

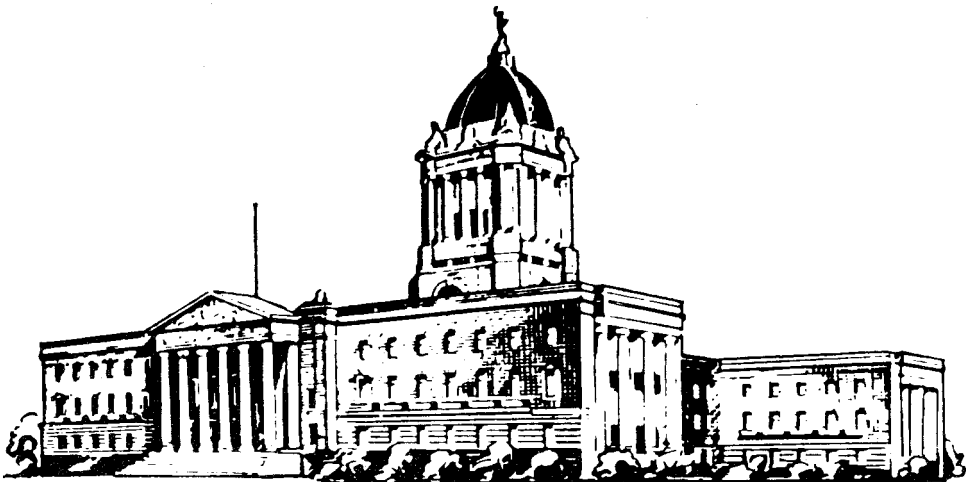


First Session — Thirty-Fourth Legislature
of the
Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS
(HANSARD)

37 Elizabeth II

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Speaker*



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**MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fourth Legislature**

Members, Constituencies and Political Affiliation

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	LIBERAL
ANGUS, John	St. Norbert	LIBERAL
ASHTON, Steve	Thompson	NDP
BURRELL, Parker	Swan River	PC
CARR, James	Fort Rouge	LIBERAL
CARSTAIRS, Sharon	River Heights	LIBERAL
CHARLES, Gwen	Selkirk	LIBERAL
CHEEMA, Gulzar	Kildonan	LIBERAL
CHORNOPYSKI, William	Burrows	LIBERAL
CONNERY, Edward Hon.	Portage la Prairie	PC
COWAN, Jay	Churchill	NDP
CUMMINGS, Glen, Hon.	Ste. Rose du Lac	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DOER, Gary	Concordia	NDP
DOWNEY, James Hon.	Arthur	PC
DRIEDGER, Albert, Hon.	Emerson	PC
DRIEDGER, Herold, L.	Niakwa	LIBERAL
DUCHARME, Gerald, Hon.	Riel	PC
EDWARDS, Paul	St. James	LIBERAL
ENNS, Harry	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Laurie	Fort Garry	LIBERAL
EVANS, Leonard	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen Hon.	Virden	PC
GAUDRY, Neil	St. Boniface	LIBERAL
GILLESHAMMER, Harold	Minnedosa	PC
GRAY, Avis	Ellice	LIBERAL
HAMMOND, Gerrie	Kirkfield Park	PC
HARAPIAK, Harry	The Pas	NDP
HARPER, Elijah	Rupertsland	NDP
HELWER, Edward R.	Gimli	PC
HEMPHILL, Maureen	Logan	NDP
KOZAK, Richard, J.	Transcona	LIBERAL
LAMOUREUX, Kevin, M.	Inkster	LIBERAL
MALOWAY, Jim	Elmwood	NDP
MANDRAKE, Ed	Assiniboia	LIBERAL
MANNES, Clayton, Hon.	Morris	PC
McCRAE, James Hon.	Brandon West	PC
MINENKO, Mark	Seven Oaks	LIBERAL
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold, Hon.	Rossmere	PC
OLESON, Charlotte Hon.	Gladstone	PC
ORCHARD, Donald Hon.	Pembina	PC
PANKRATZ, Helmut	La Verendrye	PC
PATTERSON, Allan	Radisson	LIBERAL
PENNER, Jack, Hon.	Rhineland	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren	Lac du Bonnet	PC
ROCAN, Denis, Hon.	Turtle Mountain	PC
ROCH, Gilles	Springfield	LIBERAL
ROSE, Bob	St. Vital	LIBERAL
STORIE, Jerry	Flin Flon	NDP
TAYLOR, Harold	Wolseley	LIBERAL
URUSKI, Bill	Interlake	NDP
WASYLYCIA-LEIS, Judy	St. Johns	NDP
YEO, Iva	Sturgeon Creek	LIBERAL

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, October 4, 1988.

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Mr. Mark Minenko (Chairman of the Committee of Supply): The Committee of Supply has considered certain resolutions, directs me to report progress and asks leave to sit again.

I move, seconded by the Honourable Member for Minnedosa (Mr. Gilleshammer), that the report of the committee be received.

MOTION presented and carried.

ORAL QUESTION PERIOD

Taxation System Auditor's Report

Mr. John Angus (St. Norbert): It is a well-known fact that people do not like to pay taxes; but, Mr. Speaker, the waste of taxes collected is even more repugnant than the collection of those taxes.

The current system at the City of Winnipeg provides a role for an auditor of the City of Winnipeg that restricts his ability to look at items beyond strictly financial matters, such as income revenues and expenses. For instance, he cannot look at the duplication of effort, he cannot look at the uneconomical or inefficient use of equipment or people, and he does not look at the return on investment on tax dollars.

The Auditor-General of Canada has unearthed millions of dollars in waste of public monies, and he brings it to the attention of politicians.

My question to the Minister of Urban Affairs (Mr. Ducharme) is what legislation will the Minister prepare to give the City of Winnipeg auditor the power to flag wasted tax dollars and to let them perform a value-for-money type of audit for the City of Winnipeg?

Hon. Gerald Ducharme (Minister of Urban Affairs): It has been discussed with a couple of the councillors at City Hall. I have asked my administration, because there was an earlier newspaper report dealing with this matter, to come back with some type of recommendations. Then, after consultation with the City of Winnipeg and with the recommendations from my administration, we will be looking further along at legislation.

Mr. Angus: I appreciate and will look forward to receiving the report from the Minister.

Cherniack Report Release

Mr. Speaker: The Honourable Member for St. Norbert, with a supplementary question.

Mr. John Angus (St. Norbert): While he is digging reports out of his department, can he tell me when we can expect the long-awaited results of the Cherniack Report, a report that was discussed by this Legislature and discussed by the City of Winnipeg, and a number of items were assented to and then responded back to the provincial Government?

Hon. Gerald Ducharme (Minister of Urban Affairs): We have reviewed the Cherniack Report—my staff has reviewed it—and it was suggested at this time that the most immediate concern of the Cherniack Report, because the election is in the fall of '89, that we would deal with the numbers of City Council and matters immediately concerning City Hall at this present time instead of hastily going through the report. No way are we going to reinvent the wheel. After careful consideration and going through the recommendations that have come forward to us from City Hall, and their views on the report and the views of the Cherniack people in the report that have been made, we will be looking at that, I am sure, in the upcoming Sessions.

* (1335)

Recommendations

Mr. John Angus (St. Norbert): One of the recommendations of the Cherniack Report was the strengthening of individuals' powers to review boards and committees of Council. I would hope, and I would like the Minister to give me an indication as to whether or not he is going to allow the Auditor-General to review and investigate boards that are attached to the City of Winnipeg and have the responsibility and financial reporting relationship with them as to their efficiency and as to their ability to perform their function in a straightforward manner.

Hon. Gerald Ducharme (Minister of Urban Affairs): City Hall right now has that. Whenever they grant or whenever they are involved in boards, especially commissions and boards, they can bring in their auditor. Also, when they are reviewing grants, they can bring in and ask for audited statements and statements in regard to the people who are asking for grants.

In regard to the appointment of the Mayor and more powers and that, as the Member must realize, the important part is that right now they are going to be entering into their third year of a three-year mandate and that type of message, if you are going to change the Cherniack Report, would be best brought forward next fall when they are setting up their new council and the new members are elected for that particular year.

It is very vital that when those elections are held next year that the people out there in the City of Winnipeg will know that they are voting on a stronger mayor concept and what kind of committees that will be struck as a result of those elections in 1989.

City Council Role of Appeal Process

Mr. John Angus (St. Norbert): A new question to the Minister of Urban Affairs (Mr. Ducharme). He is well aware that City Councillors, as all politicians, must not only be honest but they must appear to be honest. Recently, as a result of some concerns on the Variance and Appeal Committees, there have been some court actions taken, and a number of us who have come from City Council have long felt that it is a very—this is a new question to the same Minister, Mr. Speaker.

Mr. Speaker: Will the Honourable Member kindly put his question?

Mr. Angus: It is a new question, Mr. Speaker. I am permitted a bit of a preamble.

Mr. Speaker: I am sorry.

Some Honourable Members: You have already had it.

Mr. Speaker: Order, please. My mistake. The Honourable Member for St. Norbert, on a new question.

Mr. Angus: Thank you, Mr. Speaker, for allowing me a moderate preamble on a new question.

As was indicated, the—

Hon. Gary Filmon (Premier): It is a Liberal preamble.

Mr. Angus: Liberal. Thank you, Mr. Filmon.

Those of us who have come from City Council have long found it difficult to deal with constituents' concerns at the same time, in a developing community, as we have to adjudicate on them. I wonder if the Minister is prepared to take some action to clarify, for the Mayor and the City Councillors, the role of the appeal process so that a fair and equitable hearing can be given both to developers and to citizens alike.

Hon. Gerald Ducharme (Minister of Urban Affairs): It is unfortunate that the Member in his previous role did not understand his particular role at Council. He must appreciate that the judge mentioned that the councillor should make sure that he hears both sides, and that as long as he makes it quite clear to both parties that he has heard both sides and he is fair to both sides.

In answer to his question in regard to the decision, and I know he is referring to the one in St. Boniface, we did consult with the counsel at the official delegation. This was brought up and it was referred to us that they were considering an appeal so I do not want to go into the aspects of making a recommendation at this

particular Session until I know whether they are going to appeal it. I also told them I would like, in confidence, their solicitor's opinion in regard to that particular position.

Mr. Angus: I appreciate, Mr. Speaker, that we do not want to jeopardize the hearing and so I will wait until I hear the results of the appeal, I suspect, for the Minister to bring forward his information.

City of Winnipeg Act Amendments

Mr. John Angus (St. Norbert): My supplementary question, Mr. Speaker, is that the Cherniack Report has addressed the various variants and conditional use, public hearings process, and generally the public hearings process. I wonder if the Minister can tell me, in relation to the planning process of the City of Winnipeg, the public participation in those planning processes and major developments and capital costs, what amendments and/or changes in The City of Winnipeg Act is he going to consider and/or bring in that will allow for more public participation and a better two-way feeding of information.

Hon. Gerald Ducharme (Minister of Urban Affairs): Mr. Speaker, in regard to the concern that has brought this forward about not having a good relationship with the councillors, I feel that councillors who came quite open and reviewed when anybody came forward—a developer or a private citizen—that he be fair and open and make them aware, as long as he did not make his decision a long time before that meeting and he did not give that opinion before that meeting. There was never a time that a councillor could not hear people before the meeting. If he was not clear on his particular concerns at that meeting he could always table the meeting and hear both sides again. In clarification, City Hall has not come forward to this Minister and expressed their concerns that it was not free and open confrontation with the public and the developers.

* (1340)

City of Winnipeg Watermain Repairs

Mr. John Angus (St. Norbert): Mr. Speaker, my final supplementary. As the Minister is well aware, the City of Winnipeg's major problem is with its infrastructure, and there are miles of water pipes, sewers and roads in the older part of the city that are rotting faster than they can repair them. What is the Government going to do to help the City of Winnipeg keep up with these needed repairs?

Hon. Gerald Ducharme (Minister of Urban Affairs): Mr. Speaker, in regard to that, the Member knows that from Day One, when we were councillors in the area, that we constantly were considering ways and monies of the City of Winnipeg, restructuring the type of water mains he is considering. I can give you an example. I think if you spend \$6 million a year in the City of

Winnipeg, the pipelines will take to the year 2025, just to emphasize what he is referring to.

I know at our Municipal Affairs and Urban Affairs Conference that was recently held in Quebec, this was a major concern across Canada. We had made a presentation and we did hear right across Canada that it is a concern not only in Winnipeg but right across. We will constantly, through my staff and my administration, keep pushing to bring forward new ideas to make sure that these questions are answered.

Mr. Gary Doer (Leader of the Second Opposition): It is a rather unique experience, Mr. Speaker, to hear the old gang of 19 finally debating in public. The old Liberal-Tory coalition is finally in the open. It is quite interesting to hear this debate.

Taxation System Corporate Breaks

Mr. Gary Doer (Leader of the Second Opposition): My question is for the Minister responsible for Energy and Mines (Mr. Neufeld). Today, Inco has declared that they will make a billion dollars in profits for this year. It is something that was well-predicted with the increased pricing of the dividend, with the improved situation of the nickel tax, and shareholders are going to get a 33 percent dividend this year. Certainly, that is a very fair amount of money for anyone to receive in a one-year return of their investment.

My question to the Minister of Energy and Mines is why did he recommend to the Minister of Finance (Mr. Manness) that the tax that was initiated last Budget that would produce some \$15 million worth of income to the Province of Manitoba—income that could help seniors in terms of the senior Pharmacare deductibility and other needed social programs—that tax be reversed and \$15 million go back to Inco with this windfall profit this year?

Hon. Harold Neufeld (Minister of Energy and Mines): Mr. Speaker, first of all, this Government tries to strike an even balance between collecting taxes on the resources that we have and providing jobs for the people of our province.

Secondly, the tax that was proposed by the former Government was in effect double taxation and this Government is not in favour of double taxation.

* (1345)

Mr. Doer: We, too, want a balance between the corporate taxes and revenue and the very many demands that are legitimately put on a Government.

My question to the Minister is why would he want to reverse, through the Estimates process, a tax that is obviously available to be paid, and why would he allow this tax and this revenue not to come forward to the Cabinet and the Government and have programs, such as jobs for the future programs, Jobs Funds programs and other employment initiative programs being cut? Is that the Tory balance—cut employment programs and cut taxes for corporations?

Mr. Neufeld: The Tory program is fairness. If the tax is unfair, if there is double taxation, we will not double tax. The NDP Government had imposed a double tax on the corporation which they themselves do not understand and now talk about. We will not double tax anybody.

Mr. Speaker: The Honourable Member for Concordia, with a supplementary question.

Mr. Doer: The taxation system is not inconsistent with other taxes in other provinces in terms of a corporation like Inco. I am just shocked that the Minister does not understand that the financial situation of that corporation—a billion dollars projected profit that has come true—would not mean that a billion dollars would be available for the purposes of a modest tax of \$15 million in terms of the Province of Manitoba.

My question to the Minister is given the fact that there are 3,000 more people unemployed in this province in August of 1988 over August of 1987, under a Tory Government, why would the Government not want to use that revenue for purposes of job creation and employment and jobs for the future for our youth and our people coming into the marketplace rather than giving a tax break to an obviously well-off corporation in obviously well-off circumstances?

Mr. Neufeld: First of all, I think we should look at the glitch in the nickel market. The nickel market was not always as buoyant as it is this year and it may not be as buoyant, for that matter, next year.

The tax that was imposed by the former Government was in fact a double tax. The tax that Inco pays today is at the same rates as any other corporation in Canada and any other corporation in Manitoba. To impose the extra 7 percent, as the former Government wanted to do, would be double taxation for that seven points.

Mr. Doer: Inco made \$166 million last year; the Minister should know that. Inco was projected to make a lot more money this year; the Minister should know that. Why did the Minister spend so much time getting all the tough stories from the corporation, the Inco mining corporation, in terms of giving them back \$15 million when he would not meet with the seniors in terms of imposing a Pharmacare deductible of \$1 million in this province? Where is the balance? Where is the Tory justice in those two proposals?

Mr. Neufeld: If he wants the question on seniors answered, I will answer that one. We are meeting with the seniors.

An Honourable Member: Met with Inco.

Mr. Neufeld: We have met with Inco as well, Mr. Speaker. The taxes that they have paid and are paying are at the same rates, and it is not the total number of dollars of income that is concerned here. It is a total percentage of taxes they pay, and they pay at the same rate as every other corporation in Canada. Why should they pay at a higher rate than any other corporation pays?

Crime Rate Increase Prevention Program

Mrs. Sharon Carstairs (Leader of the Opposition): My question is to the Attorney-General (Mr. McCrae). Late last week, Statistics Canada released its figures on crime in major Canadian cities. The increase in Manitoba's crime rate for the past 10 years has been the highest in Canada. Criminal Code offences in Manitoba rose by over 55 percent, almost twice the national average, and increase in violent crime was up by 81 percent. These frightening revelations on the crime rate in this province come at a time when police officials in Winnipeg are telling us that they cannot deal with the heavy load and volumes of crime committed in this city.

My question to the Attorney-General is, in the Throne Speech this Government promised that "programs of crime prevention and justice for victims of crime would be given priority treatment." When will he be introducing these crime prevention programs in order to curtail this deplorable increase in the crime rate in this province?

Hon. James McCrae (Attorney-General): I thank the Leader of the Opposition (Mrs. Carstairs) for the question. I remind the Leader of the Opposition that long before the Leader of the Opposition caught onto this issue, the Progressive Conservative Party had identified the concern raised today by the Honourable Leader of the Opposition. Indeed, the Progressive Conservative Party was the only Party that dealt with matters relating to crime and crime prevention during the election campaign.

I tell the Honourable Leader of the Opposition that what we have is a longstanding problem of increases in crimes in our province, and crime prevention is absolutely the proper direction to be going. We should remember that every crime prevented is a crime that is not committed. It is a crime that does not have to be investigated, a crime that does not have to be dealt with in court or through our probation or corrections. So the Honourable Leader of the Opposition does not need to tell me or anyone in my Party about the seriousness of the problem, and the Honourable Member should also be pleased with the announcement she hears in due course.

* (1350)

Mrs. Carstairs: I would be excused, I am sure, if I said "due course" is becoming a very favourite phrase from that side of the House. If they knew the program and problem so well, why did this Government not implement programs immediately? They have been in power now for five months. Why?

Mr. McCrae: I can tell the Leader of the Opposition that we moved very quickly. The Honourable Member for Gimli (Mr. Helwer), the Honourable Member for Arthur (Mr. Downey), who is the Minister of Northern Affairs and Native Affairs, have moved quickly to look into and to solve some of the problems regarding policing in rural Manitoba. The Government of Manitoba moved very quickly to address the serious problems

relating to crime and relating to the justice system in this province, as it relates to Native people, by doubling and more than doubling the budget for the Native Inquiry set aside by the previous Government.

Mrs. Carstairs: The people of Reston fortunately have a Cabinet Minister. The people of Winnipeg Beach do not, and they do not have increased protection in Winnipeg Beach.

Victim Assistance Programs

Mrs. Sharon Carstairs (Leader of the Opposition): When will the Attorney-General (Mr. McCrae) be introducing programs to assist the victims of crime indicated in the Throne Speech, including a policy of victim impact statements, an issue that has been sitting on his desk for months?

