

## LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 7 April, 1987.

Time — 1:30 p.m.

### OPENING PRAYER by Madam Speaker.

**MADAM SPEAKER, Hon. M. Phillips:** Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . . Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills . . .

### ORAL QUESTIONS

#### Manitoba Developmental Centre - tabling of Ombudsman's Report

**MADAM SPEAKER:** The Honourable Leader of the Opposition.

**MR. G. FILMON:** Thank you, Madam Speaker. My question is for the Minister of Community Services and Corrections.

The Minister is in possession of a report that was conducted, along with an investigation by the Ombudsman, into the Manitoba Developmental Centre at Portage la Prairie into physical conditions, staff conditions, as I understand it, into the use of mind-altering drugs and the physical abuse of residents, and many other issues that deal with the quality of treatment of some of our most vulnerable persons in society, the mentally-retarded residents at the Manitoba Developmental Centre.

My question to the Minister is: Will she, in the public interest, table the Ombudsman's Report, so that Manitobans can know and understand what the concerns are, what the conditions are, and what the recommendations are of the Ombudsman on MDC?

**MADAM SPEAKER:** The Honourable Minister of Community Services.

**HON. M. SMITH:** Madam Speaker, the Ombudsman, in response to our request for a review of an injury to a person living at MDC, did broaden his study of many aspects of MDC. As is his custom, he submitted the report to us, to our department to comment. We are now going through that process and will then return the report to the Ombudsman, and it will then be up to him to determine what is done with the report.

**MR. G. FILMON:** Madam Speaker, is the Minister saying that she does not have the authority to make that report public?

**HON. M. SMITH:** Madam Speaker, I think the facts are as I described them. It is the Ombudsman's Report, and I think, according to the legislated authority, he has his responsibility to release what he thinks appropriate. I am fully prepared to discuss all aspects of MDC during Estimates, in fact, look forward to that opportunity.

**MR. G. FILMON:** Madam Speaker, The Ombudsman's Act clearly says that his reports can be made public if it's in the public interest. Does the Minister not believe it's in the public interest when people are being accused . . .

**MADAM SPEAKER:** Will the honourable member please rephrase his question so it does not seek an opinion?

**MR. G. FILMON:** Yes.

Madam Speaker, given that the report contains information about physical abuse of residents; given that the report contains information about mind-altering drugs being used there; given that the report contains information that is critical of the physical conditions and staff conditions at MDC, will she not in the public interest release that report so that Manitobans can know and understand what is happening at the Manitoba Developmental Centre?

**HON. M. SMITH:** That report is the property of the Ombudsman and the members opposite -(Interjection)- The facts and the procedures are as I described them. I do wonder at the sudden interest of the Opposition in an institution which has been around for many, many years.- (Interjection)- Madam Speaker, the care of the retarded in this province, I think, has been improving steadily under this government.

As a matter of fact, it's been during this government that the most innovative change in the whole range of services available to families with retarded children and a significant increase in resources has occurred. I would be the last person to say that we have arrived at nirvana in the care of the retarded. I look forward to seeing continued improvement both on the institutional side and on the community side of delivery of services to the mentally retarded.

**MR. G. FILMON:** Madam Speaker, my question is for the Premier.

Given that the Minister has indicated that under her administration conditions have improved at MDC; given that she has said that she is satisfied with the operation of MDC; that she believes that the treatment of the residents is fine, will the Premier, given that there are allegations of physical abuse, of use of mind-altering drugs; given that there are allegations of improper facilities, improper staffing at the Manitoba Developmental Centre; will he not order the Minister to table the Ombudsman's report, clear the air and let the public know?

**MADAM SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** Madam Speaker, first, I don't know from whence the Leader of the Opposition heard the Minister suggest that she was quite satisfied. In fact, this Minister has never been fully satisfied with the operations of the centre at Portage, and has been

working constantly over the last number of years to bring about improvements, improvements that ought to have taken place many, many years ago. It has been this Minister who has been undertaking those improvements to the centre at Portage la Prairie.

Secondly, it's been this Minister who has encouraged the development of the Welcome Home Program as well, which was long overdue, and despite the opposition in fact of some honourable members in this Chamber to that process.

I thought I heard the Ombudsman this morning indicate that, when he had the report and the comments from the Minister and had completed his report, he would probably at that point be making public a summary report of his findings in respect to the Portage Centre. So it seems to me, Madam Speaker - (Interjection)- Well, there's been a suggestion of cover-up. The Ombudsman of the Province of Manitoba is not a party to cover-up.

**A MEMBER:** You are, you are.

**HON. H. PAWLEY:** Madam Speaker, I find that is a most disgusting comment by an honourable member in this House.

The Ombudsman in this House, the Ombudsman for this province has been able, has done his job in the most satisfactory way. I heard the Ombudsman this morning indicate that he would likely, upon receiving the report from the Minister, be making his report available in a summary way, ensuring the confidentiality of individuals who are the subject of allegations are protected, which is a reasonable thing to do.

**MR. G. FILMON:** Madam Speaker, at no time did I suggest that the Ombudsman was responsible for the cover-up. It's this government that tried to cover up MPIC, MTX, and all those other issues and is trying to cover up this one.

**MADAM SPEAKER:** Order please, order please.  
Does the honourable member have a question?

### **Manitoba Developmental Centre - gov't cover-up of Ombudsman's Report**

**MR. G. FILMON:** Given that the Premier apparently believes he has nothing to hide, why will he not release the Ombudsman's Report? Is it because the report is severely critical and damaging to this Minister and her department? Is that why he wants to cover it up and not release it?

**HON. H. PAWLEY:** Madam Speaker, obviously there's a Conservative Convention coming up this weekend, and the honourable member is desperately worried about ensuring that he gain some public profile prior to the weekend. I understand his motives, and we're not going to be too distressed if the honourable member wants to grandstand between now and this weekend. He's got good reason to do so.

Insofar as the publication of reports, section 43: "In the public interest or in the interests of a person, department or agency of the government, the ombudsman may publish reports relating generally to

the exercise, the performance of his functions and duties under this act, a particular case investigated by him, whether or not the matters to be dealt with in the report have been subject of the report made to the Assembly under this act . . ."

That section, Madam Speaker, refers to the Ombudsman. I heard the Ombudsman himself on radio this morning. Maybe the Leader of the Opposition didn't hear the Ombudsman announce that it was his intention to, in all likelihood, release a summary report once he had obtained all the information.

The Ombudsman is anxious to obtain complete and full information. This government is anxious to obtain full and complete information. Madam Speaker, what we have is the same sort of vendetta by honourable members across the way who love to make allegations based upon baseless allegations continuing.

**MADAM SPEAKER:** Order please.

The Honourable Leader of the Opposition.

**MR. G. FILMON:** Madam Speaker, given that the Premier believes that the allegations are baseless, and given that he says that the Ombudsman has the authority to release that report, will he request that the Ombudsman make public that report on MDC?

**HON. H. PAWLEY:** Madam Speaker, the allegation that I suggested was baseless was one that I heard from an honourable member in this House who screamed "cover-up" when I suggested the Ombudsman would be making the report available, according to the announcement the Ombudsman made this morning. Does the Honourable Leader of the Opposition have so little confidence, so little trust in the Ombudsman that, despite his announcement this morning that he would be making a report available, a public report, summary findings, does the Leader of the Opposition indicate that despite that he doesn't trust the Ombudsman? I have trust in the Ombudsman, and the Ombudsman will do as he has indicated this morning.

**MR. G. FILMON:** No, Madam Speaker, it's the Premier that I lack trust and confidence in.

Madam Speaker, I have a very simple question to the Premier. Will he request that the Ombudsman make the report public when he has completed all of the details?

**HON. H. PAWLEY:** Madam Speaker, I'm sure the Leader of the Opposition's comments about not trusting the Premier may gain him two or three votes this weekend at the Conservative Convention that we'll be following with great interest.

Madam Speaker, the question is repetitious. The Ombudsman's already indicated that he will be making available the summary report of the report. I don't see why, pursuant to what I understood to be the Ombudsman's announcement this morning, that we would feel it necessary to make further demands upon the Ombudsman who I have every trust, every respect for insofar as his word.

### Manitoba Developmental Centre - report on drug use

**MADAM SPEAKER:** The Honourable Member for Portage la Prairie.

**MR. E. CONNERY:** Yes, Madam Speaker, to the Minister of Community Services.

Given the shocking report in today's press concerning the use of drugs on a fourteen-year resident at the institution, will the Minister ensure that the report of the Public Trustee be available to the members of the Assembly?

**MADAM SPEAKER:** The Honourable Minister of Community Services.

**HON. M. SMITH:** Madam Speaker, I'll have to take that specific request as notice.

I don't know that I have any particular right to make any promise on behalf of the Trustee, but I can inform the House, as I did yesterday, that we are concerned about the appropriate use of drugs for the mentally retarded. There is difference of opinion, even among professionals, as to the appropriate use. We have asked the College of Physicians and Surgeons to review, to arbitrate the particular debate that has been occurring.

As a matter of fact, I have been asking questions about the policy on drug use. Myself, I'm not an expert in the use of drugs, but I do know that there is an appropriate level and that it is fair to review drug use from time to time to ensure that there is not a sort of thoughtless program of overuse of drugs or over-sedation. At the same time, there may well be and experts in the field assure me that there are conditions that go along with certain kinds of retardation that can benefit from an appropriate use of drugs.

I think it's quite appropriate that the medical people involved, the people with specific expertise review that practice and the issues there and so advise us. That is the path that I have chosen to take on this particular case.

### Manitoba Developmental Centre - number of deaths

**MR. E. CONNERY:** Madam Speaker, to the same Minister.

Some new information has been brought to our attention that the actual numbers of deaths at the MDC far exceed the numbers of deaths that are reported by legislation to the Legislature. For example, in 1986 it was reported that there was 19 deaths and my sources say there was 23. In '85, 8 versus my source of 12. Will the Minister now investigate and report back to the Legislature the true facts of the numbers of deaths at the MDC?

**MADAM SPEAKER:** The Honourable Minister of Community Services.

**HON. M. SMITH:** Madam Speaker, I certainly am prepared to compare statistics. I have the statistics for the number of deaths from 1982 through to the end of the first quarter of '87. I have, as well, the average age of death at the centre because, as the health practices with the retarded have improved, we are finding a steady increase in the age of death of retarded persons.

As you well know, years ago many of them used to die at a very early age and we've had an improvement from 1982 where the average age of death was 49.7, to 1986 where the average age is 63.4.

The pattern, Madam Speaker, of the number of deaths according to the statistics that I have follows this pattern. There are 14 in '82 . . .

**MADAM SPEAKER:** Order please.

May I remind the Honourable Minister that answers to questions should be brief and, if there is detailed information to be given to the House, there are other methods of doing that.

The Honourable Member for Portage la Prairie, briefly.

**MR. E. CONNERY:** I'll be as brief as the Minister in answering, Madam Speaker, very happily. A new question, Madam Speaker, to the Minister.

On March 24, I wrote a letter to the Ombudsman expressing the concerns that we have for the conditions of the Manitoba Developmental Centre in Portage and, Madam Speaker, some of the issues addressed were the overcrowding; the fire regulation; standards conducive to comfort and privacy; the total standards of the living conditions in there, including air conditioning; is there adequate staff; are they properly trained; is the morale conducive to good work.

Madam Speaker, the Ombudsman states in his letter that all of these areas were addressed by him in the report that the Minister now has in her hands. Madam Speaker, yesterday in question period she tried to indicate that there was just a study done on an individual resident. Madam Speaker, when will this Minister start to tell us the facts, start to tell us the truth, and will the First Minister then order her to . . .

**MADAM SPEAKER:** Order, order please.

**MR. E. CONNERY:** . . . give that report to us.

**MADAM SPEAKER:** Order please.

As the honourable member well knows, it is not appropriate to suggest that the information Ministers bring to the House is not accurate.

Would the Honourable Member for Portage la Prairie please rephrase the last part of his question?

**MR. E. CONNERY:** Madam Speaker, how can I rephrase it when we have not had accurate information given to us? Last year, when I asked the Minister about the fire at the MDC, she said there was a bit of plastic pipe and, in fact, there was a whole system there. Now, if that is not inaccurate information, then what is it?

### SPEAKER'S RULING

**MADAM SPEAKER:** Order please.

Beauchesne Citation 357(t) says: "A question should not impugn the accuracy of information conveyed to the House by a Minister."

The Honourable Member for Portage la Prairie. Would the Honourable Member for Portage la Prairie please withdraw any imputation that the information conveyed to the House by a Minister is not accurate?

The Honourable Government House Leader.

**HON. J. COWAN:** Madam Speaker, on the point of order regarding the Member for Portage's comments during his lengthy preamble to his question, I believe he at one point indicated - and I think Hansard should be reviewed to determine if in fact it was the case - but I believe he at one point indicated or impugned motives to the Minister that she might not be telling the truth in this matter.

If, in fact, that was the case, when he suggested that she tell the truth - and definitely the implication is that she is not telling the truth in this regard - then he is bound by Beausiesne, bound by the Rules, bound by the traditions of this House to withdraw those words.

Your advice to the Member for Portage la Prairie is very good advice at this stage. I think he should reflect upon what he said and, in fact, withdraw any comments which might have impugned motives, impugned not only motives but indicated or referenced or implied that the Minister might not be telling the truth and that the information that was being given was inaccurate.

**MADAM SPEAKER:** The Honourable Opposition House Leader.

**MR. G. MERCIER:** Thank you, Madam Speaker.

Madam Speaker, the Member for Portage la Prairie referred to a letter he had received from the Ombudsman, which outlined the report of the Ombudsman, that has gone to the Minister on general conditions at the Manitoba Developmental Centre.

He indicated in his question that the answer the Minister had given yesterday was only with respect to one complaint, and he is therefore indicating that the information conveyed by the Minister yesterday in question period was incorrect and he asked for an explanation, which is entirely appropriate, Madam Speaker.

Any suggestion that the Member for Portage la Prairie should withdraw his statement is totally unbased, Madam Speaker. The Minister is the one who should be asked to explain her statement.

**HON. J. COWAN:** Madam Speaker, I have to admit that I had not followed all the preamble as closely as perhaps I should have, but I believe a reading of the Hansard will very clearly show and demonstrate that the Member for Portage implied in his preamble that the Minister was not telling the truth. I believe it was something to the effect that when will she tell the truth.

In instances such as this, Madam Speaker, the practice has been, if the member refuses to withdraw his imputations and his comments - and I think that's regrettable at this point in time - but if he refuses to do so, the practice in the past has been to review Hansard to determine if, in fact, unparliamentary language has been used or unparliamentary phrasing has been used. If in fact Hansard shows that it has been used, then the member would be required certainly to withdraw those comments. I guess if what he is asking is for Hansard to be reviewed, and he's indicating a willingness to withdraw any unparliamentary language at that particular time, it would be something that this side would be amenable to.

But we definitely believe that he did use unparliamentary language when he suggested the

Minister should tell the truth or begin telling the truth, and thereby implying that the truth has not always been told by all honourable members in this House at all times.

**MR. G. MERCIER:** Well, Madam Speaker, the Government House Leader indicated that he did not follow all of the remarks of the Member for Portage, and I think that is correct. I would agree with him in the suggestion that you should review Hansard before taking any further action with respect to this matter.

**MADAM SPEAKER:** I thank all honourable members for their advice on this situation. It did seem to me at the time that the honourable member clearly was in violation of the Beausiesne Citation that I quoted. However, with all the additions and and comments since, I've kind of lost track. I will review Hansard and I will expect, as I'm sure the honourable member will comply with any request to withdraw any unparliamentary language, so we can proceed in the best parliamentary traditions.

### Workers Compensation Board - rate projection

**MADAM SPEAKER:** The Honourable Member for Niakwa.

**MR. A. KOVNATS:** Thank you, Madam Speaker. I would pose my question to the Minister responsible for Workers Compensation.

On January 16, 1987, a news release official from the Government of Manitoba Information Services under the heading of, "Workers Compensation Assessment rises 20 percent," it states: "The phasing in of responsible increases will gradually allow the board to achieve a fully-funded position which continues to be our objective. Based on current projections, we expect the board to reach a break-even position in the next two years."

Madam Speaker, my question to the Minister: Can the Minister advise if this \$84 million deficit is the first step for the board to reach a break-even position in the next two years?

**MADAM SPEAKER:** The Honourable Minister responsible for Workers Compensation.

**HON. H. HARAPIAK:** Madam Speaker, yesterday we clearly indicated that this was not a deficit. It is an unfunded liability and, when the statement was made and said it would be -(Interjection)-

**MADAM SPEAKER:** Order please, order please.

The honourable member asked a question. He's entitled to hear the answer.

The Honourable Minister.

**HON. H. HARAPIAK:** Madam Speaker, obviously they don't want to hear the answer. They have their own agenda.

Madam Speaker, when the statement was that we would be breaking even, it was on a year-over-year basis, and we are still on that target for breaking even on the year-over-year operations.

Tuesday, 7 April, 1987

**MR. A. KOVNATS:** To the same Minister, Madam Speaker.

Can the Minister advise if the Workers Compensation rates will have to double or triple just to break even in the next two years?

**HON. H. HARAPIAK:** Madam Speaker, it is obvious that the Member for Niakwa is not listening to what our explanation has been. We had said that it was not a deficit. It's an unfunded liability, and that unfunded liability would not be required over the next period. The unfunded liability will be required over the next 20 years in order to pay out the operations of the Workers Compensation in the area of rehabilitation, the pension funds and all other parts of the operations of the Workers Compensation Board.

### **Workers Compensation Board - underestimated deficit**

**MR. A. KOVNATS:** My final supplementary to the same Minister.

Did this New Democratic Party Government once again understate the deficit as did the Manitoba Public Insurance Corporation to hide the deficit from the people prior to the last election?

**MADAM SPEAKER:** That question is out of order.

**HON. H. HARAPIAK:** Madam Speaker, I hope that . . .

**MADAM SPEAKER:** Order please, order please.

That question is out of order.

First of all, the honourable member did not indicate to whom he was addressing the question.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MADAM SPEAKER:** Order please.

The Honourable Minister is not responsible for all the other areas that the honourable member listed.

The Honourable Member for Niakwa can rephrase his question.

**MR. A. KOVNATS:** Thank you, Madam Speaker. I would pose my question to the First Minister.

Did this New Democratic Party Government, your New Democratic Party Government, once again understate the deficit, as did the Manitoba Public Insurance Corporation, to hide the deficit from the people prior to the last election?

**MADAM SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** Madam Speaker, the allegation by the Member for Niakwa smacks of the same sort of inaccuracy and misinformation as a pamphlet which he distributed which implied to the constituents of Niakwa, if it hadn't been for the MTX situation, there would have been additional money for CAT scans, additional money for hospital beds, additional money for child abuse, additional money for police protection, additional money for public schools and universities.

Obviously now, Madam Speaker, by way of . . .

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MADAM SPEAKER:** Order please, order please. Order please.

Could we please continue with question period in an orderly fashion?

The Honourable First Minister.

**HON. H. PAWLEY:** Obviously now, Madam Speaker, by way of the unanimous endorsement of the statements by the Member for Niakwa, it just indicates how totally misrepresentative of the facts are on the part of honourable members of the Opposition when they endorse such total and complete misrepresentation, fictional fabrication.

### **Virден - landfill site**

**MADAM SPEAKER:** The Honourable Member for River Heights.

**MRS. S. CARSTAIRS:** Thank you, Madam Speaker. My question is to the Minister of the Environment with regard to -(Interjection)-

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MADAM SPEAKER:** The Honourable Member for River Heights.

**MRS. S. CARSTAIRS:** Thank you, Madam Speaker. My question is to the Minister of the Environment with regard to a landfill site near the town of Virден.

The Minister must be aware of the fact that most of the residents in the immediate area of the proposed site are opposed to its placement there, because they believe it presents a major fire hazard and a threat to the water table. Can the Minister tell this House what consideration the department has given to the concerns of this residential group?

**MADAM SPEAKER:** The Honourable Minister of the Environment.

**HON. G. LECUYER:** Thank you, Madam Speaker.

Staff from the Environment have interacted with the members of the town council to assist in determining whether the site chosen or the site identified by the town council was appropriate as a disposal site. Having determined that to be the case, the responsibility in terms of disposing of domestic wastes is a responsibility of the local government.

**MRS. S. CARSTAIRS:** A supplementary question to the same Minister.

Would the Minister agree to grant a second study as a result that the residents believe that one examination made by one inspector at the wrong time of the year was inadequate to allay their fears?

**HON. G. LECUYER:** I should have perhaps added that to my comments in response to the first question. We have already acquiesced to that and we have gone back and made retests of the actual site to accommodate or to try and ascertain whether the

objections raised by some of the citizens were indeed or perhaps would warrant not locating the disposal site at that particular chosen location.

Madam Speaker, it is a fact of life, nobody wants a disposal site next door. Inasmuch as only non-hazardous substances are disposed of in these sites and, if they are appropriate to take these domestic wastes, there should be no problem. There is always, no matter where the disposal site happens to be located, Madam Speaker, the potential for fire and that requires due regard and proper care of the disposal site. If that occurs, there should be no problem.

**MADAM SPEAKER:** Order please.  
The Honourable Member for River Heights.

**MRS. S. CARSTAIRS:** Thank you, Madam Speaker, with a final supplementary to the same Minister.

I'm delighted that new tests have been done. Will he make the results of those tests available to this residents' committee?

**HON. G. LECUYER:** Madam Speaker, that has also been done.

### Seagrams Distillery at Gimli - closure of bottling plant

**MADAM SPEAKER:** The Honourable Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Thank you, Madam Speaker. My question is to the Minister of Industry.

When was the Minister informed that the bottling plant at Gimli Distillery closed?

**MADAM SPEAKER:** The Honourable Minister of Industry, Trade and Technology.

**HON. V. SCHROEDER:** Thank you, Madam Speaker. There was a closure of one line at Gimli - what was it? - several months ago. I'll take it as notice in terms of the specific time when we were notified, but the plant is still open. But while I'm on my feet, maybe the member wants to ask something about Burroughs, Unisys.

### Seagrams Distillery at Gimli - layoffs

**MR. F. JOHNSTON:** Madam Speaker, I'm sure the Member for Gimli could tell if the bottling plant is closed.

A further supplementary, when was the Minister informed that approximately 35 people were laid off because of the closure of the bottling plant?

**HON. V. SCHROEDER:** Madam Speaker, my recollection is that the bottling part of the facility - and by far the major portion of the facility is open - was closed sometime, I believe, in January of 1987 or December of 1986. The time of notification - I told the member I don't recall the specific day when we were notified - but it would have been sometime before that time.

### Unisys Plant - expansion of

**MADAM SPEAKER:** The Honourable Member for Elmwood.

**MR. J. MALOWAY:** Thank you, Madam Speaker. My question is to the Minister of Industry, Trade and Technology.

Since the Member for Sturgeon Creek won't ask the question, I will. Could the Minister give the House some information regarding the expansion of the Unisys plant in Winnipeg?

**MADAM SPEAKER:** The Honourable Minister of Industry, Trade and Technology, briefly.

**HON. V. SCHROEDER:** Thank you, Madam Speaker. I'm very pleased to answer that question.

In accordance with the agreement entered into by Unisys and the Province of Manitoba last fall, members will recall that a plant that was going to shut down last fall was kept open. This morning, there was an announcement by the Canadian President of Unisys, Ken Calmenson that, firstly, the disc drives being produced by that company for Burroughs are now being produced not only for Burroughs but also for the Sperry product lines as well. Secondly, "the Winnipeg plant is being given a world-wide mandate to produce, test and ship 11 unique product lines, and this means" - I'm quoting from Mr. Calmenson, "that Winnipeg will have the global product mandate for the supply and export of these 11 disc drive products and, over the next two years, exports from the country from this plant alone will be \$60 million." Thirdly, Unisys will invest \$3.4 million to ensure that this facility will be able to meet the new manufacturing demand generated by these increased responsibilities. And fourthly . . .

**MADAM SPEAKER:** Order please.

### Potash mine, Binscarth-Russell - status of

**MADAM SPEAKER:** The Honourable Member for Roblin-Russell.

**MR. L. DERKACH:** Thank you, Madam Speaker. My question is to the Minister of Energy and Mines.

Many people in the Binscarth-Russell area have been patiently awaiting an announcement, or at least an intention, from the Minister with regard to the status of the proposed potash mine in the Russell area. In view of the fact, Madam Speaker, that the Canadian potash market is somewhat depressed, and in view of the fact that there is a potential of a penalty fee being assessed to the potash markets by the United States, there is indeed a concern by the people in that Binscarth-Russell area.

My question to the Minister is this: Can he indicate when he will be making an announcement with regard to proceeding with the potash mine in the Russell area?

**MADAM SPEAKER:** The Honourable Minister of Energy and Mines.

**HON. W. PARASIUK:** Thank you, Madam Speaker. The preamble was a lengthy one that raised a number of questions in addition to the question itself.

The potash market right now is in fact slow, but we aren't selling potash today, Madam Speaker. We're talking about developing a mine that will sell potash six years from now or seven years from now. We expect at that stage that the market will in fact be strong, because historically the market has gone in cycles. There have been peak cycles when demand has been high, and lower cycles when the demand hasn't been that high. We, in fact, are in a trough, and we in fact are gearing our plans so that we will hit the market at the appropriate time.

We are conducting the feasibility study. We've indicated that we expect that feasibility study - of a technical nature on the financial aspects - will be completed by the end of the spring or sometime during the summer. We certainly would expect then to have discussions with a number of countries and companies that have expressed interest.

We already have India expressing interest through a Letter of Intent. We have other countries that are coming to see us. We have other companies that have expressed interest and we would expect that, when the circumstances are right to pull together a consortium, we would make the appropriate production decision, but we aren't making a production decision today, Madam Speaker.

All we are doing is making sure that Manitoba is in the best position to take advantage of its natural resource, namely, the world's richest deposit that is not yet a potash mine. As a New Democrat Party Government, working with other companies and countries, we'll make sure that happens, Madam Speaker.

**MR. L. DERKACH:** Madam Speaker, the answer the Honourable Minister just gave is one that he has been reiterating for some time. He announced, prior to the last election, that he had some intentions of reaching an agreement with India. But I'm asking the Minister right at the present time: Is he any closer to an agreement or is he any closer to making that announcement for the proposed potash mine?

**HON. W. PARASIUKE:** Yes, Madam Speaker, we have been proceeding with the technical study and I think we've moved some distance. I indicated when I was in the Roblin area that was the case and this would take about a year. We are proceeding with that. We expect it to be completed. We've certainly been given a further, more specific response from the Indian Government.

We're pleased with that, and I might indicate that other parties are expressing interest. I'm not at liberty to say who those are right now, but we are certainly hopeful. I would not want to specify a specific time because, in negotiating with other entities, if you set a time ahead of time, then you reduce your negotiating flexibility.

In fact, we are very confident that over the course of the next year, year-and-a-half, we would be proceeding with the potash development. At the same time, we would make sure that we watch the markets, see how things are developing over the course of the next three, five and six years, to make sure that we make a prudent, yet a very good investment for the people of Manitoba.

