you can market it soon to get the initial cash injection. Your second income will come from any interim payment in GRIP or, more likely, in the final payment of GRIP, which will be at least a year and four months down the road. You will have a terrible cash shortfall if you have not been able to sell the initial production.

So you had better not grow all wheat, because the Canadian Wheat Board will not have a quota system that is open enough to allow you to market it all. When there are closures at the ports of export because of labour disputes, you are really victimized when you are growing export grains in this country, terribly victimized.

Oh, the member mentioned that acres had gone way up or gone down or something. Canola acres actually went up this year. I think he said they went down. Canola acres went up. United Grain Growers projection is they went up from 6.5 million to 7.5 million acres. Wheat acres are projected to be a little bit up, but that is by a Stats Canada survey. It is very preliminary at this time, and we will know better through the crop insurance data at the end of June when the crop seeded acreage report comes in.

Just driving through the country, I would say wheat acres certainly are not down, but there are a lot of acres of flax in. There are a lot of acres of

canola in. We already know that. I have talked with people that put out pea contracts and say in the end of April beginning of May there was a tremendous run on pea contracts. Special crops are there, and I have not heard any of the people who are contracting say that they had a problem getting their contracts picked up. They may have, but I have not heard it.

So I think farmers when it came right down to it made the right decisions on the basis of their ability to grow a crop, their management ability, their input ability, and in terms of their ability to market. The program has certain design features in it that will stimulate a person to do the best he can, because he can maximize not only his support today, but his probable support down the road.

Superior management index was put in to stimulate a guy in 1991 to try to produce as much as he can, because that makes the whole economy in rural Manitoba run, as we said earlier. The individual productivity indexing which will be in place for '92, is dependent on his production records of '91 and '90, and he can individualize himself at the rate of 25 percent a year over the next three years. The higher he is above the area average in terms of production, the better support he will have in the program down the road, so he is going to try to farm the program, put little inputs in and take a little of crop off. His level of coverage is going to go like this in the future. We do not want that to happen.

We have put the incentives in to make a guy produce, because that is the only way he will survive in the long run as a farmer and the only way we can stimulate the economic system of rural Manitoba. I will tell the member that we had different fertilizer companies get concerned at the beginning. They said, oh, the farmers are not going to use fertilizer. As things unfolded with the various stimuli we had in place here in Manitoba, they found that their sales were very good this year, better than they had first thought. The fears eventually were allayed and the farmers, I think, by and large made the right decisions for the right reasons.

Mr. Plohman: Well, to a large extent that is true with any program. I do not think there would be massive distortion in one year. It is a matter of degree. What I should have said, if I did not, was that the wheat production acreage was higher than originally projected for Manitoba and canola was lower than originally projected, not that it is not

higher than last year, but that it was lower than it was projected.

Mr. Findlay: On wheat, there is a bit of a good news story in that wheat has gone up in Manitoba because the Wheat Board, and I will give them credit, have found markets for prairie spring wheat, the white wheat, the red wheat and for Glenlea wheat, otherwise called feed wheats. They have found bread markets for them, particularly in the United States and other countries in the world.

They put out massive contracts this year and for a farmer that is good news. I got a contract that they are going to take all of that variety of wheat. I do not have to worry about the quota system. It is going to be basically wide open. They are going to take it. Many farmers have done that in the past couple of years as the Wheat Board has developed the contracting system, and are very pleased. He knows that there is a guaranteed sale, there is a guaranteed market for that wheat and they are growing it.

I will tell you the contracts were put out on those three wheats this year, Biggar, Genesis and Glenlea. My understanding, as of a month ago, was that the vast majority of those contracts were picked up in Manitoba, because we have the ability to produce those high-yielding wheats, because we have the soil, the climate and the moisture. Thank goodness we are getting the moisture again today. That is one of the reasons why wheat will be up here, because the Wheat Board has the contracting system. Manitoba farmers jumped on that, because they know the net benefit of being able to market that product.

Mr. Plozman: So the minister is saying that the Wheat Board is doing a tremendous job in this area of contracts. Would he call this niche markets that the federal governments said they could not do with oats?

Mr. Findlay: I have heard it said by several people who are in the grains industry here, Madam Chairperson, that Manitoba and western Canada is in the niche marketing regardless of the commodity you talk about in today's scenario.

The Wheat Board has changed its attitude of a lot of things in the last few years. Many of us have been saying for years, tell me as a producer that you will sell my product if I produce it. That means contracts. Many people in the farm community objected. No, no, we want equality, we want

quotas, we want limits on our ability to sell, which ultimately limits our production. That is why we had so much summer fallow over the years because the quota system limited your ability to sell. Why would you grow something and store it forever and a day? Why would you spend the money? You end up summer fallowing.

Then we had to get into the conservation initiative and that meant more continuous cropping was the right way to go. Everybody is responding slowly. The board has responded in terms of this contract approach, which five years ago the farmers would not accept. Now it is very accepted, because they see the success of it. Now, you may argue it is not equality. That is true. There is nothing equal any more. There never really was. Some guys could do better than the next guy given exactly the same signals at the beginning of the day or the beginning of the season, but it works well.

The oats question, we have argued that over and over again. The private sector is doing a good job of marketing oats. We have a processing plant just getting on stream in Portage which is going to market into the United States. I will talk gladly about our ability to access the American market, and I do not care what commodity you name. We have done an excellent job through the board and, particularly, through the private sector.

In the last two years or the last ten years, any time frame you want to talk about, we have accelerated our ability to access that market because we learned that it is not good enough in agriculture to just produce it and put it in the bin and expect somebody else to do something. Everybody has to be a marketer. Whether you are the farmer, whether you are in agri-business or whether you are in the grain trade; you have to be marketers—aggressive marketers.

* (1530)

We can be competitive in production, but we can also be competitive at marketing. That is the name of the game now, marketing. The board does a good job, but do not say they are the only ones who can market. If the private sector is locked out, the board will go back into the lackadaisical approach of 20 years ago. I can remember what it was like 20 years ago to get a four-bushel quota on wheat. They said do not sell it; we are not getting enough; let the farmers live on a four-bushel quota. You talk

about choking the farm community at the throat. That is what did it.

This time around when grain prices are down, there is no way anybody wants to limit the sales. Sell it at any price but move the product. If you are going to leave it on the farms, we will all die slowly.

Mr. Plohman: The minister went on at length about how the board has changed. The fact is, he is saying that they are doing a very good job of selling in niche markets in wheat. I would assume from that, he is saying they could have done the same thing and would have continued to do it with oats as well. Yet the government, the federal government which he supported, supported the decision of removing oats from the Wheat Board. There was no sound basis for it. The minister has just admitted it.

The Wheat Board would have done a fine job, as they are doing with wheat, in finding the niche markets and, in fact, meeting those niche markets extremely well. That, I think, shows that argument was not done on the basis of the Wheat Board not doing a good job or inability to do a good job as was stated publicly as the reason for it. It was simply done for philosophical, ideological, for friends or whatever reasons for some lobby from the grain companies or private sector that wanted to have a door into this area and also, perhaps, to see a weakening of the Wheat Board system. They had to know that.

I do not know. This is a little bit off track. I am not going to go on in terms of the crop insurance, the Manitoba Crop Insurance Corporation, on this theme at this particular time, because I want to get back into questions about GRIP.

I want to ask the minister why he did not use the same criteria. He will say, well, the committee recommended it and it is not really his program, but yes he had people on there, and I believe the province has had a lot of shaping, his department and himself. The Manitoba representatives, even if they were representing the organizations, had a lot to say about how this program was finally shaped in Manitoba, because it is slightly different in every province. We have a number of questions about why it is that way.

The Superior Management program, for example, he put that in—that was a late edition to the program as far as my understanding. He uses another criteria for Superior Management based on the

previous experience under crop insurance. That is, you can get additional coverage if you have not drawn on crop insurance to a great extent over the last 10 or 15 years. In other words, you produce 70 percent of what you said you would produce, which you insured for, so you were not a draw on the crop insurance system.

The minister can have his staff or himself explain the loss ratio, as to how that applied to determine whether a person, an individual farmer, at what point he could qualify for additional coverage.

In any event, that criteria, as to whether they could qualify for additional coverage, is different based on the historical data, than it is under the Superior Management program for the future. It is different completely. For the future, they have to produce 105 percent of the area average or up to 125 or above. They can, therefore, buy retroactively in essence additional coverage, but in the past they did not have to produce 105 percent of the area average. All they had to do was produce 70 percent of what they said they would, so they would not draw on the system. They were deemed then to be good managers, I guess, because they were given additional coverage. They could buy additional coverage.

That made the whole difference for some farmers as to whether GRIP was going to be good for them or not. I mean, by good, was going to ensure them of making a few dollars or losing money under the program. I just ask the minister why he did not use the same criteria? If he was going to use crop insurance records for the past, in terms of eligibility for additional coverage, why did he not apply the same criteria as he did for the future? Why two different systems?