Hon. James McCrae (Attorney-General): Mr. Speaker, I guess by this time I should not express too much surprise or shock, when we are dealing with matters of such importance to the people of Manitoba, that the Honourable Leader of the Opposition (Mrs. Carstairs) would treat it in the way she has in her question today. It really should be below her but it is not, it seems, and she wants to use this kind of issue as a method of—well, some of the words that are used have been withdrawn so I will not use them.

The Honourable Leader of the Opposition also shows a great deal of impatience for a person who did not refer to this matter at all during the election campaign.

Land Titles Office Delays

Mr. Harold Gilleshammer (Minnedosa): Mr. Speaker, my question is for the Attorney-General (Mr. McCrae). Given that the Member for St. James (Mr. Edwards) is preoccupied with other investigations, may I take the liberty to provide him with some information by a question to the Attorney-General on an issue that seemed so important earlier in the Session.

It has been over a month since we have had a report on the processing of land titles and mortgages at the Winnipeg Land Titles Office. Could the Minister give us a progress report on the effectiveness of the program that was put in place to deal with the backlog that existed there in the spring and early summer of this year?

Hon. James McCrae (Attorney-General): Mr. Speaker, judging by the chatter opposite, I can only suggest that the Honourable Member for Minnedosa (Mr. Gilleshammer) is far more concerned about problems relating to land titles registration in this part of the province than Honourable Members opposite. I appreciate the question.

Mr. Speaker, early in September, when I gave a report about the performance in August at the Winnipeg Land Titles Office, I hesitated to be too confident about the month of September; but I must admit I was wrong in being so cautious because the news once again is very good.

For the month of September, the target set was 28 days for the registration of transfers and we have achieved, at the Land Titles Office, a 14-day turnaround, a 66 percent improvement over June 17 when it was 42 days.

With respect to mortgages, the target date was 14 days for September and mortgages are turning around in 10 days, a 50 percent improvement for mortgages over June 17 when it was taking 21 days.

I would like to commend the staff at the Land Titles Office and commend the management over there. The good people there have done a very good job for the Province of Manitoba and I expect to be able to bring in another report a month from now if the Honourable Members opposite should be interested.

* (1355)

Seniors' Housing Building Safety

Mr. William Chornopyski (Burrows): Mr. Speaker, my question is for the Honourable Minister responsible for Housing (Mr. Ducharme). In December of 1985, due to the lack of outside communications systems such as a doorbell, an intercom system, a senior citizen at the Shady Oaks senior residential complex at Vita, Manitoba was accidentally locked out. Despite her desperate efforts to alert anyone inside the building, she failed. As a result, she froze to death on the doorstep.

Since this tragic incident, no attempts have been made by the people responsible to rectify this situation. Will the Minister act immediately to rectify this intolerable and uncaring situation at the Shady Oaks senior citizens complex?

Hon. Gerald Ducharme (Minister of Housing): First of all, I was not aware of the circumstances in 1985. I can assure the Member that I will question my administration to find out the background. I will also ask the tenant groups who do manage these particular projects. I know the Member is aware that each housing has a group there that is to report to the MHRC and conduct the day-to-day operations. I will also ask them to report on whether they further had talked to MHRC regarding this matter.

Safety Inspections

Mr. William Chornopyski (Burrows): To the same Honourable Minister of Housing (Mr. Ducharme). The parties mentioned are all very much aware of these deficiencies in this particular building, including the Housing authority. There are many other deficiencies, some that do not even comply with the provincial code, such as the exhaust fan in a bathroom where there are no windows—in this case, no windows, no exhaust fan. The air make-up unit, for example, which in the past summer was absolutely necessary, has not been operational for months. Will the Minister instruct the Housing authority to undertake to correct these intolerable deficiencies at Shady Oaks housing complex at Vita, Manitoba?

Hon. Gerald Ducharme (Minister of Housing): We are doing that on a day-to-day basis. I can assure the Member that we will also do that one of his. As he probably appreciates, we do have 16,000 units in the Province of Manitoba. If he knew the fall-back or the problems that we have been having with a lot of these units that were built long before this particular administration was brought into office and that he was a former member of at some part in the future (sic), I must assure him, and I will assure him, that I will take that as noted and I will have my administration look into the matter.

Mr. Chornopyski: Mr. Speaker, to the same Minister. Taking into account the seriousness of this tragedy, will he assure this House that the inspections not only at Shady Oaks at Vita, Manitoba, but in all senior citizens complexes throughout the Province of Manitoba do ensure that similar incidents do not occur?

Mr. Ducharme: Mr. Speaker, I cannot assure him that these type of incidents will not occur. We are just as concerned as the Member has indicated. We receive these particular incidents through our MHRC Board and through our administration. We deal with them on a day-to-day matter. All I can assure the Member is, as I promised him in the first question that he asked me, that I will get a report from the department and also a report from the Housing. This is the first indication that I have received in regard to this particular problem, this particular specific. I will assure him that I will get the report and ask my administration to act.

* (1400)

Child and Family Services Staff and Program Cuts

Ms. Judy Wasylcyia-Leis (St. Johns): My question is to the Minister of Community Services (Mrs. Oleson). Yesterday, the leader of our caucus raised questions here in the House and tabled a letter from the Child and Family Services of Winnipeg West.

That letter informed the Government that this Minister's funding cutbacks would mean, "vulnerable children could be at risk as programs are terminated and staff laid off." My question to the Minister is, in light of this letter, does she continue to stand by her statement, a statement made on September 9 that no staff will be laid off and no programs cut back as a result of her decisions and initiatives taken to date?

Hon. Charlotte Oleson (Minister of Community Services): I thank the Member for that question. It allows me to clarify the situation about that letter.

That letter was sent to the director on the direction of myself, his investigation with all the agencies, as to the position they are in financially. I requested the directorate to find out what the impact would be on staying within the budget this year. They, in turn, communicated by letter, and personally with the director, indicating what position they were in financially as of the end of September, or would be by the end of September, and then they projected what they would be in for the future.

I indicated to them at a meeting that I held with them in my office last Friday that they were not to lay off staff, not to discontinue programs, while we had a look at the financial picture to make sure that we have an accurate picture of it, and I am still intending to meet with the agencies to further look at their problems.

This, as the Member may be aware, is not a new problem. It did not happen just last week or over the last two or three months. This is a longstanding financial problem that these agencies have had every year since they were created.

Ms. Wasylycia-Leis: I think it is important to point out that this is a problem created by this Government when they cut the Community Outreach projects and they refused to give them a proper increase based on a realistic base.

My question to the Minister of Community Services is—she knows full well that Winnipeg West Child and Family Services Agency will have to cut their budget by \$47,000 based on the directions of her and her Government—I would ask the Minister, given this situation, which will mean a cut to the Family Program, a program that supports families in crisis, how can she stand here and make those kinds of statements? How will she correct the situation when in fact she has said to the agency herself in a letter, which I will table here today, that she believes that the Family Support Program is an important one and she will try to work with them? How can she justify this cutback? What is she doing to correct the situation?

Mrs. Oleson: I am trying very hard to correct the situation which I inherited after years of neglect.

Some Honourable Members: Hear, hear!

Mrs. Oleson: The NDP and others keep insisting that the Community Outreach was a cutback. The Community Outreach funds are still available and that program is still ongoing with Community Outreach. The Winnipeg West Agency had a reduction for child maintenance because of less volume. It is based on per diem and their volume had decreased, so they received a decrease. The agencies, as a whole, received a 3 percent increase in funding this year.

Ms. Wasylycia-Leis: I will try to keep this question as short as possible, but it is very difficult given the kind of answers we are getting. Mr. Speaker, a cut is a cut. I want to ask the Minister of Community Services (Mrs. Oleson)—given that today another cut has come to light, and that is a cutback at the Family Services of Winnipeg South that their prevention budget will be cut by \$45,000, I want to ask the Minister how she will explain to the families served by these agencies that they will only be able to get help in an emergency and that they will not get any support to help in a crisis situation?

Mrs. Oleson: I am trying to tell the Member. I indicated to her that at my meeting with the Child and Family Service Agencies on Friday, I indicated to them they were not to cut programs, not to cut staff, while we attempted to resolve the situation of their funding. We are working diligently to try to come to grips with the problem that is not new.

Tax Exemptions Production Machinery

Mr. Richard Kozak (Transcona): My question is for the Acting Minister of Finance (Mr. Ernst). Manitoba is the only province in Canada and Winnipeg the only major city with a higher unemployment rate than a year ago, Mr. Speaker.

The Minister has told this House that Capital investment in Manitoba will fall far short of his Budget prediction. Once again, I remind the Minister that parts of our tax system are completely uncompetitive with other provinces, and I ask when Manitoba will join the seven other provinces that exempt production machinery from sales tax?

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): Mr. Speaker, on behalf of the Minister of Finance (Mr. Manness), I will take that question as notice and have an appropriate response forwarded to the Member for Transcona (Mr. Kozak).

Pollution Control Equipment

Mr. Richard Kozak (Transcona): Mr. Speaker, a supplementary for the Acting Minister of Finance (Mr. Ernst). Manitobans are, of course, and as we have seen in this House, deeply concerned about environmental issues. When will Manitoba join the five other provinces that exempt pollution control equipment from sales tax?

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): Similarly, Mr. Speaker, I also take that question as notice and ensure that the Minister of Finance (Mr. Manness) has an appropriate response given to the Member for Transcona (Mr. Kozak).

Taxation System Competitiveness

Mr. Speaker: The Honourable Member for Transcona, with a final supplementary question.

Mr. Richard Kozak (Transcona): Mr. Speaker, at the risk of asking the Acting Minister a question that he may also have to defer—

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): I will take the third one as notice.

Mr. Kozak: Mr. Speaker, with pleasure.

I have a final supplementary for the Minister of Finance (Mr. Manness). I might, as a courtesy, inform the Minister that we have been talking about joining seven other provinces in exempting production machinery from sales tax and joining five other provinces in exempting pollution control equipment used in manufacturing from sales tax.

Can the Minister now announce new measures to improve the competitiveness of Manitoba's tax system vis-a-vis other provinces within this country?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, the answer that the Member is asking to be

answered, in essence, was covered within the Budget. What we did, first of all, we made a major, phased removal of the payroll tax. We also introduced a small business tax holiday existing in only one other province in this country. We started along the process of which the critic of the Opposition (Mr. Kozak) would want us to follow. There are other measures that will be looked at in due course as we work towards the development of the 1989 Budget, some of the ones mentioned by the critic.

I ask him, and I ask his Party, to what extent, what is the cost of these going to be and where are they going to be offset by other measures?

* (1410)

Pay Equity Government Policy

Mr. Steve Ashton (Thompson): Mr. Speaker, my question is to the Minister responsible for the Status of Women (Mrs. Oleson), and it is in regard to pay equity.

Under the New Democratic Party, pay equity was a major priority. Women's concerns in terms of equal pay for work of equal value were a major part of our agenda. We have already seen, under the Tories, that they have cut the budgeted funding for pay equity and last Friday, when the deadline for negotiations for universities and Crown corporations came out, the only indication from this Government as to its policy in terms of pay equity was a reporting of that fact. There is no indication of any direction whatsoever in regard to other areas.

My first question to the Minister responsible is what plan of action does this Government have in terms of municipalities, in terms of smaller health care institutions and in terms of school boards? What direction is this Government taking in terms of women and pay equity in this province?

Hon. Charlotte Oleson (Minister responsible for the Status of Women): The preamble to the Member's question was patently untrue. We are interested in pay equity. Pay equity is continuing. The first stage is completed as the Member knows. Every department of the Government has lines in it to do with salary increases, to do with pay equity, and this Government, these Members, supported pay equity when it was instituted in the first place.

As the Minister in charge of Pay Equity (Mr. Connery) would indicate to you, there is a study of the impact of extending pay equity and that is ongoing and we will be expecting a report on that shortly to see what the impact is. I think it is time, since the first stage is completed, to take a look at how it is operating and the costs of extending it.

Mr. Ashton: Mr. Speaker, the Equal Pay Coalition of Manitoba said that they feel that the Tories are stalling pay equity in the hope that it will die a natural death in Manitoba. This is a broad-base coalition, not the New Democratic Party that is talking.

Private Sector

Mr. Steve Ashton (Thompson): My follow-up question, my supplementary question, is in terms of pay equity in the private sector. Once again there has been no indication what this Government plans to do, if anything. When will the Minister responsible for the Status of Women (Mrs. Oleson) tell the women of Manitoba what, if anything, this Government is going to do for the more than 70 percent of women who are employed in the private sector where they earn less than 70 cents compared to men working in similar jobs? What is this Government going to do for those 70 percent of women in this province?

Hon. Gary Filmon (Premier): Mr. Speaker, the Member for Thompson (Mr. Ashton) has asked questions about this Government's policy on pay equity. He has used as his preamble an allegation by the so-called coalition or collective or whatever it was on pay equity that they think that this Government is stalling on pay equity. Let me say for the record that this Government has met, or will have met by the end of this month, all of the obligations undertaken by the former NDP administration with respect to the implementation of pay equity. They have absolutely no basis on which to make that statement.

Not only is pay equity being implemented in the public sector within the Government of Manitoba, but it is within the eight major Crown entities. It is being implemented within the 23 hospitals and 4 universities named under The Pay Equity Act. In all respects, this administration is carrying out the obligations which it supported when it was on the Opposition side and voted for The Pay Equity Act. It is also carrying those out in Government. So there is absolutely no basis upon which that coalition could make that statement. Yet the Member for Thompson accepts that as fact.

No. 2: He has asked a question with respect to what our position is on the private sector, and we have said prior to the election, during the election and since the election that we will use the implementation of pay equity in the public sector as an example for the private sector. We will not impose it on an unwilling private sector.

Mr. Ashton: Mr. Speaker, on a point of order.

Mr. Speaker: The Honourable Member for Thompson, on a point of order.

Mr. Ashton: The Premier was trying to suggest that his Government has lived up to all the commitments made by the previous New Democratic Party Government. The records will show that the NDP was committed to pay equity in the private sector, something that this Party and unfortunately the Liberals are not committed to.

Mr. Speaker: Order, please. The Honourable Member does not have a point of order.

The time for Oral Questions has expired.

INTRODUCTION OF GUESTS

Mr. Speaker: I would like to acknowledge, in the gallery, where we have with us this afternoon, 41 visitors from the Stanley Agricultural Society, under the direction of Mrs. Hester Dyck. These visitors are from the constituency of the Honourable Minister of Natural Resources (Mr. Penner).

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

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I am wondering, with the leave of the House, whether or not I might be able to revert back to Tabling of Reports.

Mr. Speaker: Does the Honourable Minister have leave? (Agreed).

The Honourable Minister of Finance, Tabling of Reports.

Mr. Manness: As the Minister responsible for The Crown Accountability Act, it gives me great pleasure to table the First Quarterly Report, for the three months ended June 30, 1988, of Manitoba Hydro.

NON-POLITICAL STATEMENT

Mr. Mark Minenko (Seven Oaks): Mr. Speaker, I rise this afternoon to ask leave of the House to make a non-political statement.

Mr. Speaker: Does the Honourable Member for Seven Oaks have leave to make a non-political statement? (Agreed)

Mr. Minenko: This past weekend, on September 30 and October 1, 1988, some 714 graduates of Centennial School, which is located in the Seven Oaks Constituency, returned to their neighbourhood school to commemorate Centennial School's 75th Anniversary. Amongst those attending were more than a dozen students from 1913.

Centennial graduates returned to West Kildonan from many of Canada's provinces and from several states of the USA. It takes many hours of planning and preparation to successfully stage an event as large as this one.

I would ask all Members of the Manitoba Legislature to join with me in congratulating Terry Armstrong and his 75th Anniversary Reunion Committee and the present staff of Centennial School who devoted many hundreds of hours of their labour to ensure the success of this reunion.

ORDERS OF THE DAY

HOUSE BUSINESS

Hon. James McCrae (Government House Leader): Mr. Speaker, I would like to announce an agreement

made between the House Leaders that next Monday the House not sit to observe Thanksgiving; and that Tuesday, the day following, be treated as a Tuesday as it normally is.

The other agreement, Mr. Speaker, would require the leave of the House. As you well know, the Standing Committee on Public Utilities and Natural Resources will meet in Room 255 on Tuesday at 10 a.m. to consider the Annual Report of the Manitoba Public Insurance Corporation. The House Leaders and I have agreed that that committee could consider the Annual Report of the Manitoba Hydro-Electric Board.

Mr. Speaker: Is it agreed? (Agreed)

Mr. McCrae: Mr. Speaker, I move, seconded by the Honourable Member for La Verendrye (Mr. Pankratz), that Mr. 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.

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 Minnedosa (Mr. Gilleshammer) in the Chair for the Department of Community Services; and the Honourable Member for Seven Oaks (Mr. Minenko) in the Chair for the Department of Agriculture.

* (1420)

CONCURRENT COMMITTEES OF SUPPLY SUPPLY—COMMUNITY SERVICES

Mr. Chairman, Harold Gilleshammer: We will call the committee to order. On section 3. Community Social Services, (d) Programs: (4) External Agencies \$9,513,300—shall the item pass? The Honourable Member for Ellice.

Ms. Avis Gray (Ellice): Yes, a few more questions that came out of our discussions yesterday about the funding to external agencies. With the ACL organization, the Minister had indicated that they were funded by the provincial Government and part of that funding was because they were an advocacy organization, or was for advocacy purposes. Is that correct?

Hon. Charlotte Oleson (Minister of Community Services): That is part of their function, one of the things they do.

Ms. Gray: Does the Department of Community Services fund them for that function?

Mrs. Oleson: Mr. Chairman, they are provided with \$105,000 for a sustaining grant. I do not know how you would break it down, to what part would be for advocacy, but that is one of the functions they have.

Ms. Gray: Could the Minister tell us why the Association for Community Living as late as August of this year feels that they are not funded by the Department of Community Services at all for advocacy?

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Mrs. Oleson: Mr. Chairman, I would have to hear their explanation of why they felt that way, but they get a sustaining grant and part of their function is advocacy. I cannot explain why they would feel that they are not being paid for that.

Ms. Gray: The Minister of Community Services (Mrs. Oleson) received a letter which was written August 16, 1988, from the Association of Community Living. In that letter they wanted to point out to the Minister a clarification of their roles. They indicated that service development and coordination was one of their main functions which was partially funded by the department and that advocacy for individuals and families was a second function which was not funded at all by the Government. Has the Minister had any follow-up meetings with the Association for Community Living to clarify what appears to be some confusion over what they are funded for and what they are not?

Mrs. Oleson: Mr. Chairman, as I had indicated before, the Department provides them with \$105,000 for their functions, and how they divide up the money is partially of their own volition. We still are providing them with a grant as they had before.

Ms. Gray: Would the Minister be prepared to meet with ACL to clarify this confusion so at least as an association that receives a fair amount of funds from the Government, that they are aware of exactly what they are funded for?

Mrs. Oleson: I would be quite happy to meet with them, but there is no confusion. They receive a grant from the Government, \$105,000, and they decide what they will do with it. I would be happy to meet with them, but I do not think there is any confusion about the matter.