## Sales Tax - take-out food

**MADAM SPEAKER:** The Honourable Member for St. Norbert.

**MR. G. MERCIER:** Thank you, Madam Speaker. My question is to the Minister of Finance with respect to the new sales tax of 7 percent on take-out food that was contained within his Budget, Madam Speaker.

Given that there is an exemption for someone eating meals in a restaurant and sales tax does not apply under \$6, could the Minister indicate how individual exemptions would apply to the new 7 percent sales tax on take-out foods given, as an example, an average Manitoban purchasing take-out food for a family? Will they be required to pay 7 percent tax on the total purchase prices less the \$6 exemption?

**MADAM SPEAKER:** The Honourable Minister of Finance.

**HON. E. KOSTYRA:** Thank you, Madam Speaker.

I'll supply the member opposite with a copy of the information being provided for retailers, but it is going to be in a manner that is consistent with the application with respect to the other exemption that takes place with respect to food that is purchased and eaten on premises.

**MR. G. MERCIER:** Is the Minister then indicating that the purchaser will be able to claim an exemption for the four or five or whatever number of persons whom the food is bought for?

**HON. E. KOSTYRA:** As I indicated, it will be done in the same manner that is done for food that is purchased for consumption in the restaurant.

The member knows that there is a process whereby, if the purchase is below the limit, there is no sales tax applied. If it is above that level, the sales tax is applied. As I indicated, it will be done in a manner that is consistent with the other exemption.

## Seniors' residence fire - alarm system and regulations

**MADAM SPEAKER:** The Honourable Member for Charleswood.

**MR. J. ERNST:** Thank you, Madam Speaker.

Over the weekend, there was a significant million-dollar fire at a seniors' residence at 185 Smith Street. Fortunately, Madam Speaker, there was no loss of life in that event, but a significant amount of damage.

Can the Minister of Housing advise the House why or if there were no alarm systems in place in order to warn, first of all, the residents of the building and, secondly, to alert the Winnipeg Fire Department that a fire was in progress?



**MADAM SPEAKER:** The Honourable Minister of Housing.

**HON. M. HEMPHILL:** Thank you, Madam Speaker.

I want to indicate to the member opposite that we are also, on this side, very thankful that there were no serious injuries and no loss of life. The matter is presently under investigation by the Fire Commissioner's Office.

I can indicate that the standards of the fire by-laws met the standards at the time the building was built, which I think was about 1972, and that building is one of a number of buildings that we have designated for fire upgrading to meet the new City of Winnipeg fire by-law standards.

Presently, the causes of the fire are under investigation and the safety standards that were in place were those that conformed to the by-laws of the day.

**MR. J. ERNST:** A supplementary question, Madam Speaker.

If memory serves me correctly, the Winnipeg existing building upgrading by-law required that all apartment buildings meet certain standards by October 1, 1986. Can the Minister advise if 185 Smith Street met the deadline for those requirements and, if not, why not?

**HON. M. HEMPHILL:** Madam Speaker, it's my understanding that we have been meeting the requirements of the by-law that is being introduced in stages, that there are three stages of fire upgrading and that there have been discussions and negotiations between my department and the city and the Fire Commissioner's Office where we have an agreement that, in a number of cases, we will not just proceed with stage 1 or stage 2 and stage 3 separately, but it will be to our advantage and will save us a considerable amount of money, with the amount of upgrading and the amount of units that have to be upgraded, if we can do all of the units at the same time.

So we have negotiated an agreement that in some cases we will be ahead of the required dates and in some cases the total fire upgrading will be behind but, in total, it will all be done by the final deadline.

**MADAM SPEAKER:** The time for Oral Questions has expired.

### COMMITTEE CHANGE

**MADAM SPEAKER:** The Honourable Member for Emerson.

**MR. A. DRIEDGER:** Madam Speaker, I have a change in the Standing Committee on Municipal Affairs: Kovnats for Pankratz.

### ORDERS OF THE DAY

**MADAM SPEAKER:** The Honourable Government House Leader.

**HON. J. COWAN:** Madam Speaker, would you please call Bill No. 13, standing in the name of the Honourable Member for Emerson.

## ADJOURNED DEBATE ON SECOND READING BILL NO. 13 - THE MUNICIPAL ASSESSMENT ACT

**MADAM SPEAKER:** Debate on Second Reading on the proposed motion of the Honourable Minister of Municipal Affairs, Bill No. 13, the Honourable Member for Emerson.

**MR. A. DRIEDGER:** Thank you, Madam Speaker.

My comments will be relatively brief on this bill, and what I'd like to illustrate - and I'm glad, Madam Speaker, that the Premier will also hear these comments. What we have in Bill No. 13 is another example of incompetence of behalf of this government, because we have Bill No. 13 that was given Second Reading yesterday and here we are in sort of a rushed position. The bill is being called again today with the intention of trying to have the bill passed through Second Reading today so that it can get to committee.

What I'm trying to illustrate here, Madam Speaker, is this is about the third or fourth time that we've had this kind of incompetence surface from the government side. First of all, there is some criticism that has to be directed to the House Leader for the planning of when the Session started, because we had to deal in a rushed situation with Bill No. 8. We had to deal in a rushed situation with Bill No. 2, the Daylight Saving Time Bill, and here we are again moving on a bill at an unusual rate. Madam Speaker, that denotes to me incompetence.

Madam Speaker, it shows the incompetence of the Minister of Urban Affairs and it shows the incompetence of the Minister of Municipal Affairs, who have both been involved in this assessment problem for a long time. The planning obviously has been scatterbrained from the start. Obviously it has, because there is just no synchronization or total planning in this stage.

Madam Speaker, if this is how we are going to be running this Session, I've never seen anything like it in my time, that we've been operating sort of by the seat of our pants, so to speak, because there is no planning.

Madam Speaker, why is Bill No. 13 before us? To accommodate again another malfunction within the departments involved in terms of how they've set up their legislative business for this Session, and the House Leader included as well, because if we had these kinds of bills, obviously if the government had done any planning at all, they would have brought these things forward. We would have either started this Session sooner, or we would have had tandem bills coming in. There is total lack of understanding and competence on the government side when they bring forward this kind of bill.

Madam Speaker, I personally do not like to approve the Second Reading of this bill. I will consent to it, but I don't like the process, and we've been faced with that three or four times now. I want to indicate to the Government House Leader that, if we're going to have more of these cases, there are going to be some major problems developing, because if you can't plan your business any better as House Leader and as Ministers, then don't bring forward any bills.



Thank you.

**MADAM SPEAKER:** The Honourable Member for Pembina.

**MR. D. ORCHARD:** Madam Speaker, my comments will be rather brief. They will be a follow-up and an affirmation of what my colleague, the Member for Emerson, has said.

We have had before us assessment review since the change of government in 1981. The Weir Report was presented to the NDP Government shortly after it came into office in 1981. They have frittered and tinkered and toyed away with reassessment in the implementation of the Weir Report for now over five years.

Madam Speaker, I simply want to point out that we probably wouldn't even be sitting in this House right now if it were not for a written agreement that we had, signed by the Government House Leader in the NDP, to start the Session in February in return for, you might recall, three additional hearings in MTX and MTS at which the Telephones Minister shamefacedly resigned or half-resigned his Cabinet responsibilities for MTS. He should have resigned all of them.

But if it were not for that agreement, I submit to you, Madam Speaker, we would not be in this House yet because there is one thing that the New Democrats and the Pawley administration fear the most. That's this House because, when we get in this House, they have to table reports that show \$37 million hidden losses in MPIC, \$84 million hidden deficits in the Workers Compensation Board, deficits that should have come out prior to the election but were hidden. This New Democratic Party fears this Chamber because then all of their cover-ups become public.

In compliance with the agreement that we had written and signed with the Government House Leader was that we start in the month of February. But when did we start? In the last available day of February - not a week earlier, not two weeks earlier -(Interjection)- Well, my honourable friend, the Government House Leader, if he wants to say something, he's got his position in the House. He can stand up and debate this issue instead of yapping from the back row like he's want to do . . .

**MADAM SPEAKER:** Order please, order please.

May I remind the honourable member that we are debating Bill No. 13 before the House, and may I remind the honourable member of our Rule No. 30 on relevancy?

The Honourable Member for Pembina.

**MR. D. ORCHARD:** With all due respect and patience, Madam Speaker, you will entirely see the relevancy of this.

Madam Speaker, we had Bill No. 8 presented to us in a great rush by the Minister of Urban Affairs. It had to be passed some three weeks ago. It was urgent, it was immediate, it was needed. That was not the case, Madam Speaker. Now we were assured and, I believe it was in Hansard - if not Hansard, it was a quotation in the newspapers - where the Minister of Urban Affairs says: "We can establish these classifications by regulation under the existing legislation."

But what have we got now? We've got a bill given to us. These two Ministers, the Minister of Urban Affairs and the Minister of Municipal Affairs, share their incompetence in handling reassessment. So it's the old two-step shuffle trick where he brings in one bill of incompetence, Bill No. 8, and then the Minister of Municipal Affairs, the more incompetent of the two, brings in Bill No. 13 some two-and-a-half weeks later, after we're assured by the Minister of Municipal Affairs that such a bill would not be needed.

Now, Madam Speaker, what the problem with this government is, had they started the House two weeks earlier, there would have been no rush on this legislation. This Minister could have brought this bill in immediately after the Throne Speech. There could have been no problem. But there is not competence over there in the handling of the assessment issue. It's bumble, fumble and drop the ball, and then expect this House to speedily pass legislation.

Now, Madam Speaker, as has been said many times, when we move in haste in this House, often we don't move effectively. I think the Member for St. Vital knows of what I'm speaking, being a long-term member of this House and an observer from your Chair, Madam Speaker, very competently for four-and-a-half years.

So, Madam Speaker, we've got this government demonstrating its abject incompetence to handle anything of relative importance to the people of Manitoba. We've got bumbling and fumbling from one bill to another bill, to amendments that weren't needed that are now needed. Where does this incompetence stop, Madam Speaker? When will Manitobans be treated to a government that knows what it's doing and knows where it's going? It certainly won't happen until after the next election, Madam Speaker, because this current government doesn't have the ability to demonstrate competent government, and to bring competent government to the people of Manitoba.

Bill No. 13 is yet another example, and it is an example twofold because the Minister of Urban Affairs some three weeks ago told us he did not need additional legislation to establish these categories. Now we have the incompetent Minister of Municipal Affairs covering for the incompetent Minister of Urban Affairs. This is some dog and pony show that we're calling government in the Province of Manitoba, Madam Speaker.

**MADAM SPEAKER:** The Honourable Member for Charleswood.

**MR. J. ERNST:** Madam Speaker, Walter Weir and his committee tabled his MARC Report, I believe it was, in 1982 with the present government. Five years ago, Madam Speaker, that report was tabled with the members opposite, five years ago of inaction to this point.

Madam Speaker, it was absolutely refused to be dealt with by the former Minister of Municipal Affairs, was refused absolutely by that same former Member for Springfield, because he felt that the problem existed and that the City of Winnipeg should stand on its own and not be dealt with at all.

But the Minister of that day, the former Member for Springfield, had absolutely and categorically refused to deal with the whole issue of reassessment. He

clouded it in great terms of tax reform or assessment reform. They produced all kinds of little pamphlets, Madam Speaker, to distribute around the province and nobody could understand because it was more gobbledygook put forward by that particular Minister of the day. There was no assessment reform taking place, Madam Speaker, because the government opposite refused to deal with that issue, along with many others, before the last election.

Finally, Madam Speaker, the Member for St. Johns in her private capacity before she became the Member for St. Johns and several of her cohorts took the City of Winnipeg to court to force reassessment, because the government and members opposite refused to deal with it. That, Madam Speaker, came to pass and culminated in the judgment of the Honourable Mr. Kroft in October of 1985 when he ordered reassessment for the City of Winnipeg to take place in 1987.

Madam Speaker, last fall during the last stages of that Session, the Minister of Urban Affairs brought forward a bill to deal with classifications, Bill No. 57. That classification bill, Madam Speaker, with our support, passed through this House. That, Madam Speaker, was yet several months ago.

Yet now, at the last minute, after the Minister of Urban Affairs and the Minister of Municipal Affairs had publicly stated there would be six, had originally stated that there would be six classifications for property in the City of Winnipeg, subsequently amended to eight classifications to deal with two issues that arose, Madam Speaker, after the initial go-around and, I think, after indications came forward from the public that there were going to be anomalies and that they had to be addressed, these two additional classifications were brought forward. After all of this had happened, months, years - it didn't happen yesterday, Madam Speaker. It didn't happen two weeks ago. All of a sudden now, we have to have a bill before us to legitimize the actions that the Minister of Municipal Affairs had taken earlier in his statements about classifications, those additional classifications that he and his cohort, the Minister of Urban Affairs, had announced, that they were going to save the golf courses, Madam Speaker, from horrendous tax hikes, and they were going to treat condominium owners in the same way that single-family homeowners would be treated.

Madam Speaker, don't get me wrong. There's nothing the matter with that. All I'm suggesting is that at that time they ought to have checked to see whether or not they can do the things that they claim to be able to do, to check with their legal departments, to check with their legal opinion to determine and to make certain, Madam Speaker, that they don't go and shoot off their mouth in public until they know that they are standing on firm ground.

Madam Speaker, while the Ministers have collectively dealt with the question of at least eight classifications now, tonight we are going to hear, I understand, some 55 delegations, many of whom are going to come forward to say that there should well be a ninth classification; that the Ministers responsible, both Municipal and Urban Affairs, have in fact not dealt with that issue, have ignored it and have thrown up their hands, saying we've got enough classifications now. It doesn't matter what their problems are. It doesn't matter what their concerns are. It doesn't matter if it's fair to them because I'm not going back to my Cabinet

or my caucus with any more classifications. That's it, they'll live with it, too bad.

Madam Speaker, that's not the fair way to deal with it. I think the Ministers are going to have their eyes opened tonight when they do hear from all of those people who have come forward and state the case, state the problems. Why for instance, Madam Speaker, should somebody residing in south St. Vital or in Headingley be responsible for the City of Winnipeg's transit deficit for which they have absolutely no service from? It's not a question necessarily of them having sewer or water or anything of that nature, but why should they be responsible for a transit deficit which is of no earthly benefit to them at all? They have no service, no buses go there, Madam Speaker. Why should they be responsible for that?

I think that's the kind of thing that the Ministers collectively have not been addressing. I think it's something, Madam Speaker, that they're going to have to address, that the people of south Charleswood, the people of Headingley, the people of South St. Vital, the people of Old Kildonan, the people of south Transcona, Madam Speaker, all of those people have to be - (Interjection)- The Member for Radisson should be fully aware of that. Problems exist just as well for those people in South Transcona as they do, Madam Speaker, for the people of Headingley and the people of South St. Vital. So the Minister has to address that. He has to look at those particular issues and he has to see, Madam Speaker, the folly of his ways. He has to see that a new classification needs to be put into place for those people.

Thank you, Madam Speaker.

**MADAM SPEAKER:** The Honourable Member for Arthur.

**MR. J. DOWNEY:** Thank you, Madam Speaker.

I rise to speak on Bill 13, and I plan to make a few comments and will touch, as I see it, on some of the concerns that have come to me, not only from taxpayers but also from the Union of Municipalities in some discussions that I have had.

I note with interest the colleagues of mine that have already spoken their concerns, and one cannot debate legislation and discuss actions or a direction the government is going without taking a careful look at who is proposing and who is providing the information for the legislative body to make their decisions. And you know, it seems somewhat strange that we have two actors involved in this whole process, one being the House Leader who has not been very well equipped or prepared to present it in a manner which would flow through the normal legislative process without having to ask our House Leader and our caucus and his own caucus to give leave to speed up the process.

My colleague from Emerson clearly points out that this is the fourth time that this legislative Session has been asked to do it. My colleague from Pembina points out that, when you proceed to rush these kinds of things through, you don't always get the best kind of results and, in fact, I think you don't get the best cross-section of people to come in or they are not always given the opportunity to express themselves, and that's how the process works.

But I can't let it pass, Madam Speaker, without touching on the Minister who has introduced this, with his recent track record and the directions that he has given the Public Insurance Corporation. It's a major bill, Bill 13. It's dealing with assessment and major

Tuesday, 7 April, 1987

implications for the Province. We want to make sure that there isn't anything that is being kept from the Legislative Assembly. He's had a habit of doing that. The record speaks for itself.

But the House Leader is another one, Madam Speaker, whom this Legislature is taking direction from. I think, if my memory serves me correctly, he was the Minister responsible for Workmen's Compensation at one particular time of his career. And where do we find it today? I think, Madam Speaker, we found him, as chairman of Treasury Board, responsible for a lot of the Crown corporation's spending - the ERIC Committee of Cabinet.

You know, I think that the whole question has to be raised to the competence of the Government House Leader and his activities as a Cabinet Minister. I would think that some of the Cabinet Ministers who are around him would start to say everything that he's involved with doesn't seem to run very well. It's kind of costly not only for the taxpayers, but for the political image they are leaving. So one has to trust the individual and have an idea from the kind of basis in which they are prepared to work.

I say, Madam Speaker, on Bill 13 that I think the government is proceeding, and as was said by my colleague yesterday, in somewhat of a backward fashion. He's asking the Legislature to pass a category or two new categories for assessment, which I don't think have been debated in a very open fashion with the municipalities that are involved.

I'm aware that there were discussions last year, I am sure, with the municipal corporations on Bill 57, I believe it was, and that they didn't have any concerns with the categories or the classifications at that time. I think there are some concerns starting to rise now with those individuals with again another move by government to increase the classifications. I ask the Minister simply if he or if any of the Ministers have clearly discussed with the Union of Municipalities and those people who are representative of the taxpayers if they have got the full endorsement from them, because in the discussions that I have had with some of those individuals, there are some concerns.

As I understand it, it's based on people, particularly people moving into rural Manitoba, taking on a small acreage, expecting or demanding the services to come from those municipalities, and that land base or that property in which they are living or have bought is not carrying a fair enough share of the services that they are expecting. That's a major concern which has been brought to my attention. I'm sure there are some municipalities that are not too far from some of the urban developments that it would have serious implications.

I would also ask the Ministers of Municipal Affairs and Urban Affairs if they have taken the opportunity to discuss with the Keystone Agricultural Producers, a group which in a large way represents a fair number of farmers in Manitoba, which I think would reflect what their feelings are. But again, I think it boils back to the whole question, when it comes to dealing with assessments and such bills as we've had before us, that the legislators, municipal officials, city or rural, people who are going to be affected haven't really got a clear handle on what the longer-term implications are.

Assessments are complicated and taxation is a concern because you get a particular piece of property locked into a classification which is incorrect, the Minister says it can be appealed. Well, I've had some experiences with appeals and I'll tell you - and I've met with some people from Landsdowne and my colleague from Ste. Rose had a group of people in awhile ago who were appealing their assessments. And you know what, Madam Speaker? They were totally ignored, because let's see who's sitting on the appeal process. There was an individual from the Brandon University. Again, I have nothing against that individual.

**A MEMBER:** Then why raise it?

**MR. J. DOWNEY:** Then why raise it? Because I don't feel, from what I have heard, that he had a good handle on what his job was. In fact, he didn't have a sympathetic ear at all. I'm not saying that you should have people on there that have a sympathetic ear, but I think he should have a little better understanding of the problem that was being presented to him.

I don't want to deviate, Madam Speaker, from Bill 13, but I do have to say that this Minister in his board activities, the history speaks for itself. We've had the appeal process through the Surface Rights Board, which hasn't worked as well as it should have either. So he and his statement on appeals, I don't think is very comforting, particularly to me and I'm sure to those people from the Gladstone area who appealed their assessments that they are very comforting to them because of the way in which they were dealt with. So I'm not going to be sold on the appeal process that, if you're put in the wrong category, you can be appealed.

That's an interesting point, and we'll hope tonight at committee to have this clarified. Can the classification or the land which is put into a certain classification be appealed? Can that classification be appealed? Or is it the assessment only on the land that can be appealed? And I would hope the Minister would be able to respond to that.

I know that there have been some concerns within the member's own caucus - and I have to raise this because people got a little bit upset with me when I took the position. The City of Winnipeg said it was going to cost \$3 million because of delay in passing of this bill. I make the argument, Madam Speaker, that it isn't going to cost the city anything; it's going to cost the taxpayers. If they don't collect the money from the taxpayers for another month, it's in the hands of the taxpayers. So there really isn't a true cost of \$3 million. It is a delay in getting the money in, but to say there's a \$3 million cost hasn't got foundation.

The other thing that has been brought to my attention, and I have to disclose this as well, is that when you take it off of one area of the city - and this was answered by the Minister's Deputy in one of the meetings that we had - the transfer of that tax would come from those outlying regions to some of the core area taxpayers of the city. The taxes actually had to be collected and, if they didn't come from those suburban areas, then they would be shifted and paid for by the more urban areas.

Now I think that the Member for St. Vital probably has some constituents who fit into that category. I'm

sure the Minister of Culture and Recreation, or whatever, Lotteries' responsibility probably falls in that same category. So I think that the government itself hasn't got a clear understanding of what the implications are, unless some of them have and they are trying to move a little quicker than they should. I'm not going to oppose it on those grounds, but I think they are points that have to be raised and answers given at the committee stage.

I note a letter that came from the Deputy Minister on March 27 to my colleague, the Member for Charleswood, and the question was raised by my colleague from Pembina that the government is now passing legislation - maybe my colleague from Morris talked about it yesterday - which covers what they have already done, and that's by setting classifications by Order-in-Council without the proper legal authority to do so. He's hanging on two words. One, he's using the word "size" and the other "ownership." I believe are the two words that they are using to justify this need. Well, if it's needed for these two additional classifications, why was it not needed for the other classifications that were put in? So maybe a more proper name for this piece of legislation would be CYA. It would be a better terminology to call this legislation.

**A MEMBER:** What does CYA mean?

**MR. J. DOWNEY:** CYA for the NDP. Cover your "A" is what it means and I think rather than calling it An Act to amend The Municipal Assessment Act, it would be cover The Municipal Assessment - we could use part of the words that are here, Madam Speaker, it wouldn't need to be amended too much - amend The Municipal Act to cover the Minister of Municipal Affairs' particular part of his anatomy. I'm serious, Madam Speaker, that we have got again a piece of legislation that has major implications, cost implications for taxpayers. The Minister says appeal - yes, appeal. Will that appeal be satisfactory and will it cover the areas that are essential to be covered? One will have to watch as to how successful the appeal is.

The whole area that begs question here is that the Minister of Agriculture, through all this process, has not paid much attention to it and I'm surprised at that. When you deal with municipal assessments and taxation bills, it usually has major implications for the farm community. What I'm surprised is that he hasn't participated in any debate or put any position forward. He is being led along by the Minister again who cost the taxpayers through the insurance program, which he is in charge of, several millions of dollars and I think that he should be paying more attention.

Madam Speaker, I will look forward to the questions and responses tonight at committee because I'm sure there will be some individuals come forward who are going to demonstrate that they equally have some legitimate concerns. You don't move on assessment quickly. Our record is clear. We had the Walter Weir Commission, which I think did an excellent job in providing some direction as to taking some corrective measures. I think that was a piece of work that has to be continually commented on. We had the former Member for Ste. Rose who did a disastrous job as the Minister of Municipal Affairs. He didn't have a clue

what he was doing, and we now have another Minister who really thinks that this Legislature should jump to the tune of him, whether it's on The Time Act, whether it's on The Municipal Assessment Act. Madam Speaker, he has about run his string as far as I'm concerned in getting leave on matters to accommodate him and his incompetent government.

Thank you.

**MADAM SPEAKER:** The Honourable Member for St. Vital.

**MR. J. WALDING:** Thank you, Madam Speaker.

I wasn't really prepared to speak on this bill this afternoon. I had hoped to have a word with the Minister to tell him of one particular concern that I had but, since there seems to be some urgency about moving the matter through this afternoon, I'll try to address the particular concern that I had. I raise it in the form of a question to ask whether it has been properly considered and whether it has been properly thought through.

It's a matter that really hasn't been addressed by members opposite so far. Maybe it's the sort of thing that should be addressed at the committee, having to do with just a part of the bill, but there is a principle involved in there and it has to do with the defining of classes of property. Now I realize the intent of the bill, and that is to have different classifications of assessment. It hasn't been really possible before, and this is enabling legislation to allow that to happen or, to be specific, to give the Lieutenant-Governor-in-Council the power to make regulations to set up those particular categories.

It's always a bit of an embarrassment to the House, I suppose, to pass an amendment to a bill. It suggests that we didn't do it right the first time, and now we've got to come back and do it properly and fix it up a second time. So that is always a concern and we should also be concerned with the amendments that we're putting forward and making sure that they are proper and that we won't be coming back in a month or a year's time to amend the amendment to get that right.

What I was concerned with had to do with that section giving the Lieutenant-Governor-in-Council the power to make regulations, and it does so on the certain bases of size, ownership, types and uses. What we're dealing with here is the taxation on real property, and it's taxation on the property itself via assessment that is a concern here. We're not talking about taxes on people or taxes on income or taxes on wealth, simply on real property, and that is the land and the buildings itself.

The Cabinet, according to this bill, may make classes on the basis of size, which is reasonable when you consider that a class might have to do with a large parcel or a small parcel or some particular parcels in between. When it has to do with the types of land, then you can consider that land of a particular type might be put into one category; land of a different type might be put into another category, etc. That again is taxation on the property itself.

The use of land might well be put into a different category, whether it is used for growing potatoes or for golfing on or for building a highrise on. That makes sense. But there is one other word in there that has

to do with ownership which means that the land might be put into a different category depending on who owns it. So the difference is going to be made somehow on one owner as against another owner. And what will the differences then be made in the ownership of that particular parcel of property? So when the Cabinet then comes to say, well, we'll put this parcel of property into this category because it's owned by a certain party or parties, and we'll put a different parcel of land into a different category because it's owned by someone else.

But where are they going to make the divisions there? Are they going to say it's men as against women? Or is it owned by a corporation or against an individual or a trade union, or land owned by Protestants against Catholics or any other differentiation that you wish to make? You will then run up against the Charter, which has an equality provision which says that all people must be treated the same. They're all equal under the law and before the law. So what this is doing is to give the Cabinet the power to tax real property on the basis of the ownership. But the Charter, on the other hand, says you can't differentiate, you have to treat everybody the same.

I know that it's being done so as to make owner-occupied condominiums be in the same category as single-family dwellings, but what is being said here is that, if you live in the property, it can be taxed in one way and, if you don't live in the property, it presumably can be in a different category and therefore taxed in a different way.

I don't know whether the Minister has considered that portion of it or whether a judge in a year's time, or whatever it happens to be, will have a regulation brought before him by an aggrieved citizen who says, you really can't tax me that way, because you are taxing my neighbor in a different way. You're taxing individuals differently and you're making them as individuals different before the law. Are we then going to come back and be asked to change this to mean something else, to mean that a differentiation can be made on the place of residence of the owner as against ownership? Otherwise, changes will have to be made on the category of the ownership of the particular property.