Mr. Findlay: Madam Chairperson, the member talks about the Superior Management Adjustment basically put in to stimulate a farmer to produce, and if he could do better, he got a higher level of coverage this year, slightly retroactively. Pays a premium, gets a higher return in terms of this year, but it is available to new producers and old producers equally.

He refers back to previous years saying, you only had to produce the 70 percent. Well, the producer who had no claims, he was receiving coverage adjustment over the past few years, which raised his actual bushels per acre coverage. If he is in crop insurance, naturally he did that. You argue that

somebody outside of crop insurance does not have equal opportunity. Well, they made that decision all along the way and kept the premiums in their pocket, and they became their own self-insurer. I have heard that many times: I am my own insurer; I do not have to pay somebody else a premium. That was a conscious decision along the way.

When GRIP was designed, on what basis are you going to make the determination of what coverage should be, and there was really only one database in existence and that was crop insurance. I am not aware that anybody on the committee objected to that. It was the only database available, so that is the database that is used.

The adjustments in terms of Superior Management Adjustment and the individual productivity indexing allow anybody either who is in crop insurance or not in crop insurance to rapidly improve their position in terms of coverage relative to the average in this year and the years ahead. So I think it is unique to Manitoba, and I think it is good as a stimulus to producers. If you want to improve your coverage, it is in your own hands to do it.

Farmers want it. There are two words that are constantly repeated. They wanted individualization and they wanted predictability, and both of those are in their hands to determine. That is the way they wanted it, and that is the way they got it.

Mr. Plohman: Madam Chair, the minister says the old and the new producer under this program are both eligible for the Superior Management Adjustment, and they are both treated equally.

They are treated equally to an extent because they both have to meet the same criteria to buy additional coverage retroactively. However, it is done on a percentage of their coverage, I understand. If I am wrong, the minister can tell me that, so that in fact—

An Honourable Member: It is a percentage of the area average.

* (1540)

Mr. Plohman: A percentage of the area average to qualify, right? But they can buy a certain percentage of additional coverage, percentage of their existing coverage.

My point to the minister is that the farmer who has been allowed to buy the bonus coverage initially because he has been in crop insurance and has not been a draw on the system and is, therefore,

deemed to be eligible for additional coverage has a higher base to start with than the person who was not in crop insurance. If you are working on a percentage, you are even penalizing the person who was not in crop insurance again, even with the Superior Management Adjustment fact. Will the minister agree that is the case that there is a further distortion?

Mr. Findlay: The essence of what the member said at the end, Madam Chairperson, was that the person who did not have crop insurance, who did not have the opportunity for improved coverage adjustment, is doubly penalized.

The truth of the matter is, he is in a better position to improve himself under SMA this year than the fellow who has improved coverage adjustment. If your long-term average yield is 25, it is easier for you to get above the area average if it is 30 than if yours is 33; so the lower you are, the better chance you have of taking advantage of SMA this year.

Mr. Plohman: The minister can clarify that further then. It seems to me that they are basing it against the area average and not the individual's average; and if he outproduces the area average by 5 percent or more, he then can qualify for percentage additional coverage, a percentage of his base. Is that correct?

Mr. Findlay: Actually, rather than try to read figures into the record, I think I will just send over the member an example here that is on the information that is sent out to producers. It shows the interrelationship between long-term area average and assigned long-term area average and the impact that it has on SMA for this year, but it does give the examples and the arithmetic if he wants to follow it through, and he can ask some more questions later. It shows the interrelationship between assigned long-term average yield and the area average long-term average yield as it affects him this year with regard to his production, the area average and his qualifications for SMA. So, Madam Chairperson, I will table this—send it over to the member.

Mr. Plohman: Madam Chair, I appreciate the minister sending over an example on this. I just want to establish the principle as to whether I am correct or incorrect that there is an inequity, the way the two producers are treated under this program, first of all with regard to eligibility for additional coverage initially. The woman who was not on crop

insurance in previous years and established a record there was not eligible for anything but the area average, period, based on soil type—to start with.

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

Then they can work themselves up if they have yields above average over a number of years, I guess, based on the Superior Management Adjustment program that was put into GRIP. So there is one differential there with the way they are treated to come in. There was no consideration for the person who might have been a superior manager in the past but did it on his own without crop insurance because the minister said that was the only set of records that he wanted to use. He did not want to have his staff analyze elevator tickets and Wheat Board information, and so on. It just was too complicated to do.

Can the minister tell me on the basis that that was too complicated why he went ahead at all with an enhanced coverage purchase—not the enhanced superior adjustment figure, but the bonus, whatever it is called, the additional coverage that a person could purchase if they had a positive loss ratio in crop insurance in the past, yes—why he went ahead with allowing the additional coverage to be purchased by those who were in crop insurance, had this positive loss ratio and therefore had an advantage over those people who were not in crop insurance? Why did we not start everybody out in the same place?

Mr. Findlay: What the member is really saying is that those producers who had been in crop insurance for five or 10 or 30 years, who had drawn less from the corporation than they had paid in premiums, who had contributed to the program, who had built the base of the program, should be denied the rights they had earned along the way. That is what he is saying. You are trying to take away credit that certain people had gained and earned over time. That is what he is saying and in the process, coverage adjustment, some people went up over time, some went down. We said to those who went down, we gave them the option of having a minimum area average. We brought everybody up to the area average. Nobody was given the long-term discount that they had actually earned. We were not going to take away somebody's positive coverage adjustment that he had received because he had been a good customer, he had claimed less than he had paid in premium.

The member is really advocating that the person who had done a good job would not farm the program or anything like that, who had been a good farmer, used the risk protection for what it really was, should have been denied the credit he had earned himself. He has paid a premium to achieve that. You have some producers who may have paid premiums for 10 years and received absolutely zero benefit. You say, take away all the credit he had earned for himself. That is what he is saying, and a person who had drawn from the program should be given equal reward or equal coverage, a person who had never participated in the program given equal reward. That is really another example of retroactive crop insurance.

Mr. Plohman: The minister is fond of putting his own slant on what someone else says, if that is what he is saying. I know what I just said. I said it. He said something else and he said that is what I said. That is not what I said.

What I said was, I would rather have everyone be given the opportunity to get some additional coverage or else no one. That is what I am saying, is that the minister has prevented excellent managers, who have chosen not to enroll in crop insurance over the years and take that risk themselves, to in fact be treated differently than those who had enrolled in crop insurance and had a positive payment loss ratio, whatever the term that is used on that program.

I am saying that everyone should have been treated the same. Then I asked the minister that question and he said, no, I want to penalize those who had a positive experience with crop insurance and not been a draw on the program. That is not what I said, but if that is the ultimate outcome of the minister's policy that he cannot treat everybody fairly, then I would rather have that than the way he has it now.

Mr. Findlay: Mr. Acting Chairman, everybody that enrolls in GRIP this year has the ability to have the benefit of SMA, Superior Management Adjustment, everybody, regardless of whether he was in crop insurance before, had a positive adjustment or a negative adjustment or he had not been in crop insurance. They all get that opportunity. It is unique to Manitoba, put in to give everybody equal opportunity to improve himself, if he is a good manager—just what the member asked for. It is in there. It is done.

Mr. Plohman: Mr. Acting Chair, I used the wrong term. I was talking about the bonus, the additional coverage based on previous crop insurance records. The minister has confused SMA with the—what I was asking about was the previous bonus coverage.

Could the minister give the correct term for that? It was allowed for those people in crop insurance previously who had a positive record. What was the term that was used? We will use that term from now on.

Mr. Findlay: Coverage adjustment is how a person improved his actual bushels per acre coverage in the past. It was based on his loss ratio that he had built up year after year with the corporation.

For this year and this year only, Superior Management Adjustment is available to producers. Beyond this year, they will be getting what is called individual productivity indexing, on which their actual level of coverage will be individualized. It will be 50 percent by 1992 based on '90 and '91 production; then 75 percent for 1993; and 100 percent on his own record for 1994.

So you really have three factors we are talking about here: coverage adjustment in the past, superior management this year and individual productivity indexing beyond 1991.

Mr. Plohman: Okay, based on coverage adjustment, the individual was able to buy additional coverage if he had a positive loss ratio on his coverage.

How many years did he have to be in crop insurance before he could be eligible for the coverage adjustment?

Mr. Findlay: Mr. Acting Chairman, to qualify for the maximum benefit under coverage adjustment, a person would have to have been enrolled for 10 years in crop insurance to qualify for the beginning of it. With the very minimum of one year qualification, you would have to have been enrolled for at least two years in crop insurance, so two years to start your qualifications, 10 years, really technically 11 years, for maximum coverage adjustment to be in your benefit. So in over a 10-year period, it is very rare that there was not at least one claim or two or, in some cases, obviously more. So it is difficult to have had 100 percent.