Ms. Gray: Does the Minister agree with their letter when they say they are not funded at all by the Government for advocacy?

Mrs. Oleson: Advocacy is part of their role and we fund them the \$105,000 for the purposes for which they choose to use it. If they do not choose to use it for advocacy that is their business.

* (1440)

Ms. Gray: Therefore, there is confusion. All I am suggesting is that would it not make imminent sense for the Minister of Community Services (Mrs. Oleson) to meet with ACL of Manitoba because their understanding of their funding and what it is for seems to differ from the Minister's comments. Certainly, I would think the Minister would want to ensure that the best communication channels possible are open with all community groups and, because there appears to be this confusion, I would think that she would want to clarify with this particular agency who was also part of ACL living across Canada and is a major agency in the provision of services to the mentally handicapped and in providing advocacy. Would the Minister agree that it would make sense to clarify this letter?

Mrs. Oleson: Yes, as I indicated before, I would be quite happy to meet with them. I have met with them on one occasion and I could certainly meet with them again. They are quite free to use the funds that we provide them with and, if they are confused over how they should use them, then it would be a good idea for us to get together and I could arrange a meeting if they would call my office.

Ms. Gray: The funding for ACL Manitoba again, in services in a letter to a Minister by ACL and a copy to a number of the Opposition Members, it indicates that ACL is under contract with Community Services to provide mobile therapy programs. Is that part of this lump sum funding?

Mrs. Oleson: No, that is part of a contract with Children's Special Services, and we would be discussing that under another line that is coming along shortly in the Estimates.

Ms. Gray: The Minister had indicated the other day, I had asked about any contracts that her department currently had with ACL. Does the department currently have a contract with ACL Manitoba for training of staff in community residences?

Mrs. Oleson: No.

Ms. Gray: Did ACL have contracts with the Government? It indicates in this letter in August that they are under contract and I am wondering if those contracts have expired or if they continue on.

Mrs. Oleson: Mr. Chairman, we are not aware of any contract. Could the Member be more specific? Is there a contract named in there in the letter that she is referring to?

Ms. Gray: No, basically the letter which would have gone to the Minister just says training for staff and boards under contract with the provincial and federal Governments as well as privately and that is why I was asking if there were any current contracts for training?

Mrs. Oleson: They could have contract with other agencies, but we are not aware of any contract that we have with ACL at the moment from this department.

Ms. Gray: Could the Minister tell us again this funding that goes to ACL in Manitoba, does that in any part pay for one of their outreach programs which is the Community Respite Service?

Mrs. Oleson: No.

Ms. Gray: Is the Community Respite Service administered at all through ACL?

Mrs. Oleson: No, that is run under a separate organization.

Ms. Gray: Could the Minister tell us what the name of that organization is?

Mrs. Oleson: Community Respite Services Inc.

Ms. Gray: Where does Community Respite Services Inc. receive their funding from, or do they from the department at all?

Mrs. Oleson: They get some of their funding from this division and some from Children's Special Services.

Ms. Gray: Could the Minister tell us where in this division they would receive funding from?

Mrs. Oleson: Under the Respite line, page 55 of your Estimates book.

Ms. Gray: With the respite services the ACL also indicates that they offer respite services. Does the Minister know, does ACL Manitoba offer respite services other than what the Government offers and other than the Community Respite Inc.?

Mrs. Oleson: I understand some of their local branches may provide that service but we do not have that information, but some of the local branches may provide the service.

Ms. Gray: Could the Minister tell us, is there any coordination of these various kinds of respite services, so that there is some central mechanism for ensuring how many hours of respite an individual might receive given that there may be local agencies, community respite and the Government all providing respite services to similar clientele?

Mrs. Oleson: Yes, under provincial program guidelines, that would be coordinated and also monitored.

Ms. Gray: Is the Minister indicating that there is then a mechanism whereby respite services provided through these various sources could be tracked to one client?

Mrs. Oleson: Under provincial program guidelines there is monitoring and there is agreement with the agencies.

Ms. Gray: Therefore, again for further clarification, there would be no circumstances whereby an individual in the community might be receiving community respite unbeknownst to a Community Services MR worker, and that individual or family may also be receiving respite services from the Government, and they may be unaware that the family was receiving community respite too?

Mrs. Oleson: We cannot guarantee that it would not happen, but as a rule it should not happen. There is monitoring and the regions are responsible for it. So the Member, if she has a case of it, may want to indicate that to us at a later time, but it should not happen. There is no guarantee that it would never happen.

Ms. Gray: When these community groups receive funding for respite, are they required to use similar guidelines to what the provincial Respite Service Program uses?

Mrs. Oleson: It was the case apparently that there was some discrepancy, but it is getting closer together that they have the same sort of guidelines.

Ms. Gray: With the ACL who receives funding from the Government—does this group lobby on behalf of their association throughout the province for funding? Do they lobby the Government?

Mrs. Oleson: It is my understanding they lobby more on behalf of individuals, but, yes, they would be lobbying for funding I am sure, too.

Ms. Gray: Could the Minister indicate if it has been brought to her attention some of the deficit situations in community residences throughout the provinces? This is partly due to the fact that there have been no increases in their funding for the last few years. Now that this administration has taken over we have a situation where these particular community residences, some of them feel they may be forced to close down. I think of the one in Swan River, in particular, because of the lack of funding over the last few years. First of all, I am wondering if the Minister is aware of this situation and what her department, what steps her department have taken in regard to the Aveyron Community Residences.

* (1450)

Mrs. Oleson: Yes, I am aware of the problems. I met with the Coalition of Care Providers earlier. I believe it was July, it may have been August. They indicated to me at that time some of the problems, that the per diems had not been raised since 1985, I believe. I have met with different agencies who have indicated the same problems, and that is why we are doing a review of the per diems, as I had indicated at another time when we met and discussed this issue.

Ms. Gray: Has there been any thought given to looking at basing per diem rates on some of the differentials that may occur across the province, such as the fact that groceries and heating in various parts of the province, the costs for those types of expenses would be higher than, say, in the City of Winnipeg and therefore a differential per diem rate should be looked at?

Mrs. Oleson: We will be looking at all those sort of issues when we review the per diem rates. That is one of the reasons why they are being reviewed. There may very well be a problem in one part of the province where there would not be in another. All those things will be taken into consideration in the review.

Ms. Gray: I can certainly appreciate the fact that these situations do not have overnight solutions and that reviews are necessary and the answers are not simple. I am wondering if the Minister has considered any interim solution, and I am referring particularly, to the Swan River Aveyron situation. It has been indicated to me that with this particular residence, because of the difficulties in funding, their staff ratios are below what is considered a minimum standard by Residential Care and Licensing. In fact, Residential Care and Licensing

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are aware that staff levels are particularly poor, particularly overnight and on weekends. I am wondering if the Minister has been made aware of this, or if there are any interim suggestions for how to assist this particular community residence in the interim because of these dangerously low staff-client ratios.

Mrs. Oleson: Yes, I am aware of this particular one and staff are looking at it, but it is not the only one that is in the same position. There are many of them and it needs a lot of attention. That is what my department is attempting to do.

Ms. Gray: Is the Minister indicating that there are other residences as well who would not be meeting standards for staff-client ratios?

Mrs. Oleson: There may be. What I was actually indicating in that context was that there are other residences that are having severe financial difficulties.

Ms. Gray: Is Premier Personnel funded by Community Services as an external agency?

Mrs. Oleson: In part. The federal Government also has some input with them.

Ms. Gray: Where does that funding, what line does that funding come under?

Mrs. Oleson: It comes under the Vocational Training line. It is based on a contract with individuals that Premier works with.

Ms. Gray: Perhaps the Minister could clarify if Premier Personnel have indicated that they were asking for a financial commitment from the province, approximately \$75,250.00. Those amounts did not include any type of joint funding under the CAR agreement. Could the Minister indicate if that funding request has been considered or if there were any commitments to Premier Personnel?

Mrs. Oleson: That particular agency also gets funding from the federal Government and from the social assistance program. They received \$70,000 last year. Their fiscal year runs from the start of beginning of June. We are meeting with them and negotiating with them for their future funding. They have received \$70,000 for this current year.

Ms. Gray: This \$70,000 they have received for this year, is that paid in per diems for clients?

Mrs. Oleson: Yes, that is paid on behalf of individuals.

Ms. Gray: Premier Personnel is a community agency that sees as its job to find employment opportunities in the community for the handicapped. The Department of Community Services, also I would think, sees as its mandate with the vocational rehabilitation councillors to also provide employment opportunities. Does the Minister or her department have a philosophy or a policy as to where do they best see services being lodged in regard to job placement? Is it more efficient that

Government provide those services or do private non-profit organizations perhaps do a better job?

Mrs. Oleson: I think the best thing is to have a mix of ways in which things are done and to judge each agency on its own merit, what services they provide.

Ms. Gray: Is there any move within the Minister's department to increase staff years or even deploy staff so that they are more available to actively pursue community job placements for clients?

Mrs. Oleson: All these things will be considered in preparation for next year's Budget.

Ms. Gray: Just a few more questions to follow up on the Ten Ten Sinclair from yesterday.

The Minister had indicated that the funding increase for Ten Ten was 3 percent as the increase was to other agencies as well. I am wondering if the Minister and/or her department had meetings with Ten Ten Sinclair before these budgetary decisions were made?

Mrs. Oleson: The department has ongoing contact with Ten Ten Sinclair.

Ms. Gray: Was Ten Ten Sinclair's proposed budget for this year discussed with them before these Estimates were prepared?

Mrs. Oleson: Yes, they had input into the budget. These were the funds that were available. They put in a proposed budget, but their proposals will be considered when we are preparing the Estimates for next year.

Ms. Gray: The proposed budget that was submitted by Ten Ten, is that proposed budget reflected in the amounts that they were given?

Mrs. Oleson: No, nobody's was.

Ms. Gray: Was there any discussions with Ten Ten once their proposal was received as to the reasons why their budget was for X-amount of dollars etc., and the discussion around what the Government was prepared or able to offer?

Mrs. Oleson: The allocation was made with regard to what revenue is available. We will, as I indicated before, be looking at them and their operation as to how we could fund them next year.

Ms. Gray: Could the Minister tell us what is the basis for the funding arrangement with Ten Ten? How was it decided how many dollars that they will receive?

Mrs. Oleson: It is based on their programs and the staff that is required, the training that is required, and also on technical equipment that is required for some of their clients.

Ms. Gray: Would I be fair in assuming then, given the Minister's response that their budget allocations would be based on an assessment of the care needs of the various type of clientele in their facility?

Mrs. Oleson: That is right, yes.

* (1500)

Ms. Gray: My understanding from Ten Ten Sinclair is that the care needs of their clients have changed dramatically over the last few years, and certainly in the last few years they have not received adequate funding as well from the previous administration to account for that change in care needs. What they are finding is that 89 percent of their care budget is used to service 30 percent of the disabled clients, so that they do not receive funding based on care needs. I am wondering if the Minister is aware of this and if her department is ready to enter into active negotiations about how funding is addressed to Ten Ten and whether the department should be looking at possibly a fee for service or per diem arrangement?

Mrs. Oleson: Yes, we are aware. They have not drawn it to our attention that they have problems and it is not unique to their particular agency. There are many agencies that feel they are underfunded for the types and the clients they have and the level of care they have to provide. These things will be taken into consideration for preparation of next year's budget. Staff will be contacted to discuss these matters with them.

Ms. Gray: Could the Minister tell us apparently—again, this would be with the previous administration—there was a review that was undertaken jointly with people from Community Services, Health, and Housing and it was to be a review of Ten Ten Sinclair. Is the Minister aware of such a review or was it ever completed?

Mrs. Oleson: Can the Member identify what year that review was undertaken?

Ms. Gray: No, I do not have the exact date. I was told by some of the board of Ten Ten Sinclair that it was a review that was undertaken within the last few years, but they as well had never heard what had become of the review or if it was completed. I am just wondering if this Minister was aware of any review that was done.

Mrs. Oleson: No, I had not seen the review. I will be asking the department if it is available and, if not, we could contact Ten Ten Sinclair to make sure we have a copy. There probably is one or more somewhere in the department if it was a recent review and we will follow that up.

Ms. Gray: If the Minister would follow that up—she may not be able to find any information. It may have been a review that was started and for whatever reason was left and whose hands it is in we do not really know, but Ten Ten Sinclair is not really aware if the review was completed as well. They were wondering, given that resources were allocated a few years ago, what had become of it.

What are the Minister's thoughts in regard to advantages or disadvantages about the fact that Ten Ten Sinclair is funded through Community Services,

although some of their other services, such as the focus units, are funded by Health? Does the Minister have some comments about whether those two funding mechanisms causes difficulty and whether there should be a move towards one department or the other dealing with Ten Ten Sinclair?

Mrs. Oleson: Mr. Chairman, there is also another component of that program. It is the housing side. I would be quite happy to discuss the issue with the Board of Ten Ten Sinclair to hear what their concerns are. There are a lot of agencies and a lot of programs run that have input from more than one department. It is very hard to focus everything into one set department, particularly if housing funds are necessary, and in this case, as you have indicated, Health and Community Services. We certainly want to make an attempt to make it a smooth operation for people concerned so if they have some specific concerns on how the coordination can be improved, then I would be happy to hear from them in that regard.

Ms. Gray: Mr. Chairperson, I am sure the board would be glad to meet with the Minister as well. I know they have had concerns about differences that staff are paid, staff in the focus units versus staff at Ten Ten Sinclair. Another one of the difficulties with Ten Ten Sinclair and their funding, they have a number of apartments where people from the community can live there and, because these apartments are under the auspices of Ten Ten Sinclair, if an individual moves into that apartment who is basically not a part of the Ten Ten Sinclair program but who may require home care services, the Department of Health, under their Home Care Program, refuses to provide services to those individuals just because they are living in an apartment which happens to be under the management of Ten Ten Sinclair. Is the Minister aware of this and would she be willing to pursue this issue with her colleague in the Department of Health and with Ten Ten to see if some agreement or resolution could be sought?

Mrs. Oleson: Yes, I would be interested to talk to the board and hear their views on that. If we could make some improvement, then we would be more than willing to do so.

Ms. Gray: Just a couple of more questions following up on Ten Ten Sinclair. Because Ten Ten Sinclair deals with the disabled from the community and now, because of more disabled moving out of hospitals and living in the community and somewhat more variety of opportunities in the community for some of the disabled, Ten Ten are finding that the people who they receive into their training and assessment facility tend to be fairly disabled and require a lot of care, care which there seems to be no options available for these individuals, once they would spend the two or three years in the Ten Ten Sinclair facility. This has certainly been a problem emerging that has been identified over a number of years. I am wondering if the Minister could indicate to us, for the needs of these disabled individuals who can live in community or independently but require a lot of care, such as in focus units, what measures is this Minister's Department taking to ensure that the

needs of these disabled will be planned for and met over the next five to 10 years?

Mrs. Oleson: Mr. Chairman, most of the involvement with that, what the Member was raising, would be with Health, but, of course, I would be quite happy to work together with the Health Department to help resolve that and plan for the future because that is one of the things that is important, not only today we are looking at but into the future.

The Member is quite correct, there are in many cases more difficult cases coming to these agencies. There is the problem of brain-injured people who are living perhaps longer than they did before and being put into these units. It causes problems for the unit, but it also is of great benefit to the client to be able to be placed in a more homelike setting. So all these things will be taken under consideration and I would be quite happy to work with Health to try and resolve these matters.

Mr. Chairman: Shall the item pass?

Ms. Gray: No. Because the coordinator for the Decade of the Disabled is within the Department of Community Services, and because many of the community services in this department are for the physically handicapped, does the Minister see that it would be her department's initiative as opposed to the Department of Health to really take a lead role in planning community services for the disabled?

Mrs. Oleson: It is a joint responsibility of Health and Community Services to provide programs for these people.

Ms. Gray: Where, within the Department of Health, would that major emphasis or initiation come from to work with Community Services?

Mrs. Oleson: On the particular service that was needed.

* (1510)

Mr. Chairman: Item 3.(d)(4)—shall the item pass? (Agreed).

Item 3.(e) General Purpose Grants \$94,100—shall the item pass?

Ms. Gray: One question. Does the Minister have a list—under General Purpose Grants, where it says community projects—of those community projects and the dollars allocated and would she be prepared to table that?

Mrs. Oleson: If the Member is referring to the \$20,000 for Community Projects listed on page 57, these are for contingency and they have not been allocated.

Mr. Chairman: Shall the item pass? The Member for St. Norbert.

Mr. John Angus (St. Norbert): Through you, to the Minister, Mr. Chairman, I notice these are grants that are given away and I was wondering what the criteria

is of giving them away. Is this a ministerial discretion? Does she determine who gets them, or is there a set criteria for people to apply for these grants and do they have to meet certain criteria?

Mrs. Oleson: Could the Member indicate which grants he is referring to?

Mr. Angus: Your Community Project Grants that we are talking about, they are unconditional grants?

Mrs. Oleson: There are no unconditional grants.

Mr. Angus: What are the conditions of giving these grants? It is a pretty reasonable question, Mr. Chairman. The question is straightforward and simple. There is a listing here that they give a whole bunch of money away and I wonder what the criteria is for giving this money away.

Mrs. Oleson: We have gone through most of these grants over the days that we have been debating the Estimates. Would the Member like to refer to Hansard or would we go through the list again of the various functions provided by these particular agencies?

Mr. Angus: Perhaps the Minister can just tell me, in a nut shell, if there is ministerial discretion at giving these grants away or is there a criteria that is published that these people can apply for? Again, I am not sure how the old Grace Hospital loan payment—how do they qualify to apply for this? How does the Minister get the message to give this money away? It is not a trick question, Mr. Chairman.

Mrs. Oleson: I am not considering it that way.

Mr. Angus: I could go back and read Hansard. If she has got the information, I would sure appreciate it.

Mrs. Oleson: I was not considering it a trick question. I do not know why the Member is getting so upset about it. We have been through all of these before, but these are programs that have a criteria—they are provided by the Government. Some of them are in answer to a statute; that is why the funds are given. I assure you there is a reason for them being given. They are reviewed. They are not just at the discretion or the flip of a pen of the Minister. Individual organizations have to justify their need for these funds. In the budget process for next year, we will be identifying these needs and considering the level of funding for each of these organizations.

Mr. Angus: This year then, if I understand it accurately, you are looking at distributing \$94,000, and just a nod will signify that we are talking about the right amount.

Mrs. Oleson: The Member is referring to the list for General Purpose Grants on page 57?

Mr. Angus: Yes.

Mrs. Oleson: The total at the bottom of that listing is \$94,100.00.

Mr. Angus: The General Purpose Grants are going to be given to these people for these particular projects that are listed on page 56? Is that accurate?

Mrs. Oleson: Yes, that is correct.

Mr. Angus: How did these people become aware that you had this money to give away, and what made you stop at \$94,000.00? Can the Victoria Hospital, for instance, ask for a grant to train their candystripers to provide volunteer services to the community?

Mrs. Oleson: I think, if the Member will read on page 56, that is an old longstanding grant. It is provision of loan payment on mortgage assumed on the purchase of the old Grace Hospital. Of course, those funds will have nothing to do with candystripers, and that, I think, would come under the Department of Health even if it did.