I ask the Minister, because I haven't had the opportunity to speak to him personally, to consider that point and to think it through quite carefully in case changes have to be made at committee stage, so we won't find ourselves back here in a year's time making - is it the third or the fourth attempt? - to get this thing right.

**MADAM SPEAKER:** The Honourable Minister of Municipal Affairs to close debate.

**HON. J. BUCKLASCHUK:** Thank you, Madam Speaker. We'll just respond to a few of the concerns or questions that have been raised by a number of members with respect to Bill 13.

As was acknowledged by the Member for Arthur, the reassessment and property taxation is not a simple matter. It's a fairly complex issue, and what we are dealing with at this time specifically is the matter of the court-ordered reassessment for the City of Winnipeg. And what is being done is to try to develop

a fair taxation system that will deal with the problem of a lack of a proper assessment for the past 25 or so years in the City of Winnipeg.

Now as was referenced by a number of members, the Weir Committee did considerable work in late 1979, early '80s. The report was received by this government. A number of the recommendations were adopted, and certainly the Weir Committee report did comment on the number of classes. Interestingly enough, one of the recommendations was that there be a separate class for golf courses.

If one reads the report, one will note that in a case of private golf courses the Weir Committee recommended that there be a separate class on the condition that the private golf courses be made accessible to the public. I don't know exactly what was meant by that, but I do know that many of the private golf courses in Winnipeg are being used by the public during the wintertime for cross-country skiing and so on. They are used for social functions throughout the year. For that reason, there's been no hesitation in providing a separate class to deal with very serious problems that the private golf courses were facing.

Now Bill 57, passed by this House last year provided the authority for Cabinet to designate the number of classes and, as was indicated this past January, some six classes were designated. As we moved away from the termination of the City of Winnipeg reassessment, we were being provided with more and more information from the city as to the potential impact on the taxpayers of the City of Winnipeg.

We could only move as quickly as that information was being provided to us and, as I recall, the first concrete information that we received as to the potential impact of reassessment on golf courses, on single-family residential housing, on apartments and so on was provided to us near the latter part of February. My colleague, the Minister of Urban Affairs, and I had a number of meetings with senior elected officials from the City of Winnipeg, at which time we were asked to consider the addition of two more classes, one to assist the golf courses, one to assist the condominium owners, and it was at our instigation that cooperative housing was included.

As an outcome of the meetings, of the letters that we've received from various individuals, from executives of golf courses, from elected officials, we as a government approved in principle the addition of two new classes, one being residential 3 which should encompass owner-occupied condominiums and cooperative housing and a golf course class.

These two classes were developed in response to requests from, as I indicated, tenants of cooperative housing projects, owners of condominiums and from executives of golf courses, from people I'm sure of all political shades, and from elected officials from the City of Winnipeg, unlike the situation of the large lot owners who were unable to convince their city councillors to approach the city asking for a further class.

The reason that the bill is here so late is basically because we have not been provided with information on a timely basis by the City of Winnipeg. As I indicated previously, it was not until the latter part of February, possibly the earlier part of March, that we were given any kind of concrete information as to what the potential

impact would be on these property owners. We were also alerted by the Chairman of the Finance Committee as I recall, being the first one, to the fact that Ontario has had legislation in place since 1979 providing a special classification for residences of cooperative housing projects and condominium owners. However, when this matter was discussed with departmental staff, it was recognized that there was a need to redefine section 31(2) of The Municipal Assessment Act to list as one of the criteria, ownership and size: ownership so that we could develop a special class to accommodate condominium owners and residents of cooperative housing projects who, as members, are owners of the project; size to accommodate golf courses so that we wouldn't find ourselves in a situation where somebody with a miniature golf course would feel that particular property should be in the golf course classification. There are a number of them that would have fitted that category. So the reason the size has been included as a criterion is that a minimum size will be specified for a property to be qualified to be classified as a golf course.

I listened with some interest to the, I would almost say, rabid reaction from the Member for Pembina, which is I guess the usual, and I think his reactions, not because of the timing of the bill, but because of the realization that this government is dealing in a responsible manner with a very complex situation. Not only that, we can talk to the City of Winnipeg. We can discuss issues that are of concern to them, and we respond positively to provide the city with the flexibility that it needs to provide for a fair system of taxation.-(Interjection)- Well, yes. He laughs about the concerns of Winnipeg, of course.

**A MEMBER:** And co-ops.

**HON. J. BUCKLASCHUK:** And co-ops, that's right.

The Member for Pembina knows full well that we, as a government, and the Member for Arthur know that we, as a government, are moving towards province-wide assessment reform. I believe both were present at a meeting in my office about a week ago . . . .

**MADAM SPEAKER:** Order please.

The Honourable Member for Pembina on a point of order.

**MR. D. ORCHARD:** Madam Speaker, I wouldn't want the Honourable Minister of Municipal Affairs to leave a misleading statement on the record. Any laughter that I engaged in was not predicated on remarks he made. Quite frankly, I didn't hear him.

**MADAM SPEAKER:** Order please.

What is the honourable member's point of order?

**MR. D. ORCHARD:** So I'd like him not to leave a misleading statement on the record that I was laughing at the City of Winnipeg, or whatever his stupid comment was.

**MADAM SPEAKER:** Order please.

A dispute over the facts is not a point of order.  
The Honourable Minister.

**HON. J. BUCKLASCHUK:** . . . indicated members opposite know full well that the province is moving in an ordered fashion towards implementation of province-wide tax assessment reform, hopefully within the next three years or so, and they also appreciate the complexity of that issue. However, despite the fact that we had the provincial assessor there and the Deputy Minister to provide the information, I know that there are some who still do not understand or at least would leave us believe that they don't understand what we are proposing to do with these bills to deal with the City of Winnipeg assessment issue.

I will admit to the Member for Arthur that the decision to include two new classes, golf courses and a class for owner-owned condominiums and cooperatives, was not something that was discussed with the executive of the Union of Manitoba municipalities.-(Interjection)- Yes, I admit that and that's been brought to my attention. However, I would ask the Member for Arthur as to how many cooperative housing projects are located in our rural municipalities in Manitoba - very little.

The fact is that we do have in the City of Winnipeg, or we are proposing eight classes, and it does provide the city with the flexibility to impose whatever mill rate it wishes on each class. If it's the city's wish, they can have a uniform mill rate for all eight classes. They can do whatever they wish with their mill rate. That is the flexibility that we are providing to that elected level of government to deal with this issue.

Madam Speaker, I will review the remarks made by all members and respond further to any questions they may have and we in this House look forward to representation from the public tonight as to their views as to what this bill proposes.

Thank you.

**QUESTION put, MOTION carried.**

**MADAM SPEAKER:** The Honourable Government House Leader.

**HON. J. COWAN:** I would move, seconded by the Minister of Agriculture, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty. Health Estimates will continue in the Committee Room and Agriculture Estimates will continue in the Chamber.

**MOTION presented and carried** and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Burrows in the Chair for the Department of Agriculture; and the Honourable Member for Lac du Bonnet in the Chair for the Department of Health.

## **CONCURRENT COMMITTEES OF SUPPLY SUPPLY - HEALTH**

**MR. CHAIRMAN, C. Baker:** Committee, please come to order. This section of the committee will deal with supply of the Health Department.

Tuesday, 7 April, 1987

The Member for Pembina.

**MR. D. ORCHARD:** Mr. Chairman, I just want to ask some general questions. My suggestion would be on this one that we probably go line by line, or program by program.

**HON. L. DESJARDINS:** I was going to make the same suggestion because of the staff, but we will be very cooperative if, for some reason, we have to come back or something.

**MR. CHAIRMAN:** Where do you want to start then?

**MR. D. ORCHARD:** Well, what we'll do, Mr. Chairman, with the first section, it was rather all neatly tied in together so that's why I suggested the consideration of the whole works . . .

**MR. CHAIRMAN:** Now we go on line by line.

**MR. D. ORCHARD:** We'll go line by line now.

**MR. CHAIRMAN:** You don't want to go back to anything in the first section?

**MR. D. ORCHARD:** No.

**HON. L. DESJARDINS:** You'd better not. We voted on it, no sense going backwards.

**MR. D. ORCHARD:** We didn't vote on it yet, Mr. Chairman.

**HON. L. DESJARDINS:** Yes, we did.

**MR. D. ORCHARD:** Oh, no we've got your Salary in there yet.

**HON. L. DESJARDINS:** No, no, but the first section, we passed that.

**MR. D. ORCHARD:** Incidentally, am I now meeting the new Deputy Minister here again today, or what's . . .

**HON. L. DESJARDINS:** Don't hold your breath, and I will tell you if there's any change in the Deputy Minister. He knows. This is something between him and I.

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

**MR. D. ORCHARD:** No, it's not something between the Minister and I. It's a . . .

**HON. L. DESJARDINS:** Between you and my Deputy Minister, whatever it is.

**MR. D. ORCHARD:** Now, Mr. Chairman, some overall questions first off, going by the organization chart, the ADM in Community Health Services, Dr. MacDonald, is responsible for, as near as I read it, all of the sections in section 2 and section 3 of the Estimates, in other words, Resolution 84 and 85, with the exception of

medical supplies and home care equipment. Is that correct?

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

**MR. D. ORCHARD:** Now again, Mr. Chairman, in the terms as set up of the Estimates, it begs a question. I think we got into this a bit last year. Why is medical equipment and supplies not part of this ADM's responsibilities? Why is it segmented off to the ADM of Administration and Finance, Mr. Maynard?

**HON. L. DESJARDINS:** Which one is that?

**MR. D. ORCHARD:** Medical supplies and home equipment, what makes it unique in this series of program delivery that you've got a different ADM looking after it?

**HON. L. DESJARDINS:** The medical equipment and supplies is the warehousing of all equipment and supplies and so on needed for continued care, for home care, and the policy of this is constantly under that Deputy Minister or the ADM.

**MR. D. ORCHARD:** Mr. Chairman, that doesn't answer the question.

**HON. L. DESJARDINS:** It doesn't?

**MR. D. ORCHARD:** No. If all of this equipment was so essential for whatever - you mention the continuing care - why isn't it part of the ADM's responsibility, Dr. MacDonald, and not Mr. Maynard's? Why is it under Mr. Maynard if it's primarily for continuing care and home care?

**HON. L. DESJARDINS:** I understand that's been, for a number of years, historical and there's no better reason than that. I can tell my honourable friend that we're looking, I said earlier, at the Commission but we're also looking in the department. So any changes - that's something that we could consider.

**MR. D. ORCHARD:** Mr. Chairman, do the medical supplies have to be over here as a warehousing operation? The ADM of Financial Administration is presumably more technically capable, in terms of making sure that inventories are kept in order, than the ADM of Community Health Services. To me, it doesn't make sense, if all of the materials are used for the continuing care and home care program, to have it branched off in a split responsibility between Deputy Ministers. Having the ADM of Administration and Finance looking after primarily a warehousing operation might make sense if it was primarily an accounting function. But you've just indicated to me earlier on that it's highly coordinated by the ADM, Dr. MacDonald, in terms of needs and requirements for continuing care.

**HON. L. DESJARDINS:** We certainly could look at that. I certainly have no hang-up on that at all. It's been something that was done for a number of years now and it kept on like that. I don't really know why, to be honest with you.



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

Mr. Chairman, in terms of budget, we're looking at some \$88 million of expenditures that fall under the purview of this ADM, less of course the medical supplies and equipment, so we're probably close to 84 or so.

**HON. L. DESJARDINS:** Gerontology is not under the

**MR. D. ORCHARD:** You've got \$80 million worth of expenditures here, roughly.

**HON. L. DESJARDINS:** But you understand that Gerontology and Medical Equipment and Health Information Resources are not under the ADM.

**MR. D. ORCHARD:** The rough figure \$80 million would still apply.

Mr. Chairman, when I made my opening remarks, one of the things I asked of the Minister in a rhetorical sense but in a very serious mode was, he's now got a budget that approaches one-and-one-third billion dollars in total that he's administering. I've always been of the opinion, I mentioned it last year, that that is a considerable amount of money. That's roughly \$1,300 per Manitoban to provide for their health care on average. Manitoba and Medicare has indicated that there are upwards of \$45 million if we bring our hospital per day costs down to national averages. That is a conservative estimate, if you will.

The Minister, I questioned him yesterday as to whether he can assure that within the department the funds allocated are spent efficiently, cost-effectively and are reaching the individuals who these programs are deemed to serve. Now I found out yesterday that there is basically a split responsibility and presumably a pyramidal responsibility where the ADM for Financial Services is responsible for internal audits, does his work or his staff does the work on internal auditing. But it's up to the ADM or the director, as the case may be, to assure that any recommendations for change in procedure or any correction of problems is done. Then after that presumably, there can be further pressures put on by the ADM of Finance, the Deputy Minister and then the Minister. The question I have for the Minister is: Is he satisfied, under Dr. MacDonald's stewardship of roughly \$80 million, that there is sufficient accountability and efficiency in spending?

**HON. L. DESJARDINS:** There have been some changes in just the last year or two years ago in the whole - we're trying to beef up the Community Health Section, the programs and so on. I can say without any hesitation that Dr. MacDonald has been very productive.

As far as the administration and so on, then we would rely, I think there are enough safeguards in there through the Deputy Minister, like all the others. I've no reason to think we need any more in that area. Of course, up to a certain point, you might say we are pioneering and we're trying new programs. I think we'll see much more of that, because we are trying to kind of shy away a little bit from the institutional model, as I mentioned yesterday, to go in the Community Health, and there will be some changes. I'm sure that there will be more safeguards, if I might say this, or more scrutiny of the

programs as we go along. Some of them will be kind of pilot projects, if you may, and that will be looked at.

But the point is that we are going away from putting everything around the institution. We're saying that could be done better, in some instances better, and certainly more economically by going to the community health. I think we're changing the whole outlook on that, how to provide health care to the people of Manitoba. As you go along this year and next year, I think you will see a big change.

**MR. D. ORCHARD:** Mr. Chairman, that is something I think all of us are aware of, that the delivery of health care is changing. My question was rather specific. Is the Minister satisfied that proper financial accounting, proper expenditures of existing budgets are occurring in this changing system?

**HON. L. DESJARDINS:** I'm sure it's not perfect but, yes, I am satisfied. I want to inform the members of this committee that I have to rely on staff. There is no way that I could be responsible for policy, for changes in the delivery of the service at this time, attend six months or more of the Session with a budget, as my honourable friend said, of over \$1 billion, and not rely on the people who have a responsibility for the administration of funds.

I think there are so many safeguards and, at times, I think there are too many. Anything new we must go to Treasury Board. It has to be approved and is scrutinized at Estimates time. I'm not saying that there can't be some mistakes that could happen but I think that, all in all, we have a Director of Administration also who pretty well up to a certain amount, has a responsibility in all the departments, not talking about the Commission and the administrator in each branch.

So, yes, if there's something that my honourable friend thinks or knows that should be tightened up, I'd be very pleased to hear but, as of now, the information that I get and so on, yes, we are satisfied.

**MR. D. ORCHARD:** Then, the Minister's expression of satisfaction, does that indicate that the conversation with his Deputy Minister, that he's been told that everything has been moving according to Hoyle in the expenditures of line-by-line budget? There are no difficulties, there's no problem? This is what the Minister is indicating?

**HON. L. DESJARDINS:** There are certain concerns or certain problems that are certainly taken care of with the senior personnel. It doesn't necessarily all come to me to be rectified. I'm not talking about something that is radically wrong, or something that is against the rules or direction of the department. I'm talking about if something has to be tightened up. They're meeting constantly at the senior management. That isn't discussed at this time.

I'm not trying to say that I don't accept all responsibility, of course, as Minister I must, but the day-to-day administration is done by the people and, unless something is brought to my attention, I have no way of knowing.

**MR. D. ORCHARD:** A second area I want to briefly discuss with the Minister on the responsibilities of this

ADM, we had a fairly lengthy discussion last year on Dr. MacDonald's role. The Minister replied - just as background to refresh the Minister's memory. I spoke to the Minister of staff morale problems and those staff morale problems, not only within some of the directly-funded areas under this ADM but indeed within the Regional Services delivery, morale was not good. The person, the individual most often named in that of course was the ADM, and the Minister had taken some exception to me bringing that to his attention.

The Minister, on page 2115 of Hansard, has indicated and I'll read this back to the Minister: "Dr. MacDonald has the full confidence of the Minister, I can tell you that. There has been the best morale in the department. There's a lot of dead wood in the department, people who have been there a long time, an old boys' club who have been protecting each other and who do not like any changes at all." Now it goes on to justify that Dr. MacDonald basically was stepping on toes, etc., etc.

Can the Minister indicate to me whether there has been a substantial change in the role of this old boys' club that he identified in last year's Estimates? Has Dr. MacDonald laterally moved any people or stalled anybody's career path, or demoted anyone to come to grips with this dead wood and the old boys' club that was in the Deputy Minister's department?

**HON. L. DESJARDINS:** Well, first of all, let me make it quite clear, when any civil servant takes an oath of being loyal to the department and to the government that it serves - and I've never refused to meet with any personnel at any request, and I've had some requests. Now if they go out then, which is certainly not the way to go, if something is brought to the attention of the government or the department, fine. If they're not satisfied or if something - a criminal action or something - and if they don't get satisfaction from the department or the government, that's one thing.

But that is not the case at all and, if they go and give their information - you're talking about problems with morale with a big department and a department that's changing and that's bound to happen. But these things are never brought to my attention except from yourself. At times there are innuendoes. I don't get the full story. I certainly don't know who's making these accusations, if any, and I can't take that too seriously because their duty is to come and tell me as the Minister responsible for the government.

There is no doubt that there has been - I did mention - an old boys' club at one time, and I think that was known amongst some of the people, most of the people in the department that such a thing existed and do they not want to see changes, any changes at all. Some of them have retired, some should retire fairly soon, and there's been that concern.

And yes, Dr. MacDonald has stepped on toes. We are committed to changes, not only Dr. MacDonald but the department is in certain ways. We're committed to change and if the people that do not want to change, well, they have only one option. That option is not to go and criticize behind the department's back, behind the Minister's back, and not have the guts to come and report it to me. I can't deal with it if it is not brought to my attention and if there isn't any merit. I'm not saying that everything they say has no merit.

Now Dr. MacDonald, there was a commitment from the department that we wanted change. Yesterday, I was told that there was no leadership in the government. Whenever we're talking about leadership, then as far as the member is concerned, well then, it's a confrontation with the medical profession or somebody else or that the morale is low. We don't know who's making these accusations. How can I take that seriously if it is not brought to my attention?

I am not blaming the Opposition at all. If they've got this information, fine, they're going to use it, but that's not the way to change or to improve a department, getting a certain thing a bit at a time and present it like that. The thing is you look into it.

Now my honourable friend has been saying for years that there's bad morale in there. I know that everybody is not satisfied. I expect that, but I don't think that there is that. You know there's never been a hatchet job or looking at trying to fire people. I've never done that. I've inherited all kinds of people. It wasn't like in the Lyon years where everybody that was supposed to be friendly with the then-government were kicked out. There wasn't a single one. I kept Deputy Ministers; I kept everybody. All I ask is loyalty. They can take the responsibility also if there is poor morale in the department for their actions.

Sure Dr. MacDonald has a tough job. We're changing it, something new, and there are a lot of people who don't want change. That's one of the difficult things, that the public itself will probably resist change as much as possible because they're comfortable with certain programs that we've had for a long time, but there is no option. We can't keep up with that. It is probably not the best standard in many instances, and even if it was, financially it is impossible. We will lose everything we have if we don't make those changes and we are committed to the changes.

Sure I said last year or the year before that could defeat a government, and it still might. But if we don't do it, the government might stay, but what are you going to get? You're going to lose the best health care program in the world.

**MR. D. ORCHARD:** Mr. Chairman, the Minister makes an interesting observation. He made the same one last year, talking about staff loyalty, etc., etc., and I brought out some instances last year where I would have hoped that in the interim period of time the Minister would have taken some effort, in discussion with his senior staff, to make sure that staff morale . . . The Minister, of course, just now indicated that he expects there to be some low staff morale when changes are going through.

**HON. L. DESJARDINS:** No, I said some resistance. I didn't say low staff morale.

**MR. D. ORCHARD:** We won't debate that, Mr. Chairman.

Can the Minister indicate whether, in discussion with his senior staff, if members of staff who have problems and have identified those problems to a director, an ADM, if those are handled expeditiously so the employee's career path is not jeopardized? Can the Minister offer me that assurance now?

**HON. L. DESJARDINS:** You're asking me to give you assurance of a big department, everything that goes on in the department. Let's be practical and let's not play games.

I have a responsibility as Minister. I spend six months in the House. I'm trying to run a department, and I'm supposed to know everything that happens in the department. That is ridiculous. I've got to, and I must accept responsibility if anything goes wrong. I can't divorce myself from that. But there is no way in the world that I can know every single thing that happens in the department.

There are safeguards. I started when I was at the Commission, the Policy Committee, where there were regular people and people who were invited if they requested or if we were looking at a certain program. I've repeated until I am blue in the face that people were coming there as equals, as individuals. They didn't have to look at the Deputy Minister or the ADM's who wanted to see if he would be or she would be offended by anything that was said. They said their piece. I've always encouraged that.

How can I assure, how can my honourable friend expect an answer to assure that I know everything that happens in the department if it's kept from me? I would hope that it isn't. I don't know of any cases like that. Undoubtedly, there are certain things that are not brought to my attention. It would not be humanly possible to know of everything that goes on in all the discussions with all the ADM's and the Deputy Minister and all the directors in all the hospitals and so on.

I always said that we try to work as a team. As the head of the team, I must accept responsibility and I do, but to say that I know everything that's there, I'd be lying, and my friend knows that. That is utterly impossible. As far as I know, whenever there's something serious enough, it is brought to my attention, and it is not up to me necessarily to settle every little argument or settle any discussion or people who might have disagreements. That's why we hire Deputy Ministers and ADM's who are a hell of a lot better paid than I am to start with.

So let's look at that and I'm ready to accept my responsibility, but there is no way that I can give a commitment or something to say that I know everything that happens in this department. I don't know of any Minister who does, or certainly any Ministers of Health.

I'll accept responsibility. If there's something wrong, let my friend tell me and I'll look at the situation immediately, but I've never refused anybody to come and see me directly if they requested that. In fact, there's an awful lot of people that do. I've encouraged that, if anything, without trying to undermine my senior staff, and I will continue to do that. But if it's not brought to my attention by either the person who might have a complaint or a concern or by the staff, I don't know what I can do.

**MR. D. ORCHARD:** Mr. Chairman, the reason I posed these questions to the Minister is that he is saying that the proper role is that staff should report problems to their superiors and ultimately to the Minister. Failing to do that, the Minister is saying that they are not loyal people if they perchance were to provide information, if that was the case, to members of the Opposition or to the media for that matter.

**HON. L. DESJARDINS:** They make a commitment not to do that.

**MR. D. ORCHARD:** Mr. Chairman, that's why I asked the Minister if he has the assurance from his senior management, which aren't all that numerous even though the department is large that, when staff bring legitimate complaints to directors, ADM's, etc., those complaints are dealt with, including complaints which deal with the director? And I think the Minister understands what I'm saying.

You've got staff underneath the director who may be complaining about the way the director or the ADM is running that shop, and they come to that person and they point out to him, I don't think you're doing things right. That's hardly a nice situation for staff to do, and I'm asking the Minister: If when staff does that, are their complaints forwarded through? Are they acted upon or do those staff not get treated as well as they maybe should have and maybe they're shunted aside? That's what I want to know from the Minister.

**HON. L. DESJARDINS:** Mr. Chairman, I understand the question, but how do I know if the person who has a beef doesn't let me know and, for some reason or other, the director or ADM or Deputy Minister doesn't tell me? How can I say, yes, he tells me everything? How do I know?

The situation is that I am satisfied as far as the information that I get. They are not necessarily telling me everything because it is their job to settle it. If it is something serious or if they can't do it, then they have to report to me. But let's go back and let me say publicly, in a case where somebody has a beef, is critical of the ADM or of a director, then I would say it is difficult to go and tell an ADM or a Deputy Minister, you don't know what the hell you're doing or you're not doing it right. But if they are not getting satisfaction after discussing it with these people and if they're convinced that they're right, then I say publicly, all they have to do is get hold of me. Then I will know, but that hasn't been done.

There was a case that came to me, and there was a lot of work done on that; there was one case.

**MR. D. ORCHARD:** Mr. Chairman, I would like to ask the Minister if the ADM is the point person, if that's the terminology to use, who would be the first respondent to solve problems in the regions where service problems, delivery problems in the regions are identified. Is the ADM the one that's responsible to assure that a regional director is undertaking changes that may be recommended or changes that may be necessary?

**HON. L. DESJARDINS:** Normally the first line would be the ADM who is responsible for that - well, first the director and then the ADM in that section, the executive director, and then finally the Deputy Minister and the Minister. But oftentimes I understand that they - I know that there's a senior management committee that meets constantly and those things are discussed there at that time, or the director or somebody might feel that he should warn his superior and get the assistance or the help of the superior, the next one in line, and that is done. But this is a judgment call.

Tuesday, 7 April, 1987

It could be something that a director - you can't see every single executive director running to tell the ADM and the Deputy Minister and the Minister and the members of Cabinet every little thing that happens. It depends what it is. It's a judgment call. I might, even at the level of the Minister, try to solve it and, if I feel that I can't or for some reason or other that it has to go to the Cabinet, then I tell the Cabinet because the Cabinet is responsible for me.

So I'd like to help my honourable friend, but I can't guarantee that I know everything that is happening in the department. I'm not trying to hide anything from anybody. I have no reason not to trust the senior people who work with me - no reason at all. I'm not saying they're perfect. I'm not saying they don't make mistakes, but to say I don't trust them, fine. I hire people with skills and weaknesses, the same as members of Cabinet and members of the MLA. Fine, I go for their skill mostly and then we try to compensate if there is some weakness. I'm not saying everybody is perfect, but I trust the people who are with me until it is shown to me that I shouldn't or if they have been playing games behind my back, but I have no reason to believe that is the case.

**MR. D. ORCHARD:** Mr. Chairman, I take it from the Minister's collective remarks so far this afternoon that he would still make the statement that he did last year on page 2116: "The thing is, Dr. MacDonald has a job to do. She's doing it; she's doing a damn good job."

**HON. L. DESJARDINS:** I think she is, and I think the people working with her think she is.

**MR. D. ORCHARD:** Mr. Chairman, can I ask the Minister, yesterday there was an indication that he could provide me with the growth program over expenditures. Is that information available today?

**HON. L. DESJARDINS:** I understand that it is, yes.

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

Can I ask another question while I'm awaiting that information? Were there one or two Special Warrants that the Minister took to Treasury Board for approval of overexpenditures this year?

**HON. L. DESJARDINS:** I think there were two Special Warrants.

**MR. D. ORCHARD:** Now, will the details of those Special Warrants also be made available?

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

**MR. D. ORCHARD:** Mr. Chairman, this is a general question and it probably should have been posed yesterday, but the ADM of Finance is still here. Were the Special Warrants sufficient so that the department with printed authority plus the authority given through Special Warrants did not exceed that authority, i.e. overextend beyond the printed estimate in the Special Warrants?