* (1550)

Mr. Plohman: What was the maximum coverage adjustment that could be gained by a producer in Manitoba? What area did that exist in? Did it vary from area to area? I would think it did. Was it eight bushels per acre or what?

Mr. Findlay: For wheat, the maximum coverage adjustment, that meaning 100 percent qualification, if you were choosing the 70-percent level of coverage, 5.1 bushels. If you chose the 80-percent level of coverage, 5.8 bushels, but that is 100 percent. You had to be in 10 years and have a positive adjustment all the way along.

Mr. Plohman: Well, I do not know where the minister gets his figures, but I know of some farmers who have advised me that they have got as high as eight bushels per acre, and I understand it could go as high as nine. We were talking a lot of money when we are talking that many bushels per acre.

Mr. Findlay: I am talking wheat. Are you talking—

Mr. Plohman: I am talking wheat.

Mr. Findlay: Red spring wheat?

Mr. Plohman: Yes.

Mr. Findlay: Mr. Acting Chairman, in order to give the member an understanding, we are going to have to bring another element of complication into this picture. In crop insurance, I have used the figure 70 percent coverage available or 80 percent coverage of long-term yield. For the revenue insurance component, your yield is based on 100 percent. You multiply that by 70 percent of the IMAP price. That gives you your coverage per acre in terms of dollars. If you use the bushels increase, the maximum you can get at 100 percent translates into seven and a quarter bushels. That is for the revenue component, not for the crop insurance component. You have to separate those two.

Mr. Plohman: I am talking about revenue, which is GRIP, right?

Mr. Findlay: Well, just a minute now. GRIP is crop insurance plus revenue insurance, two separate packages. Crop insurance by itself is a separate program that has been in place all the way. Revenue Insurance was brought in this year. When you link that with crop insurance you have GRIP. That is the package. Your coverage in terms of bushels is really done in two ways: the 70 percent or the 80 percent you choose under crop insurance, or under revenue insurance it is 100 percent of the bushels.

Mr. Plohman: Mr. Acting Chairman, I thought GRIP stood for Gross Revenue Insurance program, and the insurance was not talking about crop insurance, it was talking about ensuring your revenue at a certain level. That is why I use the term. That was GRIP. Revenue insurance is what I am talking about, obviously. The minister is now saying it is only seven and a quarter. I hope there is none above that, because I believe there are some that are higher than that. It would be interesting to find out how that happened if, indeed, that has happened. In any event, the minister is talking about something that would provide some \$30 per acre more in potential revenue for an individual farmer above a farmer who was not eligible for the coverage adjustment because he did not happen to be in crop insurance over the years and therefore could not be eligible for it.

I want to ask the minister, did the individuals—maybe the minister could give us a ballpark figure of the percentage of farmers in Manitoba who were eligible for positive coverage adjustment in Manitoba, so we know how many farmers we are talking about. I believe there are thousands of farmers. There may have been only hundreds eligible for the very top amount of seven and a quarter or eight or whatever it is. The minister says it is seven and a quarter, but there are, I believe, thousands eligible for some additional coverage, in other words coverage adjustment. Does the minister have an idea of how many—his officials have an idea of how many farmers had access to that?

Mr. Findlay: Mr. Acting Chairman, according to the figures that exist, 52 percent of the producers have some level of positive coverage adjustment, 48 percent have some level of negative coverage adjustment, and we are talking the seven and a quarter bushels, you know. The positive coverage adjustment is anywhere from just a little above zero, all the way to seven and a quarter. We do not have hard figures here, but we would expect that those who would qualify for the maximum would be somewhere in the 5 percent, maybe 6, 7, 8 percent, somewhere in that category. A very small percentage would be qualifying for the maximum. The vast majority would be in a band between plus or minus 20 percent, would qualify for, you know, couple or three bushels rather than the whole seven.

Mr. Plohman: Well, just to be accurate, 52 percent would be a positive and then there would be a

percentage that would be right at zero and then there would be -(interjection)- I understand from talking to some officials that, in fact, the information I have was that it was a substantial number at zero and then quite a number below, which obviously will be brought up to zero because they were not penalized by this.

Now, I believe that it is clearly established that there are two sets of criteria being applied here: one, of course, to those in crop insurance, one who were not. They were being penalized. They could not get this coverage adjustment, those who had not been in crop insurance. So they start off a little bit behind the people who were on crop insurance.

I differ with the minister. I think the person who was on crop insurance for those years did so to get the guarantee of a particular yield, to have insurance, peace of mind, ensure that he was able to meet his bills and so on, he decided to take crop insurance, not so that he would be able to get enhanced coverage in GRIP some years down the road. He did not know about that. He did not know there would ever be a revenue insurance portion so that he should get, you know, his foot in the door with a head start over the guy who was not in crop insurance or the woman who was not in crop insurance before.

They had no idea this was coming, and so I do not think they should get a reward on that basis. For the crop insurance part, yes. For the revenue insurance, if you are going to establish a criteria for revenue insurance to give those in crop insurance bonus coverage, in other words coverage adjustment, then you should have found a way to get those good producers out there who were not in crop insurance, who were out producing the area average, could easily demonstrate that through records, verified statements, and so on. You could have given them some additional coverage, too, rather than saying, well, tough luck, people, you did not choose to go on crop insurance before, so now it is your tough luck. I just do not think that was a fair way to go.

* (1600)

Mr. Findlay: Mr. Acting Chairman, I would like the member to tell me if he could have predicted five years ago we would have a grain trade war that we have today. You cannot predict the future, and the farmers got a little sick and tired of having to go for ad hoc programs every year. I have mentioned

them—'86, '87, '88, '89. There was grain price in '86 and '87. There was going to be a one-year program in '86. It never happened again. Oops, going to have to do another one in '87, and then a drought came along, and that is the only thing that drove the price up somewhat. The farmers said, no more ad hoc. We want a structural program. I will use the words again, individualized and predictable. They really wanted some predictability.

They were having a little trouble running a business that cost a fair bit of cash flow each year, just praying to God that they got rain, praying that they did not have a trade war that drove down the price and had to beg the government for handouts. They were afraid that the taxpayers, sooner or later, would start to say no. They wanted some predictability. So that is why the safety net program was designed.

Now if we had brought forth a program, I am sure the producers thought about this, on what basis could we determine level of qualification or coverage? If we had said we are going to discard crop insurance, you would have been the first member standing up here yelling, you have a program that is all there. Why do you not base your new program of price insurance on the only thing you have data for? That is crop insurance. So that is why they chose the base. It was there. It was the existing database. It respected the producer's ability to produce both now and into the future.

It has certainly—those who were not in crop insurance have to get in there and get their own yields determined. We created an opportunity for them to do that, starting right now this year, right this year. If a person has been in crop insurance, as I said earlier, he has built the database, he has established himself by not drawing more out than he has put in. He should not be discounted for that fact that he has done that. You want to take away the benefit that he has achieved. We have not taken away, we have not saddled a person who had a negative coverage adjustment, we have brought him up to area average. We allowed him to start over again to prove himself, but he has to prove himself from here on. That is what the farmers want—individualized predictability. Get away from ad hoc, and that is why the program was designed by them, for those reasons.

Mr. Plohman: Mr. Acting Chairman, the minister could have still used the crop insurance as the basis to determine the area average for the base of

coverage. He could have used it for the crop insurance component. Then he could have said, okay, everybody is starting off even insofar as revenue insurance, and you guys will have a chance to get additional coverage in the future through the SMA. You will be able to get it retroactive for the first year. So do not worry, you can get higher coverage if you are a good manager.

Why was that not good enough, on the revenue side?

Mr. Findlay: Again, the member wants, Mr. Acting Chairman, to bring everybody to a common denominator. Farmers do not want that. They sat around the table and said, this is what we recommend. Recognize those who built themselves up in terms of coverage adjustment. Do not discount those who have unfortunately gone down. Give them another chance.

Mr. Plohman: Well, the minister was going to discount those who unfortunately were in a bad situation until some demonstrations and people came in from southwestern Manitoba and he made some proposals and made some changes. That is good. I congratulate him for doing that, on the discount side. There would have been people below the area average and that certainly was not fair, and it was not equitable, but there are other areas where the minister could have gone further, with his federal counterparts, with the committee. I am sure these could have been accomplished, if the minister, for one, would have believed in it, that that was necessary. Naturally, he has to be convinced personally that this is important. He obviously was not convinced that there was a need for some changes there.

Look at what the minister has built into this program. In the future, the farmer who has a 10-year, 15-year average is cushioned from a disaster year which brings his average down. What if '91 happens to be a disaster for some farmers? First year in the program, now it is raining, could be flooded out. Well, the minister knows that this can go any way.

I am saying to him, what he is doing is, now the individual who has just got into GRIP, never been in crop insurance, has one year to base it on for his average that is now established for him. He only has one year of levels to base it on, and if it is a bad year, he is not going to be able to get higher coverage even if he is a superior producer.