Mr. Angus: Let me make the assumption then that if there was a social group in my community that wanted to make an application for a General Purpose Grant, what would be the procedure, and what is the criteria?

Mrs. Oleson: They would apply to the region and they would identify the need and the program that they were going to provide and it would be considered.

Mr. Angus: Thank you.

Mr. Chairman: On item 3.(e) General Purpose Grants, shall the item pass? (Agreed)

Resolved that there be granted to Her Majesty a sum not exceeding \$65,318,500 for Community Services, for the fiscal year ending the 31st day of March, 1989—pass.

Item 4. Child and Family Services, \$124,378,900 (a) Administration: Provides central program management for child and family service programs. (1) Salaries \$198,900—shall the item pass?

Mr. Jerry Storie (Flin Flon): No.

Hon. James Downey (Minister of Northern Affairs): Why not?

Mr. Storie: There are too many questions.

Mr. Downey: Well, get some of them on the floor then. Let us move it.

On a point of order, Mr. Chairman. The Member for Flin Flon (Mr. Storie)—all I made the comment was to pass the item—he said there are lots of questions. My comment was why do they not get asking them, Mr. Chairman? That is the question.

Mr. Chairman: The Member does not have a point of order. The Member for Ellice.

Ms. Gray: On the same point of order. Is the Minister—

Mr. Downey: There is no point of order.

Mr. Chairman: I have ruled on that already. There is no point of order. The Member for Ellice.

Ms. Gray: Thank you, Mr. Chairperson.

Mr. Chairman: Shall the item pass?

Ms. Gray: No.

Mr. Chairman: Again to the Member for Ellice.

Ms. Gray: I have a number of questions in this area, as I have had in the past appropriations as well, contrary to what the Minister of Northern Affairs (Mr. Downey) seems to be implying. On one hand, we seem to be taking too long in asking questions and, on the other hand, we are not asking enough. So I am not quite sure which way the Government would like it, but I would be glad to clarify that with the Minister of Northern Affairs at any time.

In the area of Administration, Child and Family Services, could the Minister indicate—there are 5 SYs under the Administration line. Could she indicate who these people are and what the job titles are?

* (1520)

Mrs. Oleson: There is an Assistant Deputy Minister, two secretaries and a policy analyst—financial analyst. May I clarify that? It is one policy analyst and one financial analyst to make your total of five.

Ms. Gray: Who is the policy analyst and who is the financial analyst?

Mrs. Oleson: Joanne Ferrier is the financial analyst, and Margaret Paterson the policy analyst.

Ms. Gray: Could the Minister indicate—are these administrative staff the main senior staff in Community Services who would be working with the various Child and Family Services Agencies on developing their budgets?

Mrs. Oleson: The next budget line contains those staff.

Ms. Gray: What would be the role of this particular group of people? Do they have direct contact with the Child and Family Services Agencies in regard to the budget process?

Mrs. Oleson: They might have direct contact but their main role is to assist the Assistant Deputy Minister.

Ms. Gray: This particular part of the department, they assist in the budget process. Do they assist in the budget process in the day care line and the family dispute line?

Mrs. Oleson: The division has four programs: Child and Family Support, Child Day Care, Children's Special Services and Family Dispute Services.

Mr. Chairman: Shall the item pass?

Tuesday, October 4, 1988

Ms. Gray: No. In the area of the administrative section, the Premier of Manitoba had indicated, in some comments to a group of people at a special training camp, that the needs and concerns that were identified in regard to a lack of accountability and perhaps a need for more centralization of some services, could the Minister of Community Services (Mrs. Oleson) indicate whether some of those comments by the Minister referred in specific to her Department of Community Services; in particular, the Child and Family Services section?

Mrs. Oleson: The Child and Family Services directorate is in the next line of the Estimates, if the Member wants to ask the question there, but I think the Premier (Mr. Filmon) was mainly referring to chronic financial problems within the agency.

Ms. Gray: With the administrative section of this department, I am wondering still, given some of the Premier's comments, is the Minister's department looking at a move toward centralizing some of the budgetary systems and some of the services that the Child and Family Services Agencies now currently handle on their own?

Mrs. Oleson: The Child and Family Services Agencies are running as they have been run for some time, at the moment. What we are doing is identifying or attempting to identify some of the chronic financial problems, and that is what we are undertaking at the moment.

At the present time, as the Member knows, those agencies are operating as they have operated; and this Government, as a policy, has stated that we are in favour of community-based services.

Ms. Gray: Have these policy analysts and financial analysts been able to identify for the Minister what some of these—or could the Minister elaborate on what some of these “chronic financial problems” are?

Mrs. Oleson: Does the Member wish to pass 4.(a)(2) and then get into the Child and Family Support section, or which line is the Member debating at the moment, because as far as I know we are still under Administration.

Ms. Gray: Could the Minister tell me, these policy analysts and financial analysts, would they not have some overall responsibilities for divisional budgeting? Would they not be aware or be able to analyze some of the financial difficulties, some of these chronic financial problems which would be occurring in this particular division?

Mrs. Oleson: The people that the Member has referred to, assist the Assistant Deputy Minister in analyzing financial statements and so forth. As I said, they assist the Assistant Deputy Minister.

Ms. Gray: Given the Assistant Deputy Minister has these assistants, has the Assistant Deputy Minister been able to indicate to the Minister what these chronic financial problems seem to be in this particular division?

Mrs. Oleson: Yes, the Assistant Deputy Minister is part of the team that is looking at problems within the department.

Ms. Gray: Could the Minister tell us what the chronic financial problems are that she referred to a few minutes ago?

Mrs. Oleson: There has been a chronic lack of funding in the Child and Family Services particularly, if that is what the Member is referring to. There has been chronic overspending. Every year the agencies have gone into deficit. The deficit has been met, but there has been nothing done to address the chronic problems with the funding structure which has not really changed since those agencies were set up. That is what I had meant when I said they had chronic funding difficulties.

Ms. Gray: When the Child and Family Services Agencies, particularly in Winnipeg, were split into the six agencies, could the Minister indicate when that was done and budgets were given to each of these agencies, was an appropriate method used to ensure that an adequate level of base funding was secured for these agencies, which took into account various communities, a variety in communities, a variety in target populations throughout the city?

Mrs. Oleson: Mr. Chairman, the Member asked if they were set up appropriately with appropriate funding. The staff indicate to me that even in the first year they had to add 30 more staff. I think the problem was there from the beginning.

Mr. Chairman: Shall the item pass?

Ms. Gray: No. The Minister has indicated that 30 more SYs were added when the Child and Family Services Agencies were established. Is she actually saying then that when the agencies were first established that appropriate staffing levels were not considered, and this has been a major cause for the chronic overspending and deficits that have arisen with these agencies over the last few years?

Mrs. Oleson: I am indicating that was one of the problems. As I had indicated earlier, their staffing had to be increased by Christmas of the first year they were in operation. It would indicate to me that the funding formula right from the beginning was not accurate and nothing has really been done over the years that I can find, in my look at it, since I have become the Minister. There was not enough action taken to rectify the situation over the years.

* (1530)

Ms. Gray: The Minister has indicated that it would appear that the funding formula was not accurate from the beginning and there was lack of action with these problems over the years. Could the Minister indicate since she has taken charge of the Community Services Department, what steps has she put in place to begin to rectify some of these obvious deficits and how the Child and Family Services agencies were funded?

Mrs. Oleson: Since I have been the Minister I have met with the agencies, with the presidents and directors on different occasions trying to identify just where the problems are. We have been looking at the way that the funding formula is taking place. We are at the process of reviewing it at the present time. But what really needs to take place is some planning for the longer term of how these agencies are going to function, and how they are going to be funded, because it has become apparent to me that we cannot continue in the way that we are going.

Ms. Gray: In determining the budgets for the Child and Family Services Agencies, in determining the base budget before any increases which this department saw fit to include, was that base budget based on the '87-88 budgeted amount, or was it based on the actual dollars spent, including the extra dollars that apparently were given throughout that fiscal year?

Mrs. Oleson: That was done on the '87-88 actuals, minus a one-time grant deficit reduction grant that was given of \$425,000.00. To that base was added the 3 percent.

Mr. Chairman: Shall the item pass? The Member for St. Johns.

Ms. Judy Wasylycia-Leis (St. Johns): Could the Minister explain that once again? It has been our understanding to date that the 3 percent is based on the budgeted amount, not based on the actual dollars added, to reflect increased demands and needs in all of those communities, particularly in agencies in areas like Northwest. Could the Minister explain why 3 percent, or any increase, was not made on the basis of dollars injected into the system to reflect that increased demand and need?

Mrs. Oleson: The only thing that was not added, or was deducted from the whole thing was the \$425,000 one-time grant. There was \$10 million added to the budget, and a 3 percent. I am not at this time indicating to anyone that that was the perfect answer. That was this year's answer to that budget until we have time to take a look at it. I am realizing more and more with meeting with the agencies that there are severe problems with the operation.

Ms. Wasylycia-Leis: In looking at the overall budgetary situation with respect to Child and Family Services Agencies, it would appear that, although the budget for this area for the department as a whole is roughly the same as the budget of the previous administration, and the same increases are there in the bottom lines, but that several decisions were made to shift some of that money around which is, I think, causing the kind of reaction we are seeing today.

It is my understanding that the problems arise from a 3 percent based on budgeted rather than allocated on the basis of new needs and demands, that there has been a fundamental change with respect to the Community Outreach Program, that there has been a failure to include in this budget money specifically

injected for meeting the recommendations, or some of the recommendations of the Reid-Sigurdson Report around child abuse and around child abuse treatment dollars. Finally, that this Minister and this Government originally said take all of that plus come in with a deficit-free budget.

Now, could the Minister explain, given all of that, how she is planning to redress the situation? Is she going back to Treasury Board to get more money? Is she coming back with some new allocations in terms of this set of Estimates? What are her plans specifically to deal with those problems that were created not by the previous administration's budgeting but by changes brought about by this Government in terms of how it is handling this budget and this set of Estimates?

Mrs. Oleson: There has been no fundamental change in the way these agencies have been funded this year. They had been funded at the 3 percent other years. Every year they were bailed out and there was no concrete plan put in place to address the problems. They were under funded last year. They were under funded the year before. They were bailed out on an ad hoc basis but not given any firm direction. There was nothing put into the mill to plan for the future. There was very little input from the agencies themselves. They were given a 3 percent increase in the past. They were given a 3 percent increase as I have indicated this year. I have not indicated that I think that was totally adequate. That was what we gave them in the face of getting a budget ready for this year to get on with it.

The Member asks what I am doing, my exact process of what I am doing to address it. I will tell her again, as I told her in the House today, we have asked for the agencies to indicate what would be the consequences of bringing in a balanced budget. I have not told them directly to bring in a balanced budget. I have asked them for the consequences of that—what would be the shortfalls, what would be the consequences of staying right within the budget. They have written back to me, as the Member was waving a copy around of one of the letters in the House today, they have written back and indicated what would be the problems that would be apparent in the agency if they had to meet a budget, say, and cut staff, who it would affect. That is the type of information that I had asked for. That is the information we have received and what we are analyzing at the moment and trying to come to grips with. How we resolve that is still under study.

* (1540)

Ms. Wasylycia-Leis: No one is suggesting here for a moment that there has been adequate funds in previous years to meet the needs of the communities or of the agencies, that there were growing pains in terms of the community-based model. The questions I am raising now are related to changes made by this Minister and this Government which are causing the immediate concern in the community, concerns that the Minister heard very clearly at the Northwest Annual General Meeting and concerns that have been expressed subsequently in letters to her.

Let me start with each one of those specific areas I mentioned and ask specific questions. With respect first of all to the Community Outreach grants, could the Minister explain why she felt it necessary at this juncture, at this point in the history of this model, to make these fundamental changes to that program? Why did she not first embark on a consultation process if she had concerns? It is beyond certainly me and it is beyond all of the community workers and volunteers why this change had to occur now. Could the Minister explain why she shouldered that burden on the agencies at this point in time?

Mrs. Oleson: Mr. Chairman, I think it is misrepresenting the thing to say that I have shouldered a burden on them at this time. I have indicated to them very clearly, and for some reason or other some have not understood it too clearly, but it was indicated to them that the programs that were in place with the Community Outreach funds would be ongoing for this year. All those commitments would be met. There is an accumulated surplus of \$500,000 in that fund for Community Outreach. Now would it not make sense to want to be sure that if you are providing money for Community Outreach that it is used? Some agencies had a surplus, the very agencies that are complaining now that it has been cut when it has not, indeed, been cut. Also, there were agencies that did not have access to those funds; there were agencies outside of Winnipeg. That really did not seem fair to me.

As I said, there were reasons for indicating to the agencies that we would have that as a central fund. They can access it. They will be applying for the use of it. The funds will still be there and it is very important that they be used in a way that actually is a prevention from taking children into care. That is the focus that we want to have on the use of those funds and the funds will still be available. They will just be applied for in just a little different way and I do not think that should really cause a hardship to the agencies.

The agencies have been asked to have input into the criteria for the use of the funds. That is important because every agency, of course, is located in a different area. It may be that one agency will want to do one particular thing in their aspect of Outreach, a different program than another. That is fine and the criteria will be focused so that can take place. There is no really radical change in the whole thing. They are still Community Outreach funds. They will still be able to access them. We felt that with a \$500,000 accumulated surplus that it was not quite right to be operating in the way it had been and so we changed the operation.

Ms. Wasylycia-Leis: Mr. Chairperson, I am not sure how the Minister can say there has been no fundamental change in policy or programming when, in fact, this whole change with respect to the Community Outreach Program is a sharp move away from a community-based model where community agencies and volunteers have some ability to determine how they will actually allocate funds in order to meet the needs of the community in order to focus on prevention as they see prevention defined in their respective communities.

It would seem to me, and I would ask for the Minister's clarification on this, that what she has done is

centralized a fund and changed the system dramatically so that now agencies must apply for funding of specific projects rather than be given the reins, if you will, to make decisions based on community needs, that she has cut back the overall sum of money available through Community Outreach and taken that reduced amount of money and spread it out to cover all agencies in the province. I would like clarification on those three points, as well as some indication on why the Minister has chosen to move away from community-based decision making, away from prevention, away from a model that although was going through some growing pains, was moving in the right direction in terms of meeting needs and identifying problems, why she chose this time in history to move in the opposite direction?

Mrs. Oleson: Mr. Chairman, I have tried to indicate to the Member that we are not moving away from prevention. We are trying to focus it more on prevention. I do not consider it a radical change to ask people to apply for a particular fund and justify that their program would fall into the criteria that they themselves will be helping to develop. As far as saying that we have cut the program, yes, there was \$157,000 that would not be going into the program this year, but I had indicated before that there is a \$500,000 accumulated surplus, so those funds will be available to complete the year with the obligations of this year. I do not think anyone need suffer, the program need suffer because of this change. It will cause people to maybe focus their programs a little more on prevention and that is what the funds are earmarked for.

Ms. Wasylycia-Leis: Mr. Chairperson, could the Minister verify whether or not some agencies were told to use this Outreach money to meet overall budgetary requirements? In the case, for example, of Northwest to specifically address the changes and the increased needs around the foster parent care issue, was that direction provided by staff of her Department and, if so, how can she claim that this is a pot of money that by centralizing, it will still mean that communities can make community-based decisions?

Mrs. Oleson: It was a recommendation of the Reid Report so that one agency maybe use some of their funds for that, but that was one incident and that was a recommendation of the Reid Report against the general deficit.

Ms. Wasylycia-Leis: Regardless of whether there was one agency or all agencies given this kind of direction, is it not the case that based on that advice that it becomes fairly impossible for any agency now to see this change in the Minister's policy in funding around the Community Outreach Program, anything but a cut in terms of their overall operations, in terms of their overall ability to meet the needs of the community?

Mrs. Oleson: They may consider it a cut if they were using it as part of their operations, but to my understanding when that Community Outreach funding was initiated, it was not to be part of the overall operations of the agency. It was specifically for Community Outreach and with a focus on prevention.

They may have been using it for part of their operational costs but that was not what it was intended for. That is what we have to look at, is their operational costs because the Member knows, and we have discussed it before, they have severe problems with operations.

* (1550)

Ms. Wasylycia-Leis: Let me take that answer and ask some follow-up questions—first, with respect to the one agency, the Northwest Child and Family Services Agency. The Minister has indicated some advice to use of the Outreach funds was given to that agency in terms of an overall deficit situation, in terms of foster parent issues, in terms of the particular demands that agency was feeling. If that was the case then and the Minister has still made this decision to cut the Outreach fund, the Community Outreach Program, does this still not have then a cutback effect on that particular agency?

Mrs. Oleson: As I understand it, that was the only solution that they thought was available to them last year, the Northwest Agency, to use that because they were in a severe financial problem and they did not think the Government was going to bail them out.

Ms. Wasylycia-Leis: Is the Minister now saying this was a decision taken totally by the agency itself without any direction and input and advice from the department?

Mrs. Oleson: As a result of the Reid Report, they were directed to apply that last year.

Ms. Wasylycia-Leis: Yes, I am fully aware of the timing involved around this particular matter with this one agency; but the point of my question is how can the Minister on the one hand say that happened and on the other hand say that her cutback of \$157,000 to the Community Outreach Project Program is not really a cutback since communities will still be able to apply for funds?

In effect, they have been told, they have made decisions, they have looked at their budgets and they have done some planning knowing that amount of money exists. Now suddenly to be told that some of that money is gone and they have to come up with the—

Mrs. Oleson: It is not gone.

Ms. Wasylycia-Leis: It is gone, yes. The Minister says it is not gone. The money is gone. If (a) the money has been cut back and she said there has been a \$157,000 cutback and (b) it has been centralized so that agencies have to apply, how does an agency then figure out how to—where does it pick up the slack? Where does it get that extra money to carry out its plans based on the money it thought it had and now no longer has?

Mrs. Oleson: I am sorry if I had not—I may have missed this. There has been so much conversation here, but somewhere in all this I thought I had indicated more than once that I have told those agencies, and the staff

has told the agencies that all the commitments for this year will be honoured. Now, is that clear?

Ms. Wasylycia-Leis: If it was clear, I do not think we would be having the kinds of briefs coming forward, letters coming forward, concerns being raised by the community about how they are going to handle the current fiscal situation as imposed upon them by the present Government. If it was that simple and if this Minister had handled this in a very sensitive way from the beginning—the fact of the matter is we are dealing with a situation of almost crisis proportions in the Child and Family Services sector of this province, and the Minister is now treating it in a very flippant, superficial way. We would like to hear some specific answers about how the Minister will deal with the shortfall, will deal with the cutbacks being imposed upon these agencies to date. That is the question we are dealing with.

Mr. Chairman: On a point of order, the Minister of Northern Affairs.

Mr. Downey: Yes, I take objection to the Member indicating that the Minister is treating it very flippantly. That is absolutely incorrect and I think she should apologize and withdraw it from the record. She is treating it very sincerely and objectively.