**HON. L. DESJARDINS:** What year is my honourable friend talking about, '86, '87 or - my information is

that, no, we didn't exceed - we exceeded, of course. That's why we went for a Special Warrant, but you said over and above that?

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

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

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

I've got some general questions and this involves digging into not only Appropriation 2 but also 3, because the difference between last year's print over print is that, under Community Health Services Operations, you've eliminated Operation Support and you only have Regional Services under section 3. The question is, where do the three staff, I believe, from last year and the budget of 132,700 that was in the printed Estimates last year, is that part of Program and Operation Support that we're dealing with on the first item with 2.?

**HON. L. DESJARDINS:** That was amalgamated this year. There has been some change of presentation of this to try to make it easier for the Opposition with the other information that we've had also, with the added information that we provided the members of the House.

**MR. D. ORCHARD:** Mr. Chairman, that stimulates the question, if I follow my SY's from last year, there were 19 in Program Support and I presume that Program and Operation Support, according to the Supplementary Information, is the same thing because it indicates 20 SY's.

I'll just finish the question because it ties in. Under Operation Support, which was under Operations last year, there were three SY's.

**HON. L. DESJARDINS:** You're talking about voted last year?

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

**HON. L. DESJARDINS:** See, now I've got to adjust this. I've got to look in three different things.

**MR. D. ORCHARD:** I know this gets confusing, but the basic question is, if you amalgamated the Operation Support with Program Support, you had 22 staff between those two sections last year. You've now got 20. Was there some reallocation of staff somewhere?

**HON. L. DESJARDINS:** One went to Mental Health and one went to the Region. Werbeniuk went to Mental Health and a vacant staff who went to Region.

**MR. D. ORCHARD:** Okay, that clears up the amalgamation.

Mr. Chairman, in the detail of Program Operation and Support, according to the sub-supply, we've got a sizable increase in qualification pay, from \$40,000 to \$90,000.00. Now the definition of qualification pay, if I follow it closely, is additional remuneration to the basic salary rate for nurses and doctors based on qualifications possessed by an employee as negotiated in the collective agreements, GEMA and MMA.

Mr. Chairman, I note that there are some vacancies in the Operation and Support presently. What's the

extra \$50,000 in qualification pay to be used for this year?

**HON. L. DESJARDINS:** This is to more acutely reflect the pay for the negotiated salary of all the medical, the mental staff, with the MMA agreement.

**MR. D. ORCHARD:** Okay, does that mean that we've got now more than double the number of staff in this 20-SY Program and Support Branch? Have we got more than double the number of staff who require qualification pay, or has the rate of qualification pay doubled?

**HON. L. DESJARDINS:** No, last year some of that pay would be under the Salary line. To be more accurate, to reflect more truly the pay of the medical profession as per the agreement of the MMA, this has been pulled out and put in this line.

**MR. D. ORCHARD:** Mr. Chairman, not that I want to nit-pick with the Minister, but that answer doesn't make any sense because that is the whole purpose of the adjusted vote is to show the difference year over year of such things as qualification pay because, if it was part of Salaries last year, it could have been pulled out and shown as qualification pay in the adjusted vote.

But is the Minister saying that . . .

**HON. L. DESJARDINS:** I am just talking about this year, why this happened this year. That's the information that I'm getting. You asked me what that line reflects and that's the information that I'm getting.

**MR. D. ORCHARD:** But, Mr. Chairman, that answer doesn't make sense because, if part of the qualification pay last year was included in Salaries, the adjusted vote should have pulled it out and shown it. Now that's either saying that the qualification pay of \$40,000 that's in the adjusted vote for 1986-87 is understated, or my question still stands: are you paying double the number of staff?

**HON. L. DESJARDINS:** No, it was understated.

**MR. D. ORCHARD:** Well, Mr. Chairman, if it was understated, why didn't the adjusted vote show it stated properly and not leave the impression that you're doubling qualification pay?

**HON. L. DESJARDINS:** This is what I've been trying to say, that it has been corrected to reflect the true picture this year.

**MR. D. ORCHARD:** Okay. Then let's make sure we understand what we're talking about: (a) there is no difference in numbers of staff who are eligible for qualification pay year over year; (b) nor is there a doubling of the size of qualification pay year over year. We're talking apples with apples when we compare adjusted vote last year to the requested vote this year.

**HON. L. DESJARDINS:** The situation is that there were vacant positions last year where we didn't anticipate that we could get the medical staff to fill these positions, and this year we are.

**MR. D. ORCHARD:** I guess I won't spend too much more time on it, but last year's SY summary didn't show any vacancies. But I accept the Minister's answer on that.

**HON. L. DESJARDINS:** Well, the added bit of information that I'm getting is that some of these positions were filled with people who were not medical staff last year because we felt that we couldn't recruit the medical staff, and this year we anticipate that we will.

**MR. D. ORCHARD:** Mr. Chairman, that's all the questions I have on this Programs and Operations.

**MR. CHAIRMAN:** 2.(a)—pass.  
2.(a)(1) - the Member for River Heights.

**MRS. S. CARSTAIRS:** Thank you, Mr. Chairman.  
Like the previous speaker, I am somewhat concerned about the qualification pay and I still don't understand the explanation of exactly what it is. I mean the qualification pay, is it provided to those 12 SY's who are on the professional technical staff?

**HON. L. DESJARDINS:** The qualification pay is to qualify for that. The maximum is \$10,000.00. We hope that we will recruit more to go to the 90, that it would be 9, and last year it was the 40. We're trying to recruit more doctors.

**MRS. S. CARSTAIRS:** Mr. Chairman, I have to say that I'm still very confused. I really don't understand.

**HON. L. DESJARDINS:** Well, I understand that this qualification pay is to attract the type of people that you wish, and it's an added \$10,000 as per the agreement over and above the salary. This is as per the agreement that we have at the MMA. Last year there was 40,000.00. If they've raised the maximum, that was 4, and now we expect to recruit 9, I guess, if we go to the maximum, 5 more, and that's why there are 90 instead of 40.

**MRS. S. CARSTAIRS:** Mr. Chairman, exactly who of this 20 staff - obviously, not administrative support of which there are 6, so are there 14 people in this particular section who are eligible for this qualification pay?

**HON. L. DESJARDINS:** They would be part of the professional, the 12, and there are 9 of them.

**MRS. S. CARSTAIRS:** So when you are hiring, you can . . .

**HON. L. DESJARDINS:** If they're qualified, if they qualify.

**MRS. S. CARSTAIRS:** I'm really confused about this, I'm sorry. You've got 12 professional staff. Presumably, they're primarily doctors or nurses. These individuals wouldn't really be hired under normal circumstances because the job would not be attractive enough, and so you therefore have to offer them additional pay?

**HON. L. DESJARDINS:** It's part of the negotiated agreement with the MMA for specialty. These are people who, before that, some of them did not have this specialty. When you can't get exactly what you want, the best, well you get second-best, the same as we've done in mental hospitals with psychiatrists and so on. But now we are trying to attract those kinds of people with specialties and, as for the agreement with the MMA, there's \$10,000 for those who are qualified over and above their salary to entice them to train in community medicine.

**MRS. S. CARSTAIRS:** All right.

**HON. L. DESJARDINS:** It's just the same with public health nurses and so on. They're not always the easiest thing to recruit.

**MRS. S. CARSTAIRS:** Can the Minister explain what stand-by refers to? It's a new qualification. It wasn't in last year.

**HON. L. DESJARDINS:** That again is an effort to be more specific. That was in Salaries last year. These are doctors who are working on weekends and so on. That was also part of the ongoing discussion and agreement with the MMA.

**MRS. S. CARSTAIRS:** Thank you, Mr. Chairman.

**MR. CHAIRMAN:** Any more questions on 2.(a)(1)?  
2.(a)(1)—pass; 2.(a)(2) - the Member for River East.

**MRS. B. MITCHELSON:** Thank you, Mr. Chairman.  
We're on now then to Communicable Diseases? Mr. Chairman, I'd like to ask the Minister, under Salaries, there are two staff, both managerial. Are they the same people who were there last year?

**HON. L. DESJARDINS:** It's the same as last year. One is Dr. Fast, the other was the same vacancy that we had last year.

**MRS. B. MITCHELSON:** The same vacancy. So, there is no one else there? I was wondering why the decrease in managerial salaries.

**MR. CHAIRMAN:** Could I have a clarification from the Member for River East? Are you talking about 2.(a)(2), or 2.(b)(2), or 2.(b)(1)?

**HON. L. DESJARDINS:** 2.(b). We passed 2.(a). 2.(b), Communicable Disease Control.

**MR. CHAIRMAN:** We passed 2.(a)(1). Now are we talking about 2.(a)(2)?

**HON. L. DESJARDINS:** No, we passed it.

**MR. CHAIRMAN:** Okay, that's what I asked. So we're at 2.(b)(1).

**MRS. B. MITCHELSON:** Mr. Chairman, can the Minister explain to me, there's \$8,000 in overtime here again in this line, and I notice that was the adjusted vote for

last year and, for the upcoming year, there is an increase to \$12,000.00. Can the Minister explain how he can know ahead of time how much overtime and how much money can be allotted for this?

**HON. L. DESJARDINS:** This is something that is very difficult to estimate, and we had underestimated last year. You can have a few emergencies or something and it could change the whole thing. You could have a spill or you could have something . . .

**MRS. B. MITCHELSON:** So, Mr. Chairman, the Minister is then indicating that the adjusted vote from last year then of \$8,000 was not enough?

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

**MRS. B. MITCHELSON:** Mr. Chairman, I'd like to move right into AIDS if I can and ask the Minister some questions.

Can the Minister tell me how many cases of AIDS we have to date in the province? How many carrying the virus? How many are infected, have a full-blown case of AIDS, and how many have died?

**HON. L. DESJARDINS:** Of 17 known cases, 6 died and approximately 100 are known as being infected.

**MRS. B. MITCHELSON:** Mr. Chairman, so 6 of those 17 have died already, or there are 17 further cases?

**HON. L. DESJARDINS:** No, 6 of those 17 have died.

**MRS. B. MITCHELSON:** And those are the updated figures as of right now?

**HON. L. DESJARDINS:** The latest that I have.

**MRS. B. MITCHELSON:** I just would like to quote from the Throne Speech when the Minister of Finance was on his feet stating that: "My government will intensify its efforts to seek innovative solutions to the challenges of health care and to maintain our province's leadership in this field." I have to say that I don't feel that, in this area of health care, this government has taken any direction or any leadership.

Last year in the Estimates when we were discussing AIDS the Minister said that in a month or so AIDS should become a reportable disease. Now this was back in July of 1986 and, to date, AIDS has not been made a reportable disease. I'd like to ask the Minister where it's at and what's happening right now with making it a reportable disease.

**HON. L. DESJARDINS:** Mr. Chairman, the honourable member talks about leadership. Certainly, members are entitled to their opinion. It is true, that, quite sincerely last year, I expected that there would be some information that I would be able to - it is true that I didn't deliver the commitment that I made, if you want to call that a commitment.

Now the reasons for that is that it took an awful lot longer, through the Attorney-General and the Human Rights and so on and so forth in discussing with different groups, to arrive at a decision. But let me tell my

honourable friend who has made a lot of noise lately on the question of AIDS, let me ask my honourable friend: What big difference will it make if it is a reportable disease? Because we have the information now, not the names, but we have the information, and that is the main thing if you're going to have research.

We talk about leadership. This is something that you work together. All provinces are not going to reinvent the wheel. We are working with the Federal Government. There's a federal committee on this working with the different provinces. We're getting a lot of the information. The Federal Government also has an information program. We have discussed that with the doctors to start with. There's a lot of misunderstanding with the medical profession.

The important thing - we can have all the names of the people that have AIDS, we are not going to save them. They are going to die, No. 1. The information that we want is to provide as much education to make sure that people take it very seriously. It is very serious, but panicking is not going to help. If we have the names, what could we do if we already have the information? What are we going to do unless we put them in jail? We are not going to do that. We are not about to incarcerate people if we find out they have AIDS. The only thing we could do is talk to them again, and we are talking to different groups and getting some of the information.

Now the compulsory testing was another thing my honourable friend talked about. In compulsory testing, I said that I am anxious to hear and I understand that this will be presented in the House as a private resolution. I can't speak for the government at this time. The government doesn't intend to bring in compulsory testing. This is something that we'll listen. I certainly would want to keep an open mind on that. I would be inclined to say that I would certainly want to think this thing over and may be inclined to support compulsory, and I'm talking about personally as a question for marriage, but not in a ridiculous way.

When you have people who have been living together for two or three months or six years but, because they apply for a licence, we're going to say that you've got to have a test? I think probably that it could be available in an optional way. As far as the question of testing on pregnant women, well then, you would only need that for one thing, and that is to have an abortion. That's all that it will do, if you want to have an abortion. That becomes a political belief of different people, and I think the best thing to do is let the people, especially if it is available, if it's optional.

So right now, I want to keep my options open when that will be introduced by the honourable member. It will be discussed. I'd like to know the reason why, but I don't think it's bad to learn from the Opposition or a different party, and I'm ready to look at it. But that is the statement that I've made.

Now as far as this being compulsory that it has to be reportable - and then I've had to wait for other departments, other things that had to be done. I couldn't deliver, I accept that. That doesn't mean that it wasn't - if you want to call that lack of leadership, it's certainly your option. It doesn't worry me that much that you call it that. The situation is that I announce that I feel we should be able to do it very soon. I'm not that excited all of a sudden we're going to cure everything

by that. I don't think that we're going to do a hell of a lot better than we're doing now.

Because as I say, we have the information. The information goes on for the study and the research or whatever it is, and that is sent to the bank or the main committee, federally. The main reason that I can see except that identifying the people and maybe go and talk to them and help them face their problem and maybe try and educate them if they want that. Oftentimes, these groups don't want any part of that. Then the next thing, unless you say, all right, you have AIDS, we're going to put you in jail. We're going to lock you up like the Chief of Police was suggesting. We're not going to do that, so I don't need that information.

**MRS. B. MITCHELSON:** Well, Mr. Chairman, I think the Minister has just confirmed that it might not be only lack of direction or leadership on his part, but it might be lack of direction or leadership on behalf of this NDP Government.

**HON. L. DESJARDINS:** No, that's not what I said at all. That's not what I said; that's what you're saying.

**MRS. B. MITCHELSON:** There happens to be a reportable system in place, Mr. Chairman, in eight other provinces across the country. And I cannot understand it, and maybe the Minister of Health can shed some light on whether we've done any consultations with these other provinces, whether himself or any of his department have been consulting with the other provinces that have a reportable mechanism in place at this time to see how they came about developing that policy and what are the holdups here in this province.

You indicated last July that it should be reportable within a month. To date, it has not become reportable. Again this year, you're telling us that it's going to be reportable quite possibly in a month from now. What are the holdups and what are the problems, and what makes this province so different from any other province in being able to develop a policy? If there is a problem, can we not consult and get something going?

**HON. L. DESJARDINS:** Well, I'm awfully pleased, Mr. Chairman, that I now have the definition of leadership. If eight out of ten have it, it must be good and that's leadership, so hurry up and get it. Well, that doesn't excite me that much either. Yes, there has, and I stand and I repeat, we've had discussions. There is a committee that deals with the Federal Government. The Federal Government is very much involved in that, as they should be. It's a Canadian problem, and they've got the resources that we don't have. We don't have to reinvent that in every single province and there are discussions between the provinces.

I'm not saying it's something bad. It might be that other provinces might think like the Chief of Police of Winnipeg. Maybe they want to do that. We don't want to do that in Manitoba. Maybe we are providing leadership, because we feel that we should be different from the others. Now, I don't think it's going to hurt to have it and you might say, well, why are you going to have it? I'm not saying it's bad, but I'm saying that



**Tuesday, 7 April, 1987**

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it wasn't a first priority, which you're trying to make it look like, as if all of a sudden we've endangered people because we didn't have a reportable disease. I'm saying that it wouldn't have made that much difference. Now, if you still feel that in the name of leadership we must have it because eight - well, you advocate that.

**MRS. B. MITCHELSON:** Mr. Chairman, I don't think the Minister has answered my question when I asked what is holding things up in Manitoba or who is holding things up in Manitoba?

**HON. L. DESJARDINS:** I can try in French, but I can't try anymore. I've repeated it three times, what I've said. You might not be satisfied with the answer, but it is my answer. I said we were discussing that with other provinces. I said we wanted to check with Human Rights and talk to other groups and all those reasons. I was wrong when I thought that we could do it, and there's been some doubt, so we went back to these people, discussed it with the people. I'm saying that from Day One I didn't deliver, so shoot me, I didn't deliver. All right, but I'm saying that I do not think that it's the end of the world. And I don't think that by making this a reportable offence - I know that eight provinces have it - but I don't think that you're going to achieve that much difference and I'm stuck with that. That's my answer. Now you go ahead from there.

**MRS. B. MITCHELSON:** Well, obviously the Minister of Health does not want to answer the problems that he is experiencing in his Cabinet. Maybe he can answer to me whether he has presented this to Cabinet yet?

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

**MRS. B. MITCHELSON:** It has never been presented  
. . .

**HON. L. DESJARDINS:** I wasn't ready, we've talked about it. It is going on now, and Cabinet will make a decision if they want. They'll be presented with the positive and negative, if it is and, if they accept it, then I can bring that up within a couple of weeks.

**MRS. B. MITCHELSON:** Mr. Chairman, in Estimates last year the Minister indicated that AIDS, and I'll quote: "Yes, AIDS and chlamydia are in the process of being classified as recordable diseases. We have to go through the Regulations Committee as my honourable friend knows, and that's where it is now."

Can the Minister explain to me what normally happens when something goes to the Regulations Committee? Where does it go from there, and what's the normal process?

**HON. L. DESJARDINS:** I just finished telling you. What it is, where it's gone through and discussing with other groups and the concern with Human Rights or any other legislation that might be, and the people bring in the negative and the positive thing. I accept that; I accepted that I didn't deliver.

**MRS. B. MITCHELSON:** Just let me get my notes here together and we'll go on to another area.

The Minister's made some comments that I would like to comment on all at once. In the time coming up he's said I've made a lot of noise and I certainly have in the last little while because it's becoming a genuine concern. AIDS is a killer disease and I know that there's a lot of misinformation out there. A lot of people are not educated and I think right within the department, and nobody has all of the answers. I'm not saying that anyone has all the answers. I certainly do not have all the answers, but it is a genuine concern to me. It is a fatal disease and making it reportable can definitely have some benefit.

**HON. L. DESJARDINS:** How?

**MRS. B. MITCHELSON:** Even though the Minister says that it's not going to do anything, we're not going to solve the problems, we're not going to cure those people.

**HON. L. DESJARDINS:** How?

**MRS. B. MITCHELSON:** I'll tell you, or I'll tell the Minister that, along with knowledge, okay, that you have the disease, comes responsibility, responsibility for acting in a manner that does not expose other persons to the disease. Am I not correct?

**HON. L. DESJARDINS:** Now we're getting somewhere. Maybe my honourable friend is absolutely right. If they wish to make this a reportable disease and it seemed to indicate that, with the knowledge, they have a responsibility. Does my honourable friend see the responsibility, as it will keep these people segregated from the rest of the others? And if so, then you've got a battle. Because some people agree with that and I don't think society is ready to accept that now. It could be, if it got worse. I don't know, I can't tell the future, but I am saying right now we are getting somewhere. I see why my honourable friend wants it to be a reportable disease now, because they feel that they must do it. Certainly it's very difficult. I'm not criticizing my honourable friend for that at all. That is the case, but we disagree. It's a very tough decision to make, but we disagree. We do not feel that we have the right to take people who are sick and say, you're going to be segregated from others. That's the only thing that you're going to gain.- (Interjection)- That's what she said. You weren't even there, that's what she said.

**A MEMBER:** You're being silly.

**HON. L. DESJARDINS:** I'm not being silly, that's what she said. Well, if it isn't, what are you going to gain by making this a reportable disease?

**MR. CHAIRMAN:** Let's try to keep this civil.

**MRS. B. MITCHELSON:** Mr. Chairman, I take a little offence to the Minister saying - I, at no time, indicated that I wanted to segregate anybody in any way, and he's trying to turn things around.

**A MEMBER:** Bulldozing the witness like he always does.

**MRS. B. MITCHELSON:** Anyway, I must admit that I have a little more confidence in myself this year, a little

more than I did last year, and I won't be intimidated quite as easily this time around.

**HON. L. DESJARDINS:** That's the last thing I want to do.

**MRS. B. MITCHELSON:** I want to let the Minister know that I do know that right now under the system, when it's voluntary reporting, it's up to the people who are infected with the virus to go to their contacts and let them know that they, in fact, are infected with the disease. When it is a reportable disease, Mr. Chairman, it's up to someone else then to go to the people who have been in contact with someone infected with AIDS and make them aware. Am I not right?

**HON. L. DESJARDINS:** This is not something that we have recommended at all, that we do contact tracing. That is difficult, and many of these groups will not go along with that.

The point that I was trying to make - and I wasn't trying to intimidate you, you can rest assured of that - what you said - and I want an explanation of that. I thought that maybe that's why you insisted so much on making this a reportable disease. You said, along with the knowledge, there is a responsibility. I took that as, say, with the knowledge that you have the names, then you're going to do something about it.

There is very little - we already have the information because we have the results of the test, all right? And for the study and the research or whatever, that is fed in the bank with the statistics of other provinces and so on, and that is looked at. The advantages that we could have on this is if - and I'm not damning anybody on this; it is a very difficult thing, and I can assure you we're taking it very seriously also. But because we don't exactly want to deal with it as you do, it doesn't mean that we take it less seriously. It is very serious. I don't know of anybody who doesn't take it seriously. It is a killer and, once you've got it, that's it.

Once we have these names of these people, we can't cure them. They're going to die. All right, so what can you do? You can go and talk to them, and I said that. You can go and talk to them personally because you have their names, and you see the groups are not that anxious, some of the people who have that. They are resisting some of that. You go and talk to them and try to get them to be responsible with others also, and the best that you can do - or you can follow them. You can go ahead and force them or try to force them to give you all the contacts if that's possible, and carry on.

Now those contact people, if they've got it, they're going to die. So it's the same thing. It's a very difficult thing. It's not like an unusual venereal disease, because there's death there. With the others, there's not always that.

Again, I can understand some people feel like that. What are you going to do? You've got a killer loose. By having the names of these people, you can say, all right, you're going to watch them or seclude them or something, and that's a possibility if that's what you mean. I am saying that, and that's what I said, if that's what you mean. Well then, we disagree because we do not want that. Now if you don't, well tell me.

**MRS. B. MITCHELSON:** Mr. Chairman, is the Minister saying then that, even if this becomes a reportable disease, we're not going to trace contacts like we do with other sexually transmitted diseases? Do you not normally trace contacts?

**HON. L. DESJARDINS:** On a voluntary basis, yes. Well, that's what we're recommending. That's where the difference is.

**MRS. B. MITCHELSON:** That is what you are recommending in this instance, but what happens in the instance of other sexually transmitted diseases? How are the contacts traced?

**HON. L. DESJARDINS:** Well, first of all, it is very difficult to make that stick because many of the doctors will tell you themselves that they're not going to report it. You can't legislate these things for some reason and so on. It's very difficult. I think there are more of the people since then have reported the disease, but you can't guarantee that this will be done just because you say it's a reportable disease.

With the others, we will. You have somebody who has syphilis or something like that, you can cure them. Now you can report all you want. If these people have contacted a person already, and you're going to find out because that's going to be a reportable disease. I'm saying, you can't cure those people. If they've got it, they're going to die the same as the original one. It's not the same thing.

**MRS. B. MITCHELSON:** Mr. Chairman, that's not the point I'm trying to make at all. The Minister is saying that, yes, with syphilis and other sexually transmitted diseases, they trace back the contacts and make those people aware that they have been in contact with someone carrying the disease and they can be treated. That's all fine and good.

But the Minister is saying that with AIDS, which is a completely different situation and you've got basically a killer on the loose like the Minister says, we're not going to trace contacts of those people and make those who have been intimate or in contact with those people carrying the virus or with AIDS. We're just going to let it go merrily on its way and continue to kill people - do nothing!

**HON. L. DESJARDINS:** I'm going to repeat to you again. You might not like the answer.

There's an awful lot, as my honourable friend said, that is not known about AIDS. In fact, quite honestly, we don't know what to say to those people at this stage. It's very difficult. Now we're asking for more funds and two staff years to look at this, to collect information and so on. I am saying that right now it is voluntary.

Now let me again try to make the difference between that and syphilis, for instance. You will search and we do it voluntarily only for AIDS - the others we will trace these people. We'll say, hey, you're contacted, okay, and they will be treated immediately.

But let's say that it's an AIDS victim who contacted AIDS and who's got AIDS. Then it becomes the same as the one who caught it immediately; that person is

Tuesday, 7 April, 1987

dead. Yes, that person is dead. So what are you going to do? You're going to get this information also. So what we are doing is getting the information and trying to work with the research with other groups and then to be able to deal with these people. But anyway, the difference is that we will do it at this stage on a voluntary basis, the tracing, and that's where we disagree.

**MRS. B. MITCHELSON:** Mr. Chairman, the Minister doesn't appear to be interested in finding out who the carriers of this disease are, and he's saying that, once you've got AIDS, you're dead. Well, there are a lot of people who carry the AIDS virus, or there are a number of people who are not dead. They're not automatically dead. They carry the virus, and they can spread the virus onto more people. So why wouldn't you want to trace the contact?

**HON. L. DESJARDINS:** It is a question, Mr. Chairman, of more information. Now there are approximately one-third of these people who will be contaminated. Some of it may never develop and what can we do? We're not going to keep the names of all those people and so on. We're giving the information as much as possible, how the people should take care of themselves and to everybody?

**MRS. B. MITCHELSON:** Mr. Chairman, I just make the point that we keep lists and records of suspected child abusers, yet we're not going to keep lists of people who might be suspected killers?

**HON. L. DESJARDINS:** Because you made that comparison, it doesn't make it valid as far as I'm concerned. It's not the same thing at all. We're talking about AIDS now.

**MRS. B. MITCHELSON:** Speaking of people not knowing everything, some of the latest studies that have been done show that up to 50 percent of those who are carrying the virus will get a full-blown case of AIDS. Those are the latest statistics, and it's changing quite drastically.

**HON. L. DESJARDINS:** That's right. It's fluctuating every day.

**MRS. B. MITCHELSON:** It's fluctuating every day, but it's on the incline.

Just a case in point, I was reading through the information that was presented on February 13, 1986 to the Police Department in the City of Winnipeg, and the content was approved at that point by Dr. Margaret Fast. It says in here that 5 percent of people exposed to the virus will develop a full-blown case of AIDS. That was February, 1986. Just a year later, we're saying now that studies are showing that there are 50 percent of those who are carrying the virus will develop a full-blown case of AIDS.