Whereas the other person, who has been in crop insurance, can base it on his 10 or 15 years that he has been in crop insurance and this is just the one tiny blip, one out of 15, so it does not destroy his average. How can that be fair for future years, when you have only got that one year base, then it becomes two the next year, for the individual that just joined, whereas the person who has been in crop insurance has 15 years and it does not distort?

Mr. Findlay: The member mentioned at the end that the new guy that comes in this year, next year really based on two years—and he is right—on '90 and '91. He comes in new; he has his yield records this year count; he can qualify for SMA. If he is more than 5 percent above the area average this year, he kicks in to qualify. If he is a good farmer, he is in a very good position to have a significant benefit under SMA in the first year. Next year he is based on two years, '90 and '91. The producer who has been in for the long term will also have 50 percent of his level of coverage in 1992 determined on the base of his '90 and '91 yield, the same as the new guy.

Mr. Plozman: Now the minister is saying that only 50 percent of the coverage for the person who has been in long-term crop insurance is going to be used for eligibility for future revenue levels, production levels, under the Gross Revenue Insurance Plan—only 50 percent. Why is he now suddenly throwing out what he based his whole program on, the crop insurance records, the last 15 years? If it was fair for the first year, which I have been arguing gave an advantage to some farmers and put others at a disadvantage—and the minister cannot deny that the ones that were not in crop insurance are definitely at a disadvantage—why is he now suddenly throwing all that experience and that history which really individualizes the program? That is the minister's objective; he says he wants to individualize. He says that is what producers want. Yes, I agree, they probably do.

Mr. Findlay: The other 50 percent for the long-term guys is on his record. It is 50 percent on '90 and '91 crops and 50 percent on his record. This is done on a crop specific basis too, so you have to perform on every crop. He may perform on some crops and not on others. That is the kind of individualization by farmer and by crop that producers want. I am glad to hear the member acknowledge that, yes, they do want that. We are moving towards that. You cannot do it overnight.

I think I heard him say before, let them bring in records, bring in Wheat Board permit books. People do not sell everything through the Wheat Board permit book. I mean, how can you verify that what they delivered in the book was theirs? It creates a dilemma of verification, and the Crop Insurance Corporation has been burdened with a tremendous amount of work administratively, to get this thing going. To do that extra element would have opened it up to a tremendous amount of additional work and a challenge to verify everything. It was deemed it would be impossible to be fair in the final analysis to use that approach.

* (1610)

Mr. Plozman: Well, Mr. Acting Chairman, because of the prices this year, it is critical that first year, and this would have assisted some farmers, who are now going to be borderline in terms of their coverage, to have done a lot better. If they would not provide the truthful statements, it would have showed up in their production records within a year or two anyway, so they would have had to make signed statements that was their average. A lot of producers do keep detailed records of their production even if they were not in crop insurance and certainly could have provided very good information that could have been used.

I think the minister has dismissed that a little bit lightly. As far as not doing it overnight, yes, moving to individualized coverage cannot be done overnight. That is why I said at the beginning that the minister should have moved everyone towards that at the same speed, using the SMA and the coverage for future years under GRIP. What he chose to do was to give 52 percent of farmers a running start on this thing based on previous crop insurance records and, I say, an unfair advantage over those who were not in crop insurance, not through any fault—look at the Interlake.

The Interlake area does not use crop insurance. It has not done the job for them. I understand in the Parkland it is only about 60 percent who are in crop insurance, but in the Interlake it is 15 percent or 20 percent. If I am wrong, the minister can say 25 or 15 or 10 or 12, whatever it is, but it is a very small percentage of the farmers. Why should they all be at this disadvantage and not able to get that coverage adjustment because they were not in crop insurance, because crop insurance was not good for them? They would have been stupid to be in crop insurance. That is why they were not in it. They

chose not to, because it only cost them money. It did not provide good enough coverage.

This is the slant that some people have on crop insurance. The minister seems to be a total advocate; this is the only way to go. Maybe a lot of farmers believe that, where they have had good experience with crop insurance. A lot of other farmers have not had, and they think the crop insurance was just not serving their needs. They are not stupid people. They just figured that out. They did not take crop insurance, but now they are being penalized by this government, and I do not think that is fair with this program. That is what I have been trying to bring to the minister's attention. If he has a management committee, please have them take a look at that. Maybe it is too late. The first year was very important because the coverage levels are the highest in the first year. The rolling average is going to see a drop in coverage in the future. They are going to miss out on the best year, when the prices were hopefully the lowest.

Hopefully, they are going to go up in future years, but they have missed out on an opportunity to get some government aid when they needed it most, because of the high interest rates in the last couple of years, because of the unprecedented debt in the province. They needed that help this year and many of them have been disenfranchised from getting that help, because they were not enrolled in crop insurance before.

Mr. Findlay: I have heard that comment now from the member, and I have heard it from him before. I have heard it many times—and missed out this golden opportunity to milk the golden goose, to paraphrase what he said; missed out this opportunity to get government aid.

Well, the member knows that the coverage on wheat is \$4.15 this year. The 15-year moving average price may be \$4.10 next year.

An Honourable Member: Maybe less than that.

Mr. Findlay: Well, let him prove that. If it is \$4.09, is that critically different? Or \$4.08?

An Honourable Member: It might be \$3.85.

Mr. Findlay: Oh, you drop one year and you add on one. It is not going to change that much on the average. Sit down and do your arithmetic, please.

It does not matter to the producer, it should not matter to the producer whether he gets half that money from government, half from the marketplace

or three-quarters from the marketplace and a quarter from government, the same net result happens at his farm gate in terms of the income.

To say that the reason that the farmer enrolls in the program is to get government aid is a ludicrous statement. It is designed as risk protection, not handing out government money. That is the same basis why crop insurance is put in place and, yes, some people did not choose crop insurance because, as crop insurance has built up over the years, certain areas did not think that they got a high enough coverage and did not take it. Other areas, maybe they did not take crop insurance because of the risk protection available in terms of bushels per acre. They took it because of hail spot loss and technically low-cost hail insurance.

I will tell the member, a lot of people were in crop insurance without a reason. The farmers around the table recognized it was the only database you had to use this to build on. I will acknowledge it is not totally equal for everybody, but it will be equalized as fast as possible in terms of individualization on the basis of a farmer's own ability to produce on a crop-by-crop-by-crop basis.

I think that those producers who have problems growing a certain crop will have lower coverage and probably will drop out of that crop. Those crops they can do the best on, those are the ones they will stay in because the highest level of risk protection will be available to them, so it will be to their economic advantage to go with the crops they do best in.

Mr. Plozman: Mr. Acting Chairman, I want to give the opportunity for the Liberal Leader to do some questioning. We are going to have to go into this a lot more on the next day, Monday, I guess, but the minister contradicts himself continuously when he talks about this program. Suddenly, this is not a government aid program. Well, the fact is that the governments have said, admitted that, they said they are no longer going to give ad hoc programs; they want to put a planned program in. Yet the minister now says this is an interim program. He said a few minutes ago, it is not a long-term program, yet it was devised initially as a long-term program—a long-term insurance program. Like crop insurance. It is long-term, it is not interim. But now the minister, he just revealed that he does not believe that this is put in place, was never his intention to put it in long-term. He said it was an interim program.

In any event, it is taking the place of other ad hoc programs for farmers. The minister has to admit that. That is what he said and his federal counterparts have said, and they are not going to pay out this money on an ad hoc basis, they are going to put their money into a program, NISA and GRIP.

Yes. Okay, so it is government aid and the most—the potential because of the low prices, it is revenue insurance based on price. The potential for the biggest payout is in this year when the price is the lowest. If it goes down, yes, maybe there will be a similar payment in the future, but this year is potentially one of the highest payouts because of the highest insurance levels based on the 15-year average and the lowest prices that we have now. The differential is probably going to be two bucks a bushel for wheat, or more, and it may stay like that in the next couple of years.

The minister is always talking optimistically and hopes it does not, it goes up, the price. In any event, what I want to say to the minister is that he said that he wanted to move towards individualized coverage as fast as possible. He is not moving as fast as possible. He could have moved and provided equal base for everyone. He chose not to. He chose to put many farmers at a disadvantage. He feels satisfied. He can sleep at night with that, fine. I do not, and I will continue to raise that issue with him, and will in the coming days as well during these Estimates.

* (1620)

Mr. Findlay: Mr. Acting Chairman, the member knows full well that the proposal laid in front of us required that those with negative coverage adjustment be given for that credit in the future negative coverage adjustment. We brought them all up to start equally, at least with the area average. So they were not discounted. -(interjection)- You know, it is a risk protection program, and the member says, well, it is only interim.

An Honourable Member: No, you said it.