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

Mrs. Oleson: Mr. Chairman, I think, for the Member's clarity, maybe some clarity here. There are two different issues the Member is discussing. One is Community Outreach, which I have indicated the total funding has been cut by a \$157,000 this year, but the agencies have been told that all their commitments will be honoured. Now that is one issue. If the Member would set aside that for a moment.

Now into issue two. Issue two is of far greater magnitude than issue one. We have Community Services agencies in this city that are indicating to me and to my Government that they have a \$3 million to \$4 million shortfall in their funding.

Now if the Member can see that \$157,000 will address that issue, I will be glad for her to explain how it could be done.

Ms. Wasylycia-Leis: Maybe the Minister could explain to us how it is that if agencies are coming forward with that kind of prediction and that kind of estimation of shortfalls, why they would begin to cut any part of this program, why they would even begin to tamper with something like Community Outreach and cut \$157,000.00? That is the question all of us have been waiting to have answered. That is the question before us.

Mrs. Oleson: The agencies have recently come forward with these projections to me for this year. They came forward to the Government of which the Member was a part for many years talking about projections of deficit. There were no plans put in place to address those longstanding issues. When we came into Government

we attempted to deal with this year, with this budget. Now we are finding that they cannot live within—they tell us that they cannot live within this budget. We are attempting to address the issue very seriously because this is a crisis situation, but a crisis that is not made last week, or last month, or even within the last four or five months. This is a crisis that has been building for many months. It landed on my plate to do something about it and I hope to resolve the issue.

Mr. Chairman: Item 4.(a) Administration, (1) Salaries \$198,900—shall the item pass?

Ms. Wasylycia-Leis: On the Minister's last point where she indicates that this problem had been growing and no one has said there have not been growing demands in the community and reassessments of the formula that were required. However, as the Minister full well knows, steps had been taken to start dealing with the demands that were coming from the grass-roots level of the community by way of things like community prevention because, over the long term, most experts in the field recognized that is the way to begin to turn around the system and deal with it in a more cost-effective way; and, secondly, by way of injection of funds into the system to deal with some very acute problems like child abuse.

Let me start by asking the Minister then why she would: (a) tamper with the Community Outreach Program that over the long term will save the Government and taxpayers money; and (b) why she chose to chop out of this Budget three-quarters of a million dollars, it would appear based on these Estimates, of money that would go to the community, to agencies, to front-line workers to deal with child abuse, to deal with training of child abuse treatment workers?

* (1600)

Mrs. Oleson: This Government has given a considerable sum of \$400,000 extra dollars, I believe it is—I have not got the figure right in front of me—to the Child Protection Centre to address the problems of child abuse. We are very cognizant of the problems in that area. That area will be certainly considered very carefully in next year's budget.

Ms. Wasylycia-Leis: A question on that matter, since we are talking about adequate resources for agencies and for assistance that they need to deal with growing problems, a growing incidence of child abuse, if that is the case and if the Minister is prepared to recognize that, why would she not have at least ensured some response through her budget to meet the needs at the community level, to meet the growing demands placed on agencies for dealing with child abuse? Why would she chop out of the budget resources that would help these agencies meet the needs they are facing and not make projections of \$3 million to \$4 million, as she is suggesting now? Why would she take away from those agencies some help to move them in the right direction to deal with the demands and to deal with the pressures of the day? Why would she put all of the money then into one aspect of child abuse and not deal at all with

the demands that Child and Family Services Agencies are facing?

Mrs. Oleson: I am trying very hard to identify the needs that the Child and Family Services Agencies are indicating to me that they need. It takes some time, as the Member might be aware since she has been a Minister, to identify and prioritize all these needs.

I would be the first to admit that there is not enough money here. Sometimes, we cannot do everything we want to do. We have to identify how it is we can do it with the dollars we have more efficiently. I do not feel that we could address every single need, every single problem that is faced by the total department, for instance, or this area in one budget. I think it is unrealistic for the Member to indicate that.

We have put extra money into the Child Protection Centre. They indicated a need because of the numbers of people, unfortunately, and the numbers that they are faced with. We are making an attempt to resolve the problems of the Child and Family Services Agencies. I have indicated that I feel a great responsibility to try and resolve this longstanding issue.

Ms. Wasylycia-Leis: The Minister keeps referring to the money that has been injected into the Child Protection Centre and no one disputes the importance of money going in that direction. However, as the Minister full well knows, the Budget that was proposed by the previous administration recommended trying to meet the crisis in this area on all fronts by giving some increase to the Child Protection Centre, by providing some increased support for Family and Child Service Agencies to meet the needs of families in crisis and to work on prevention and treatment as well as protection and investigation, and it looked at long-term preventative measures.

Can the Minister indicate why she chose to reject that allocation of monies in the previous budget, why she chose to ignore the recommendations of the Reid-Sigurdson Report which recommended action on all those fronts, why she chose to ignore the advice of volunteers and front-line workers in the communities themselves?

Mrs. Oleson: In the whole area of Community Services, there are a great many problems that had to be addressed. We put more money into foster care because we felt that was very important. There was more money put into the wife abuse area. We felt that, by putting more money into the foster care program, in the long run that may in itself prevent abuse.

There are many needs to be met, and I would be the first to admit to the Member that we cannot and have not met them all in this budget. We are making an attempt to come to grips with the longstanding problems that exist. I think it is unrealistic for the Member to indicate that we could meet them all in one budget.

Ms. Wasylycia-Leis: The Minister has chosen to ignore the question. I will try it in a different way. The previous budget, although not perfect, and I at no point

suggested this went so far as to try to pretend that it was meeting all the needs in every area, tried to meet the needs in the different areas pertaining to child abuse, pertaining to the demands that are being faced by Child and Family Services Agencies. My question to the Minister is why she discarded the recommendations in that budget which were based on the solid advice and recommendations of the Reid-Sigurdson Report.

Mrs. Oleson: The Member forgets that there were things that were omitted from her Government's defeated Budget, things that were omitted from there that we addressed. We cannot address all the needs. I will repeat that we did put some money into the foster care that was not in the defeated budget. When the Member is discussing things that we have not put in, perhaps she should reflect on some of the things that were not in their budget too so that we have an even, fair view of this whole matter.

Ms. Wasylycia-Leis: Is the Minister saying then that, rather than going to Treasury Board to get some additional funds to meet the needs of the foster parent community in Manitoba, she took from another area within her budget like child abuse, like child abuse treatment workers and training for those workers? Is that what she is saying?

Mrs. Oleson: This Government put more money in the entire system than the Member's defeated Budget had proposed to do. I do work in concert with my colleagues, things go to Treasury Board. As the Member is aware, all these matters go to Treasury Board. They are not all made by one decision, they are not all made by one person, they are made in concert with the entire Cabinet and caucus. We all must be very aware all these funds do come out of the same pockets of the same taxpayers, so we have to balance and plan our fiscal arrangements so as not to be too hard on the taxpayers.

Ms. Wasylycia-Leis: Perhaps I could suggest, as we have suggested many times previously, that the Minister look not to hard-pressed taxpayers but to large corporations like Inco who manage to end up with a \$15 million additional tax break from this Government which allowed them to pay out 1 billion in dividends. Perhaps maybe the Minister might consider going to Treasury Board and making that case so that child abuse does not have to go left undealt with because there is not enough money in the Minister's budget.

I would like to know specifically from the Minister, since she has said today that she has indicated to the agencies that she is willing to hear from them about the impact of her budgetary decisions on their individual situations and what might have to be cut or how they will handle these decisions of the Minister. Given the kind of evidence that has come forward to date about either more money or staff cuts or cuts in the Family Support Program or cuts in the Homemaker Program or cuts in the child abuse area or wherever, could the Minister indicate, given that the evidence will only come in more strongly in that direction on that side, where she will get the money, how she will get the money, and if she is prepared to reinstate the money that has

been cut from this budget that was going directly to Child and Family Service Agencies?

Mrs. Oleson: I had indicated several times to the House and to this committee that I have asked the agencies for input as to what effect this budget will have on their operations. I have indicated to them that they are not to cut staff or cut programs precipitously while we look at this whole problem.

The Member seems to be preoccupied with talking about cutting this and cutting that. There has been no indication that anything will be cut. Hopefully, it will not need to be but we will have to look at everything. We have to be accountable to the taxpayers. We have to be sure that the money being spent, that there is good accountability for it. We have to look at all aspects of these problems to be sure we help the agencies in the best way possible, with the bottom line always being that we are to protect the children who are under our protection.

* (1610)

Ms. Wasylycia-Leis: The Minister just now has talked about accountability. Before that, she raised questions or concerns about operations, leaving the impression that she has some doubt about the ability of these agencies to be efficient administrators and to handle public funds in reasonable ways. Could the Minister indicate on what basis she is making those claims or why she appears to be reinforcing what the Premier (Mr. Filmon) said to the House yesterday, which is casting some very serious doubts over the ability of these agencies to be responsible administrators and managers of public funds?

Mrs. Oleson: I do not know what the Member is reading into my remarks. I do not think there is anything wrong with asking for accountability. That is what you do when you are managing. I should indicate to the Member once again that I have asked the agencies not to cut staff, not to cut programs, and indicated to them that we are seriously considering their needs.

Mr. Chairman: Shall the item pass?

Ms. Wasylycia-Leis: I certainly would still like some clarification from the Minister about what doubts she has with respect to the agencies' management and administrative abilities to date. Further to that, I would like to know if she agrees with her Premier's (Mr. Filmon) remarks of yesterday in the House where he leaves the clear impression that there are serious flaws and problems with the model in place, with the authority and responsibility given to agencies, with the decentralized approach to delivery of services in this area and, if she supports those views, then what plans she has for moving further in the direction of centralization.

Mrs. Oleson: I have indicated to the Member this afternoon several times that what we are looking at right now is for the immediate resolution of our funding problems. As I indicated before, I do not think it is

wrong to ask for accountability. By asking questions of how money is spent and why and so forth does not indicate that you are casting aspersions against the people who are managing it. It is simply good management to ask questions about how and when and why money is spent. That is what we are attempting to do in order to get a clear picture of exactly what the problems are.

If the programs, if the agencies had been funded appropriately over the last number of years, we would not be in this pickle that we are in right now in trying to address problems that should have been addressed long ago.

Hon. Glen Cummings (Minister of Municipal Affairs):

Mr. Chairman, I would like to express some serious concerns about the line of questioning that the Minister is being put through. It seems to me that when a Government is elected to do the best that it can for the people of the province and, in this particular case, do the best it can for, in most cases, those who are very disadvantaged, there is also a responsibility and an onus to make sure that those dollars are spent wisely, that those dollars go to where they are able to do the most good. Any Government that would do otherwise is being derelict in its responsibilities.

When we listen to the questioning that is coming from an ex-Minister of Manitoba, who represents a fallen Government, the only solution that they could bring forward was to slap some dollars on the table. They have left the impression out there that we are sitting with a pail full of money that we have to distribute to deal with problems as they are brought forward.

Government has a responsibility to determine the legitimacy of the concerns that are brought forward, to make sure that the funding is available for those who are in need and most disadvantaged. I really think that the Minister has tried for almost an hour now to indicate that she is not abandoning the requests that are coming forward, that she is considering carefully what options are available to her. The former Minister of the Crown is demanding that answers be given before decisions have been made. That simply leaves us in a situation where we have to question whether or not accountability is a desirable trait in Government or not.

We understand that we are dealing with arm's length organizations that believe that they are accountable unto themselves, but as we pass out Government dollars, there has to be some reason involved in the decision that is made.

The Government of the Day has at least more than a passing responsibility to say that yes, we are putting these dollars out to respond to a demonstrated need, but that there has to be some method by which we can determine if those dollars are going where they are most needed if they are dollars that are directed in an area that is of the best priority for the Government. And, to suggest in any way that this Minister has not taken her responsibilities very seriously, and to suggest that she is not seriously considering the needs of the agencies out there is simply a disservice to the work and the effort that she is putting in to trying to

understand and trying to bring forward the policies that are in the best interests of these organizations and of the people who are in the greatest need across this province, Mr. Chairman.

I think that if we are going to disparage every Minister who talks about wanting to know if there is accountability for the dollars that are being put out there, then we are demonstrating a complete lack of responsibility as Government and, if that is the direction that the Member for St. Johns (Ms. Wasylycia-Leis) is asking us to go, then let her say so. Let her put that on the record, rather than continually badgering a Minister who is doing a very commendable job of providing services to the disadvantaged people of this province.

* (1620)

Ms. Wasylycia-Leis: Mr. Chairperson, I think we have hit a sore spot with the Government. Certainly, the reactions to a simple line of questioning seem to me to be rather defensive when it was simply pointed out that the Minister today hinted at problems with the system, without giving any explanations. The Premier (Mr. Filmon) yesterday questioned the whole system and suggested that there were clearly problems with the administrative base and accountability that is in place. Previously, the Premier in speaking engagements has indicated that this Government is seriously looking at a change in direction away from the community-based model. In my mind that is a serious indication of a change in policy on the part of the Government that requires some explanation. It is a serious slap in the face to all of these community-based workers and volunteers and staff people, and I think all of us deserve an explanation of this new line of argument coming from the Government, coming from not only the Minister, but from the Premier and, obviously, from the entire Cabinet since we seem to have hit such a sore point here.

My question, again, is related to—I am trying to see if there are some specific concerns the Minister has to evoke this kind of argument, to bring his tone to the whole area; and secondly, to get some specific answers around changes made by this Government, not problems that have been growing over the last little while, but changes brought about by this Government in the last few months, changes in the budget where we see, as the Minister said today, a cutback of \$157,000 in Community Outreach, which is a perfect example of an initiative that expresses some faith in the community-based model, a budget that chose to allocate a 3-percent increase based on a base that did not include new monies injected into the system, and a budget that eliminates a large sum of money for child abuse at the community level for child abuse treatment and training of workers at the community level. So we are talking about some serious changes in approach by this Government brought about in the last few months which has evoked the kind of response we are getting by way of these letters and comments from the community groups themselves.

I simply remind all Members around this table and the Minister that what we are talking about is a pickle,

as she puts it, caused by the fact that on, I believe it was—what was it?—September 20 these agencies were unilaterally given a direction and decisions about funding were announced without any consultation. Now the Minister is saying, wait a minute, I think I hear some of what you are saying. Do not cut too quickly. Take your time and let us see if we can figure some way out of this—some way out of a problem that she herself caused.

So my question still is why were those decisions made? How is she now going to solve the problems and reinstate those funds that were cut back by this Government? What basis has she and her Government got for casting this great doubt over the ability of agencies to provide Child and Family Services?

Mrs. Oleson: The Member indicated that there may have been a policy change. I guess probably there has been in that if it was not the policy of the former Government to ask questions and ask why money was spent, then there is a change in policy, because this Government does ask what money is needed and why it is needed and how it is spent. We find that is a very necessary exercise in the running of Government, the development of programs. We have to identify where the needs are. We have to ask for some accountability in the spending of public funds. That is what it is all about.

We are accountable to the taxpayers for how the money is spent. I think that anybody that is responsible would ask questions and wonder about just how things are going. If they are presented with, as I have been, a set of figures that indicate that there will be deficits of \$3 million to \$4 million, just to say that oh, yes, that is interesting, let us see what we can do about it, would hardly be appropriate. Faced with that kind of news, one would expect and I would be derelict in my duty if I did not ask some questions and ask for a counting of what these deficits represented. I think for the Member to try and read ulterior motives and so forth into it is really rather ridiculous. I am sure, hopefully, when the Member was a Minister and someone presented her with a new saying that they had a \$4 million deficit, I hope she asked some questions. Maybe of course she did not. Maybe that was why we have a deficit in this province of such gigantic proportions. Perhaps the Member did not feel that you ask any questions or found out what was going on and asked people to justify why they are spending dollars.

I feel that it is my responsibility, as a Minister, not only to the taxpayers but to those children. For instance, in this line we are debating, these children under my care technically, I feel it appropriate to ask questions about how they are being served and whether or not they are being served appropriately. That is my job. That is why I was given the responsibility as a Minister to try to operate this department efficiently and effectively to deliver the services that were mandated, the services that people need.

Mr. Chairman: Shall the item pass?

Ms. Wasylycia-Leis: We are not just talking about asking questions or wondering why the Government is

asking questions. We are asking why did the Government, given that context, the very context that the Minister talks about of hearing about growing deficits and hearing about greater needs on the part of these agencies. Why at this point in time did she choose, did her Government choose, to cut back from the budget that was initially proposed by the previous administration? Why in that context?

It is simply the question we come back to over and over again because we have not heard an answer. With these demands coming forward, why did she not just stop and ask the questions then, instead of cut back on the Community Outreach Program, instead of cut back on the money that would help front-line workers deal with child abuse? That is the question that we are still waiting to hear an answer for.

Mrs. Oleson: I have indicated to the Member in response to the same question several times that this Government took a look at this area and we have allocated funds to foster parents, to wife abuse. We allocated the funds differently. We will be addressing those other issues.

I have never indicated to the Member that I thought there was an overabundance or even enough funding in the whole area of child abuse. That is a very serious area that we take very seriously. We did attempt to address that in part, I admit, by the extra funds to the Child Protection Centre. But we cannot meet all the needs in one budget and I think the Member should be aware of that.

With regard to the Community Outreach \$150,000, which the Member is quite preoccupied with, I have indicated several times that there is a \$500,000 surplus in that and that funds will flow to the agencies to keep their commitments for this year. They can apply for funding. They are not cut completely as the Member is trying to indicate. But I fail to see where that \$150,000 is going to address the needs of the Child and Family Services Agencies to the depth of the difficulties that they are in.

Ms. Wasylycia-Leis: I think the Minister continually misses the point. She missed it in the House today and she is doing the same now. There have been cuts, she has made cuts. I do not care what the amount is, she has cut to the point where it is having an incredible negative impact on the agencies and on their ability now to plan for the future. We are six months into a fiscal year. The Minister has given no indication to those agencies how and when she will deal with the problems that she herself has created.

I would ask her, is she concerned, now that she is getting the evidence of the negative impact of her decision, about what has been written to her department from agencies like Child and Family Services of Winnipeg West, where they talk about vulnerable children at risk, where more children could be staying in care longer, where there could be an increase in the number of service complaints, where pressure on resource development and family service workers could be under increased stress, where the best interests of the child in the agency service would be at risk and

so on and so forth. Is she concerned now that she has the documentation?

Has she regrets about her original decisions? Is she prepared to reinstate it at least to what it was in the previous budget, and to engage on a serious consultation process to deal with the longstanding, outstanding problems that still remain in the field?

* (1630)

Mrs. Oleson: I guess I could just answer it very quickly and say, yes, I am concerned; but really I am concerned. Obviously, I am concerned. If you had gotten letters like that when you were the Minister, you would be concerned, I would hope. I have told the Member many times that I am attempting to deal with this problem. To sit there and ask me if I am concerned is really an understatement because I am horrified by the situation that has taken place in the Child and Family Services Agencies.

So, if that is not strong enough for the Member well, next time she asks the question, I will try to think of another adjective.

Ms. Wasylycia-Leis: I can appreciate the Minister's frustration at this point at the line of questioning. But I am sorry it is not over yet, it will continue until we get some answers, because the questions we are asking have to do with the reaction to decisions that she made herself since becoming Minister.