So let me tell you statistics are rising and the numbers of people who are contracting the AIDS virus are increasing. The numbers are devastating in the States. By 1991, we'll have 10 times the number of cases in the United States, and I'm sure it'll be the same here as they have right now. So I have to say that it's on

the increase; it's spreading from the high-risk group sectors in the community to normal, everyday people who are going to be affected as a result.

I have to say, the Minister talked about education and counselling of those who are infected, but I think we have a right to some education and counselling of those people who are contacts of those people who are carrying the AIDS virus who might not be aware that they are carrying it. That's why I'm suggesting that we make it reportable and we trace contacts.

The only way we're ever going to learn - and there is so much misinformation and we are learning more every single day about AIDS. The only way we're ever going to learn more about the disease too is to trace those contacts, to know who has been in contact with the virus, okay, and to study and research the lifestyles of those people who put them at risk to exposure to the disease.

I know I don't have all of the answers, but the more people who are aware, the more people we know who have the disease, the more people we can talk to, the more understanding we will have of the disease.

**HON. L. DESJARDINS:** Mr. Chairman, I think it is pretty well accepted that the best way to deal with this - and it's true there's an awful lot of information will come and I think the policies must be flexible as you learn more and more about it. Now it depends on who you talk to.

The information we have received which has increased from the first, the situation is that there has been from 30 percent to 35 percent. You're talking about 50, I don't know where you got that. But the situation - isn't it better to give the information to all our population before they are infected? And that's exactly what we're trying to do. We're trying to do that. If the people - not just those who are getting some symptoms but, when it develops, that those people, the information that we get, that they will never get a cure. I'm not talking about that as only an indication, but I'm talking about those who really have it who are going to die. There's not going to be a cure. There might be a vaccine one of these days to prevent it and therefore you're going to have the same thing. Even if they found something now, you probably will have people who will die maybe in the next 5 or 10 years and so on. It's going to be very costly to treat these people. This is certainly the advice we're getting from the federal committee, the Federal Minister.

All right, first we don't panic - everybody. I don't think that it should ever be said that people, because they look at it, the way to deal with it differently, that people are not interested or don't give a damn. I'm sure that's the last thing I would say about anybody. We're all very, very concerned, but we feel the best way is to educate the public in general with the schools and so on to make sure.

You can get it from many ways and apparently it's changing also. You can have purely innocent people who might get it from their spouse or something and that is what we're pushing, the information as much as possible. We feel, right now, that it would give us very little - rightly or wrongly, but that's what we feel. That's what our advice is, these people doing voluntarily and this is what we're ready to do at this time.

Tuesday, 7 April, 1987

**MRS. B. MITCHELSON:** Mr. Chairman, I have some difficulty with all of this conversation. I don't think the general public is willing to just sort of sit back and wait for half of the positive tested population to die before somebody takes some action.

**HON. L. DESJARDINS:** Am I suggesting that? That's a stupid statement to make, for God's sake.

**MRS. B. MITCHELSON:** Mr. Chairman, the Minister talks about education of the public. I agree there has to be education of the public. I think that we have to really look at using public funding, public money. We're talking, we have to educate and we have to do the research, okay, and those in the high-risk groups in the world know how devastating and how fatal AIDS can be. For them to sit back and not take any responsibility themselves when they're asking governments to be open and up front and to accept the responsibility and to educate and to do the research with public money, with funding, okay, and they're not willing to be open and up front and to accept any responsibility themselves for making people aware, making -(Interjection)- yes, the high-risk groups. Until they are willing to be open and up front and to come out and provide some of the information that is required to educate the general public and to research the disease, then we're in big trouble.

**HON. L. DESJARDINS:** What do you suggest we do if they don't want to?

**MRS. B. MITCHELSON:** Well, if they don't want to, then that is one of their big problems.

**HON. L. DESJARDINS:** There has been more cooperation from the Gay community in this than anybody else. They are taking it very seriously.

**MRS. B. MITCHELSON:** Can the Minister indicate to me what cooperation there has been?

**HON. L. DESJARDINS:** They're on the advisory committee that we have on AIDS. They have been cooperating with us for exchange of information, and also in fact they're advocating they would want us to spend \$2 million on education and so on, so they're taking it very seriously.

**MRS. B. MITCHELSON:** But they're not accepting the responsibility for their actions or for their lifestyle, and their lifestyles are a private matter. Our lifestyles are a private matter; they're a personal matter, Mr. Chairman, until it starts affecting the lives of other innocent people . . .

**HON. L. DESJARDINS:** But what would you do? That's what I want to know.

**MRS. B. MITCHELSON:** . . . who through no fault of their own are exposed to illness and death as a result of the actions of someone else. What I'm saying is, I expect them to be open and up front. I expect them to come out if they're serious about wanting something to be done about this devastating disease that is

affecting them more than it is the general public, the high-risk groups. When it's affecting them, I expect them to be open and up front . . .

**HON. L. DESJARDINS:** They are.

**MRS. B. MITCHELSON:** Oh yes. Are they? Are they providing information about contacts and are they . . .

**MR. CHAIRMAN:** I'm trying to be as informal as I can because I like to keep the free flow of debate going on here, but please do not engage in conversations across the table because that virtually makes it impossible for me to keep order.

Mr. Minister.

**HON. L. DESJARDINS:** Mr. Chairman, obviously the - well not only us, but I guess the advisers, because the Opposition must be taking some advice from experts the same as we are, and I accept that and I am not criticizing or ridiculing anybody for their views. But I would hope that the Opposition will also not say that the other people aren't cooperating when they are, just because they do not feel that the best way to deal with that is what you think. We can be wrong; maybe we're both wrong, but I think that it is an honest effort on both sides, and I'm certainly giving you the same thing, that what you're saying, you believe it.

People don't all agree on how to deal with a certain situation and I think that everybody is taking it very seriously. I think that I have some concern about people who might be homosexual, but I can tell you that they are cooperating in this and they don't feel that what you're saying, that what you're advocating is the way to deal with it - rightly or wrongly. So fine, we have a disagreement here, a disagreement on the question that you would want us to follow. I ask the question: What if they don't? What if they don't want - if they say, all right, I haven't communicated. This is what many of them will tell you, because they don't think it's your business.

I can bring in all the legislation in the world and, if they say no, what are we going to do? That information would be good if society is ready to say, all right, we're going to follow them every day and we're going to put them in quarantine or something like that, but I don't think society is ready to do that at this time. Of course, if you kept these people, they couldn't contaminate anybody.

**MRS. B. MITCHELSON:** I have a little difficulty with that. Comments have been made by certain in the high-risk groups that, should the disease be made reportable, it's going to chase some people underground, so to speak. I have some difficulty with that because, whether it's reportable or it's not reportable, it's a very serious disease. Anyone who's going to go underground and not be open and informative has a problem, and they're not serious. They're not serious about wanting to get to the bottom of what's causing AIDS, and they're not serious about society in general because it's a person's right, I believe, to know if he or she is infected.

**HON. L. DESJARDINS:** That's why we want to educate the people to be able to protect themselves, everybody.

Tuesday, 7 April, 1987

**MRS. B. MITCHELSON:** I realize it's going to be a great challenge for the Minister in the upcoming months, but we hope to receive some leadership and some decision-making on his part in this aspect.

I just want to go a little bit into the mandatory testing that has been suggested for those who are marrying and for pregnancy, for women who are pregnant. I guess the right word for pregnancy wouldn't be mandatory, but it would be that which might be on the recommended list, because there is nothing that is mandatory testing for pregnant women. It's recommended by the College of Physicians and Surgeons, and I believe it's basically carried out by most doctors.

**HON. L. DESJARDINS:** There's a big difference.

**MRS. B. MITCHELSON:** If there's a big difference, does the Minister feel then that there's some merit to testing for pregnant women?

**HON. L. DESJARDINS:** Yes, as I mentioned, it depends on the individual, because you would want the testing on a pregnant woman for one thing only, to see if somebody has been contaminated or the fetus. Then if it is, I would imagine that in most cases, what you would want - there's no point trying to find that out - is an abortion, and then there are a lot of people who believe in that. That might be certainly grounds for abortion, but I'm saying that compulsory, then you would force everybody to have it. Now you're saying it's optional, and I would encourage it, sure, but optional and compulsory are not the same thing. You can recommend something that is optional, but if somebody is forced to do it, that's it. They get in trouble if they don't . . .

**MRS. B. MITCHELSON:** The Minister's saying that makes it optional, so the testing that's done routinely, basically routinely, that's recommended by the College of Physicians and Surgeons are tests for chlamydia, for syphilis, for gonorrhoea, for rubella, for RH antibodies, for blood glucose, hepatitis, all of those things are recommended by the College of Physicians and Surgeons, and AIDS could certainly be added to that list. It's not something that is an optional sort of thing. Those are things that are done, I suppose, unless the mother requests that they not be done.

**HON. L. DESJARDINS:** I have no problem with that at all, but that's completely different than making it compulsory, and in fact that's up to the College. That's what the College of Physicians and Surgeons are there for, but you have to realize that the main information that you're going to get on this is to know if the baby is infected, and then the normal thing would be to follow through with an abortion. I'm not saying that's bad, but I'm saying that you're going to have the religious thing and so on, and some people who, if you make it compulsory, then everybody has to have it. Maybe they should, but . . .

**MRS. B. MITCHELSON:** The Minister is saying that the only reason for wanting to know whether a baby is infected is for abortion reasons. That's not exactly the case.

**HON. L. DESJARDINS:** Wouldn't that usually follow if you have somebody that you know . . .

**MRS. B. MITCHELSON:** What we're finding out then, first of all, the baby is not necessarily born with the AIDS virus or carrying the AIDS virus or with a full-blown case of AIDS at birth, but the research that has been done to date indicates that a baby can be born without the virus but can then contract it through mother's milk in nursing.

I phoned some of the experts yesterday and I got that confirmed, that just because the mother is carrying the AIDS virus does not necessarily mean that baby is going to be infected. That baby can be born normal and healthy and it can be in touch or contract the virus or AIDS from the mother's breast milk. So that tells me then that there's another consideration to be made, not just specifically the abortion issue.

**HON. L. DESJARDINS:** I'm ready to give you odds that, if that is the case, that 90 percent of them will have abortions. I'm not saying it's bad. I'm telling you that's the temptation if you feel that the baby is affected, the testing and so on. But anyway, we agree on this here. I disagree with the compulsory. Now, you're saying that it's not compulsory. I have no problem.

**MRS. B. MITCHELSON:** I guess I just want to make a few more comments then on pregnancy testing, and it is a mother's right to know so that she can make conscious decisions.

What is the reasoning for antibody testing? What are the reasons for all of the new diagnostic tests that are done for fetuses, the genetic studies and amniocentesis and there is AFB screening and all? What are the reasons for all of this testing?

**HON. L. DESJARDINS:** You see, as I say, we don't disagree with this question that somebody should have the right, and the College certainly might recommend it, but do you see how difficult that is? Then wouldn't it follow that it would be a heck of a lot better to test somebody who thinks they want to be pregnant before the pregnancy? And that's what you're doing; you're talking about testing somebody before they get married. Maybe we should test them every month. I'm not being sarcastic or anything. I'm just showing how difficult those things are.

**MRS. B. MITCHELSON:** Well, that then leads us into a mandatory testing for marriage licences, and I really feel that people have a right to know whether their partner is infected. The Minister has said that so many people live together now before they're married, but those people aren't entering into a legal contract of any kind.

**HON. L. DESJARDINS:** Also because they're not legal contract . . .

**MRS. B. MITCHELSON:** Well, there are legal obligations and there are legal obligations getting out of that contract. There is that implication. If you were tested, and maybe you had been . . .

**HON. L. DESJARDINS:** No, I never had it.

**MRS. B. MITCHELSON:** Maybe you've never had it, and you don't know. Have you ever been tested, Mr. Minister?

People have a genuine right to know if their partner is infected, and they can make a mature decision based on knowledge and fact. If there's nothing to be concerned about, all fine and good, okay? But if there is a concern, if your partner may have been in contact with the virus or is carrying the virus, then you have the right to know. I would want to know; I'm sure you would want to know. Then you can make the decision on whether you are in fact going to marry that person. And if you are in fact going to marry that person, then what?

Are you going to make a conscious decision to practice safe sex so that chances are you might not contract that virus from your partner? And then there's also the decision about whether to have a family, and you can make that decision based on knowledge and fact. I mean you can carry it on further and say, if my partner is infected and I am not and we're doing all the right things and we should decide to have a family, there are other alternatives. There's adoption, there's artificial insemination, there are all of those other things that could go along. So it certainly is a person's right to know, and based on fact and knowledge, they can make mature conscientious decisions.

**HON. L. DESJARDINS:** Mr. Chairman, I'm not too sure if my honourable friend - I know we've talked about the testing of a pregnant woman and we're not talking about compulsion now - I don't know if my honourable friend is saying that it should be compulsory for somebody that wanted to get married. She's indicating that it should be compulsory.

I don't think anybody would argue the fact that people should have a right to know, but you don't have to make this compulsory for that. You're going to marry a certain person, you can say fine, I insist that we both get tested. That could be done like that.

Now one thing I certainly disagree with - well, somebody is shaking their heads out there. I know that when somebody is getting married and if they really love each other and you're talking about a commitment that they make, if one of them says, all right, I insist that we have - those things are done all the time. That could be done.

Now my honourable friend says that she doesn't feel that because they are living together there's any obligation all of a sudden. Well, I certainly disagree with that. I think it is the same thing - just because you are not saying that you're going to get married - it is a commitment. People feel that they are making a commitment without having to go to church.

You know we can't judge and have people think exactly the way we do. There are a lot of people who are making a commitment and are not married. A while ago, we were forcing the people to report everything and now we're saying, well, they're not making a commitment so they don't have to be tested, but the others do if they're going to live together. I think that the question is two people brought together, that one might contaminate the other, I think that's the question. You know we're not there to talk about our morals on a question of being married or not married.

**MRS. B. MITCHELSON:** Mr. Chairman, I have to say that I really do feel that this is a moral issue and it's becoming more of a moral issue.

I just turned on the radio last night on the news that the Surgeon General in the United States is saying that right now in the States there are 31,000 children who have AIDS, are carrying the AIDS virus. That really made me sit back and think.

He did make some other comments too. He was doing a three-day seminar in Philadelphia on AIDS, I believe, at the Children's Hospital. He indicated on radio, on the news last night, that groups that are saying that it is not their problem are soon going to have to sit up and take note and say that it will very soon be everyone's problem. I just want to leave you with that message, and it's something that we're going to very seriously have to take a look at and take some responsibility and some leadership and some direction.

**HON. L. DESJARDINS:** Mr. Chairman, I don't think that anybody is saying that it is not serious. Nobody has said that. I haven't heard anybody say that or that it is not their responsibility, but everything that was said today, and also the last words of the eminent doctor that was quoted, would seem to indicate that we are on the right track when we're talking about proper education to the public. That's No. 1.

I think that if you awhile ago were talking about people having the right to this and a right to that, people have a right to know and it is the responsibility to give as much information as possible. I think that is the best way to go at this stage is proper education, and that everybody would know how to protect themselves. That, Mr. Chairman, is what we're trying to do at this time.

**MR. CHAIRMAN:** The hour is now 5:00 p.m., and I am interrupting the proceedings for Private Members' Hour. Committee rise.

## SUPPLY - AGRICULTURE

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

We have been considering Item No. 1.(b)(1) Administration and Finance, Executive Support: Salaries; 1.(b)(2) Other Expenditures; 1.(b)(3) Policy Studies.

The Honourable Member for Virden.

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

I think we've probably spent enough time discussing sugar beets. It's time to move onto some more general policy issues and see if this Minister and this government has any idea as to what the future in agriculture needs and what they plan to do.

As I look through the Administration and Finance area, I see 61 people employed and a salary cost of some \$2 million. I look in the Supplementary Estimates, and items 2, 3 and 4, in terms of the objectives, I think need to be addressed to enhance the viability of existing farm enterprises, to enhance the productivity and incomes of family farms and to stabilize farm incomes.

Certainly, it takes a lot of program analysis and some initiatives on the part of any provincial government to meet the needs of agriculture as we are going through

Tuesday, 7 April, 1987

some changing times - changing times because of economic pressures outside of this country - times that will cause changes in the farm community which will never reverse themselves in the future.

I have come across a document done in 1983 called Executive Summaries, Potential Agriculture Development Initiatives for Manitoba. This was done in 1983. It was done by federal, provincial and university personnel. It's a booklet of some 60-plus pages covering various areas: cereal and oilseed crop production technology, value-added horticultural crops production technology, Manitoba livestock industry technology, farm finance and technology management, soil and water resources management.

All these sections are very topical today, and I wonder if the Minister is prepared to tell this committee whether he has done any further analysis similar to this in the intervening years or whether he's acted upon the initiatives of this report in any fashion.

I think this Minister needs to give the committee some idea as to how his department of some 700 people analyzes the farm community in today's technology and today's economic environment and what he sees for the future: what he sees for the future in terms of the economic status they're in; what he sees in terms of their survival; what he sees in terms of new programs and initiatives that need to be evolved by think-tank groups of this nature as we work our way into the future.

I think what's behind us is history; what we're in today is a crisis; what we're going to do tomorrow has to be evolved by some significant discussion and analysis, and I'd like to hear his comments as to what his department is doing to develop initiatives and ideas that the farm community can use for survival in the coming years.

If there's any further analyses of this nature, I would love to see them tabled.

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

**HON. B. URUSKI:** Mr. Chairman, there is no doubt that the situation that many thousands of farmers across this country are facing and have faced over the last number of years is certainly taxing all the ability and knowledge of all governments collectively, both federal and provincial.

It's clear that many of the institutions that we thought of as being fairly sound and solid in terms of providing a basis for income support, in terms of providing an adequate livelihood as an income protection for many farm families, are now certainly being questioned and rightfully so; that clearly our structures in the grain sector, our support programs, are not adequate, and if they had been adequate, it's clear that the Government of Canada would not have had to be pressured to come up with special ad hoc payments in support of the largest sector of agriculture in this country, and that being the grain and oilseeds sector.

We need to totally revamp our support programs and in fact our thinking, I believe, in terms of how we view agriculture over the next number of decades. We can either take the approach that let the market forces be the dominant criteria for the numbers and the survival

of farm families in rural Canada or we can say that governments, both federal and provincial, have a role to play to provide the basic underpinnings to a vibrant rural society. I think my honourable friend recognizes and has recognized that there is a great need for rethinking in terms of the support programs that are offered to farmers.

It's also very clear, given the present state of affairs in the international marketplace in grains and oilseeds, that governments will be hard pressed, especially in this country, to be able to match the treasuries of the European Economic Community or even that of our friend, Uncle Sam. I'm not so sure that he's been a friend of late in terms of what has been occurring in the area of trade, but, nevertheless, I believe it is time that we started looking at alternative structures in the area of income support for a farm community rather than, Mr. Chairman, dealing with income support and programs on a commodity-by-commodity basis.

I believe, in the long term, it's incumbent on governments to rethink their philosophy for the protection of family farms. We really should be looking at a basic farm income regardless of the commodity that a farm family produces, and there should be, I believe, in the longer term - and we should be looking at that question - that farm income should be measured on the basis of what programming there is and there should be a minimum underpinning.

Then I believe that a farmer's wish to go beyond that limit for whatever source, whether they want to work off the farm, whether they want to be professionals, whether they wish to have other sources of income, that should be their right to do so; but they should not expect society collectively to support them to whatever limit of production they have or they desire.

I think if we are in fact saying that we want to have as many farmers in rural Canada as we can - and my honourable friend knows this very well and he's indicated this on a number of occasions - the impact on small towns, on businesses, on the community, on the infrastructure that has to be supported once that farm base starts eroding, then everything starts sliding. Everybody is impacted in a negative way.

I believe that our goal as a government and as a society should be that we should have as many farm families as possible. Now that's not to say that there will not be people moving in and out of agriculture and there will be failures, and that will be an ongoing process, but government should in fact - rather than saying we will let totally all the economic forces - let those forces be the dominant policy of the government, that there is a role for government to play in the provision of a minimum income, if one would want to call it that, to the farm community. We should be examining those kinds of alternatives as an option to the kind of debate that we have been having over a number of years and almost pitting farmer against farmer as we have done, obviously.

I was trying to make a point last night, and I want to indicate to my honourable friend, in terms of the inequity of the situation that farmers producing different commodities have been put into as a result of government action or inaction, clearly, why should - and I'll repeat it - why should apple producers in various parts of the country receive income support under the same legislation that sugar beet producers have been



cancelled? That's the kind of pressure that farm families and farm leaders and farm leadership groups are faced with in terms of some of the diverse interests and the competing interests where there really should not be. There should be a cooperative approach.

I don't think that we should be building our agricultural industry base by, in fact, allowing or having one sector of agriculture survive at the expense of another. That has occurred historically. I don't see, for example, and I'll give you my version of farm families. A good example is the Special Grains Program. Farm families who are in supply management and who also produce grain, I don't believe that they should have received financial support under that grain program when they are already protected as their income base through the marketplace as a result of supply management. If we are really talking about income and income redistribution or income support to our farm families, we really should be talking about total farm income, regardless of the source, and that our programming be based on that farm unit. But we should not allow that support to go far beyond what normally would be accepted by society in general.

We know of many instances, and I'm sure my honourable friend knows, of programs south of the border where there have been \$1 million payments of governmental support to single farm units. I recognize that the Federal Government, even under this present program - and I want to acknowledge that - they took that kind of a situation under consideration and kept the maximum down to \$25,000 per farm. They recognized the, I would say, political damage that would occur to the farm community in general had those supports gone beyond what would be known as a reasonable amount. That's always difficult to determine, and that's the kind of debate I see for us.

We are and will continue to be involved in federal and provincial task forces to look at - and we are involved now in the possibility and have provided advice to several standing committees on the question of income support programs nationally, as well as credit programs. These meetings and our work there are as a follow-up to the signing of the National Agricultural Strategy that we signed, some in Ottawa, and we signed ours in the Premiers' Conference in Vancouver.

In our department this coming year, we will be undertaking an analysis of the whole question of comprehensive income support and, of course, looking at long-term trends in land tenure and farm structures and what kind of policy changes might be required to have a land transfer be made, I guess, in a more cohesive and a more progressive way to see whether there are some different options that we have not examined at the present time and whether there are alternatives to the present system of intergenerational transfer. We will be doing some further work in this area.

But clearly, I believe that the long-term goal, my goal of our department, and not at all in deviation to what we are doing presently, is to look at the long-term income needs of Manitoba, but I believe Canadian farmers in discussing what I would call a minimum farm income.

**MR. G. FINDLAY:** I gather you were in Ottawa a week ago yesterday and today to deal with the Special Grains

Program for this coming year. What did you propose as a method of handling that payment for the upcoming year?

**HON. B. URUSKI:** Mr. Chairman, I should mention that the discussions on any future payment, I would have to say, emanating from federal and provincial, primarily from the Federal Minister of Agriculture and the Minister of State for the Wheat Board, would be, to say the least, premature on their part. They were not prepared to discuss in any definitive way what might be coming down the road in terms of consideration beyond the second two-thirds of the payment, which we were advised hopefully will be in the hands of the producers before the end of May. That was the indication that we received.

I would like to indicate to my honourable friend that the main area that we focused on and that I focused on, first of all, that we really should have begun the process to re-examine the basic underpinnings - and that is the Western Grain Stabilization Program - rather than having the mind set on further ad hoc payments in terms of national programming. There has been certainly ample evidence presented by farm groups, by myself several years ago.

Although I recognize that only 80 percent of the farm population across Western Canada is enrolled in that program, certainly some options to allowing new farmers into the program could be undertaken at this juncture. If we are going to provide a stable income in the grain sector, we should attempt to channel our resources and our thinking on the program that is already there and not start by-passing that very program that, in fact, could be made to be very meaningful if there were some basic fundamental changes made to it. They have been suggested, not just within the last months; they've been suggested three years ago.

I also, Mr. Chairman, indicated to the Federal Government - and I've followed up with correspondence - that one of the major areas that they could undertake immediately is to make the announcement that there will be no change in the initial prices in our coarse grains, in our grains and oats. There should be no change from last year's market. There is ample precedence, historical precedence to suggest that the initial prices, which in fact would at least give our farmers some basis at the present time to negotiate their operating loans.

As I've indicated, the livestock sector, which has been quite critical in terms of market prices, should not base their projections on the basis of extremely low grain prices. In fact, if you look at history, the moment that grain prices dropped out of sight, the overproduction that occurred in the livestock sector several years down the road caused extreme difficulties down the road to the livestock sector which governments historically have had to put in millions of dollars to support that sector as a result of the overproduction that occurred from one of the major components being depression grain prices.

I want to indicate to my friend that the precedent that I'm referring to - and I'm going from memory - is the year 1977-78 when in fact the initial price was set at just about the market Thunder Bay price of \$110 a tonne for wheat. The market price was virtually that,

which meant that the farm-gate price was far lower if you discount the elevation charges. I'll admit that, by the end of the year, the market did turn around and the initial price, the market went above. But clearly the decision was made at the start of the year, knowing that there would be a deficit in the Wheat Board-Pool account, and that support was given.

Quite frankly, I say, what is the difference? I've basically said, what is the difference? Either you pay it up front and say that you're going to stabilize, or you're going to be paying it either in an ad hoc program, or you're going to supplement it through Western Grain. One way or another during this period of time, there's going to have to be national support to the industry. The question is: Which gives the strongest signal of support to the farm community, or are you prepared to allow the market to plunge or do whatever as your analysis goes? I believe, and my submission to the Federal Government was to maintain initial prices where they are.

**MR. G. FINDLAY:** Just for the moment, I guess, we can spend some time on really a national issue; it's a federal issue.

The Western Grain Stabilization, as you mention, some 80 percent of the farmers are enrolled. Would the Minister support a principle whereby the other 20 percent who didn't voluntarily enroll be allowed to enroll with some degree of retroactivity to their enrolment, so that they can receive the payments under the Western Grain Stabilization?

Another thing, while I'm on my feet, about Western Grain Stabilization, it is a program that is certainly paying out now and didn't pay out in the early years. But, Mr. Minister, I don't think anybody could have evolved a program 5 and 10 years ago that would have met the economic needs of today. Nobody understood where we were going to in terms of international grain prices.

I would say any time that government evolves a policy to fund a payout to producers, a stabilization program, whether it's bipartite or tripartite, you always want it to be actuarially sound. Had the Western Grain Stabilization been initially evolved to be actuarially sound, the premiums would have been quite prohibitive in the early years, such that there would have been a fund built big enough, built up to meet today's needs. I would guarantee, Mr. Minister there'd have been a lot less than 80 percent of the people voluntarily signed up. So you're on the horns of a dilemma to get people to pay enough in the good times to offset the bad times, which always do come in cycles in agriculture.

So I'd like some more comment on your thoughts on these issues of Western Grain Stabilization.

**HON. B. URUSKI:** Mr. Chairman, I want to tell my honourable friend that in 1975 - I believe it was '74 or '75 when the program was being established in this country - my colleague, the Honourable Sam Uskiw, the Member for Lac du Bonnet, and this administration raised a number of concerns about the scope of that program. We did indicate a number of deficiencies in that program in 1975. I want to tell my honourable friend, it may not have been the answer to every aspect of the concerns that farmers would have in terms of

the relevancy of the program today, but I believe that it would have gone a long way to accommodating the individual needs of farmers. I want to give my friend about three examples that we raised.