Mr. Findlay: Yes, I said it. GRIP is over a period of the next few years, but NISA is long-term, forever. Then I will tell the member that around about 1996 the tripartite programs and the red meats and sugar beets and so on expires. Let us say, maybe NISA is the program of the future for all farm commodities. It may well be. It will take time for the accounts to be built up in that, and NISA is the long-term

program for sure. I hope it works for all commodities, but that is something to be determined as the next two or three or four years go by, definitely. He says, just short-term, but GRIP is here for now and NISA is definitely a long-term program.

The future of GRIP will be determined year in and year out as we go by, and the Province of Manitoba is the one that advocated a Signatories Management Committee. No other province of the federal government wanted it, and we have it in place to allow structural input to any changes that need to be made along the way, and there will need to be because I cannot predict the future.

I am optimistic that I want to see recovery in the international grain price, but if you look at a 30-year trend on grain prices, that trend may not change. The biggest payout may be in year three or year four of GRIP, not in year one. There is such expectation, that we are just in the tank and now, when we will soon get out of it, I do not see any structural basis to say for sure we will get out of it. It is only a hope.

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Acting Chairperson, we will begin with some easy questions and work up to some difficult questions.

First of all, this is the publication that the minister presumably put out, *A Guide for Manitoba Farmers*, and it is rather interesting because the government, both provincially and federally, has been talking about the need for sustainable agriculture, and environmentally sustainable agriculture. Would he like to explain why this particular publication was put out on paper which is not only not recycled but is not even recyclable?

Mr. Findlay: I will have to plead ignorance on that one. I cannot give the obviously right answer on it. It was printed on what it was printed on, and if it is not recyclable, that is unfortunate is all I can say.

Mrs. Carstairs: I really bring it to the minister's attention because we have to become more sensitive about this, and obviously there are going to be more publications put out by the crop insurance branch on a number of programs and, hopefully, having raised it now, they will all be a little more sensitive to doing it in the future.

To get into the actual GRIP program itself and then into NISA, the minister has consistently talked about it as risk protection, but that is in essence what all insurance programs are. They are all based on

risk protection, but the minister has done something that I do not know has ever been done by an insurance company. That is, they have brought certain people into the program at one rate and other people into the program at another rate. They have done this because some of them belong to a program that the others did not belong to in the past. I am basically adding on to what he said before.

Let me just give you some comparisons. If you decide at a certain stage in your life that you want term insurance and you buy that term insurance, you do not get a special rate because you previously had an alternative program with the same company. That is not the actuarial base for this program. The actuarial base for that new program is based on the risk involved in this type of insurance, such as, your age, any disease or problems with health that you have had in the past, your life expectancy. In other words, there is a whole series of actuarial tables that are established for this particular insurance.

What the government has done here is to say, all right, we are going to have a new program, but it is not quite a new program, because it is going to have an element of an old program and, because some people belong to the old program, we are going to give them special rates that we are not going to give others who chose in the past not to belong to the program.

I would like to know if the minister subjected that to any kind of independent actuarial test for an appropriate insurance program.

Mr. Findlay: Mr. Acting Chairman, there was a lot of discussion. When I was discussing this with the Crop Insurance Corporation of Manitoba, it was an issue of considerable concern, the actuarial soundness of the program. Federally an actuary was involved.

The risk that we are assessing here is a person's ability to produce. He is given his analysis, and I do not have it in front of me but, technically, over time and assessing ability to produce, it is deemed to be, and I hate almost to be careful how I use the word, actuarially sound because, you asked me what government program in the farm community has been actuarially sound, and I will be stuck for an answer, because crop insurance and deficit—everything the NDP did, whether it was BIAP or beef commission, I do not even have to tell you how bad they were.

So the question of actuarial soundness is a very serious question, and I would have to say, right now I am a little concerned about the degree of deficit that we will definitely have in the program in the first year. If there is not an international grain price recovery, it is going to be a problem in the second year. The member says, oh. Well, no actuary can predict what is going to happen in the treasuries' decisions in the United States and Europe. That is a major element of the degree of risk we are going to encounter here.

So there is that risk plus the farmers' ability to produce. We can assess risk on the basis of ability to produce, on the basis of records that accumulate for the person as time goes by. There is some risk here in terms of actuarial soundness. There has been an actuary involved and here we are. He has deemed the rates presently in place, with all the factors considered that can be considered and all the loads that went into making up the premium, are reasonable given the circumstances about us.

Mrs. Carstairs: Mr. Acting Chairperson, I assume that he has, in fact, made some projections into the future as to what he thinks the loss will be in, say, a five-year time plan under GRIP. Can the minister give us some of those projections as to what the department thinks is their risk for the next five ensuing crop years?

Mr. Findlay: We do not have the hard figures in front of us at this moment but, in general terms, the rating of using past history of prices and projected future prices, in a five-year period, the sort of average scenario was that it was going to balance out.

It is subject to a lot of things that might happen, and it might take longer than five years. As I recall the figures I saw, it basically expected to be balancing out actuarially in the five-year period. Naturally, that is predicting a price improvement. You can go back six months ago. There was optimism that GATT would get back on track, and common sense says it would, and things would happen. Six months have gone by and there has been no movement in that direction, so there is risk there in terms of what happens on the international price. Using past and projecting in the future, there is deemed to be some degree of balancing out in a five-year period.

Mrs. Carstairs: When the commitments and actuarial studies were begun on this, we were all, I

think, hopeful that GATT was going to resolve some of the price wars inherent in the inadequate price of grain that we all deal with on a day-to-day basis. Were there updates done in those actuarial forecasts after it became clear that GATT was not going to settle anything, at least not for a '91 or '92 crop year?

Mr. Findlay: Just to give you a snapshot of what happened over a period of, say, four or five months, when the committee presented some initial projections of what premiums would be, I was presented with 18 percent for wheat. That would be what it should be so everything could work out. When the final figures came in and other factors were considered and the fact that nothing was happening in GATT, the end result is the premiums come in at 24.3 percent at least. So it actually went up 6.3 percent, given consideration of more and more factors and taking into account the degree of higher and higher risk that seemed to be unfolding.

Mrs. Carstairs: Mr. Acting Chairperson, can the minister—and I may not have the correct figure. I was given a background document called Producers and Eligible Acreage Covered by GRIP. They indicated that there were 13,000 Manitoba farmers out of a potential 19,417 for 67 percent insurance rate covering 80 percent of the acreage. Those figures may not be absolutely accurate to the tenth.

Can the minister tell me how many of those 13,000 insured farmers had previously been members of crop insurance?

Mr. Findlay: Mr. Acting Chairman, I cannot give you the hard figure that you are looking for yet, because they are still processing the applications. So we cannot give you that hard figure.

You are right. It is around 13,000 people who took out revenue insurance, but some 14,300 are in crop insurance. We have 1,469 new crop insurance holders this year that never had crop insurance before that took it out this year, and I would have to assume with the purpose that they were going into revenue insurance.

* (1630)

They are in the process of processing all the applications, putting them in the computer. Those figures will come out shortly. The other brief, of course, that is going to come out is the actual acres involved, and that will be known once the seeded

acreage reports are submitted. They are due by June 30.

Mrs. Carstairs: So, if I can just go over what the minister is saying, it seems to me that there are 1,469 new crop insurance holders who, they are assuming, are also full participants in the GRIP program, but there are also about that number who were members of crop insurance who decided not to join the overall program.

Can the minister tell the House why it appears that those that were already in crop insurance found this a much more palatable program than those who were not in crop insurance? There still seems to be a large number of potential farmers who have not chosen to join, whereas all those—well, not all of them, but a good 90 percent of those who were in crop insurance said, fine, I am in crop insurance; I will now join the entire program. There did not seem to be that same rush, if you will, from those who had not previously been members of crop insurance.

Mr. Findlay: I almost have to answer that as a farmer, as I hear farmers talk in that part of my life. There are a lot of people who just do not want to be involved with government programs of any kind, for any reason. If you send them a cheque, they will cash it, but they do not want to put their name down on a line to be involved in a government program because, fortunately or unfortunately, they are so independent they do not trust government, they do not trust bureaucrats. They are just hard-nosed on that.

There are a number of other producers out there who have had the good fortune of making good dollars along the way, and they think that, well, they have seen these price things go up and down and incomes go up and down. They will ride this one out. They do not want to be tied into a program, even though in this program they can walk away from it by paying back the net benefits they received. That is another option we gave to those because we saw people say, yes, I would like to get in but gee, I do not want to be tied in for the long term. Well, go in and you can walk away from it by paying back the net benefits, but if you see you really need it, you can stay in it. We gave them that option.

I thought they would have brought in a lot more because there is really no risk to them, but they just say no, I am independent, I can ride this out. I do believe grain prices will recover. It was strange to talk to some of those farmers, how adamant they

were that this thing is just like next week or next month or by the time you get a crop off the price is going to be way up there, because it has happened before. They are right, it has happened before but not for any of the reasons that have caused it to go down right now. Never have treasuries of two big, big exporters been involved in manipulating price like is happening right now, and they think that those treasuries will break, that they will not be able to maintain that stranglehold on price they now have, and they think that will just suddenly disappear and price will take off, and if it ever did break, it would take off.