We are not talking now about reactions to long outstanding growing needs in this field. The letter that was submitted to her department by Child and Family Services of Winnipeg West is in response to the decision she unilaterally opposed on all agencies, decisions that included a cutback in the prevention fund and in the redirection of surplus funds. They do relate to the 3 percent on the '87-88 base. They do relate to the fact that there is no money in this budget to help with front line handling of child abuse cases.

That is the question, not is she concerned generally about this field, does she have regrets now about making the decisions she did in the time she has been Minister and is she prepared to put back at least as a minimum step, as a first step, the money that was there, the recommendations that were there to deal with some of these problems and to ensure that we are on the right path and going in the right direction.

Mrs. Oleson: The Member still insists on talking about cutbacks. I should remind the Member that we are not spending less than last year. This year's budget is \$1.2 million more than what was actually spent last year, 5 percent more. So if the Member wants to continually talk about cutbacks, really, I think she is, shall we say at odds with reality?

Mr. Chairman: Shall the item pass?

Ms. Gray: I have a few more questions in this area and in response to comments also made by the Deputy Premier. He seems to be concerned about the line of questioning in committee by the two Oppositions. I wish

to inform him that in fact the questions we are asking are questions where we would like to get some information and to be assured ourselves that in fact decisions made in this department are made with the sound knowledge of the issues that are made in consultation with the community agencies and we, I think, have good reason to be concerned about knowledge of issues and consultation with community agencies, given the five short months that this Government has been in power and the autocratic decisions that have been made in departments such as Community Services without consultation with community agencies and without adequate knowledge of the issues. So I feel that the line of questioning that we are addressing today where we are asking for some answers before decisions are made are very appropriate. We are trying to heighten the awareness of the Minister in terms of the implications of decisions that she will make so as to not have unfortunate situations occur such as have occurred in the past where we have reactions from foster parents in Manitoba, child day care associations and family day care associations and the various Child and Family Services Agencies. All of these reactions have occurred within the last 4 to 5 months. So I consider that line of questioning very appropriate indeed.

I would ask the Minister in regard to the—I will not bother putting on the record the thoughts from the Honourable Attorney-General (Mr. McCrae) since I question whether he had original thoughts. The decision to centralize the control or the handling of the Outreach funding, could the Minister tell us, was that made in her department or was that a decision made outside her department?

Mrs. Oleson: Mr. Chairman, the decision was made in context in looking at the overall budget, to live within the funds that are available.

Ms. Gray: I am wondering if the Minister could indicate, she has indicated that all the commitments which the various Child and Family Services Agencies had for Community Outreach funding will be met, and yet she said they have decided to control or manage this funding for this year. I am not quite sure what the Minister is saying and I am still asking the question, who made the decision? Did her divisional budgeting area make the decision, did Treasury Board make the decision or did the Minister make the decision?

Mrs. Oleson: Mr. Chairman, I had indicated that the funding, the programs that were in place would be funded for this year with the Community Outreach, and that in concert with the agencies we would be developing criteria whereby they could be applied for next year. I will be working with the agencies to prepare criteria so that they can apply for these funds, so that they will be directed to where collectively we feel that there is a need and it be focused on prevention.

In part of an earlier question the Member had talked about consultation with the agencies. I believe that I have met with Child and Family Services agencies more than I have with any other group. I have met with them several times and when I think of the timetable that I

have and the number of agencies that wish to see me even for the first time, I think I certainly have been very open—use an open door policy, if you want to use that term—and consulted with and met with the Child and Family Services Agencies very often. I have also been in contact with them on other occasions, so to say that there was no consultation or that all decisions are made without talking to them I think is not really accurate.

Ms. Gray: Mr. Chairperson, meetings do not consultation make. The Minister has indicated that she consults with the agencies. Did she consult with the Child and Family Services Agencies before she sent out the directive in regard to freezing surpluses and the change in regard to the Community Outreach funding?

Mrs. Oleson: Mr. Chairman, as I have indicated before, I did consult with the agencies. I discussed with them at a meeting the changes that I wanted to make with the Outreach grants, with the freezing of surplus funds on a temporary basis until we get a handle on what is going on. At the same meeting I discussed with them the fact that in order to meet the severe requirements of Northwest Agency with the three extra staff who had been recommended by the Reid Report, that I felt it necessary to use the surplus funds of one agency. That was just a, for the rest of this year, measure because it does not seem very right to have surplus funds in the system and some agency going without.

* (1640)

Ms. Gray: The Minister has indicated that she did meet with these agencies to tell them her concerns and her plans regarding these two components of the program. I do not consider meeting with agencies and telling them your plans consultation. Did the Minister discuss - (Interjection)- Consultation, for the Attorney-General's (Mr. McCrae) information, is not where you sit down with an individual or a group and where you tell them what you are going to do. Consultation is where you sit down with an individual and/or group and you solicit their ideas and their information on a subject; you get feedback, you present your ideas, and you work together to come up to what might be a reasonable solution.

I am asking the Minister, did she simply tell the agencies these were her plans or did she ask for their feedback or their concerns and their suggestions as to the implications of these decisions, and did she indicate to them at the time that she was consulting with them and that this was not a final decision? Obviously, if she was meeting to consult, it would not be a final decision. She would take that information back and look at it, review it, possibly come back to the agencies and then make an informed decision.

Mrs. Oleson: I am glad that the Member has given us a rendition of her views on consultation.

I had indicated to the agencies that was the route I wished to go and that I wished to consult with them and have their feedback as to how we would develop the criteria for the Outreach Program, if that is the particular item that the Member discusses.

As far as the freezing of funds, that is why they were frozen while we consulted as to how we would deal in the future with surplus funds.

Ms. Gray: These, as surplus funding that some of the agencies have, are these funds still frozen as indicated in the letter that the Minister sent to the agencies?

Mrs. Oleson: Mr. Chairman, they are still frozen. The agencies can access them with consultation with the department. We have to develop a policy on the use of surplus funds and not, from the information that has been flowing, that it will likely be a major problem this year of surplus funds, but on occasion there are surpluses. If there is money within the system, we want to be sure that we make the most appropriate use of it, instead of going to the taxpayers and asking them for yet more money when there is a surplus somewhere in the system.

Ms. Gray: With the Community Outreach funding, the Minister has indicated that all the monies that were committed by agencies this year that those commitments will be met. Could she tell us what the amount in dollars is of those committed funds?

Mrs. Oleson: We have asked the agencies to identify their needs and we will be meeting with them to make sure that their needs are met.

Ms. Gray: Is the Minister indicating that she is not aware of what the dollar amount is of those committed funds?

Mrs. Oleson: I have indicated that the agencies will have to get back to us with those dollar figure commitments.

Ms. Gray: How does the Minister know if the budgeted amount of dollars under Community Outreach, however it is processed, will actually meet the committed funds by the agencies?

Mrs. Oleson: There was an allocation last year in the budget for Outreach. That would be the guideline they would be working on. The agencies were all instructed just after the election and while the process of budgeting was going on that they were not to expend beyond the '87-88 budget allocations.

Ms. Gray: Does the Minister know if any of the agencies had already assumed there might be somewhat of an increase in the Community Outreach funding, even a minimal one, and had actually committed projects which would take into consideration a minimal increase?

Mrs. Oleson: Mr. Chairman, since this was half a year, this should not have had a bending over, but we have told them we will honour commitments that they have made.

Ms. Gray: Does the Minister have a figure as to what the budget line for Community Outreach funding will be for this fiscal year?

Mrs. Oleson: They have not told us. As I had indicated, we had asked for the commitments. They have not told

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us what those commitments are and, when they give us that information, then we will know.

Ms. Gray: This new process whereby agencies are to apply for the funds, is this a process that will start in the next fiscal year or are agencies to follow this process during this fiscal year?

Mrs. Oleson: It will start after we have identified the criteria and how the applications will be made, and that would be the next fiscal year.

Ms. Gray: So just to clarify it, at this point in time during this fiscal year, community Child and Family Services Agencies who have already committed in their budget Community Outreach funding, they will continue to assume that the dollars are there to fund those various projects for the remaining of this fiscal year?

Mrs. Oleson: That is what I have been saying over and over is that they have been told that those commitments will be met. They do not have to assume they will be met, they have been told they will be met.

Ms. Gray: The Minister has indicated that in the next fiscal year that agencies will be involved in establishing criteria for these various projects. Are there any criteria in place now as to what types of projects agencies would consider under the Community Outreach funding line?

Mrs. Oleson: No, that was one of the problems, there was no criteria in place. We will be sitting down with the agencies in the near future to develop the criteria for the use of those funds.

Ms. Gray: With the Community Outreach funding, is there a concern on the department's part or is the Minister concerned that some of the projects which are funded may be duplications of projects, say, in one part of the city to another part of the city? Is there a concern that duplication of projects should be reduced or eliminated?

Mrs. Oleson: That is one of the things we will be looking at but it is not necessarily, of course, duplication. Maybe they do need the same kind of program in two different agencies, but that is one thing that we want to reflect is the unique needs of the different areas.

But if, by applying for these funds and by using the criteria which will be developed, if we could develop a program that would be useful for two different or three different agencies, the same program, that would be very useful. Instead of each agency developing their own on their own and not having any contact, it might be more efficient and more useful to develop programs that would be useful for whichever agencies wanted to use them.

Ms. Gray: If, as the Minister indicates, there may be similar projects submitted for community agencies and, where there may be the similarity of projects, it might be more efficient to have one project, could the Minister indicate how that might work? Which agency would

then manage that particular project, or how would there be management of that project over two or three or four agencies?

(Mr. Deputy Chairman, Mark Minenko, in the Chair.)

Mrs. Oleson: I was just raising a point of possibility. That would have to be worked out when the project was applied for and when it was approved, but I just raised that point. That is a hypothetical answer. Really, that might be the case. That would have to be worked out with that individual program.

Ms. Gray: If there may be programs for these Community Outreach where there could be some centralization, does the Minister see that her departmental staff would be coming more directly involved with the managing of some of these programs?

Mrs. Oleson: We have got a firm plan in mind of how much involvement the department will have. That will be developed when we sit down with the agencies and develop the criteria for the use of those funds.

Ms. Gray: The Minister had indicated earlier this afternoon that these particular Child and Family Services agencies indeed have been overspent over the last few years and it would appear, even from reading Hansard, that the Conservatives have identified this as a problem. Could the Minister indicate, since she took office, what specific steps has she done to identify the reasons for these agencies being overspent in their budgets?

* (1650)

Mrs. Oleson: The department has provided me with a considerable amount of paper analyzing these problems and, of course, as I have indicated before, we are in the exercise of trying to identify the specifics and the needs at the moment, but this is a longstanding problem.

I should indicate also that at the beginning of the fiscal year—after that it would be—after the election and after the taking office, the Conservative Government issued a directive to all departments. This in turn, of course, was directed to the agencies, that they were to spend as if it were the '87-88 budget. Later on when the budget process was in place, then we would be indicating to them how much money that they would be receiving for this year. In many cases it caused hardship, but that was something that had to be done because we had no budget in place and that was the result, of course, of having an election and a change of Government. That was the directive that was given, to curtail spending to the '87-88 levels. In many cases, with the Child and Family Services Agencies, they found that impossible.

Ms. Gray: What are some of the problems that have been identified in regard to the agencies and the reasons for being overspent?

Mrs. Oleson: Some of the things that have been raised is the inappropriate funding formula that was put in

place and not changed over the years and, of course, there is the growth of workload. In all fairness, I do not think anyone could have predicted the increase in workload that has taken place. The increase in reported child abuse is really appalling; that has caused some pressure. There was lack of planning in budgets. That is just some of the components that have gone into the development of this problem.

Ms. Gray: The Minister has identified some problems. One is the growth in the workload. Is there a feeling that growth or increase in workload is warranted, or is there a feeling that agencies are picking up caseloads that are not appropriate to their mandate?

Mrs. Oleson: I think there needs to be more understanding of the problem. I think if the agencies are reporting workload, they feel that is their workload, that it is quite justified as far as we know, but that is something we have to look at. One thing we are looking at is the whole area of workload and the ratio of staff to cases and so forth. It is something that needs to be looked at and addressed. I do not know, of course. I have not got the answers for that right now because we are still looking at it.

Ms. Gray: Is the Minister then suggesting that there is a problem in terms of determining workload and that there may be some inaccuracies—I do not want to use the word misleading—but unintentionally misleading information coming from agencies in regard to what a true workload is?

Mrs. Oleson: We have agreed to work with the agencies to get a common definition, for instance, of a case. There is lack of common definition of the term "case" and when a case is opened and when it is closed. That is something that needs to be addressed within the system.

Ms. Gray: The Minister has also indicated that one of the problems is lack of planning in budgets. Is that lack of planning something which occurred at a department level, or was it specific to the agencies' own planning?

Mrs. Oleson: It is my feeling that it was lack of involvement of the agencies early in the budget process so they could indicate what their projected needs were.

In other fields of endeavour, in hospitals, in schools and various other walks of life, it is expected that a board or an agency will provide to its funding agency a projected budget for the coming year. This has not been the practice in this area. I have asked the agencies to give me some assistance in that regard of giving me some budget projections for next year. Of course, I have indicated to them that when they would present the department with a budget, it would not necessarily mean that would be the budget that would be approved, but we would have to sit down and discuss and negotiate and come to some agreement. Other agencies and boards and so forth manage to do this every year. They have deadlines when they have to have their budgets in. Their budgets are scrutinized and they are

approved, or approved with changes, or changes made. I think possibly with more input from the agencies of what their needs are, there could be a more realistic approach to how they are funded.

Ms. Gray: The Minister has indicated four problem areas which she has identified that have been identified by her department over a number of years in regard to why Child and Family Services Agencies have been overspent in their budgets year after year. Are there other problems that have, at this point, been identified other than the four the Minister has just discussed?

Mrs. Oleson: I had mentioned earlier, workload measurement and the method of case count.

The agency case counts are presently computed from monthly agency reports. The agency case counts include the number of children in care, the number of families under supervision, the number of unmarried parent cases. That information does not include adoptive cases, post adoptive service or support to foster homes. The case count, as a workload measure, is an issue. They do not reflect the different requirements of inner city or rural travel. They do not include waiting of individual client's needs and service requirements. That is one of the areas that has to be looked at. There is not enough information, really, with regard to caseload measurements. That is one thing we are looking at.

Ms. Gray: The Minister has identified and discussed some of the problems which appear to be problems which have reoccurred year after year in regard to why Child and Family Services Agencies are overspent. In all the four areas she has identified inappropriate funding formula, increase in reported child abuse, lack of planning in budgets, in other words, not involving the Child and Family Services Agencies at an appropriate stage.

Those three out of four are all beyond the control of the Child and Family Services Agencies and would seem to be within the purview of the Department of Community Services, in terms of their movement and changes, in what is an appropriate funding formula in terms of their making changes, and actually working with Child and Family Services Agencies, and involving them earlier on in planning stages and budget projections. As well, the increase in reported child abuse, obviously, is something not within the control of an agency because of course they must report all child abuse as they see it. With the exception of the workload measurement tool which seems to be a bit of an issue, these other three problems all seem to be problems which the department should be addressing.

It would seem that there seems to be a move by this department, and in comments made by the Premier, that we need to work towards better management. There needs to be more accountability built in for Child and Family Services Agencies. Yet most of these problems identified are not within the control of the Child and Family Services Agencies. They are within the control and responsibility of the Department of Community Services. Perhaps the department should be looking at their internal planning processes for

budget, their internal management systems to alleviate some of these problems, rather than leaving this impression in the community that we do not have good management or appropriate management in the Child and Family Services Agencies. I would like some comment from the Minister on that.

Mrs. Oleson: Some of the other problems that we are facing, for the Member's information, there is inequitable spending between the agencies. Some of them spend more money for the same service so that is something we have to look at. The ability to project accurately is a difficulty. There is legislation that may not be sufficiently specific to address the needs. When we are thinking of inequitable spending, I would refer the Member to maintenance of children, the Special Rate Grants, and just give her this information.

In September 1987, expenditures for Special Rates for special services and needs of children in foster homes were capped at \$5.28. Actual expenditures by agencies were considerably higher resulting in agency deficits. An average in '87-88 was \$11.25. Two factors related to the increase and forecasted deficits expenditures in this grant are: (1) increase in volume, (2) variance of Special Rates paid by different agencies. We find from agency to agency, it varies. The range is as low as \$4.26 in western Manitoba to a high of \$29.27 in Winnipeg South.

(Mr. Chairman, Harold Gilleshammer, in the Chair.)

Ms. Gray: Does the Minister feel with the increase of foster care rates, although it is modest, there certainly is a move towards an increase as announced by the Government. Does the Minister and her Department feel that with some of this increase there may be a move away from as many special care rates, and that one of the reasons why there are these special care rates is because the costs for foster care is so low that the only way to keep foster parents was to use the Special Care rates?

Mrs. Oleson: Mr. Chairman, the first premise that the Member stated was that the increase to the foster parents was modest. I do not think 12.4 percent was really modest. I would like to differ with that. But in meeting with the foster parents, they did indicate that perhaps was a reason why the special needs rates were higher was because the basic rates were so low. But of course we have no way of knowing at the moment whether that will translate into less money used in special needs rates so we would have to see. But they did indicate that was possibly one of their reasons.

* (1700)

Mr. Chairman: The hour being 5 p.m., it is time for Private Members' Hour.

Committee rise.

* (1430)

SUPPLY—AGRICULTURE

Mr. Chairman, Mark Minenko: I call this section of the Committee of Supply to order. We are continuing to consider the Estimates of the Department of Agriculture.

We are presently considering item 2.(a) Manitoba Crop Insurance Corporation. Shall this item pass?

Mr. Laurie Evans (Fort Garry): I just have a few questions related to the Crop Insurance Corporation, Mr. Chairperson, and some of them are simply for clarification.

In the case of a producer who has been a participant in the past, could the Minister just—because I gather from reading the manual that a producer does not reapply year after year. In other words, he is assumed to be in the program. Could you outline just the procedure that is followed there and the time element? In other words, he has until a particular time to indicate that he does not want coverage and then another date that he has to identify as to what his actual acreage of individual crops will be. Could you just outline that in general, please?

Hon. Glen Findlay (Minister of Agriculture): Once a producer has a contract, it is a continuous contract unless he chooses to cancel it by March 31 of any given year. Further, he has the option of changing crops that are covered and the dollar high or low value of coverage up until April 30. If he should opt out by March 30, he could opt back in by April 30. He has a month there to make his final decision.

Then the seeded acreage report which determines the acres he is going to pay a premium on and the acres he is going to get covered for any given year, that seeded acreage report is usually done in June and the deadline for submitting that is June 30. Normally it is sent out to producers at the beginning of June after seeding and it is returned to the corporation with the acreage filled out during the month of June. There is a \$20 penalty for late submission so a person can still do it after June 30 and have coverage for that year if he pays the penalty.

Mr. Laurie Evans: Could the Minister also give me clarification of the implications of the predominant grade which is a new clause that has been introduced this year?