It was not taken seriously by the federal administration. The farm community at that point in time was generally enjoying good grain prices, and so they weren't interested. They were not concerned that Sam Uskiw and Otto Lang were having a debate about the adequacy or inadequacy of the changes from the Agricultural Stabilization Act to the Western Grain Stabilization Plan. But we made submissions then, first of all, indicating that the program that was there was generally market based and had no cost-of-production relationship to the support. It was an industry-based program, not a crop-and-regional-specific and producer-specific program.

My honourable friend knows what happened to Manitoba in 1980 when we had the drought. The dominant crop of all the crops insured under Western Grain is wheat, and wheat production in the three Wheat Board areas of Alberta, Saskatchewan and Manitoba and the Peace River area in Saskatchewan - the bulk of the wheat is raised in that province. In 1980, Saskatchewan did not have, or the effects of the drought were not as severe as those in Manitoba. Manitoba farmers lost a good portion of their crop as a result of drought.

My friend, who was the Minister of Agriculture of the day, did provide ad hoc assistance in terms of the drought. - (Interjection)- Look, I don't want to even deny that, and that's the fallacy that governments get into and the expectations that they create by offering instant ad hoc solutions to problems that really - that's where governments get themselves into great difficulty, because people - and farmers are no different than anyone in society - figure oh, here's a crisis, and we should be able to walk in and deliver. What we should be providing is the basic long-term programming and get away from the ad hocery that we had, and we've tried to.

It's been difficult and I know. I've been on the other side of this House as well, and I guess I've done my share of pressuring. I expect that the pressuring will come. We've resisted some of it and I realize that - (Interjection)- Well, that one, to me, is much more fundamental. That debate is much more fundamental than the ad hoc programming.

But you know, had Western Grain been crop specific, producer specific, cost-of-production related, I venture to say that the timeliness of payments made as a result based on regional cost of production, Manitoba farmers who started, who were into the cost-price squeeze as a result of crop losses back in 1980, would have in fact been able to weather the storm much better than they have, because the payments came two and three years later. At the same time, they were faced with a skyrocketing interest rate that hit 20 percent up, and no income to cover off those costs.

Those suggestions are not new. I wish I could stand here in this House today and say, I've done something revolutionary and I've got an idea. But I have to admit that those suggestions were made back in 1975 by my former colleague. All that we have done is, in fact, restated them and restated the obvious.

Now I'm not sure that I've provided my honourable friend with the answer that he was desirous of receiving

but certainly, in terms of future payments, I realize that there are great expectations from the farm community. I will again state that my advice, for what it was worth at the meeting in terms of income support, should be channelled to revamping the existing programs and making them more relevant rather than the kind of program that we came up with this time.

We were talking about hurt. The program that we brought in talked about hurt as a result of the war between the United States and the Economic Community. I mean, which poultry and livestock producers were hurt as a result of the grain that they fed to their poultry and livestock? What hurt did they receive on the world marketplace? How could we justify that? Yet, in terms of the negotiations that went on, I think that the distribution of the monies across the country was about as fair as one could arrive at in terms of the general program. I can't say I have any quarrel with it at all. It was as fair as it could be, but recognizing that the problem really exists on the international marketplace and if we were really saying that the program was as a result of the hurts, the livestock and poultry industry should not have been able to receive funding for crops that were in fact consumed through their respective operations.

**MR. G. FINDLAY:** Just one more question on the Western Grain Stabilization Program that certainly will undergo change in the future.

There's always discussion ongoing at different levels. The agriculture committee is dealing with it federally, and you mentioned crops, region and producer specific. I guess when we get into Crop Insurance, I'll be interested in hearing whether you're prepared to allow it to become producer specific to some degree, like Saskatchewan, for all crops.

But when I look at the Western Grain Stabilization in terms of trying to make it more responsive to the immediate problems in local areas, and I look at the amount of money that must go in there to pay off the deficit that's going to occur in the next little while, and the potential shortfalls that will come in future years, I'm wondering if the Minister is prepared to help the farm community in terms of paying the size of levy that needs to be paid in terms of joint federal-provincial producer - in other words, a tripartite type arrangement for paying the levies that are going to need to be paid in the future.

There's no question that the upper limit of 2 percent levy that is presently in place will likely be increased by some Federal Government in the future to get enough revenue coming in to pay the deficit that's going to occur. Is he, as a Minister of Agriculture for this province, prepared to support the concept of a tripartite levy payment to Western Grain Stabilization?

**HON. B. URUSKI:** Mr. Chairman, I want to indicate to my friend that I know what it is to deal with premiums and having to increase premiums when situations are difficult in the farm economy, and I know we're going to go through it on the Beef Commission. In fact, the more discussions that I have with farmers and finding our beef program, and there are grumblings - I don't want to say that there aren't from time to time in terms of level of support - but quite frankly, when you question

farmers, a number of farmers that I've had discussions with and when you get into the detailed discussion as to what really is the difficulty, you invariably find that the beef program is being used to subsidize the grain operation, either the payment of equipment, tractors, combines, trucks, whatever, but is generally being viewed as saying, look, I'm not getting enough, you're not helping me enough through the beef program, and when you start questioning that whole area you find out that the use of one operation is being used to subsidize another.

But getting back to Western Grain, we did reduce premiums at a time when grain prices were high. I have not opposed the increasing of premiums, even above their statutory limit. I think we're talking about maybe even going 2.5 percent to 3 percent. I certainly want to tell my honourable friend that in the long term I think there has to be an understanding among all producers that if we're going to be involved in any participatory program that there has to be an adequate reserve, and of course the pressure is then great to pay out and that's why you do need some, what I would call complete revamping and restructuring of the program.

We could also use the point that I think we made several years ago about producers who are in financial difficulty and can't make those levies. We talked about a contingency liability, that producers could in fact establish a contingency liability in the fund to be paid when market returns had increased, and that could be done for all new producers. I don't know all the details of that in terms of the suggestion my honourable friend makes. However, certainly that kind of an option should be explored. So I wish to indicate that there are innovations there, but I believe that the long-term strategy has to look at, in this country, total farm income and minimum farm support as being the basic underpinning, rather than going commodity by commodity.

I'd like to know whether my honourable friend has some thoughts in this area, whether that type of a concept is worth at least examining, that I have put out.

**MR. G. FINDLAY:** Mr. Chairman, I would still like to hear the Minister's answer to the last question as to whether the Provincial Government's prepared to participate in paying a levy on Western Grain Stabilization and help the producer in paying that levy as part of a national agricultural strategy, as part of a comprehensive farm income support package.

**HON. B. URUSKI:** Mr. Chairman, I can't answer that question specifically, but I can say that in terms of what's been happening nationally in terms of programming, and the discussions that have been occurring and the offloading that has been occurring in various areas, I would venture to say that I would be resisting such a move. However, I don't want to be totally negative on that approach if we started looking at a more comprehensive and detailed approach to a program that could be producer specific and the like, so that if there is a transition period in which we might be looking at some transition of bringing producers in, I don't want to foreclose our options and our

Tuesday, 7 April, 1987

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discussions. But at this stage of the game we haven't even got to the point of even saying we're prepared to try and make that program much more meaningful. We're talking about ad hoc programming and my position has been let's try and get away from the ad hocking as we did with the drought and the hay programs.

I know that there were many producers in my honourable friend's constituency of Virden several years ago - in Arthur, I mean, I'm sorry - and some areas in your constituency, primarily in Arthur, that we left out that might have received some assistance based on the new criteria, but in fact when you look at the amount, it was about \$300,000 for that small group. Everybody across the road would have said this program is phony. Here I am, I've lost more hay and they're going to pay out \$300,000 to these few farmers and I know that those farmers would have appreciated and needed the support.

We made the decision, and I went into his community and I spoke with a number of those farmers. We made the decision to say we'll take that money, federally, and we'll implement a feed security program right across this province and cut out the ad hockery and end that kind of pressure. I believe, although there was pain to those hundred or so farmers in that year, we made the right decision in the long term in terms of support to the entire agricultural community.

**MR. G. FINDLAY:** Certainly, in stabilization programs, which certainly are needed in the farm community if now on into the future because of the high cost of operating, you just cannot gear down and cut out costs from one year to the next, and when you look at the Western Grain Stabilization experience, the way it was set up, the response, in terms of increasing premiums or decreasing premiums or triggering a payout, it was all long term. It was based on averages moving along over a long term and there was very slow response, as we've experienced, in the way that program has operated. It seems very difficult to make major changes in that program.

When I look at the beef program here in the province, you have two annual times at which there are changes made to premiums, and it's somewhat more responsive. It operates as you just did last year. You increased premiums drastically because the deficit was growing; obviously an attempt to make it more actuarially sound.

The sugar beet program that we talked about last night, I think the way I saw it as being set up, it is quite responsive to maintaining an ongoing actuarial soundness.

I think that ongoing actuarial soundness is important in any program that's brought forward in the future, because you know and I know that consumers in this country react negatively to large government payments to farmers, not realizing when you divide any given payment by the number of farmers, it isn't just as much money as it appears on the headline of the local newspaper.

I guess I would like to hear the Minister's additional comments on how he would implement or see a program implemented to have a minimum guaranteed family farm income, considering the number of commodities we have being produced and mixed in

varied proportions. It's a principle that I won't throw out of hand. I want to hear his analysis of how it can be done, what his department's doing, and what studies are in place and ongoing to develop such a program.

Has he been in discussion with other provinces, particularly the two provinces to the west of us, to develop a western Canadian accord on such a proposal? Because clearly our farm communities, our farm families, need a realistic opportunity to survive.

When I look at this booklet that I mentioned earlier, "The Potential Agriculture Development Initiatives for Manitoba," back in 1983, and it said in here, if I can just find the right page. Anyway it mentioned that back in 1983 there was growing stress because of the financial circumstances at the farm level. Certainly, some four years later, those stresses are a lot greater and the existing programs have not been sufficient to meet the need of the farm family in terms of offsetting the economic stress.

I'd like to know what he is planning to do within this province and in discussions with other provinces to develop the plan that he's mentioned today.

**HON. B. URUSKI:** Mr. Chairman, I have some preliminary thoughts myself on the minimum income that I've spoken about, but that's precisely some of the work that we are just embarking on at the present time, and I hope to be able to share it with my friend and with Manitobans and with my colleagues across Western Canada once we start looking at some of the parameters.

We're just looking at ways to try and determine what kind of criteria, what could be used and how it could be managed. I have no preconceived idea as to what it should take and what form it should take.

We've right now just begun, and that's what I indicated to my honourable friend in terms of our policy studies, that whole area, we're just going to be reviewing over the next number of months. It would be my hope that all Ministers of Agriculture in this country, I'd be apprising all them through our reporting group and mechanism of Deputy Ministers and officials as a result of the National Agricultural Strategy, and there will be some debate in this country about those merits once we can get a better definition on them.

I think I have given my honourable friend a bit of what I see in general terms as being the basis of examining a minimum farm income for farm families. The question always, I admit, will be as to whether it will be enough and how it might be funded and under what basis, what commodities. That's why I say my basic premise is that it should not be commodity based. It should be farm-unit based and there should be a minimum amount of income regardless of the commodity.

If you happen to be in supply management, obviously, there is a basic income that is there. Then why would you, in fact your family, require additional income if you receive the basics from supply management? That's the kind of general parameters as far as my concept, my thoughts are, but we're trying to develop it much more precisely, which will take, I'm sure, a number of months of development to see whether in fact such a proposal might even be feasible. At this stage of the question, it's an open question whether it's feasible or

not, but I believe that it's a concept that really should be explored for the short term but much more so for the long term.

**MR. G. FINDLAY:** At various times in the year, the Ministers of Agriculture across the country get together. Have you taken that opportunity to discuss this principle with them, and, if so, what is their level of reception on this?

**HON. B. URUSKI:** Mr. Chairman, until I'm in a position to basically have a bit of detail and a bit of parameters in which to adequately discuss such a proposal, I believe that it would be premature for me to just put it on the table as principle.

I have not specifically raised this with my colleagues until such a time as we're in a better position to either say that we looked at it and we did review it and there is not much we can do with it; or, yes there is some merit and we require further work to be done; should we be doing it and looking at it on a national basis; and should there be national, federal-provincial cooperation in this whole area. We're not at that stage yet, Mr. Chairman.

**MR. G. FINDLAY:** Okay, Mr. Chairman, I'd like to maybe move onto getting to look at some of the real nitty-gritty questions that are facing farmers right now in terms of the level of failure and survival that we see in the next year or two. I've talked with various farmers, accountants, lawyers, credit union managers, bankers, and the story they tell me about the rate at which farmers are getting into financial difficulty is extremely alarming.

We can see the bankruptcy statistics really don't tell much of a story. It's those people that have made a little bit of a fight to survive and they appear as a bankruptcy. There are hundreds and hundreds of others that just voluntarily close their operation down, and not because of age but simply because of financial necessity. There are many that have gone before the federal debt review process and there's an awful lot more that have simply quit claimed their land.

Mr. Minister, do you have any handle on how many farms are in the process of failure in this province in the last year, this last six months? How many will fail in the next short period of time, and what is the long-term prognosis for farm survival in Manitoba?

**HON. B. URUSKI:** Mr. Chairman, the best information on a global basis that we have and continue to use has been the federal-provincial statistics provided through FCC.

I'll have to get last year's statistics that we had, and I think I've shared those with my honourable friend in last year's Estimates. I gave him a copy of that document.

**MR. G. FINDLAY:** One year later.

**HON. B. URUSKI:** No, I realize that, and although if he checks, I think the latest statistics out of the Western Producer, he will find that Alberta, in terms of FCC statistics of farmers who are classified as in financial difficulty or insolvent, is running at 3,300; Saskatchewan at 5,270; and Manitoba at about 930.

In terms of financial stress, you're looking at 7,400 in Alberta; Saskatchewan at 13,000; and Manitoba at 3,158. Manitoba, of course, being the most diversified province and having one of the better records in terms of the rest of the country. Nothing to be proud of, quite frankly, but in terms of proportion of farmers, our sector is one of the healthiest.

I want to stress that having 3,000 farm families in acute financial stress and 1,000 farmers insolvent is no statistic that one can be proud of. That's the reason that we went into our reviews under The Family Farm Protection Act, to strengthen the review process, and we have just begun that process there.

But the number of bankruptcies - I don't have the statistics handy, but we can provide them - I do know that the number of bankruptcies has declined '86 over '85. I think '85 was 69; '86 was 50. Now the '87 statistics, I'm not sure that we have even the first quarter out yet. I'm advised that the first two months of '87 are the same as the '86 rate so that it appears that the number of bankruptcies is down by about 25 percent.

**MR. G. FINDLAY:** Mr. Chairman, when I consider a department of some 710 staff and salaries totalling \$25 million, I find it deplorable, when agriculture is in a state of crisis that it's going into, the Minister and his staff, his high paid staff, have to consult the Western Producer to get statistics on an issue. That is incredible. I just don't understand what this staff does, and they are a year old. I mean, where are you at, Mr. Minister? Do you not realize that we have a situation out there of crisis proportion?

You say the bankruptcy is down 25 percent. You just finished telling us there are 4,000 farm families in severe financial difficulty, 25 percent of our commercial farmers are in this category. You can use the statistic of 32,000 farms if you want, but the majority of that 32,000 are hobby farmers, part-time farmers, very small farmers who have significant off-farm income who are not going to fail because they have that off-farm income. The man who is living on the farm with farming as his sole source of income is only about 12,000 farmers. If 4,000 of them are in severe difficulty, as you say from FCC statistics - not from Manitoba statistics - then I think you have a serious crisis, Mr. Minister. That's one-third. Surely your department has a better handle on that than reading the Western Producer. I mean anybody, even I, can read the Western Producer.

**HON. B. URUSKI:** I believe if my honourable friend wishes cooperation, I will try and give the figures to him as quickly as I can and I have done that in the past. If he wishes to make light and make jabs of information, then I will take the questions as notice and I will give him the information when we prepare it.

We can't expect to have all the statistics and all the numbers here. The figures that I quoted to him are the current figures; they are not the old figures. These are the latest figures of FCC. The figures for last year, I gave him that document, Mr. Chairman. I gave it to him last year, of the projections that we had last year.

Now I don't mind attempting to give the latest information as quickly as we may have it, but I can use

the prerogative and say to my honourable friend, yes, I will get the information, all the statistics. We can leave it at that, or does he want me to be as open and honest as I can on the spur of the question and we can continue the debate? But if he wants to take that approach, I can tell him that I will take that approach as well. I will say, I'm sorry, we will have our staff prepare it and I'll bring it back to him. If he wants it that way, I'll be pleased to accommodate him.

**MR. G. FINDLAY:** Mr. Minister, the farmers out there aren't going to be satisfied with that sort of answer.

**MR. CHAIRMAN:** The member will address through the Chair.

**MR. G. FINDLAY:** Mr. Chairman, through you to the Minister, the farmers out there are not satisfied with that sort of answer. If they have a problem, it's something not of their doing. They need some guidance and some direction from this department, some real assistance to get through this period of time.

They have suffered income losses of 20 percent a year and, if you look at wheat prices since 1980, it's a 51 percent reduction. I don't think there is anybody in his department who has taken a reduction in salary at all over that period of time. Everybody is riding along; cost of living increases and so on; salaries are pretty comfortable; they work eight hours a day; they don't have the risks or the investment the farmer has.

The farmer is in trouble and I think we need to address that issue straight on, understand the level of problem and then start identifying some real significant policy changes in the short term to keep the farmers on the land.

We've talked about stress. We know it's a developing problem. It's because of financial reasons primarily, and we need to address these issues head on.

You talked about diversification being one of the reasons that Manitoba is a little more successful than Saskatchewan and Alberta in riding out this agricultural crisis. Diversification is what we were talking about last night. We were talking about sugar beets. Diversification is the issue we're talking about. We're talking about a feedlot program. Issues like this are the sort of things that this government needs to act on so that Manitoba can take advantage of the opportunities that it has in terms of its competitive advantage with other provinces, our climate that we have in Southern Manitoba to grow special crops for which there are markets in the world if we can go out and find them.

Mr. Minister, we need to look at ways and means of getting our farm community through this crisis and the fact that somebody else is having trouble to the west of us isn't an adequate answer. We need to do something to keep ourselves as healthy as we can.

I was hoping that we could talk about issues and directions that your department is taking right now that will get us through the next two or three years until we do have hopefully a better return from the export grain market. I don't want to see us get into a situation where we are serving only the domestic market like we are with most of our commodity boards. When I talked to farmers - we talked about this last year in Estimates - when times get tough, in the past, many

farmers who were on straight grain went to diversification in terms of having some turkeys, having some hens, raising some broilers, but many of those options are closed off now because of marketing boards.

We can no longer diversify on an individual farm basis like we used to in the past. Certainly the livestock sector needs to be promoted here, in your statement earlier that maybe the livestock sector shouldn't be surviving or expanding on low grain prices, there's certainly some truth to that. But this is an opportunity for us to stimulate our livestock market substantially because of the low grain prices.

What I see happening is that our livestock sector, particularly the beef feeding sector, is still shrinking, shrinking at a time when it is expanding. One of the reasons it's shrinking is because of competitive programs outside the province that are drawing our calves and our feeders out of the province.

In the last two falls, we've had about one-third of our calves leave the province because the person in the ring bidding for them, that came from Quebec or Ontario or Alberta, had more money in his pocket. The man from Manitoba was in there on his own competing against programs in other provinces. He found it a very difficult thing to do. So he ended up buying the very poor stock and trying to feed them out here.

Some fellows last fall took the gamble and they bought some calves. Around about January, February, the yearling prices, the feeder price for calves 800-900 lbs. were around \$1 a pound. He did the smart economic thing, he's dumped those feeders. He's not going to carry them through and finish them so they can be processed in this province. They have now left. They're in their third hands of ownership right now and they're being fed outside the province. This is a substantial problem. I know we've talked about it in the past, in need of a feedlot program and to keep this segment of the industry healthy, but there are many other activities that need to take place.

I think we should be getting into discussing those as to whether your department is creating initiatives. Are they going to respond to the need or whether we're just going to allow the various parts of the industry to leave the province?

**HON. B. URUSKI:** Mr. Chairman, I guess my honourable friend missed the comment I made earlier regarding the largest of our agricultural sectors, and that is grains and oilseeds and the comments that I have made nationally in that whole area.

I guess I want to start from one basic point that I have said, that although this province has put more money into agriculture - this government than any government in the history - it is not enough. Virtually all our programs, all our support programs that we put into place in the last four or five years, and I've said this before and I'll say it again, were undone by one stroke of the pen. Grain prices dropped by 20 percent. Let's not kid ourselves. The hundreds of millions of dollars of support that the province puts in whether it's to beef, to hogs, to our extension programming, all that is virtually undone when grain prices drop by 20 percent plus.

So, Mr. Chairman, on a provincial basis, and this is where there has to be the continued understanding

nationally in this country, that agriculture and agriculture support programs, direct income support programs, are the jurisdiction, the historical responsibility of our national government. So that will continually be made by myself and by other Provincial Ministers to say that that responsibility continue.

If you look at, Mr. Chairman, with the exception of the ad hoc programs in the last year or so, the historical relationship of funding towards agriculture between the provinces and the Federal Government, the provinces have increased proportionately the share where the Federal Government has in fact decreased their support, and I say, with the exception of the Special Grains Program in the last two years.

The statistics were provided by the Province of New Brunswick in a topic that we discussed several years ago. They went back 15 years and they said here's what the spending was by the Federal Government going back 15 years ago, and here's what collective spending of Federal and Provincial Governments then, and here's what it is today. Provinces went up; Federal Government spending towards agriculture went down in terms of the total amount. The amount of money was more. Don't get me wrong, but the proportionate share - (Interjection) - The provinces have gone up, and it's the Federal Government that has gone down.

**MR. D. BLAKE:** Those were the Liberal years, now it's coming back up again.

**HON. B. URUSKI:** There were Tory years in there as well, Dave. Don't get too excited there. There were Tory years in there as well. However, there is no provincial government that will be able to cushion the negative impact of those grain prices and, in fact, provide the kind of financial support necessary for those thousands of farmers to survive. What we can do, through some of our programming, and that's what we have announced in the Budget, some additional help on some of the input costs that farm families are facing.

Assistance on school tax, Mr. Chairman, the support that we are providing and have been providing our total shift in extension to very intensive farm management counselling, farm family crisis counselling, and assisting farm families to prepare proposals for financial restructuring, using one of the greatest support programs that the province is doing which I believe has been underrated by the media in terms of budget, and I don't believe that is being acknowledged, is our own lending agency, MACC, providing lease-back with purchase options to farmers who are financially insolvent but managerially sound. Providing that option to make sure that those families remain on the farm is the most fundamental of any program that this government can do in terms of the risk and the support that it's taking for the farm community. That, to me, shows the heart and the soul of a government saying we will not chase you off the farm because for financial reasons you are insolvent; we will do what we can if your management is sound to keep you there and we will give you another chance.

Mr. Chairman, we have taken the leadership role in this area and we hope and we will be providing some further work and further, I believe, encouragement to both other public and private lending institutions, a

model in which they can follow because I don't believe that it's in the long-term interests of Canada to remove 20 or 25 percent of our farmers. But there were economists, conservative economists, years ago who said that 10 to 20 percent of our farmers should go; we would be more efficient. I don't believe we are more efficient and I don't believe that we will become more efficient by chasing off 10 or 20 percent of our farmers. We won't as a nation.

If the honourable member is asking what are we doing, I could go through the whole list of extension programs, the farm business groups, the stress counselling, the support for women groups, all those kinds of programs that deal with the family, and in addition to the support programs that we continue to have in beef, we continue to support the hog industry, Mr. Chairman, all the extension, the technical technology transfer, the areas of demonstration in conservation measures that we have undertaken, the improvement efficiency trials in beef, in hogs, in a whole host of areas across the province. Those are the kinds of direct education and technological information that we're providing in, what I would call, a very cost effective way that any most farmers could implement on their own farm without major capital requirement. That's the kind of practical education that we're trying to provide.

I believe that the most fundamental is the land lease and our thrust in working with families and primarily those young and beginning who are in a crisis situation in terms of our direct counselling and direct assistance through our home economists, through our ag reps, through our farm management specialists.

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

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

I appreciate this discussion that has been going on this afternoon, Mr. Minister. I would like to ask you one brief question about an issue that you dealt with earlier on, and that is the Western Grain Stabilization Program.

Is it still the policy of yourself and this government that the Western Grain Stabilization Plan should be regionalized in its concept? I'll repeat that; I'm sorry, Mr. Minister. Is it still your policy and your belief that the Western Grain Stabilization Plan should be regionalized not only provincially, but it was my understanding and I would like your comments to clarify it, that you felt that it should be regionalized even within the province?

**HON. B. URUSKI:** Mr. Chairman, we've lost and we've benefited from the present program as it exists. In 1980, when we had the drought in Manitoba, we lost under the present system, but in 1984-85 we had huge crops in Manitoba. We had bumper crops in the province and we gained because of the drought in Saskatchewan.

I believe that the program should be regionalized on volume and on cost of production. That's the regional emphasis because, you see, when you combine all the crops - and I've said this before - wheat is the dominant crop - in '82 - I believe it was '82 - we had a major killing frost in canola in Manitoba, so we lost half of our canola crop, but because canola is such a small proportion of the total crops insured and wheat is the dominant crop, there was no payout for canola because they're



Tuesday, 7 April, 1987

all subsumed into the total pot. Unless it becomes crop specific with regional differences for cost of production, then you have a problem.

Now, wheat, I'll readily admit that under the present formula, we gained in 1984-85 as a result of the drought in Saskatchewan, but clearly Manitoba farmers in the longer term would have been better off receiving a payment in 1980 because that's when interest rates started climbing, and had they been able to pay their bills in 1980, the amount of capital and cash that they had to borrow to carry them through as a result of the drought in 1980 and hit it into the high interest rates of 1981-82, I submit, Mr. Chairman, that they were behind the eight ball before those payments started coming and they were subjected to those double-digit interest rates.

**MR. G. CUMMINGS:** Mr. Chairman, I wanted to have the Minister's position clearly on the record. I believe there are other factors that influenced the historical situation, such as the base upon which the stabilization program operates from, which was modified under federal law. I believe that also has an impact on when the farmers would have received payout.

I also would wonder if we're not getting into an area of where the Minister is expecting the Western Grain Stabilization Program to be a crop insurance program when it gets down to a very regionalized basis.

Unless the Minister wishes to respond to that, I would like to move into another question.

**HON. B. URUSKI:** Mr. Chairman, my honourable friend should be aware that crop insurance only protects up to 70 percent of yield, of average yield. It's a yield protection. Now there is a bushel coverage. Mr. Chairman, I will admit, and I want to tell my honourable friend, that I would support the merging of crop insurance with Western Grain Stabilization for a comprehensive and I believe a more efficient program that could be delivered through our existing mechanisms. We could accomplish it.