So they have stayed out for those reasons. We have other producers who are pretty heavily dependent on forage or livestock and the percent of the grain sector in their total farm income is relatively small in comparison to a straight grain farmer, so they have said, I have had enough diversification, I do not need a government program to help me through. So there is a variety of reasons why those who were not in crop insurance chose not to get into the GRIP program. Those who have traditionally taken crop insurance believed in risk protection, believed that they wanted the security that they would have a reasonable income at the end of the year, and those who stayed out of crop insurance always decided to take the risk on their own shoulders. Whether they could afford it or not may have been part of their consideration, but they are just independent souls and they stayed that way to a large extent.

We have said that we expect—again, it is hard to say how many total farmers there are out there, but we say in the ballpark of 67 percent of producers signed up—when the seeded acreage reports come in, it will be probably around 80 percent of the acres will have been signed up because again, it is those who are heavily dependent on grain who are probably going to have shown the greatest interest in the program. Those who are less dependent on grain, for obvious reasons as I said earlier, are the ones who probably did not sign up.

We had projected 75 percent of the acres signed up. That was my expectation because I know all of those other reasons out there. Unless you send them the cheque, they are not going to get involved in a program. So we are in the ballpark where we expected to be and those are, I think, some of the reasons, personally as I see, why they would not take GRIP and would prefer to stay out on their own.

Maybe other people, I guess another category would be some who say, I am going to retire in a year or two and I do not want to be tied into any program, even though on retirement you can walk away. There is an element of, I do not trust government, I do not trust bureaucrats, and I do not want to have to deal with them, that is out there.

* (1640)

Mrs. Carstairs: Can the minister tell us if he now has any breakdown by districts of participation rate in GRIP?

Mr. Findlay: Yes, using the figure of 67 percent of farmers enrolled, we take the 19 agents offices and break them into four different areas of the province. We take the northeast, which consists of Portage, Steinbach, Stonewall and another one I cannot read—is 63 percent, so say the northeast is 63 percent, southeast is 69 percent, southwest 66 percent, northwest 69 percent. We have roughly four to five agent offices in each of those regions of the province. So it ranges from 63 percent to 69 percent, basically very close to the average of the province. In terms of which office would be highest, the highest office we have here is—I hardly believe this one—Somerset at 98 percent.

Mrs. Carstairs: Mr. Acting Chairperson, as the minister knows, the highest percentage of acreage, and indeed the highest number of farmers, will be in the province of Saskatchewan, that certainly has a program which is somewhat different from our program in this province, not the least of which is the individualized yield format which they have used in Saskatchewan.

(Madam Chairman in the Chair)

Can he tell us why they were able to use that kind of individualized yield for the '91 crop year in Saskatchewan, but they were not able to use it in the province of Manitoba?

Mr. Findlay: Madam Chair, Saskatchewan has been in the process of individualizing for pretty well four years, so they were much further along in that process. We were not in the process of individualizing until this came along. I have had occasion to meet and talk with Saskatchewan producers, and I have never heard one of them say to me, well, I wish you had a program as good as ours. The comments have been the opposite way. I wish we had done what you did. I wish we had the advantages in our program you have in yours.

So the grass is always greener on the other side of the fence, but I was astounded the first time I heard that from Saskatchewan. I said, well, across the border you can get \$35 an acre more revenue insurance than I can get on my side. Add all the elements together. The producers in Saskatchewan, at least the ones who spoke to me, said, we have a better system, better program, more options, more farmer-oriented options in Manitoba than they have in Saskatchewan.

Mrs. Carstairs: They may be saying that, but the proof is in the pudding, and in this case the proof is in the sign-up. In fact, you have a higher percentage sign-up rate in the province of Saskatchewan than you do in the province of Manitoba. There must be some reason why the Saskatchewan farmer feels that the program meets their best interests, or is the best thing available. Perhaps the minister is saying that they are not quite so individualized in the province of Saskatchewan as they are in the province of Manitoba. Maybe we have more of a "we do not trust government" phenomenon in this province than they do in the province of Saskatchewan.

Mr. Findlay: I guess there are a couple of elements in the answer. One is that we will not know the real level of participation until we see acres. I say, we think we will be around 80 percent of acres signed up, and Saskatchewan may be above that. Right now they project a higher percent of farmers signed up than we do.

I think the other element is the farm economy is in terrible, terrible shape in Saskatchewan. I would think a higher percent of farmers out there were in a desperate state and they had to take whatever was there. I think we had more independence, more economic independence by farmers here—for the reasons I gave earlier—who could on the strength of their own beliefs be economically strong enough to say, no, I do not want a government program.

Saskatchewan, in terms of what I have heard in terms of the debt situation and the farm income projections and the net income projections, are much worse off than we are because there is so much more dependence on grain overall in that province than there is in our province.

Mrs. Carstairs: Madam Chairperson, I am sure the minister is aware that they are not only projecting an 89 percent insurance rate, but they are also

projecting an acreage coverage of 90 percent of the province of Saskatchewan as opposed to our 80 percent in the province of Manitoba.

I would like to actually get right now into Section 37. Section 37 of the GRIP contract states and I quote: In accordance with the federal-provincial agreement, the eligible crops, premium rates, reference values, probable yields, coverage levels and, most important, any terms and conditions of this contract may be changed from year to year. That, needless to say, has given a number of farmers some very grave concerns.

It is the first time that I have seen an insurance program in which the insurer can change the rules but the insuree cannot. I would like to know on what basis the government joined in a program and established a program in which they get the ability to change the rules, but the other person, the coverage person, the insuree, does not get the right to change the rules, or in fact does not even get the right to participate in the rules being changed.

Mr. Findlay: Madam Chairperson, the insuree has significant opportunity to participate in changes. That is the role of the national Signatories Management Committee, on which there will be producer representation along the lines of the initial task force, so that the producers will be at the table. If they want changes, they have a chance to negotiate for those changes. I think it is important that option be there for the producers just along the lines of the kinds of things that happened since the initial recommendation of the task force, the kind of changes that were brought in all to the farmers' benefit.

Had we taken their proposal lock, stock and barrel that says we will freeze it right today, no more change, there would have been a lot of unhappy farmers, because the changes that were done were done to the farmers' advantage. The purpose of that is to allow that further adjustment in change over time.

Now, I can think of certainly one change that—well, I guess we will say two changes that I know need to be discussed, and that is, I wanted to see forages in for this year. I thought it would have been appropriate to start the program with forages included, and it needs to be considered for next year. Should or should not forages be in?

Now, we are in a position where I think the only way they could ever bring forages in has to be

optional. They cannot force it in after the program has started, and nobody else wanted to deal with forages right now. I will honestly admit, in the province of Manitoba there is a split lobby on it. Some people in the forage industry want it in; some think, no, they want to stay out. There are forage producers for forage, there are forage producers for seed, and they have a different opinion on whether the program should or should not apply to them.

The other is to do with the IMAP price. Now, if the situation unfolds in year two, in year three that the IMAP price continues to go down, the world price goes down like the years we had in, it continued to be lower and lower and lower, there will have to be some serious consideration to making changes to the mechanism of the IMAP price. That is the reason for that ability to change. The producers will have their representation at the table along the lines of the task force that brought this to be.

I cannot predict the future, and I do not want to lock anybody into an uncertain future. Every government program I have seen in the past always needed a window of opportunity of making adjustments because things that were not being able to be predicted in the past do unfold. The tripartite programs have Signatories Management Committees that can adjust premiums. It can adjust coverage as time goes by based on a mutual-consent situation, and just the dealing with premiums.

Although there is a desire for actuarial soundness, there has already been a so-called 6 percent increase in premiums from what originally was projected, and there may need to be some changes in the premiums in the future. It may need to be brought down because farmers cannot afford them. Those kinds of adjustments are there, able to be done.

If producers are concerned there will be great change to hurt them—I mean, we are in a political system where we are all vulnerable. The governments cannot make those massive adjustments against the farmer. They can make them in favour of the farmer, but you cannot make them against. So I think this protects the producer more than a locked-in-stone contract that had initially been proposed.

* (1650)

Mrs. Carstairs: As I read this particular agreement, there is nothing to stop the government from acting

unilaterally. They have a consultation process in place if they want to listen, but there is nothing in this particular section that does not prevent the government from acting without that consultation, nor does it prevent them from acting even if the consultation takes place and they do not happen to agree with the things that were raised and debated at the consultation table.

This contract, or government power, appears pretty broad in terms of their ability to change this program quite unilaterally.