Mr. Findlay: Just for the Member's general information, there is a list of some 28 crops. I will just give you the predominant grade for some of the major ones: barley, 1 CW; oats, 1 feed; mustard, 1 Canada; lentils, 2 Canada; field peas, 3 Canada; buckwheat, 3 Canada; red spring wheat, No. 2; amber durum, No. 3; utility wheat, No. 1; winter wheat, No. 2 CW; red winter.

It is not always the top grade, but I would have to say it is the predominant grade that tends to come from producers in Manitoba.

Mr. Laurie Evans: This has nothing to do with the insurance. When the producer insures for a specific

grade can he, in fact, then insure himself for a grade which is above the predominant grade? I believe there is a guarantee for grade that they can insure for, is there not?

Mr. Findlay: Yes, the grades I read out say for wheat No. 2, that is the grade that the insurance is for. They cannot get insurance for any higher grade and, if they produce a lower grade and they were in a claimable position, that is part of the compensation and calculation.

Mr. Laurie Evans: Is that new in the insurance this year or was that always the case that they could only insure up to the predominant grade?

Mr. Findlay: No, it is not new. It has been that way for a long time and the guaranteed grades have not changed either.

Mr. Laurie Evans: Another area was the insurance of unseeded acreage, and I can understand the reason for this, which is primarily the inability to get on and seed at an acceptable time. Is lack of moisture an acceptable reason for not planting a crop, because it seems if you are not planting you can ensure you are not going to get a crop?

Mr. Findlay: The insurance for unseeded acres is really set up for excessive moisture conditions where a person cannot get out there and seed, but dry conditions where a person chooses not to seed is not a factor, it is not an allowable factor for claiming for unseeded acres, just excess moisture, or any other particular reason that causes a farmer not to be able to get on his land.

Mr. Laurie Evans: In that same vein, Mr. Chairperson, in terms of unseeded acreage then, is there an obligation on the producer to shift his planting plans to move to crops which could be seeded at a later date, even though he had intended to sow a crop that needs to be planted earlier. In other words, is there an obligation, say, for producers to shift into something like buckwheat because of the season, even though they had no intention of planting buckwheat, simply to satisfy crop insurance requirements?

Mr. Findlay: Yes, the deadlines for seeding some of the major crops like wheat and barley is the 20th of June and there are two crops, Polish rapeseed and buckwheat, which can be seeded up to the 25th of June for insuring. But if a producer is intending to sow wheat, and cannot sow wheat, I guess there is some degree of moral obligation, maybe he should try to sow those other crops to have something seeded, but if he does not have them covered in his contract, he has not selected those crops. This produces a bit of dilemma. So my feeling is that really he should be just planting the crops as he intended to do. If he cannot reach the deadline, or he cannot see them before the deadline, then he is in a claimable position for unseeded acres. You see what I am getting at, if he had intended to sow wheat or barley and cannot make the deadline, he has five more days and to sow a crop that maybe he did not have selected as an insurable crop and just

find out if the producer has an option and to add those at that time.- (Interjection)- No, there is no option to add those crops in if he gets into that five-day period. They have to have been added by April 30. So if he does not have them on his contract and he is worried about crop insurance, then it would not be a good idea to seed them.

* (1440)

Mr. Laurie Evans: The same thing would hold true for anyone who might anticipate planting an annual forage in order to utilize that land. In other words, he could not go ahead and plant something which would essentially be a greenfeed crop and have any security on that at all then.

Mr. Findlay: If the producer wants coverage, it only applies on crops seeded up to those deadline dates and after that he can seed anything he wants on those acres, but it is not an insurable crop. He can sow it for greenfeed or whatever during the latter part of June or July, but it is in an uninsured position.

Mr. Laurie Evans: It is not that totally related but, as the Minister may suspect, we are now getting calls of course and maybe it is related to the federal elections. But we are getting calls from the farmers in the Interlake who had the problem with harvesting in '85 and an inability to plant in '86 that still are of the opinion that there is a commitment and some promises out there that they should be given some consideration in terms of the disaster in '85-86. I am just wondering whether the Minister is prepared or feels able to comment on that issue at this time.

Mr. Findlay: Yes, it is an issue that has been going on for some time. The previous administration had been approached on it and they said no, that they would not participate in the option that the federal Government gave for 50-50 dollars, or 50-percent coverage for those producers on some kind of a payout to offset them for the fact that they could not get the crop off in '85, that could not seed land in '86, therefore it did not have the acres seeded so that they could get special grains program payment.

We have been in communication and discussion with Keystone Agricultural Producers who have come forward to act upon the behalf of those producers, and between the two of us—between us and Keystone—we have been attempting to tie down whether there is a recorded list of names and acres of the producers affected. If there is not that recorded list of names and acres, the management of dealing with in terms of trying to establish some sort of program that along the lines that they are looking for will be very, very difficult. Because people's recollection of what happened then, three years after the fact, sometimes is not totally accurate.

So in the position we are in, we have been in discussion on it and trying to establish if there is that list somewhere with the acres attached, if this was in the spring—well, actually it will be the fall of '86 or during the winter of '86-87, actually came forward with

some degree of application or recorded their names somewhere so that there is that record. Without that, we have a difficult time addressing that issue. It is still open, it is still being discussed and is still not resolved.

Mr. Laurie Evans: I would just pursue that a little further. Can the Minister give us an indication then as to what would be his preferred approach to this?

While I think it has some attractiveness to the producers at the present time because of the proximity of the federal election, I think it certainly would be a preferable thing to have it looked at immediately and see whether there is some way in which this can be dealt with to the satisfaction of everybody in a relatively short period of time. While I can see the thing becoming somewhat politicized, obviously it would be preferable if it could be done in a fashion that would be satisfactory to the producers and to the Government, both at the federal and provincial level. It would appear that it is unlikely to be resolved unless there is some type of cooperation between the two levels of Government.

Mr. Findlay: I really cannot add any more to what I have already said. We are trying to identify the people who might be involved and the acres that might be involved and, until that comes forward from some direction, and it must be two and a half, pretty near three months, since we have started into this discussion and we have been asking every day where this might be found. We have been trying to determine if there are those figures available and then determine the amount of money that might be requested or might be looked at as a compensation package. At this point, we are still in the process of assessing it and looking at it and are prepared to discuss it with that farm organization whenever those figures show up, or those people, the list of names shows up.

Mr. Laurie Evans: Can I infer from that then that the Keystone Agricultural Producers are taking a lead role in advocacy for this particular group? Is it your anticipation that they will in due course come forward with a list of names and acreage, or is this beyond what should be the expectation from that organization?

I am a little lost, to be honest with you. When you say you have been working on it for three months, who are you depending on to come forward with that list? Is there anybody there who has the capability of coming up with what would be regarded by your department as a credible list for this particular purpose?

Mr. Findlay: Numerous people have said there is a list but it has never been produced yet. We are starting to have doubts that it really does exist in a fashion that is credible.

That organization, if I remember right, they had some 13 resolutions at their last annual meeting and that was Resolution No. 7 or 8 or 9, or something of that order. So it is an issue with them. It is not a high-priority issue with them, but it is an issue that they have been pursuing with us. In all fairness, what I have said so far is the exact history in where we are at. Until that sort of information is found somewhere, our hands are somewhat tied.

Mr. Laurie Evans: Here again I cannot authenticate it, but the figures that have been thrown out that I have heard of are something in the range of about 330 farmers with an average of 210 acres apiece. Does this sound anywhere in the ballpark that the Minister is familiar with or is this the general magnitude of the problem?

Mr. Findlay: I have heard figures of 280 farmers and I have heard figures as high as 450 farmers. There is a wide range of opinions and figures that are coming forward. In terms of the acres, I do not know. We really have not heard an average figure for acres. We have just heard the various figures for producers. Until there is evidence submitted or it comes forward that is considered authentic and usable, it is a difficult issue to deal with because that far back in history it is pretty hard to document what really happened.

It was a totally unfortunate situation for those producers with the '85 crop and the '86 crop and then the payment that was a universal payment across western Canada. So they got unfortunately victimized in a sequence of events that was not of their doing. I feel sorry for them as do, I am sure, all Members of the House for the circumstances they got caught in. I do not really know the reason why but for some reason, when they made application to the Review Panel, they got turned down.

* (1450)

Mr. Laurie Evans: I will just indicate to the Minister that any information that I get that seems to bear on this, I will certainly make it available to him because I think it is something that all of us are getting some feed-in about it but I am not sure any of us have enough detail to really put it all together in one clear picture.

Moving into a somewhat different area and that is the Appeal Tribunal that exists within the Crop Insurance Corporation for dissatisfied participants, how frequently is this used? Is it a common practice to have participants disagreeing with the decisions that have been made?

Mr. Findlay: In general, it is about five appeals per year that come to the corporation, and all they can appeal is the adjustment on the assessment that was done on their particular crop, and maybe they can give us the degree of successes obtained.

At this point in time, about 50 percent of those who applied in the last year or two have received some degree of adjustment through the appeal process.

Mr. Laurie Evans: A couple of other what might appear to be minor issues here, but they did catch my eye in going through some of this. One was the new clause regarding fertilizer application to grain, silage corn and pedigreed timothy, and I am just wondering whether in fact that is really enforceable. Is there any way the corporation can insist on what you might regard as good farming practices for those three specific crops?

Mr. Findlay: Yes, it is enforceable. In one case it was enforced, I believe in '86, where a producer could not

produce evidence that he actually bought fertilizer, so it was enforceable under those circumstances. We commented about this earlier, about the desire to be able to ask producers to produce evidence that they actually did purchase inputs that were appropriate for the crop that they were wanting to have insured. So there has been one case where that has been applied and the insurance was denied.

Mr. Laurie Evans: Another issue and that relates to the whole question of restricted area crops, now I would have to assume that many of these restricted areas have more or less arbitrary lines as to where—how much flexibility is there in that in terms of the restrictions to those areas, because I can see one neighbour on one side of the line being able to produce a crop and the one across the road being not able to? Obviously this could go on as far as you are willing to allow it to be flexible, but does it create a problem for the corporation?

Mr. Findlay: There are a number of restricted crops in terms of area like corn, winter wheat, sunflowers, sugar beets, soybeans, and the line is hard and firm. Where the line is drawn, that is it. There is no flexibility across the line. If we moved it one mile, then the next person will ask you to move it two miles and where do you stop? They have stuck hard and fast by the line as determined, and they have had no disputes or appeals on the basis of people who live just across the line requesting that sort of flexibility. The policy so far has been acceptable.

Mr. Laurie Evans: One final question, and it is obviously quite general as well, and that is, in the Minister's opinion, do the risk areas take into consideration the mineral versus organic soil issue adequately? My understanding is we still have a lot of difficulty in not only recommendations but the whole concept of production practices on some of the organic or so-called peat soils. I am wondering whether Crop Insurance is able to bring that into perspective and do a satisfactory job for those farmers who are on some of these difficult soils.

Mr. Findlay: In each of the crop risk areas, there are about up to in total 10 soil classifications that are used. There will be mineral, organic and various combinations and varieties of soil types for which they determine the risk factor. It is the same right across the province. All the factors that go into the climatic history of determining what a soil is like are taken into account, in terms of determining the risk factor for that particular crop in that particular risk area. So there is a combination.

Mr. Bill Uruski (Interlake): I would just like to ask the Minister a couple of questions regarding comments made by my colleague for Fort Garry (Mr. Laurie Evans), dealing with the Interlake situation, just to bring to his attention some of the reasons and the rationale behind not providing assistance at that time. It was primarily based on the decision made at the time of the drought and the Special Grains Program, the decision made by the federal Government to increase the support

provided to Alberta farmers who were on irrigation, and Manitoba farmers were totally excluded from any consideration under that program.

As a result, the feeling of the Government of the Day was that if one part of Canada is treated additionally with greater largesse, there should be no reason why another part of Canada should not be considered, where it could clearly be demonstrated that the inability of those farmers to seed that year were as a direct result to the unfortunate weather circumstances of the previous year. It was not that they would not have seeded because it was too wet. Primarily the reason was that in the fall of '85 much of those fields were rutted to the extent that it was highly impossible to even get near those fields.

* (1500)

I remember, Mr. Chairman, and we were more fortunate than others, we had to combine some fields with tracks because we experienced that phenomenon in 1975 and did purchase a combine with tracks. Many farmers did trade in their conventional combines and went and purchased four-wheel drive combines. In fact, a neighbour of mine only about four miles to the east of where we presently farm, I recall the pictures in the Interlake Spectator where he had a four-wheel drive New Holland bogged down so deep that the header, which was up to its maximum height, was dragging the ground. He had a D8 caterpillar a quarter of a mile on the municipal road because he dare not bring the caterpillar into the field because he would have sunk it out of sight. So the caterpillar was attempting to pull that combine out of the ruts in the field, and get it to some lower ground because it was the high ground, and here is the phenomenon, the high ground was where the difficulties were. He was on a ridge but there was nowhere he could go. It was just a sight of all sights, and he would be just one of many of those that were there.

But I ask the Minister if there is an inclination of the province now under this administration to make a payment as has been offered by the federal Government, would the application forms that were turned down by the Special Grains Board not be a basis for consideration under that program? Has the province looked at that whole area?

Mr. Findlay: I hope the Chairman is not reading comic books there.

We are trying to get that kind of information. We have written letters, and that sort of information is just not voluntarily coming forward so, no, we are not reflecting on the reasons why decisions were made or were not made by whomever in the past, but we are looking at the facts that those producers, because of those circumstances, suffered a wrong. We can lay blame where we want, but history is history and let us get on with trying to find a way. We are prepared to look at what the cost might be and participate if it is a 50/50. We prefer that they did 100 percent, but if we are forced to do a 50/50, at least there will be some money going into the area for those producers. But we need to have that degree of information come

forward so there is some basis upon which to start looking at the method to make a compensation that is acceptable for all concerned.

I am just a little surprised that we have not been able to get a response with that information. I am starting to get a little skeptical about whether it really exists and if it does not exist, you can appreciate it is difficult to reconstruct history three years after the fact.

Mr. Uruski: Mr. Chairman, I thank the Minister and I understand that he will be pursuing that further.

Mr. Chairman, could the Minister indicate whether the crops that are noted in the Annual Report, page 30, are all the crops that are presently being covered by the corporation, or are there any crops that are covered by the corporation that may not be listed here? I guess the one that I am referring to is honey. Is honey not an insurable product at the present time, and could the Minister provide us some information on that crop?

Mr. Findlay: Yes, the list of all the crops is there, but honey is not on the list, but it is an insurable commodity. It is not particularly a crop per se, but there is a honey insurance program, that is for sure. I am sure, as the Member knows, that each year the varieties under each crop that are insurable are those in the Recommended Guide, recommended crops, and then there are other crops that are being grown that you can apply for coverage and there is a recommended list in addition to the Recommended Guide that comes out each spring. If varieties are not on either of those two lists, they are not insurable.

I guess one notable variety that there has been some pressure to have included is Harrington barley, but to this point in time has not been an insurable variety of barley and producers are showing some desire to have that insured. My comments to the corporation have been that if it is considered to be a crop that producers want to have grown, there is a higher risk factor, maybe we should apply a higher premium to cover that higher risk. There has certainly got to be other varieties that producers have shown interest in having included in the list that are not, but that is one that comes to mind.

So there is not only 28 crops plus honey, but an awful long list of varieties under each crop.

Mr. Uruski: Mr. Chairman, can the Minister indicate when the last addition to the crop list has been made to the corporation of new crops being added, and what considerations are being undertaken by the corporation presently as to any new additions, and what do they see as the timing of those?

Mr. Findlay: Up to 1984, there were 23 crops insured. Two were added in 1985, soya beans and pedigree timothy; in '86, three were added, pedigree alfalfa seed, winter wheat, and a group of vegetables—cooking onions, carrots, rutabagas and parsnips.

To this point there has only been one real request for adding another crop and that is strawberries. It is covered in some other provinces. Some consideration is being given to that crop for the future. As you well

know, there is a considerable number of U-Pick strawberry farms now in existence in the province. I can anticipate several more, because I think there has been a pretty good level of success for those who put the effort into growing that crop. There is some consideration there, but I cannot give you a time frame as to when that might be an insurable crop. It is good to see there are always new crops being developed. When they come along and they reach a position where the risk can be determined, then there has got to be consideration given to adding them to the list.

Mr. Uruski: Just a question on procedure to the Minister. Does he prefer questions dealing with the drought relief in this area or will he be needing to bring back Crop Insurance officials and applications and who is actually administering the program? I just ask him, in that whole area.

* (1510)

Mr. Findlay: I see no reason why we should not deal with them now because Crop Insurance is the administrator for the Greenfeed Program, so it might as well be now. If there are questions that we cannot answer because appropriate people are not here, we will just defer them to later. We might as well deal with everything right at the Crop Insurance right now rather than bring it back.

Mr. Uruski: That is what just came to my mind. The application forms are being dealt with by Crop Insurance. I consider it might be appropriate rather than bring people back that we deal with the drought relief program and then we can deal with both of those two sections. I am referring to item 12 on page 16. I am assuming we could pass Crop Insurance now and then move to item 12 for the sake of the record.

Mr. Chairman: Item 2.(a) Administration—pass; 2.(b) Canada-Manitoba Waterfowl Damage Compensation Agreement—pass.

Mr. Uruski: By agreement, I believe, we would move to item 12 on page 16 because of the fact that the same branch of the department is really administering the program by leave, Mr. Chairman, and then we will dispense with that item once we have finished the questions there.

Mr. Chairman: Is it the will of the section to leave granted to discuss item 12, Emergency Drought Relief Program? (Agreed)

Item 12, page 16.

With respect to item 2. Manitoba Crop Insurance Corporation, Resolution No. 8.

Resolution No. 8: Resolved that there be granted to Her Majesty a sum not exceeding \$4,795,600 for Agriculture, Manitoba Crop Insurance Corporation, for the fiscal year ending the 31st day of March, 1989—pass.

Item No. 12.

Mr. Uruski: Mr. Chairman, could the Minister indicate to us—I am assuming we are discussing both the

Greenfeed Program and the Livestock Assistance Program. Under the Greenfeed Program, can the Minister provide us with an overview and information as to how many applications there have been? I gather that the deadline was July 29, whether there were any extensions and whether there was any cap on the assistance that any producer could receive under that program and any other pertinent information he wishes to provide?

Mr. Findlay: Mr. Chairman, the deadline was July 29. There were no extensions because people who had applied up to that point had followed the program. I think it was well advertised. There were radio ads. There were newspaper ads off and on during the course of July but particularly in the last week to remind producers of the deadline, and there was no cap for the number of acres a given producer could enroll in the program. He just had to have the production and the acres inspected and that is all that was required.

In terms of the number of producers, it is 5,779 at this point in terms of the tally. There are 749,000 acres involved and an estimated payout—this is really a ballpark estimate—of just a little over \$9 million. It is fairly close to the target and a considerable number of acres are involved.

Mr. Uruski: Mr. Chairman, was there any boundary established when the program was announced or was the entire province eligible under the Greenfeed Program?

Mr. Findlay: The entire province was eligible and every producer, regardless of what his farm did, whether he was a livestock farmer or a grain farmer, he can enroll any acres that he wanted to roll up as greenfeed or pasture or silage. All those methods of feeding or pasturing were covered, so any producer, any part of the province, any number of acres.