We, in fact, could provide farmers bushel protection on crop insurance, and if they're producer specific, and if, in fact, there was an income shortfall to that farm, based on the coverage or a shortfall that was there, Western Grain would kick in. But we would be moving - I want to readily admit - away from the basic concept where it's headed now, because right now the more crop you have, the more crop you sell, the more of a payment you receive.

Generally speaking, the payments are going to those farmers who have the most. They are not going to those farmers who have the least. So the program as it is structured now would have to be fundamentally altered to deal with the kind of income questions and income support that could be - I believe we have the minds in this country to combine those two. They can still be separate programs but they could be very easily tailored to the individual farm unit, and then the farmers on their own could make the decisions of what to crop, what to plant, and make their own decisions.

If it was a weather loss, crop insurance kicks in; if it's an income loss, or both, Western Grain tops up crop insurance, and that would be the kind of concept that I believe could be administratively handled relatively

simple if there was the will to do it. That would make the program very producer and crop specific and very sensitive to producers' needs and be very timely in the payouts. It would be timely in the sense it could be made.

The federal legislative changes, we supported them, but, Mr. Chairman, I want to indicate that we supported the changes in terms of the timeliness of payments, but that doesn't deal with the fundamental question of how that program operates. All it does say is that yes, it looks like there's going to be a payout so we'll trigger it to be paid out earlier. It still doesn't get at the fundamental question.

I want to indicate to my honourable friend that there was a recent study in the Province of Saskatchewan by Professor Hartley Fortin (phonetic), I think his name is, of the University of Saskatoon, about the efficiency of the federal programs on western grain and how, I would say, that its effectiveness is not being targeted to those who need it the most.

If that amount of money that was paid out in an area - I believe the study took an area of Saskatchewan - and the program payment - I think it was \$3 million or \$4 million or \$5 million; I forget the amount that was paid out into that region, and it was paid out generally - if it was targeted on a per-farm basis, the income per farm would have in fact been somewhere - and I'm going from memory - something like \$30,000 could have been the income per farm, but because of the way the program is structured, there was a great disparity as between what one farmer received and another.

So there are models certainly that can be utilized that we could do, and that's why we've embarked on the beginnings of some work on the incomes question, because I think that's fundamental to the longevity and the survival of the family farm.

**MR. G. CUMMINGS:** I think the Minister would have to agree also that when the Western Grain Stabilization was first conceived, that there was not even a universal agreement in the agricultural community, that it was an end-all to be-all; that, in fact, there were a lot of the rural parts of this province where there were many people who felt that the original concept was as much to maintain the economy of Western Canada so that the whole infrastructure, the rural Manitoba and rural western Canadian farm communities would be maintained and it was never designed to be, as you say, farmer specific.

I think the discussions that the province should be looking towards is a cooperative and constructive program of dialogue not only with the grain producers but the Federal Government and the whole western grains industry.

The problem that I have, however, Mr. Chairman, when we talk about the fact that comparisons can be made where the beef and hog and the poultry producers are somehow being penalized because of potential overproduction down the road because of problems with surplus grain going into those commodities and creating overproduction, I wonder if the Minister would consider the possibility that the Beef Income Stabilization Program in this province is probably counter-productive to that exact problem, as my

compatriot from Virden just outlined a few minutes ago, inasmuch as this is a golden opportunity, given the present low grain prices in Western Canada, for the western Canadian economy to diversify into areas where we have value-added productivity in Western Canada.

Certainly, the production and processing of livestock is one of the greatest value-added activities that we can become involved in; and Western Canada is, in fact, being stripped of some of that ability through the encouragement, perhaps inadvertently, but as a result of things that we see happening in relationship to the number of finished cattle not being achieved in this province because of the fact that we are seeing these calves moved out of the province prior to their final finishing. We do not have the beef numbers.

I'm sure that the Minister will have figures that will show that we have not suffered a decline of dramatic proportions, but I think we have missed out on an opportunity for growth that should be addressed in a longer-term basis. When you talk about ad hoc situations, perhaps a program such as this should consider more than just the farm specific results; that we have to look at the overall agricultural production and the potential that this province has to get involved in the growth of those industries world-wide.

**HON. B. URUSKI:** Mr. Chairman, I'd like to share a few comments with my honourable friend, and I want to go back to Western Grain because I know that my honourable friend, when he indicated that there were people who were saying that the Western Grain was an industry program, in fact, it was those very promoters, Otto Lang and some Conservative economists, who were promoting this program as an industry program. They had no interests in the individual farmer; they didn't. The program did not have any interest in the individual farmer. They were talking about the entire western economy as an industry, as economy's income being protected.

But the farmers, I want to tell you, didn't listen to them. Eighty percent of the farmers in Manitoba didn't listen to them. Even though he said the farmers are skeptical, 80 percent of the grain farmers in this province joined Western Grain. They knew that there would be some troughs in the market cycle that, in fact, would bring their incomes down, and they needed that income protection.

Mr. Chairman, the honourable member indicates that in fact we should at this point in time be encouraging a huge expansion of the livestock industry in this province. I want to indicate to my honourable friend that our cow herd is holding. I also want to indicate, Your Honour, our cow herd, but I want to - well, Mr. Chairman, I also want to indicate that a large percentage - I don't have the statistics here. The Beef Commissioner will be here when it comes up, but a large number of our cows have in fact been bought and taken out of the province - there is just no doubt about that - which is counter-productive to the long-term objectives of this government.

Well, Mr. Chairman, contrary to my friend's views, I believe that market stability, both from the cost side and from the market side, is good for both the farmer and the consumer. The surges in production and the huge surpluses are not a boon to the farmer obviously,

because prices are depressed. Neither are shortages good for the consumer in terms of the supply of the fresh product. So stability is clearly what is needed in terms of the long-term objectives of any plan.

Now I want to indicate to my honourable friend that there is competition, and I think his colleague, the Member for Virden, alluded to that, from the Province of Alberta. I mean the Crow offset of - now it's down to 13, it was 21, now down to 13. It's worth something like probably \$35 per steer. Now I find it ironical, Mr. Chairman, that the province at every federal-provincial meeting - and I've said this to them - has said that we are opposed to top-loading. The Provincial Government's top-loading. Let's get away from this interprovincial competition and get rid of this top-loading. And what do they do? They bottom-load.

**A MEMBER:** What did they do?

**HON. B. URUSKI:** They bottom-load. And so it makes a sham of the Province of Alberta's bottom-loading on the Crow offset, on the fertilizer subsidies, on the gasoline subsidies, the fuel subsidy which all farmers across this country are paying for. When it comes to gasoline, we are all paying for those subsidies. And I have said this before.

If we were probably in Alberta's position in terms of the Treasury and the resource revenues, maybe now we would be very worried about where they're headed. But clearly, we would have been under extreme pressure to be able to try and match those kinds of bottom-loading programs, which I'm sure my friends opposite do not support or at least they should indicate. Because, Mr. Chairman, if we are truly trying to build a Canada that is truly fair to most farmers as best as we can, we need not this kind of interprovincial bottom-loading that is going on.

I'll be the first to admit, Mr. Chairman, I may as well tell my friends that there is no doubt that this coming year, with the price of grain and the price of calves, a large portion of our calf crop, that our slaughter numbers in terms of the Beef Commission will in fact be going down. There is no doubt in my mind that's what will happen. I don't have the statistics here, but we'll get into that discussion later on.

**MR. G. CUMMINGS:** Mr. Chairman, I don't want to prolong this debate at this time much longer. I would only ask if the Minister would, through the program that has been set up under this government, the beef program, if he, despite what he has said a minute ago, is still convinced that a Beef Income Stabilization Program where there is some stabilization offered to the industry, if he is still convinced that it is the best approach to put that program in place at the cow-calf level, rather than at a level closer to the end of the chain, which would have had the same effect on the cattle industry and a better long-term result for this province. I know, I can almost tell you what he's going to say, but I would ask him to give a brief answer.

**HON. B. URUSKI:** Mr. Chairman, I guess one could ask a rhetorical question. I guess it depends who has the income problem in the chain and at what time. And, quite frankly, the cow-calf industry in the Province of

Tuesday, 7 April, 1987

Manitoba was having very difficult income problems at the time in 1981-82. My honourable friend says, I won't argue, and I accept that. So you do have the political dilemma, and I say that quite clearly, the political dilemma that, if you're going to consult and discuss programs and use producers' input, you do have advice. The producer input in this case said, "Let's have all three. Let's have all three from one, and encourage one-owner finishing custom feedlots."

In fact, Mr. Chairman, I guess I want to say at this stage that there is historically a different mentality that I have sensed over the last number of years, as has been advised to me, of Manitoba cattle producers versus other cattle producers elsewhere in the nation. For example, I was advised that, in Alberta, cattlemen, cow-calf people have their cattle fed in custom feedlots on a shared basis. Basically, it's a shared program. In other words, if in fact you have 40 animals in a 400 feedlot, you get 10 percent of the income, and there everybody shares the risk. It is not an "I purchase" situation. There is a completely different mentality in the industry than there is in the province. In this province, historically, the cow-calf producer has been very skeptical about the integrity of the feedlot operator - (Interjection)- No, Mr. Chairman, we did not. My honourable friend from Virden says we spread that.

When we brought in the beef program, Mr. Chairman, one of the things that we said we did not want to encourage farmers who were not finishing the animals to get into it. We did not want to encourage that. We wanted to encourage - (Interjection)- Well, Mr. Chairman, I got up in this House on numerous - what we wanted farmers to do is to put their animals into the hands of people who were in fact knowledgeable and could finish those animals. But we did say that the animals should not change hands, should not change ownership, because the moment that you start changing ownership - and I don't begrudge, everybody wants to make a profit, and I don't begrudge them that - but why should we continue to attempt to - we may have to change. I don't want to say that we won't change.

But the Ontario Government saw that back in 1985. The Ontario Government came out and said that every time the calf, the animal changes hands, that people are going to be making a profit and there's no problem with that, but let not the public be expected to pay for that profit at every step of the way.

Mr. Chairman, let's understand, and I go back in history that the cow-calf producer certainly, I would say, would be at the whip end of the industry, with the least ability to change because he can't get in and out of cow-calf as a feedlot operator can. If the market changes, the feedlot operator says, "I'm not buying; I'm shutting down."

When are you going to shut the cow down from having her calf? You can't do that.

**A MEMBER:** Cut the bull off.

**HON. B. URUSKI:** You can't do that, Mr. Chairman, and so feedlot operators can change their buying price to the profitability of feeding and they can do that very quickly. - (Interjection)- Is that what you're suggesting for the cow-calf man? No, but there is a suggestion. I regret my honourable friend from Roblin-Russell didn't

hear the comments of his colleague, and clearly one might consider some different options and that's one area that we have to examine over this year. In fact the Beef Commission and our staff are involved in examining whether there are other options in the scope of the program because we understand that now there are changes. There are changes in the market, changes in farmer attitude. Some of the smaller ones are pulling out; they've now earned their grants and they are paying back into the plan. Some of them, their fund is at zero, so that they're rethinking and we will have to change with that thinking as well.

We're looking to address some of those changes. I don't know whether we'll succeed in addressing all of it. Obviously, the cattle industry has had greater changes and more volatile changes from the marketplace than governments have been able to provide in terms of stability, but we at least have been able to cushion, by the program that we have, take away some of the highs, but we've also been able to take out some of the valleys that producers have been through.

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

**MRS. C. OLESON:** Just to change the topic slightly, under Policy Studies, I was wondering if the Minister could tell us what studies are going on, for instance, in the area of diversification of the farm picture. I'm wondering if there are any studies going on, for instance, of alternate cropping, of secondary processing, of alternate land use and that sort of thing.

The Member for Ste. Rose just alluded to or mentioned meat processing; that's one thing. I think the Minister is probably very aware of the importance, for instance, of the potato industry to my part of the province and the Portage la Prairie area and others. We're all aware of the importance of the Mohawk plant at Minnedosa and the hog processing plant at Springhill. All these things are of great benefit to the agricultural picture, particularly now. It doesn't look to any of us as if there's going to be any great rise in grain prices or any great need of more grain, so it seems to me to encourage people to grow more grain is counter-productive for the farm picture.

In speaking on the Throne Speech, the Member for Arthur gave a very good account of one of the ways he felt that this could be addressed by using marginal farm lands, taking it back into forage production for instance and that type of thing. I'm wondering, could the Minister share with us any ideas of policy studies that his department is doing in this area?

**HON. B. URUSKI:** Mr. Chairman, I don't believe that we in fact should at this juncture, and where I happen to agree with her M.P., Charlie Mayer, on this occasion, that we should be backing out of the grain market.

Mr. Chairman, exports play a large part in terms of Canadian balance of payments, grain exports. However, we are a small exporter on the world market and the only way I believe, and I think it is a sound judgment on behalf of the Federal Government, in this area, that we should in fact move away from grain production in this country, is if it is done on a global, on an international basis, that if everybody is moving out, that we do it consistently.

Mr. Chairman, what I don't want to see is the kind of expansion, for example, in the hog industry or the beef industry, that occurred I believe in the early Seventies when grain prices were low and hog production increased tremendously in this country and the bottom fell out of the hog industry. There is already prognosis that hog prices will be in the \$50 range two or three years down the road. Mr. Chairman, those projections are already out there from Ag Canada, below \$60, and the Member for Arthur says, "What?" - indicating that he doesn't believe those statistics. Well, they are prognosis at this time, but I expect that he will be reminding me or I will be reminding him as to those projections in the next two years.

What I believe that we have to do in terms of development is to attempt to grow in a managed way and that we should utilize the natural advantages that we have and the Honourable Member for Gladstone did indicate a number of areas, the potato area, and we are in fact funding that area through the Agri Food and provincial funding and federal funding in a very extensive way to continue the development of seed stock and to be basically, I would say, at the leading edge, as much at the leading edge of technology as we can.

We are also, through our various crop adaptation trials, in both the forage areas, in special crops, attempting to bring in special crops to various areas of the province where, for example, I think in the Member for Arthur's area, safflower is one of the crops - they've begun growing it - pardon me? Well, it may very well be. The honourable member says, short lived. Corn certainly was promoted. I know my honourable friend talked about corn till . . . In fact, he grew a lot of corn, but do we know what has happened to the corn acreage in this province? That's not to say we should not continue to do trials and work at an innovation in those areas. "Want to buy some equipment?" he says. No, thanks. The Interlake is not a very good corn producing area. We have some in Teulon. So, Mr. Chairman, there is continued work in food processing development.

One of the areas that I should raise that is of concern to us is the long-term development, for example, of the Portage area; and I say that from the aspect of water. The question of the quality and the quantity of water is certainly there and should be recognized as to the amount of future expansion that can occur in some of these areas. Unless it is done artificially, the natural amount of water in fact will, over a period of time, have a limiting impact on the amount of development in a number of areas of our province, some of the areas that we will have to be very cognizant of and of course not promote too heavily, areas of development that are very large users of water, recognizing the limitations of the resource in various areas.

For example, the whole question of irrigation in some parts of our province - and I know the economics are not there today, but certainly eight, nine years ago irrigation was the name of the game. What was not being viewed at that stage was the amount of resource that we have that could supply that irrigation, so that we have to be very careful and judicious as to the kind of development that does occur over the future and we have to try and manage it in as best a way as we can.

And so, in as brief a way as I have given to my honourable friend, I certainly support the comments that she makes. I will put one caveat on the question of development, that development should not occur in one area generally at the expense of another. And I just leave that for my honourable friend.

**MRS. C. OLESON:** I wasn't really indicating to the Minister that we should completely back out of the grain business; that wasn't my intention at all. But what I am concerned about is, and I am sure he is aware, with the picture of agriculture the way it is, there is very little left for some of the young people to do in the rural areas. And, if we were processing some of these products that we are already growing in the rural areas, it would also provide jobs and be cheaper to process in the long run because we wouldn't be shipping it elsewhere.

So I think the Minister's department, in looking at policy, should look at some of these things, probably get together with the Department of Natural Resources when you're looking at land-use policy, which I'm sure you do, and also the use of water. Because you mentioned around the Portage area, I'm sure if the Minister of Natural Resources was listening to you he would be cringing because that will be the next topic of conversation in his Estimates will be the quantities of uncontrolled water around the Portage area.

So I'm hoping that the Minister, when he is considering policy studies, that he looks at a long-term plan for what we are going to do, because we can't just continue to hand out subsidies and so forth. I would like to see the day when Estimates would be tabled in the House and we wouldn't need to provide any assistance because things would be going so well that we wouldn't need to be subsidizing and stabilizing every form of agricultural industry.

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

**MR. G. FINDLAY:** I see the time is getting close. I wanted to raise another issue, but I'll leave it until tomorrow and I'll just pick on a small one here.

One of the problems that the agricultural community faces is the lack of education of the urban members as to what we're all about, what our plight is and where we're going. - (Interjection)- Inside the Perimeter in general.

Mr. Chairman, I congratulate the Manitoba Pool Elevators for the kind of ad that they're running to try and just illustrate that the farmer's situation needs to be understood. I wonder if the Minister, through his department, has any idea as to how he can perform that function, also of educating the urban community. Should there be a greater emphasis on agriculture in the school system? Certainly agriculture is what the major industry of this province is, but yet there isn't a very comprehensive opportunity for anybody in the school system to understand how agriculture evolved in this province, where it's at, and where it's going. Does he have any comments in this direction?

**HON. B. URUSKI:** Well, Mr. Chairman, I want to indicate to my honourable friend, firstly, don't underestimate the knowledge and the sincerity and the intelligence

of our urban brothers and sisters. There is a lot more support for the farm community than we may want to give them credit for. There are a few -(Interjection)- Gerry, don't leave. I didn't chase you out of your chair. There is a lot more support for the farm community. Our department has been involved with the Manitoba Co-operator, for example, in the production of - I think it's called the Farm and City Magazine. -(Interjection)- No, no, no. Heaven forbid. It's a special edition that went to Brandon and Winnipeg, to all the citizens of that area. We're also involved with the Department of Education in working to setting up, as part of the school curriculum throughout Manitoba, the whole area of agriculture and farming so that there is a better understanding of agriculture at the school level. I know that there are many schools which do conduct tours of young people to neighbouring farms - I'm sure in the Member for La Verendrye, but even in the rural area. I'm speaking of, primarily - the Member for Roblin-Russell says, "In my area, as well." But I am making a closer understanding, in terms of Roblin and Russell, to the outlying area; making a distinction between those communities and that of Winnipeg and the outlying areas.

So there are many tours of school children to those farmers, and so we're certainly, through our 4-H Program promoting those activities, and through the Farm Vacations. The Central of the Canadian Office has just been centred here in Manitoba. That whole reform can only build a better understanding between urban and rural people.

**MR. CHAIRMAN:** The hour being 5:00 p.m., it is time for Private Members' Hour.  
Committee rise.  
Call in the Speaker.

### IN SESSION

The Chairman reported upon the Committee's deliberations to Madam Speaker and requested leave to sit again.

**MADAM SPEAKER:** The Honourable Member for Burrows.

**MR. C. SANTOS:** Madam Speaker, I move, seconded by the Member for Thompson, that the report of the committee be received.

**MOTION presented and carried.**

### PRIVATE MEMBERS' BUSINESS PROPOSED RESOLUTIONS

#### RES. NO. 3 - FARM PARITY PRICING

**MADAM SPEAKER:** The Honourable Member for Lac du Bonnet.

**MR. C. BAKER:** Thank you, Madam Speaker.  
I move, seconded by the Honourable Member for Dauphin

WHEREAS the economic and social welfare of every citizen is affected by the disparity between major sectors of the economy; and

WHEREAS the various parts of the economy depend on each other, and each one must be properly balanced for the economy to prosper as a whole; and

WHEREAS grain production and marketing is a major contributor to the Manitoba and national economies, the harm to which has negative rippling effects throughout the entire economy; and

WHEREAS unlike other business people, farmers have practically no say over the price they receive for their product with the result that said price often does not meet production costs; and

WHEREAS the disparity between production costs and prices only serves to exacerbate the economic difficulties of farms, farm communities and hence many sectors of the national economy; and

WHEREAS the Federal Government has the legislative power to enact domestic "fair" or "parity" pricing legislation that would ensure a producer the cost of production as well as a fair profit; and

WHEREAS various producer organizations have joined voices with federal and provincial politicians in calling for the introduction of federal parity pricing legislation;

THEREFORE BE IT RESOLVED that this Legislature request the Federal Government to consider the advisability of introducing parity pricing legislation that would ensure the producers' cost of production as well as a fair profit; and

BE IT FURTHER RESOLVED that this Legislature seeks the support of the Legislatures of the other provinces in requesting the Federal Government to consider the advisability of introducing parity pricing legislation which includes a farm family labour component; and

BE IT FURTHER RESOLVED that the Clerk of this Assembly be instructed to forward a copy of this resolution to the Prime Minister of Canada and the Premiers of the provinces of Canada.

**MOTION presented.**

**MADAM SPEAKER:** The Honourable Member for Lac du Bonnet.

**MR. C. BAKER:** Thank you, Madam Speaker.

I firstly would like to thank the members for staying to listen to one of the most important subjects, I think, that farmers are faced with today. I hope every member here uses this private members' time as an occasion to perhaps enlighten other people, not of the agricultural sector of our economy, but other people, to the plight that faces farmers today and perhaps to indicate to them, as this resolution suggests, what might be a solution to our present problem.

Madam Speaker, I think perhaps I should give a bit of a history of parity prices because it seems that when we get outside the realm of all of those institutions such as sport and many other institutions, we don't know the meaning of parity. We don't know how it applies to agriculture.

We know full well that when a hockey coach is talking about wanting parity in the league, he is talking about having skilled players on each team so as to not have the spectacle of certain teams being blown out of the hockey rink.

Madam Speaker, I think it is just as important to have parity in the various sectors of our economy to prevent what is happening today, and that is the farmers who are blown out of our economic arena.

Madam Speaker, parity prices isn't a new concept. Parity prices have been with us for 30 or 40 years. Parity was first coined back at the turn of the century, at least parity in agriculture that is. It was introduced into the American economy during the war years and shortly after the war years. For some reason or another, Madam Speaker, it fails me to understand what the reason was, but the Americans did not retain parity in all aspects of their farm economy and we have seen the results of their abandoning that particular agricultural program that they had.

Madam Speaker, in the Canadian context, I believe parity was first looked at with seriousness in the Fifties. As a matter of fact, Madam Speaker, in 1957, I believe it was, in the federal election at that particular time we had a Liberal Government and two opposition parties. The CCF at that particular time and the Conservative Party both advocated parity prices for agriculture. I remember the slogan: "Parity, not Charity." Madam Speaker, that slogan is just as valid today as it was in those days.

I want to say, Madam Speaker, that the minority government that was elected, led by John Diefenbaker, as a matter of fact did introduce a bill, and the bill was passed, that had parity in its preamble. I remember reviewing that particular bill at that particular time with some other farm organization people, and we were disappointed that it was in the preamble and it wasn't actually part of the legislation.

But, nevertheless, Madam Speaker, later on in my address I want to show you that as a matter of fact the parity that was in that preamble was in fact used not to the benefit of all Canadians but to the benefit of a few.

We then had a majority Conservative Government elected, and for some reason or another, it fails for me to understand, the bill was never proclaimed, never really put into use.

We go on, the Conservatives got defeated, and we had the Liberal years for a long time. Otto Lang came on the scene, and everybody can remember the debate that went on with the Western Grain Stabilization Program. I remember attending Pool elevator conventions when we were browbeaten by federal bureaucrats into saying we should accept that Western Grain Stabilization because it was such a good deal.

Madam Speaker, I suppose half a slice is better than no slice at all, but the Western Grain Stabilization Bill to me is only half a slice. It wouldn't be so bad, Madam Speaker, but right after the Western Grain Stabilization Bill was put into place - and for those of you who do not understand what I'm talking about when I say Western Grain Stabilization Bill, it applied only to those prairie provinces that produced the six grains. I believe it was wheat, oats, barley, flax, rapeseed and rye. Those were the only commodities that were covered under the Western Grain Stabilization Bill.

Once the West was boxed into that particular program, Madam Speaker, the Federal Government then saw fit to put into gear, to put into motion, to bring into being that Canadian bill that was passed by the minority Diefenbaker Government. They interpreted

the parity and the preamble very generously, Madam Speaker. We can see that in the price that many people in Eastern Canada and in British Columbia, we can see that evidenced in the prices that they received, the prices that they were guaranteed.

Madam Speaker, if parity ever meant anything in this country at all, it would mean, I think, to begin with, that one part of Canada, one region of Canada should not receive a better price than the other regions of Canada. If we are going to have a support program in this country, it's got to be the same for everybody. Everybody has to be treated alike right across this country.

There would be many benefits, Madam Speaker. Western Canada is far removed from Ottawa. The eastern farmers, in one day, they can get every farmer in Quebec and Ontario at the legislative steps. If it wasn't for the fact that we have two different programs representing farming in Canada, if it wasn't for that fact, if it was one program instead of the two programs, every time those farmers from Quebec and Ontario would go to that Legislature, they'd be arguing for us. They'd be arguing for all farmers across Canada; but as it is now, Madam Speaker, they are retaining their age-long domination privilege, if you would, of getting something better than the rest of Canada is getting, and I say to honourable gentlemen that this has to come to an end.

Madam Speaker, if I could put this in proper context, we have a Canadian program that covers eastern farmers and B.C. which is contributed to entirely by the Federal Government. We have the Western Grain Stabilization Program, Madam Speaker, which is two-thirds Federal Government, one-third farmers - one-third western, if you will.

Madam Speaker, that's bad enough, but now we are told we have to have a tripartite scheme where it'll be one-third feds and two-thirds Western Canada. Madam Speaker, enough is enough. If we don't start articulating to western problems, both sides of the House, if we don't start articulating in a proper way, I can assure you that there is probably going to be a political movement which will do it for us and we will have nobody to thank but ourselves.

Madam Speaker, I don't know how much time I've got left.

**MADAM SPEAKER:** The honourable member has seven minutes remaining.

**MR. C. BAKER:** Thank you.

Madam Speaker, I guess there are so many different facets one could talk about. We also have the two-price wheat system, and the two-price wheat system is a good idea, because it segregates that amount of wheat which is consumed in Canada and gives farmers a parity price, if you will, for that amount of wheat. But what have we seen happening with the two-price wheat system? Farmers recently were pushing, and it seemed like the Federal Government was willing to give farmers an increase in the two-price wheat system. I heard figures of \$10 per bushel, which would be quite generous in my opinion, Madam Speaker. We don't consume a large amount of the wheat that's produced in Canada, but we consume a substantial amount. In

Tuesday, 7 April, 1987

my opinion, if we could have that two-price wheat system, we would be going at least part way to achieving your parity price concept.

But, Madam Speaker, even there the eastern provinces have seen a way with which to beat us. While we are in a situation in Western Canada where we have to take a blended price of a domestic price averaged over all of the grain that is exported and each one of them produce as much as Canada and in accordance with his deliveries, would be getting his share of that domestic price, the Easterners have caught on pretty fast what the name of the game is and there is not a large amount, Madam Speaker, but a sizable amount which could grow, of eastern grain which is delivered directly to the elevators and they are receiving a direct price of over \$6.00 a bushel for their entire delivery. Again we get beat, Madam Speaker.