Mr. Findlay: Madam Chairperson, I do not agree with the member that governments could or would do that. It is there, as I say, from my point of view, for the producer's protection, for the producer's ability to have changes he deems appropriate and necessary. As I said earlier, we are in a democratic process, very vulnerable to doing things like that, like unilateral change. I mean this just cannot be done here. I guess a further production I would see for the producers is, over the next four or five years there are going to be elections all over the place, federally, different provinces. It keeps a high level of honesty in how these sorts of things are addressed by Signatories Management Committee.

I think that there is enough representation there from producers and provincial governments to prevent the federal government from walking in and making unilateral decisions. That is whom I really fear of making unilateral decisions that will be negative to western Canada.

You know that a lot of things can change at that level over the next two or three years, and we want to have an opportunity as producers to have things done to the betterment of western Canada and as provincial governments to the betterment of western Canada. I think we can control what happens at the federal government level because of the representation we will have there and the fact of the vulnerability of politicians to the electorate. It is going to happen in some province every year or two, and that maintains a high level of honesty.

Mrs. Carstairs: Madam Chairperson, I cannot believe that a minister of this government could make references to a federal government that has proven that they have no sensitivity whatsoever to the vulnerability of the electorate.

I mean, they have basically rejected almost every program that Canada and Canadians have held dear. We have heard the Finance minister, the

Premier and other cabinet ministers, rightfully so, talk about the sacred trust promises of this government with respect to EPF, equalization and particularly our medicare program.

The federal government has unilaterally acted in all of those. So the fact that this minister appears to have some sensitivity to the electorate may be true, but to say the federal government has any sensitivity to the electorate has, I think, been proven false on a number of occasions.

The issue, however, remains the same. The only group that has been given the authority to change this unilaterally is not the producer; it is governments. I would like to know in that the minister himself has already indicated a change that he would like to see—he said that if he had his preference he would have had forage crops covered and would like to see that happen in the future—has he had any indication from the federal government, at this point in time, as to what changes they might like to see in the GRIP program next year, or the year after that?

Mr. Findlay: Well, the members says she does not trust the federal government. We have our concerns, obviously, too, and if she read earlier there by federal-provincial agreement, we are having quite a hassle on getting this federal-provincial agreement in a position where we are prepared to sign it. So that gives us some degree of protection, how we can have that agreement structured so that the actions here are truly the responsibility of the Signatories Management Committee.

The member says that they have done all kinds of negative things. Well, maybe in certain areas she can say that is absolutely true but in Agriculture, there have been billions and billions and billions of dollars pumped into this industry in western Canada, starting back in 1986. You can take any other five-year span in the history of this country and there has been no government that has pumped more money into western Canadian agriculture than they have.

Now I will admit that circumstances have never been worse than they have been in the last five years and beyond anybody's control in this country, but they have pumped the money in and I think producers understand that. It was needed, and probably a lot will say that it was not enough, but the idea of the program is because a producer says they

did not want to have to go through that ad hoc—beg every year for another big government payment, federal or provincial or a combination thereof. We wanted this kind of program. I think it is important that we keep some degree of openness to the contract to allow producers to have input for changes they deem appropriate and necessary for them.

On the forage question, I want to make it very clear that now that the contract has started, if forage is brought to the table for the Signatories Management Committee, if they make a decision that it should be put in, I think it has to be on an optional basis. I do not think, anyway, it could be made mandatory, and I have had said that in correspondence with the various forage people here.

If it is going to be brought in, the producer has got to have an option as to whether they add it the contract or they do not. You cannot force those who are already joined up for the grain sector to be forced to put the forage acres in, if they choose they do not want to. Leave it optional.

I do not know what else the federal government may want to put on the agenda for considered change. I think I will ask the producers what they want to see and that they get themselves ready to bring those issues forward to the Signatories Management Committee after this harvest is over.

Mrs. Carstairs: I would just like to get it clearly on the record because I think the minister said it and I just want to make sure that it is clear, and that is that this government is committed to not making any changes to this program without consultation with the farmers of the province of Manitoba.

Mr. Findlay: Madam Chairperson, absolutely. We have been in a continuous, ongoing consultation with producers through their organizations and that is the way it will stay. We will continue that process of negotiation and consultation with them. As I said earlier, we will be asking them what changes they want to see brought forward, if any, as the next few months unfold and the experience of 1991 creates reasons to look at what needs to be done for 1992.

Mrs. Carstairs: Since it is almost five o'clock, I do not want to get into the premium increases, and I know that the other member wants to get into those, as well. We will get into those on Monday.

So let me just end with a question which is somewhat unrelated to GRIP itself, and that is that

the minister has been in correspondence with one of my researchers who was in touch with him about a particular difficulty that her father was having in a payment of a fee for letting him know the balance of his account, and the minister has, in fact, said that was incorrect and it should not have been done.

I wonder, though, if that led to some investigation of whether there were other kinds of regulations there in place that were more onerous, as this one was, in terms of MACC, then it was -(interjection)- Oh, sorry, yes, just forget it, we will get into it when we get into MACC. Picked up the wrong piece of paper, Mr. Minister.

I think we can call it five o'clock.

* (1700)

Madam Chairman: Order, please. The hour being 5 p.m., and time for private members' hour, committee rise.

Call in the Speaker.

IN SESSION

Madam Deputy Speaker: Order, please. The hour being 5 p.m., time for private members' hour.

Introduction of Guests

Madam Deputy Speaker: I would like to draw the attention of all honourable members to the Speaker's Gallery where we have with us today Irene Kujawa who is the Supreme Court Judge from Poland. On behalf of all honourable members, I welcome you here today.

Committee Report

The Acting Chairman (Mr. Jack Penner): Madam Deputy Speaker, the Committee of Supply has considered certain resolutions, directs me to report progress, and asks leave to sit again.

I move, seconded by the honourable member for Gimli (Mr. Helwer), that the report of the committee be received.

Motion agreed to.

PRIVATE MEMBERS' BUSINESS

DEBATE ON SECOND READINGS—PUBLIC BILLS

Bill 22—The Manitoba Energy Authority Repeal Act

Madam Deputy Speaker: On the proposed motion of the honourable member for Crescentwood (Mr.

Carr), second reading of Bill 22, (The Manitoba Energy Authority Repeal Act; Loi abrogeant la Loi sur la Régie de l'énergie du Manitoba), standing in the name of the honourable Minister of Co-operative, Consumer and Corporate Affairs (Mrs. McIntosh).

Hon. Linda McIntosh (Minister of Co-operative, Consumer and Corporate Affairs): Madam Deputy Speaker, I would just like to put a few comments on the record concerning this particular bill. As has been indicated earlier by the Minister of Energy and Mines (Mr. Neufeld), there are some problems inherent in repeal of this act at this time.

There are perhaps some valid reasons for considering the repeal of The Manitoba Energy Authority, for having that repeal act repealed, but I believe that there are consequences that have to be considered before that can be passed. The repeal of this act has budgetary implications, and I think that because it does have budgetary implications, this bill is one that should be brought in by the government, not by the opposition, because the consequences of those budgetary implications need to be fully examined.

We need to look at, for example, how we will deal with oil crisis, export of hydro, the attraction of energy intensive industry to Manitoba. We need to ask, who will take over the responsibility for the sale of energy to other utilities, who will take over the responsibility of making certain that Manitoba Hydro is following its mandate. There are these and other issues that need to be considered before we can repeal this act.

The government intends, as has been indicated by the minister responsible, to bring in an energy act during the next session of the Legislature, at which time we will also be bringing forward legislation to transfer duties to other agencies. It is quite possible that the Department of Industry, Trade and Tourism will take over some of the responsibility, or that some of the responsibility will be taken over by the Department of Energy and Mines, some indeed by Manitoba Hydro.

I think we have to take into consideration all of the implications before we repeal an act of this type, particularly those that have financial overtones. So I join with the minister in his request to the member for Crescentwood (Mr. Carr) that he withdraw the act at this time so that we can carry on, complete our studies, examine all the implications and

ramifications and bring forward an energy act in the next session which has been carefully thought out as to consequences.

I do believe that anything that has a money component should be brought in by the government which is accountable for monies and for budgetary implications. The repeal act, if we repeal this, there is no authority to act in a crisis.

Thank you, Madam Deputy Speaker, for allowing me to put these comments on the record and I would urge the co-operation of members opposite.

Bill 23—Manitoba Intercultural Council Amendment Act

Madam Deputy Speaker: On the proposed motion of the honourable member for Inkster (Mr. Lamoureux), standing in the name of the honourable member for St. Vital (Mrs. Render), second reading of Bill 23, Manitoba Intercultural Council Amendment Act; (Loi modifiant la Loi sur le Conseil interculturel du Manitoba).

Mrs. Shirley Render (St. Vital): Thank you, Madam Deputy Speaker. I am pleased to have the opportunity to speak on the proposed motion of the honourable member for Inkster (Mr. Lamoureux).

I was in the committee room a number of weeks ago during the Estimates process of the Minister of Culture, Heritage and Citizenship (Mrs. Mitchelson) when the member for Inkster proposed cutting some million dollars from multicultural funding. Like the rest of the members of my caucus, I was so surprised and shocked by his pronouncement that I took that opportunity to put my thoughts about his proposal on record. Now that the honourable member for Inkster has brought in this amendment, I would like to speak to it also.

First of all, I would like to comment on the role of MGAC. I understand that a commission was struck by the previous administration—and I think the year was 1987—to look at the role of the Manitoba Intercultural Council. The report of the commission recommended a separation of the responsibility of the advisory capacity and the grant approval process, so that no one could accuse MIC of working at cross-purposes with the multicultural community—in other words, so that there would be no appearance of a conflict of interest.

* (1710)

This government supported that recommendation, and from everything I hear,

MGAC, because it is a separate body from MIC, ensures that it does act in a fair and impartial manner. I understand, too, that the chairperson of MGAC, as are all members of MGAC, is very well qualified to lead that organization, that they are all very knowledgeable and dedicated to the multicultural community, and that their efforts, as volunteers, I might add, have met the needs of the community.

I would like to just shift gears at this moment and just talk about this government's approach and its thoughts about multiculturalism. I think one of the first things I have to say is that this government has shown that it is very committed to multiculturalism, will continue to be committed to multiculturalism and will encourage cultural heritage retention.

I think this was demonstrated in the budget that was brought in a month or so ago. When you consider that the province received zero percent increases in revenues and the Minister of Culture, Heritage and Citizenship was still able to allocate—I think the figure was \$1 million; I do not have the Estimates figures in front of me—I believe that most of you will agree that this shows a very strong commitment on the part of this government to the promotion of multiculturalism.

Mr. Jack Reimer (Niakwa): A strong minister.

Mrs. Render: Yes, a strong minister, as the member for Niakwa says.

I would have to say that from everything I have seen, I believe that the process has worked very satisfactorily, and I would like to elaborate on that from personal experience. I have been very fortunate to have been asked by the Minister of Culture, Heritage and Citizenship (Mrs. Mitchelson) to represent her on a number of occasions. I have to tell you that in each of these times I have seen firsthand the commitment of this government to our multicultural community.

One of the very first events that I attended as an MLA was an exhibition at the Museum of Man and Nature called A Coat of Many Colours. This was back in October 1990. I do not think I have to tell any of you here today that Manitoba is very proud of the contributions and heritage brought to this country by Jewish immigrants. All of you, I think, will agree that they have played a very important part in making Manitoba's society very rich and diverse. The exhibit showed us the difficulties and the

choices that Jewish people faced when they came to Canada.

Now, when I was at the exhibit, the exhibit had various components to it. The visual part of the exhibit, the photographs, showed the immigration of Russian Jews to Manitoba over a hundred years ago. These photographs very vividly depicted the hardships of settlement and how the Jewish people adapted to their new home. Again, I have to say that it showed in very vivid terms that, against the odds, they still managed to maintain their customs, their religion and their practices.

I do not know how many of you are aware, but the influx of Jewish people to Manitoba made it the third largest Jewish community in Canada at that time and one of the very early components of Manitoba's multicultural mosaic.

The artifacts, photographs, the exploration of Jewish music, the drama, contemporary art, that compose that exhibit help to weave a tapestry that actually illuminated a great variety of aspects of Jewish life. The whole exhibit helped me and I think helped everybody else that was there that evening and who went through the exhibit in the weeks that followed, really helped to show the contribution of the Jewish people and it helped us to understand how the Jewish people have been adapting.

There was also a video tape that accompanied that exhibit, and the video tape was a very personal way of bringing home the hardships that many of these Jewish immigrants experienced, because the voice on the video tape was not just the voice of some historian or some curator, it was the voice of the actual person, the actual woman who had immigrated to Canada some 30, 40 or 50 years ago. It was her words; it was her voice that you were hearing as you were standing in front of the picture or the memorabilia that she had contributed to that particular exhibit.

That exhibit, as I mentioned earlier, was called the Coat of Many Colours. That was the title of the exhibit, and it was certainly a very apt name for it helps us to celebrate our cultural diversity.

When I spoke a few weeks ago to the motion put forward by the honourable member for Inkster (Mr. Lamoureux), I mentioned that I had also had the honour to attend on behalf of the Premier (Mr. Filmon) and the Minister of Culture, Heritage and Citizenship (Mrs. Mitchelson) the official opening of

the centre for the Ahmadiyya, a Muslim association of Manitoba.

Our government was very pleased to have worked in partnership with the association to found this centre, because it will be a centre, not only for the Muslim culture and place of social gathering and religion, but it is also a place to build pride in the community as well as a way that the association can share its Islamic culture with all Manitobans. Very definitely, that evening showed the three fundamental principles of Manitoba's policy for a multicultural society. I would just like to repeat them here: pride, equality and partnership. They were very evident that evening at the official opening, and the date of that opening just for your information was at the end of November in 1990.

Somebody has asked me what I think a multicultural society is, and I guess my belief is that a multicultural society is not a collection of many separate societies divided by language and culture but, here in Manitoba, we see it as a single society united by shared laws, aspirations, responsibilities within which people of many backgrounds have the freedom and the opportunity to express and promote their cultural heritage as well as the responsibility to abide by and contribute to the laws and aspirations that unite all of us.

When I attended on behalf of the Minister of Culture, Heritage and Citizenship, Aboriginal Awareness Day at Dakota Collegiate about a month ago, I spoke there of how events such as that helped to create and promote a spirit of mutual understanding. In that case, I spoke about how our understanding and recognizing of the contributions of the aboriginal peoples in our society can help to begin to tear down the walls of prejudice.

Thus, I have to say that I am proud of our government's ongoing commitment to multiculturalism in Manitoba, and that our approach means that an individual cultural identity does not get lost in the so-called melting pot, but rather that it evolves in its own way to become a distinct part of our Canadian society.

As Manitobans, I think we all will agree that we are very fortunate that our cultural diversity is a strength to us as a province and a source of pride to us as a people.

I would like to conclude by saying that, undoubtedly, all legislation, at some time or other, should be reviewed and assessed over the years.

None of us should be guilty of acting in a knee-jerk way and bringing in an amendment here, an amendment there, as the honourable member for Inkster (Mr. Lamoureux) perhaps wants to do. Instead, if—and I do say if—there are areas in this legislation that should be changed, then it should be done in a manner which shows that it has been well thought out and reviewed.

Madam Deputy Speaker, this government unveiled the first ever multicultural policy for Manitoba, and the Manitoba Intercultural Council was part of the consultation process and indeed played a very active part in determining what kind of a policy we would introduce.

Thus, any proposals for amending the MIC act should be reviewed within the context of an overall multiculturalism strategy for the province. That would include consideration of the multiculturalism policy, the multiculturalism legislation and the MIC act. I would just like to repeat that because I think

it is important. Rather than respond to the proposed amendment in isolation, a more responsible approach would be to consider amendments in the act in totality within the framework of an overall multiculturalism strategy, which includes consideration of the multiculturalism policy, the multiculturalism act and revisions to MIC legislation. Thus I think Bill 23 is an inappropriate bill. Thank you, Madam Deputy Speaker, for allowing me to place my thoughts on the record.

Hon. Clayton Manness (Minister of Finance): I move, seconded by the Minister of Labour (Mr. Praznik) that debate be adjourned.

Motion agreed to.

Madam Deputy Speaker: Is it the will of the House to call it six o'clock? Agreed. The hour being 6 p.m., this House is adjourned and stands adjourned until 10 a.m. tomorrow (Friday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 13, 1991

CONTENTS

ROUTINE PROCEEDINGS

Tabling of Reports

Annual Report,
Manitoba Intercultural Council
Mitchelson 3284

Oral Questions

Free Trade Agreement - Mexico
Doer; Filmon 3284

Health Care Facilities
Wasylycia-Leis; Orchard 3286

Minister of Native Affairs
Carstairs; Filmon 3287

Urban Aboriginal Strategy
Friesen; Filmon 3289

Ecological Reserves Advisory Committee
Cerilli; Enns 3290

Ramsare International
Cerilli; Enns 3290

Immigration Consultants
Lamoureux; Filmon 3291

Seech Gajadharsingh
Lamoureux; Filmon 3291

Immigration Consultants
Lamoureux; Filmon 3291

Curriculum Development Branch
Chomiak; Derkach 3292

Education System
Chomiak; Derkach 3292

Speaker's Ruling

Matter of Privilege, May 29, 1991
Rocan 3292

ORDERS OF THE DAY

Concurrent Committees of Supply

Health 3294
Agriculture 3319

Private Members' Business

Debate on Second Readings - Public Bills

Bill 22, Manitoba Energy Authority
Repeal Act
McIntosh 3347

Bill 23, Manitoba Intercultural Council
Amendment Act
Render 3348