Madam Speaker, you know, we have a lot of people talking about a free market today. Really, Madam Speaker, a free market is like perfection. All of us would like to strive for it, but we don't really know if it's attainable. But somebody jokingly said - and I'm sure everybody has heard this particular story about the free market bargaining that's going on between Canada and the United States - somebody said, we'll try it with the United States. If it works there, then we'll introduce it in Canada. Madam Speaker, that's meant to be a joke, but it isn't a joke because in actual fact we do not have a free market system in Canada. If you're talking about a level playing field that is the same for everybody, can anybody in Canada say that agriculture has got a free market when you can have one price level in one part of our country and you have another price level in another part of our country?

Madam Speaker, there are many aspects that one could talk about as far as the parity prices are concerned. In this brief short time that I've had, I hope that I have enlightened this group and I hope that everybody will join in the debate and we can have a good open debate about the parity concept.

I don't know if I have much time left, Madam Speaker, but if I do have a few minutes left, perhaps there are some people here who would like to question me about something or other that I have said in my address this evening. I would be happy in a short way to correct any misimpressions that I left with them or to enlighten them, anything that they might be puzzled with.

In closing, Madam Speaker, again I'd like to thank the Legislature for having this opportunity and perhaps I could close with something that I read in an American farm publication. It went something like this. It said, burn down your cities and they will be rebuilt and appear like magic, but destroy agriculture and grass will grow on every city street.

**MADAM SPEAKER:** The Honourable Member for Arthur.

**MR. J. DOWNEY:** Madam Speaker, not to speak on the resolution at this time, but the member indicated he'd answer any questions. Does he have time to answer some questions?

**MADAM SPEAKER:** The honourable member has two minutes remaining.

**MR. J. DOWNEY:** Madam Speaker, I would ask the Member for Lac du Bonnet; he seems to be very strong in his position about putting forward a case to Ottawa - how far is he prepared to go? He has talked somewhat on the lines of western separation or using that as a threat to Eastern Canada -(Interjection)- okay. Madam Speaker, the member I'm sure feels very strongly about this issue and he has indicated unfair treatment from Eastern Canada or from central government and he talks about a sweep of some political movement from Western Canada of which I have heard quite a bit about too which has the connotations of western separation or a western power block. Is he prepared to go to that extent to accomplish the goal which he is suggesting here today?

**MADAM SPEAKER:** The Honourable Member for Lac du Bonnet.

**MR. C. BAKER:** I know that the gentleman is not suggesting that I'm unpatriotic or anything like that, because I think I love Canada as much as anybody else does. Madam Speaker, because I am concerned, I think this proves that I like Canada. I wouldn't want to go to the extreme that we separate. I would sooner try to correct the problems we have, and I merely mention those movements in Western Canada because I know, Madam Speaker, that those people too are sincere. I know that they are sincere. Madam Speaker, I don't think I can speak for all of them when I say I want to keep Manitoba together, because a lot of those people who are fairly sick and tired of getting the shaft in Western Canada would tell you that yes, we like Canada, we want to belong to Canada, but not at any price. We have to have fair treatment in this country if we want to keep it together.

**MADAM SPEAKER:** The Honourable Member for Virden.

**MR. G. FINDLAY:** Thank you, Madam Speaker.

Certainly, I appreciate the opportunity to speak to the member's resolution. The concept of fair return to the farmer for his labours and efforts and costs of running his farm is something that we support very strongly on this side of the House as I'm sure any farmer in any farm organization would support.

The member introduces a concept of parity. He didn't really give us any clear idea of how he felt he could achieve parity, no ideas given. No ideas given as to where the money would come from to achieve this end. So I think I would like to just go through his WHEREAS'S and comment on whether I agree or disagree with various statements he has made.

He has mentioned disparity between various major sectors of the economy and certainly there are disparities in various segments of the Canadian economy. When I look at the urban versus rural situation, we see a rising economy, wage settlements are increasing every year, nobody in the urban community is prepared to take a reduction, whereas rural farmers and many of our people who work in our rural towns have had to take a reduction in salary because there simply isn't the money there to pay. Certainly, that's a disparity that we would like to see addressed.

When I see the attitude of workers in the grain handling sector - you look at Thunder Bay a year ago. The workers went on strike because they were offered the same wage settlement that the farmers had to accept from the world economy, a 20-percent reduction. They obviously didn't accept that; they got an increase in salary. The commodity they were handling was worth less, but they wanted an increase. Certainly, there's disparity there.

I would ask the member if he's prepared to address the labour unions of this country to live with the farmer, and accept the rise and fall of the world export grain market. The farmer cannot continually produce grain at a loss, and that's where he's at right now. He cannot continually produce it so that worker can have a job of exporting that grain, Madam Speaker.

In a general sense, the farm community or the grain farmer, in particular, is operating at a significant loss. I've done the arithmetic for my own farm. I know many farmers have done the same arithmetic. The Manitoba Department of Agriculture has done the arithmetic. The operating costs run at least \$80 an acre for wheat, plus some fixed costs of some \$30, \$40 or \$50 an acre, depending on what categories you include at arriving at the total cost of producing a bushel of grain.

The income that the farmer is going to receive from that wheat at less than \$3 a bushel for initial price times an average yield of 30 bushels an acre is less than \$100, certainly nowhere near paying the total operating cost. No business can continue to operate that way. So, Madam Speaker, I would ask the member if he is then prepared to follow through and ask that the other segments of the industry share in the loss of income that the farmer is experiencing.

The concept that various parts of the economy depend on each other, there's no question. In his closing statement that, when the farmer fails, a lot of the rest of the industry and population of this province will fail, we agree fully with that. There's no problem there at all.

Madam Speaker, the member must recognize that we're fighting a situation where we're only 2 percent or 3 percent of the population - I'm speaking of the farmers - and many of the rest of the population, the 90 percent of the people, have grown to understand that they should have a cheap food policy. That has been part and parcel of North America. It's an unfortunate thing, but we have to do something to reverse that trend. Only 15 percent of the consumers' disposable income is spent on food in North America. It's the lowest in the world. Why do we have that cheap food policy? That is something the member has got to address if we're ever going to have parity.

The member says that grain production is a major contributor to the Manitoba and national economies. There's no doubt about that, but yet the farmer's certainly not receiving a fair return. He's talked about stabilization in terms of federal, provincial and farmer support, and we talked about stabilization yesterday in a tripartite sense. The Western Grain Stabilization is a bipartite program, but these are simply ad hoc programs that try to meet a need. Parity pricing, as he mentioned, was brought up in the Diefenbaker years, and you ended up with the Grain Stabilization from the Trudeau years.

I believe that stabilization is a very necessary part of maintaining agriculture in Canada. We can no longer

produce food and compete with everybody in the world, because we have built in Canada costs of production, particularly because of the high input costs of labour in producing any of the goods and services that we use on the farm. I believe in stabilization being oriented to supply a reasonable level of income without unduly subsidizing to promote uneconomical food production.

The Western Grain Stabilization Act, although it has many weaknesses as we even talked about in Estimates today, can and should eventually be incorporated with the Crop Insurance Program to give a comprehensive support system to cover a producer's operating costs and then losses that will occur to him because of lack of production or drop in export price.

The Western Grain Stabilization has been modified somewhat in recent years by the Mulroney Government. It was a five-year moving average in its initial conception. It is now a three-year moving average, which has in recent years triggered a pay out much more quickly than the old system did. There's now an interim payment which will be out this month - it was out in this month last year - which got the money into the farmers' hands for putting in the next crop. That's an advantage or an improvement to the program, but certainly many more improvements are still to be done.

He talks about equality across the country in terms of opportunity of producers. We in Western Canada are naturally a long way away from Ottawa, and it's difficult for us to lobby effectively in competition with Ontario and Quebec. Quebec, over the years, has developed a very strong lobby group. I can't just think of their name off the top of my head, but they're an effective producer-funded organization that is not very far from Ottawa. They have some fairly high paid lobbyists who know what they're doing. Ontario is somewhat similar, although I think most of their lobby comes from different commodity groups, rather than from one single spokesman voice.

Last year, when our spokesmen went to Ottawa and the western Canadian spokesmen went to Ottawa to talk about the Western Grain Program, the Deficiency Payment Program, they sat around for a day, around the table and talked. The corn growers, the soybean growers were there, even though they weren't invited. They sat and listened, and then they came back the next day to carry out their lobby, while the western people had come home. We got snookered again, and they got included in that program money for Ontario and Quebec.

The Minister of Agriculture said earlier today that probably that program was divided up fairly evenly. In other words, he felt that what Ontario got and Quebec got was okay. But what happened there, what was demonstrated to me by that process was that we don't have a strong enough lobby group out here in Western Canada. We have in front of us, right here in this province right now, a group of people trying to organize to be a lobby group, not only to the Federal Government but to the Provincial Government, a spokesperson for producers in this province called Keystone Agricultural Producers. They have lobbied this government for a check-off legislation so they can be an adequately funded spokesperson to carry out the interests of the farm group, particularly the grain sector group, because they don't have a good organized group right now.

But your government, Mr. Member for Lac du Bonnet, continually refuses them the option of having a check-



off legislation so they can be adequately funded, and I would ask you where you stand on that issue. If you want parity with other provinces in the agricultural sector, you need a funded lobby group to speak for agriculture. It can no longer always be done government to government because, as we found in sugar beets, there does come a time when one Minister gets himself out on a limb where he can't crawl back from and he's afraid that, if he crawls back, he can't save face. That's a very serious issue, and we need our commodity groups adequately funded and in place.

We need a level playing field, the member says. There is no question we need a level playing field, but I think that Manitoba is at the bottom of the barrel in this level playing field. When we look to the west of us in recent years, we see some very significant programs of support to the grain sector of Saskatchewan and Alberta. There are two ways to approach the equality that you look for, Madam Speaker. One is to increase the return that you get from the commodities you sell; the other is to reduce the cost of producing it. Either way, you improve the farmers' chance of survival.

In Saskatchewan, we had a significant amount of money put directly into the farm economy to support the farmer through lower fuel prices and lower interest costs, particularly in operating loans. Alberta put money out in many areas, but one of the more significant was to lower the cost of fuel.

Madam Speaker, to be on a level playing field, I would like to see the cost of fuel in Manitoba the same as it is in Saskatchewan and Alberta. In 1986, for comparative purposes, fuel cost around 10 cents to 12 cents a litre in Alberta, 17 cents to 19 cents in Saskatchewan, and around 25-26 cents a litre in Manitoba. Is that a level playing field, Madam Speaker? That is something the Provincial Government itself could address, has chosen not to address, and I ask the Member for Lac du Bonnet if he is prepared to stand up and say: Put us on a level playing field, Mr. Minister of Agriculture. Give us the same fuel cost as exists in Saskatchewan and Alberta.

On operating loans, all farmers in Saskatchewan had \$25 an acre last year, Madam Speaker, at 6 percent interest, whereas Manitoba farmers at the same time had to go to the commercial market. It was costing them 11 percent, 11.5 percent, 12 percent, 12.5 percent. Is that, Madam Speaker, a level playing field for the farmers of Manitoba? I think not.

We have parity pricing in certain segments of agriculture in this province, Madam Speaker. Anybody who is producing a commodity under the marketing board concept has a price structure that allows some degree of parity.

How much time do I have, Madam Speaker? - (Interjection)- Three minutes. Thank you.

I agree that the grain farmer definitely needs a more fair return from his product but, without some idea as to how we're going to achieve that, the member has got to come forward with some concept of where the money is going to come from. Is the consumer going to pay for it through a food tax like they do in Europe? Is that how we are going to support our grain farmer? How much food tax will the consumers pay before they rebel? I think he's to speak to his urban members on his side of the House, and ask them how much they're prepared to put up as a food tax to pay for the loss

of income that we receive from exporting grain right now.

There's no way we can sell it on the export market for more than what the consumer in other parts of the world is prepared to pay. It's a competitive world out there, and I think the Wheat Board is doing an excellent job of selling grain in a very depressed market. If they weren't selling it, we'd be in even worse shape in Manitoba than we are today. They've got to be congratulated for that effort. But somehow or other, that money has to come from somewhere if you are going to ask for parity pricing.

Madam Speaker, if the member is prepared now to stand up and tell us where the monies come from, I am prepared to support parity pricing and equal opportunity for all farmers in Western Canada and Manitoba to produce grain, produce food for the consumers of Manitoba, Canada and the rest of the world.

Thank you, Madam Speaker.

**MADAM SPEAKER:** The Honourable Minister of Natural Resources.

**MR. C. BAKER:** Madam Speaker?

**MADAM SPEAKER:** The Honourable Member for Lac du Bonnet.

**MR. C. BAKER:** I beg to have leave of the House just to make a quick response to the gentleman across the way.

**MADAM SPEAKER:** The honourable member does not have leave.

**MR. C. BAKER:** Well, I would have told him, if I would have had leave, I would have told him it would come from the same place as the Easterner gets his . . .

**MADAM SPEAKER:** Order please, order please. The Honourable Minister of Natural Resources.

**HON. L. HARAPIAK:** Thank you, Madam Speaker.

I'm pleased to rise to take part in the debate on this resolution, Madam Speaker. I want to say at the outset that I have the greatest of admiration for the people who are involved in the agricultural industry. They are a group of people who have contributed immensely to the well-being of the province and the well-being of our country, and I think their contribution is sometimes underrated.

I admire the conviction with which the Member for Lac du Bonnet spoke and, indeed, the Member for Virden speaking to this issue. I think, in a sense, the debate on this issue presents us with one of those rare opportunities where I think we do have unanimity amongst the members of this Chamber as to the seriousness of the issue that we are dealing with, not only in the farm community amongst the farm families but indeed throughout the province and indeed all of Canada, not only Western Canada.

Agriculture, as the Member for Virden indicated, is an industry in which approximately now 4 percent of the Canadian population is employed, an increasingly

smaller percentage of the Canadian population providing a supply of food which has never had to be a concern for people in Canada. That small percentage of people with a great investment, not only an investment of time but an investment of energy, provide the basis for much of the economic activity that occurs in Manitoba. If you look at the different communities throughout the province, taking my own constituency, Swan River, as an example, were it not for agriculture, many of the communities would not be able to exist.

So it goes down the chain, Madam Speaker, from the smaller communities of Benito, Minitonas to Swan River, from Swan River to larger communities like Dauphin, to Portage la Prairie, Brandon and indeed Winnipeg. Without that economic activity on the landscape, many of the others who are employed in providing services and goods to the rural community, to the industry of agriculture, would not be there.

I want to agree with the Member for Virden in describing the situation that exists on the landscape now. We are facing a crisis brought about by declining commodity prices primarily, and we are selling our commodities, our grains, into an international market, a market wherein other players are being subsidized by the treasuries of their respective countries, making it a virtually impossible situation. Given those circumstances, I too would want to acknowledge the kind of effort that has been put forth by the Canadian Wheat Board to deal with sales in that very difficult and competitive market.

Combined with the declining commodity prices is the other dimension of increased costs of production and, given that relationship now, we have farmers with negative incomes. Compounding that situation, we have the matter of declining asset values and, given those declining asset values, the capacity of farm families to borrow the funds that are required is considerably diminished.

So I speak, Madam Speaker, in support of the need for parity pricing, recognizing that there is not unanimity. In fact, for many people who speak for parity pricing, it is a notion that does require debate, does require clarification. There are dimensions of the notion of parity pricing that we would probably be in agreement on but it is, I think, important that we proceed with the notion without having at this time a complete definition of all aspects of parity pricing.

I say that we need parity pricing because the Canadian farmer, particularly the grain farmer, sells the bulk of his or her commodity on the international market where, as the Member for Virden said, we cannot influence prices. We cannot influence the prices in the international market. But we are required to buy the bulk of our input costs in the domestic market, having very few options in that respect. So therefore, given that we would have to require our input costs from the domestic market, is it not then reasonable that portion of the food production that is consumed in Canada should be priced to reflect those costs which are incurred by the farmer acquiring input costs on the domestic market.

I want to reinforce as I said earlier, Madam Speaker, that the benefits of this kind of an approach accrue not only to those who live on the land, and I think it's important that we recognize that those people who are on the land at this time are facing tremendous

pressures. They are pressures not only of a financial nature, but they are pressures which are borne by family units, tremendous psychological pressures, people at risk not only with their businesses, the farm unit, but at risk with their homes and their very way of life, Madam Speaker.

The benefits of parity pricing would accrue to all members of the community, and indeed to the entire province, because we know full well that farm families spend the bulk of their income, and given the income levels that they're at now, I would say virtually all of their income is spent in the communities in which they live and there is a multiplier effect that takes place from that.

So it is not as though if a fair price were paid for the food that is consumed on the Canadian market, that if there was a fair price paid for that and to react to what the Member for Virden said, in terms of the definition, it seems to me quite clear that the consumer has to be prepared to pay for some of that price.

We see, in Canada, consumers paying - and I accept the member's figure - 15 to 16 percent of their disposable income on food. That is a tremendously good deal for the Canadian consumer. Compare that to what happens in other parts of the world, where people spend 30 and 40 percent of their income on food, and I would not be one to suggest that the incomes of Canadians should be brought down to a level such that they, in turn, would be required to spend 30 or 40 percent of their income on food.

I think it is possible to put in place a pricing formula wherein the consumer could, given the particular level of income that they are at, pay a greater percentage of their disposable income for food. But I recognize, while saying that, there are certain elements of society which would find it difficult to provide, as we have even at current levels.

At current levels of food cost, there are some who find it difficult to provide food; so within that framework, I would be quite prepared to speak in support of a system which would provide, through the different levels of government, support for those who are not able to provide food from their own disposable income.

I suppose, in speaking to this, Madam Speaker, I am asking nothing more for the producers of food than that which is enjoyed by other sectors of society who are rewarded for their labour, for their efforts, for their investment. I, for one, would not want to deny a labourer a fair return for his or her labour. For those who would suggest that what is required in order to bring justice to the system, that we have to bring the labourer down, I don't think we have to view it in that way.

We have to recognize that those who earn an income for the most part spend that income, and in order for people to pay a decent price for the food, if we are saying that they should pay a higher percentage of their income for food; if we, at the same time, say that we will draw down your level of income, we are at the same time reducing their capacity to pay for that food. So I would not suggest that, nor would I suggest that the professionals who have arrangements wherein there are fee schedules, fee for services, should be denied that. There are schedules for legal services, schedules for medical services and I, for one, would not want to deny those a return for that contribution to the well-being of society.

Even in industry, there are arrangements which are more likely to guarantee a decent return to industry, whether you take the mining industry or the oil industry, both of which fluctuate to some degree, as does agriculture, but there is more of an opportunity to influence what will happen to the return for that particular sector.

So I am saying that for agriculture, for the producers of food, I would like to see the same kind of an opportunity. What this will require, Madam Speaker, is then somewhat of a deviation from the traditional approach that has been taken in agriculture, wherein people have been asked to operate in a very independent fashion.

Now I, for one, and as a farmer, would not want to deny farmers some of those opportunities, but I think there are plenty of opportunities for working cooperatively and for farmers, rather than to view each other as competitors, to view each other as cooperators in a particular industry. I think by working together, they could have more of an influence in what happens in the marketplace.

It might require, indeed I think it would require, Madam Speaker, some kinds of restrictions on production and acceptance on the part of producers that there would have to be quotas. But there is clear evidence from other commodities in Manitoba and elsewhere in Canada that those kinds of systems can work well and they can provide a decent return to those who would invest and toil in the industry of agriculture.

It is true that we can apply that only to a percentage of our production, but clearly I think we should at least make some efforts in that area, than to suggest because we could not have a perfect system, that we cannot influence the entire marketplace, that we should not try at all.

I want to indicate, Madam Speaker, that when we are talking about parity, parity in pricing, I want to support as well the notion that was raised by other speakers, that there are matters of regional parity as well that we must share.

So, in conclusion, Madam Speaker, I would just want to say that I speak in support of this and I think it is rather ironic that at this point in time where we, as a relatively affluent country, look to those who provide the most staple item - food - that those producers would be starving, if not for food, they would be starving financially.

**MADAM SPEAKER:** The Honourable Member for Arthur.

**MR. J. DOWNEY:** Thank you, Madam Speaker. I rise to join in the debate on what is an extremely important issue, not only in the Province of Manitoba but as a nation today, and that is the income of the farm community, particularly those individuals who are in the grains or oil seed sector.

I think the Member for Lac du Bonnet is quite sincere in his approach to try and resolve the problem, but I think we should just stop for a minute and not go back quite as far in history as he went, but to take a look at what has happened over the last 10 to 15 years in the agricultural community and the overall situation that we find ourselves in in the farm community.

Madam Speaker, my colleague from Virden points out very well that it is a cheap food policy which this country and the United States have before them, and those countries that are particularly abundant producers of food. We've taken for granted the foodstuffs that we've eaten, the fact that we've never - I should we - our generation and the generation before me have been hungry, but I never have. The hungry Thirties, I am sure, a lot of people remember that and it does stick in their mind. But I, as a generation and the generations who are younger than I have never experienced a hungry time in the history of their lives and they don't want to be and we don't want them to be.

I want to as well point out that a lot of our problems go back to the 1973 year when we had the OPEC countries, who set up their cartel or their . . .

**MR. C. MANNES:** . . . marketing board.

**MR. J. DOWNEY:** . . . organization. Yes, that's right, my colleague from Morris says their marketing board. I want the Member for Lac du Bonnet to pay attention to this because it's extremely important. They had control of the supply of world energy. They had control of the supply of world energy, and what did they do with it? They said to the rest of the world, we're going to get paid what we want, what we think we should be paid for it, and we're going to get paid a profit. That's when the ball of inflation started. We went from world oil prices of \$5 and \$6 a barrel to \$30 to \$40 a barrel. We saw all the impacts of it.

We saw the agricultural land prices, we saw all the costs of automobiles, of wages. The whole ball of inflation started to take off and it rolled and rolled until 1980 when the financial advisers and planners of the world said, look, this inflationary thing has to be brought to a stop and the only way we can do it is implement high interest rates because people are borrowing, spending into the future, and we're in a disastrous path. And they did; they brought inflation under control. You'd better believe it that they did. But who were the biggest sufferers of it? Those people who were price takers in the agriculture community.

Now what I'm understanding the Member for Lac du Bonnet saying is that now we should do that with the agricultural produce that is produced; that we should take control of the market; that yes, we should set up marketing boards with supply management. We should control what we sell those products for; we should control production.

Well, let's take a look at what we've got in marketing boards in this province. Yes, we've got dairy marketing boards. We've got broiler marketing boards. We've got egg marketing boards and turkey marketing boards. But how many producers are there, Madam Speaker? In their own budget document, they say there are 23,000 farmers, or two-thirds of the farmers getting support under the education program. So there are 23,000 farmers, but under the supply management system, we have 1,200 dairy producers, 125 broiler producers, 100 egg producers and 75 turkey producers. A very, very small percentage, Madam Speaker, of the farm community.

I would suggest that if you had parity pricing, as this member is recommending and the government is

recommending, Madam Speaker, you would solve the farm problem in one quick swipe. Ninety percent of the farmers would disappear out of this province. They would disappear and disappear immediately.

**A MEMBER:** The problem would be gone?

**MR. J. DOWNEY:** That's right, the problem would disappear because there wouldn't be a farmer left. There would be 10 percent of the farmers left producing grain and products in this province. That's exactly what would happen.- (Interjection)- The member says "not true." Madam Speaker, I would hope that he would take a little more serious look at what he's advocating. Goodness' sake, we're all for parity pricing, meaning that we're going to get paid for what we do and paid a fair profit.

I'm trying to point out look what happened to the oil industry; look what they did with the controls which they put in place. They upset the whole economy, the whole world economy -(Interjection)- that's right, and destroyed themselves. Exactly the same thing would happen in the agriculture community. I'm not kidding you, Madam Speaker. I think that we've got to take a very serious look at what he is advocating.

The other problem that we've come into, Madam Speaker, and this is why we're into a situation that we're in today, and that's because of the fact that we've got the United States with major support programs and set-aside programs in place helping their farmers, bound that they're going to go out and make sure they get their massive control of the world market as are the European Economic Community.

Now there is one place that the member can get his money. The European Economic Community get their money from every taxpayer. It's a 1 percent tax on everything that they buy; it's a value-added tax. Is that what the member is recommending?

My colleague from Virden said, "Tell us where he's going to get the money from." I would suggest, Madam Speaker, that it's hollow talk from his colleague, the Member for Swan River, when he says he supports them. You wouldn't get a member of the Treasury Bench going out putting 1 percent tax on everything purchased and consumed in this province to help the farm community. They would leave them like rats leaving a sinking ship. The Member for St. James would be the first off because he's afraid he would lose a vote, Madam Speaker.

It's hollow talk when the Member for Swan River stands up and says that he supports this. He is a member of Treasury Bench. He is a member of caucus, Madam Speaker, in government. It is a shared responsibility between the federal and provincial

legislation and they could bring in a piece of legislation into this House saying that every farmer in Manitoba shall be paid a fair return for what they do plus a profit. He has the capability of doing it now that every person going to the store has to make sure that they pay a certain percentage of what they buy to go to make sure the farmer gets that profit.

Don't let him try and fool you, Madam Speaker. That is within the capability of the Treasury Bench and the caucus to do so in Manitoba. They are the government. They have the capability to do it. They bring in legislation telling the minimum wage. Madam Speaker, they say the minimum wage in Manitoba shall be \$4.35. I'm serious - they can bring in the same legislation and say every farmer shall be paid what it costs them to produce plus a fair profit. They do it for minimum wage earners; they can do it for farmers.

I'm saying it's hollow words. The Member for Swan River is speaking hollow words. The Minister of Agriculture is speaking hollow words. They have the capability of doing it, yet they cowed him into bringing in a resolution that they knew they wouldn't have to stand up and support.- (Interjection)- Oh! I know you're sincere, but if they were sincere in supporting you, they would say, "Mr. Member for Lac du Bonnet, why wouldn't you bring in a bill that we can make sure that it actually happens?" We do it for the minimum wage earners. Why won't they do it for the farmers if they were sincere?

That, Madam Speaker, is the kind of government we have. They are political posturing. They aren't sincere about helping the farmers. Parity pricing is just another buzz word for farmers' union and New Democrats.

And I'll tell you one other thing. If the Member for Lac du Bonnet was really serious, I would like to know whether he's going to support free trade so that farmers can buy their automobiles, their refrigerators and their deep freezers for less money than they have to pay in Canada, because he's already competing on the world market with his grain and we have free trade on grain. Does he support free trade? He can't have it both ways, Madam Speaker, as a politician, and I hope he takes a more serious look before he brings in another resolution.

**MADAM SPEAKER:** Order please, order please.

The hour being 6:00 p.m., I'm interrupting proceedings. When this matter is again before the House, the Honourable Member for Arthur will have five minutes remaining.

The hour being 6:00 p.m., the House is now adjourned and stands adjourned until 1:30 p.m. tomorrow. (Wednesday)