Mr. Uruski: Was every application actually physically inspected in terms of—can the Minister lead us through the process of what occurred in terms of this program, and how was it administered?

Mr. Findlay: The producer, in order to enroll, had to go to the ag rep office and get an application by July 29 and fill it out. That application was then forwarded to Crop Insurance and then, once a producer had determined what he was going to do with the production, whether he would pasture it or silage it or take it off for hay, he had to contact the ag rep office or Crop Insurance. If he contacted the ag rep office, they would in turn contact Drop Insurance for an inspection. An inspector would then go out and determine the production, fill out a report and submit it to Crop Insurance for handling the claims.

There was quite a complexity of potentialities out there. A lot of producers would have used crop that had been seeded in the spring, rolled it up for feed or have turned cattle in to pasture it. Really, the requirement for pasturing was that at some point early on in the process of pasturing you have somebody there to inspect it to determine whether there was sufficient production there to qualify.

Silage, the inspection had to be done at the time you were taking the crop off. If you were rolling it up for hay or baling it for hay, then you measured the bales at some time after the crop is rolled up. You weigh a representative number and multiply it by the number of bales and submit that on the inspection report.

Mr. Uruski: Would there have been any applications where an attempt was made to seed into greenfeed on the basis of the applications, or was this program strictly for greenfeed already planted in the spring that because of the farming difficulties—what crops were eligible or which crops were excluded under this program from being eligible for assistance?

* (1520)

Mr. Findlay: There are actually two categories. One was the crop that had been seeded prior to June 20 which was really a salvage crop, and that amounted to 74 percent of the acres in this particular program. Really, the intent of the program was greenfeed where the idea was it would be seeded at some time after June 20 and, in that category, there was 26 percent of the crop.

In 1980, it was probably almost the reverse in terms of salvage and crops seeded after June 20, particularly for greenfeed. As you know, this summer between June 20 and July 29, there was not a lot of incentive to sow crop because there just was not any rain. I remember, in 1980 after about the middle of July, it started to rain and rain and rain and anybody who seeded something did get really good production. This year, I am sure a lot of producers, myself included, were sitting there waiting. Well, if it rains, I will seed, and of course it never rained a sufficient amount to make it worthwhile seeding.

So it turns out that pretty well three-quarters of the acres under the 749,000 are actually salvage acres and 26 percent are reseeded acres. The list of crops that qualify for the program if seeded before June 20 were: wheat, oats, barley, triticale, rye, peas, canola, rapeseed, fababeans and sunflowers. For after June 20, eligible crops include: wheat, oats, barley, rye, peas, canola, rapeseed, fababeans, millet, sorghum and sorghum Sudan.

Mr. Uruski: Would farmers who applied basically on their reseeded acreage, would they have received assistance even if basically the crop did not take? - (Interjection)- Yes, if they reseeded under that program.

Mr. Findlay: After June 20, they would get \$15 an acre regardless of what happened to what they seeded. But that is for after June 20 they would qualify for the full \$15.00.

Mr. Uruski: Therefore, all they would have to prove or to show to the inspectors is that the land was seeded and the germination either did or did not occur. Was there much of that in terms of—although I know farmers, I am sure, moved to salvage what there was earlier seeded, because in the southern part of the

province that would have been, as was pointed out, the majority of cases.

Was there a minimum requirement of production at all that was required to qualify for the full assistance or was there a percentage payable on an acreage if, for example, it was the early seeded crop, seeded before June 20, and there was a lack of production? Just for my own clarification if, let us say, the crop did not make a tonne an acre, would there have been some discounting of the support or would the support have been provided fully, provided that crop was being used for greenfeed on the basis of acreage inspected?

Mr. Findlay: Right on the back of the application form, it gives the details for crops planted prior to June 20, and the first and most important one is that the actual amount that they will be paid is \$15 per tonne. So if they produce three-quarters of a tonne per acre, they would get three-quarters of \$15.00.

If the land or the crop was salvaged for pasture, they would get the full \$15 provided it was assessed that there was at least a half-tonne-per-acre production on that pasture or that crop that was used for pasture. No payment would be made where it was found that either the hay or the silage is spoiled, so it has to be quality feed.

Mr. Uruski: Were there any exclusions to applications made under the program? Were there any applications that were made that were not accepted by the Corporation, and for what circumstances?

Mr. Findlay: There were about a dozen applications that came in late that were denied for that reason. A few applications came in with the wrong crop or a crop that was not in the approved list that there were applications made for, and they were denied.

Mr. Uruski: Mr. Chairman, I have some questions under the Livestock Assistance Program. Was there an eligibility area or map for livestock assistance, or was that provincial-wide as well in terms of the livestock assistance?

Mr. Findlay: Are you referring to the Herd Retention Program for the per-head payment?

Mr. Uruski: Yes.

Mr. Findlay: The eligibility will be determined by the feed security monitoring that is going on, so the whole province technically qualifies. In order to stimulate payments, they have to be below 70 percent reduction. So on a municipality-by-municipality basis, those municipalities that qualify will be determined once that information is all compiled. Technically, the entire province qualifies.

Mr. Uruski: Mr. Chairman, what the Minister is saying, then the monitoring that is done this fall will be very, very crucial and critical in terms of the assessment that will be made under this program. I can just imagine what will be occurring in a month from now or at the end of October. There will be extreme pressure that

not only the announcement be made early, as there has already I am sure, because I have received calls and I am sure the Minister has received calls from farmers who are seeing the hay supplies starting to move both southward and westward, and are getting nervous as to whether their area will qualify for the Livestock Assistance Program or the assurance, as well as the Livestock Assistance, as well as the Feed Security Program, because of the tight financial position of farmers that they can make their decisions in order to secure their feed supplies before they move out.

I would like the Minister's advice in this whole area as to how the department views the question of hay supplies in the province and what information he has got. I note, in his latest release from his own Communications people indicating that there are going to be three auction sales conducted on hay later this month and into November, and whether the decision especially for those municipalities or at least the decision made on who qualifies under the Livestock Feed Security Program, which will have a direct impact on this program, will be made, for example, before the November auction sale. I think it is the 7th of November is the third auction sale that is being held in Manitou and the like.

* (1530)

It is very serious because there is no doubt, if a municipality may not qualify and there will be farmers who will be caught in that dilemma in certain municipalities where the majority of farmers may make their 70 percent of average crop but there will be a handful of farmers or some in that municipality who hit a dry spot and in fact will have no feed or very little feed in terms of herd and may have the coverage in their Livestock Feed Security and of course will lose out on both, will not qualify on their Livestock Feed Security and automatically will not take advantage of this program.

Are there some mechanisms here that may take into account specific anomalies? Here we are, we are into the same kind of situation that we had kind of with the Interlake farmers where there is a program but, the circumstances that got them into the difficulty, it was not as a result of prices or the like but they had nothing to market because they could not seed. You may find yourself in that circumstance. Is there consideration at all to look at some of these anomalies that may in fact occur?

Mr. Findlay: As far as the department is concerned, with any information that has come forward so far, it appears that the total production of forage is adequate in the province to meet our complete needs. I have talked with the Milk Producers' Marketing Board as recently as last Thursday night. I asked them where they felt the milk industry was at because they need pretty high-quality feed. They felt that all producers who wanted to secure feed have been able to secure feed. The price may be a little higher than they might have liked but their feed supply is basically met. As far as the cow-calf operator or the beef producer, a little lower quality feed suits his purposes.

We have no indication that there is any shortage. The listing service operated through the Extension

Branch, through the ag reps offices has shown that there are more people listing hay for sale than people who are coming in wanting to find someplace to buy. That would indicate that there is a reasonably good supply. Previous history would indicate that sometimes there is a bit of a panic on in August or September in terms of going running out and buying hay. If a producer waits, around about November, December, January, he might find some pretty reasonably priced feed because the guy who is selling it all of a sudden is wondering, my gosh, am I going to be able to move this product this year. Prices, I think, will settle down.

In terms of the hay auctions, they have been held in the past and there has been good success, so the department is going to run these three more. It is serving a need in that area. As I said, the success of the past will be developed or be expanded with making these kinds of opportunities available.

In terms of the anomalies that will have developed, this program is being administered by PFRA. Crop Insurance is administering the Greenfeed Program. There will be an appeal body set up for people who believe that the guidelines of the program were not fairly applied in their circumstance. Naturally, there will be those anomalies.

When we try to run a program where the resources are directed at the people who have been hurt by the drought, we have to go through some degree of guideline development, measurements like this to determine who has been negatively impacted.

The other option was to make a universal payout. I think the Members would realize that is not fair because that means that the guy that has been hurt gets a lower average payment, and the guy had a good hay crop, had good pasture, he gets a bonus, he gets a gift out of Heaven. I think the intent of the program was to put the money in the hands of those that really do need it.

Naturally there is some problem getting it out fast enough because in order to develop the guidelines as to who should get it, what areas should get it, we have to go through some mechanism of evaluating the impact of the drought. The best mechanism we thought was available to us was the monitoring program on the Feed Security Program. I believe it will work. We know there are going to be some anomalies. There are going to be some trouble spots but we hope that the process of monitoring will be the fairest possible way of directing the money to those most in need because they have been hit hard by the drought.

I hope that producers, by and large, are prepared to be tolerant, to wait. There are certain communities that know absolutely they are going to qualify for a good payout under the program because they can assess it. There are going to be communities that know they will not qualify. There are those two extremes. There are all those in the in-between, in that sort of grey area who will not know for sure. I would like to anticipate that some time later this month information will become available, in terms of which municipalities qualify, and to what extent. As soon as that information is available, it will be made available to everybody in

the province so they know where they stand. But the appeal body will be in place for producers that feel they have been unfairly treated by the guidelines of the program.

Mr. Laurie Evans: The Minister must though, already know, which municipalities are definitely going to qualify. There must be areas in the province where there is very little doubt about it. Will there be any attempt made to have money flowing into those areas that are identified as obvious ones, before the final decisions are made on some of the municipalities, where it may be debatable until the last minute as to whether they qualify or not? Would you not regard this as being fair to all to do that?

Mr. Findlay: The information is coming in now, and it certainly will be available for some municipalities fairly soon. Once the information is in for particular municipalities, we will be submitting that information to PFRA, who are receiving the applications from producers. If producers in municipality "B" have their applications in, as soon as the level of payout is established for that R.M., PFRA is in a position to start advancing monies. The knowledge or the information for some municipalities will be in earlier than others so that the payout can occur. I do not think it is fair to think that we can start advancing money before the information from the monitors is in and finalized. The information has to be in and finalized before we start making payouts.

Mr. Laurie Evans: Can the Minister tell us what the deadline for applications was? Was it the 29th of this month, or of September?

Mr. Findlay: The deadline for applications for the per-head payments is December 15 -(Interjection)- for the per-head payment.

* (1540)

Mr. Laurie Evans: My recollection is that it will be a split payment and the second payment will be dependent on the participant enrolling in the Feed Security Program for 1989. I believe that is correct. Has the Minister had any sizable negative response to that particular part of the program?

Mr. Findlay: The deadline for the application, I said December 15, and the herd numbers that they are supposed to put on that application is the herd numbers they had as of July 1 of this year.

The second herd numbers that will be used for the final third of payout is sometime in March, I think probably March 31, herd numbers will be used for the second payout. The requirement is that the producers enroll to some degree in either the Feed Security Program for 1989 or the Forage Seeded Acreage Program under crop insurance. They can enroll in either one of the two and the deadline for enrolling in them is March 31. The deadline for enrolling in the Feed Security Program for '89 is March 31, as always has been, and the deadline for enrolling in the Forage

Program is December 15 and that was rolled back from previously being August 31, so it has been rolled back to coincide with the first application.

In terms of negative reaction, sure there have been some producers that say hey, I do not want to be tied down to anything, but my reaction is that we cannot guarantee that it will be a good production year for crop, for hay, for forage or anything in '89, and we are trying to stimulate producers to protecting themselves from risk by enrolling in programs that are made available.

We are not saying what level they have to enroll in the program. They can enroll at the minimum level, but we are trying to put the message out there that risk protection is available and is subsidized by the public purse and require producers to enroll so that we do not have to put in place an ad hoc program in '89 if we go through a same kind of year. I think it is trying to promote risk management on their part and when you explain it to producers that you know there is no deduction from the payouts, either the first two-thirds or the second third for participation in programs in '89, just ask that they enroll to some degree. They choose the level and the premiums are not payable till September 30th of 1989 for protecting themselves from the loss of crop or loss of forage in 1989. So there has been some negative reaction, there is no doubt.

Mr. Laurie Evans: I would just like to carry that one step further, and that is, would the Minister consider the same type of an approach when and if, and I assume it will be soon, a deficiency payment is announced for grain producers that that deficiency payment should somehow or other bear with it an indication of a willingness to join the Crop Insurance Program.

Mr. Findlay: For the same reasons, my recommendation would be, yes.

Mr. Laurie Evans: I am glad to hear that despite the comments from the Minister. Another area, getting back to the Herd Retention Program, my understanding was—and the Minister can correct me if I am wrong—that the type of animal that was eligible was essentially mature animals or mature cows and the question would be why they would not have considered being able to have heifer calves identified in there as another mechanism for a relatively inexpensive retention of a herd if things got so desperate that the sale of cows was being contemplated? My understanding was that the immature animals were not eligible.

Mr. Findlay: Yes, the list of eligible animals, just to put them on the record, is beef, dairy cattle, horses, bison, sheep and goats, not swine. Breeding animals are what are being made eligible for the program. In other words, breeding heifers, but basically we talk breeding heifers for our beef cattle are over a year of age, in other words, born in '87, so heifer calves born in '88 would not be eligible. But the cow herd that the farmer had and the replacement heifers he is breeding this year would qualify as mature animals and be eligible for the program.

Naturally, in any given year, and it is sort of a turnover position, a certain number of cows that are on the farm

on July 1st will actually go to market this winter because they were not in calf or, for other reasons, they would be culled and the replacement heifers would come in. In normal circumstances—I guess I could use my own case—you will have a certain number on the farm on July 1 that will probably drop by 10 percent to 15 percent to 18 percent this fall because of the cull cows that will happen, so there will be a lower number on the farm come March 31 of next year. So you expect a higher number at the beginning and a lower number later and that only qualifies for the mature breeding stock.

Mr. Laurie Evans: Does the Minister have any indication at this point as to how many herds have been shipped despite the programs that are in effect, but had to have been gotten rid of because of lack of water supply, or has this not been a critical issue so far?

Mr. Findlay: Really it is not a critical issue as far as we are concerned. We have had no phone calls to indicate that we are marketing our cows because they are out of water. It is not an uncommon event to have to haul water to cattle in the fall because dugouts go dry, or sloughs go dry. It does happen and producers respond accordingly.

I have talked with auction mart operators over the last month at different times and the indication is there is not a surge of cows coming in, and there is not an abnormal number of cows going to market yet. We hope it stays that way. Certainly there is a normal culling process, there are a normal number of producers that this was their last year and the cows are going anyway. There are also people out there buying too so I am glad to see, so far, there is not a surge of cows, for any reason, going to market, for lack of water, lack of hay. I think if a person looks at the present market and the potential over a large area of North America, of possibly a reduction in the number of cows in calf, in terms of a reduction then in the number of calves to be born next year, the value of a cow and a calf next year and the year after could be substantially higher than it is right now.

And the reason I say there is going to be less calves next spring, is preliminary indications are that the cows in calf is a lower percentage this year than normal. The heat and maybe the dry pasture conditions created stress, such that the breeding success is a little less than normal. The figure I heard was cows not in calf running around 25 percent to 26 percent, which is fairly high and is not good news. But that is just an initial indication. The majority of herds still have to be pregnancy checked yet.

Mr. Laurie Evans: A final question in this area, Mr. Chairperson, and that relates to the third part of this. That was the tax deferral that was, I assume, essentially a federal issue. Was there any participation in that at all by the Manitoba Government, or was it strictly federal? Does the Minister have any indication of how many producers actually would have taken part or benefitted from that tax deferral mechanism?

* (1550)

Mr. Findlay: That issue was promoted most heavily and pursued most aggressively by the Canadian Cattlemen's Association. They are the ones who lobbied for it and presented the case. It was, I think, a responsible move to give producers the option, if they were really forced to, for a variety of reasons to terminate their herd that they would not be negatively impacted by taxation, so that they could get back in in the foreseeable future of two or three years down the road. If they do not get back in—I do not know what the time frame is—I think it is three years—if they do not get back in or show some evidence as to what their intentions are, the tax would then be applied. But to this point in time we have no idea on the uptake on that or who might get involved in it, whether Manitoba producers will participate to any great degree I have no idea. I really probably will have no idea until the taxation returns come in next April.

Mr. Laurie Evans: This is perhaps a somewhat facetious question, but assuming that we do not have a year like this in 1989, what will be the Minister's view, in terms of retaining this level of support within his department? In other words, will he be putting up a major fight to try and retain this 18 million that went into drought for other purposes within his department? Frankly, I think it is sorely needed and certainly would be supported.

Mr. Findlay: No question, the answer is absolutely, yes. The fight will be launched to retain all of that money in the department, and directed to whatever needs are identified as a budget is developed for the next year. Certainly we have some priority areas we would like to see it directed to, areas we feel are sadly in need of some support from the provincial Budget. What will happen will be determined over time, whether we have to keep it in this category because of problems in '89, or whether we will have the flexibility to fight to have it shifted to areas that need some attention. But no question, that is going to be the battle that we want to get into.

Mr. Uruski: Mr. Chairman, can the Minister give us the net amount in terms of provincial cost? Is it the 18 minus 4.5 that is in there? Is that the net amount to the province? The 18 is not total provincial funding. It is 8.5 plus, I believe, 4.5 and an additional 4.5 which is recovered from Ottawa. Is that accurate?

Mr. Findlay: Yes, 18.3 minus 4.5 recoverable from the federal Government on the Greenfeed Program. That leaves \$13.8 million and \$800,000 of that is administration cost for the Greenfeed Program through crop insurance.

Mr. Uruski: Are there any municipalities in the province where there are no producers under the Livestock Feed Security Program?

Mr. Findlay: Currently presently enrolled?

Mr. Uruski: Presently enrolled.

Mr. Findlay: I am just not sure what the numbers are, but there is at least one municipality that has only one

producer. There are monitors present in every R.M. and being assessed so that the figures are being obtained regardless of the number of participants in the Feed Security Program.

Mr. Uruski: I thank the Minister for that information. I was referring to those anomalies that I was talking about earlier and wondering if there is monitoring going on, then every municipality in agro-Manitoba that is eligible, then you at least have the general figure for those areas. That is good to know.

Does every producer under this program, or at least on application, are applications under the Livestock Retention Program out already? The Minister is nodding in the positive. So the department is now accepting applications and they are being forwarded? Are they handled through the department or are they handled through PFRA?

Mr. Findlay: The application forms are available in ag rep offices and rural municipality offices and the application, once completed, is mailed to PFRA in Regina.

One other requirement that we put on the applications, a fairly straightforward application, but one requirement we had is that a municipal councillor or the council's delegate is asked to sign the verification on that application. It is an attempt to let the producer know that somebody close by has to agree that the figures you put on that piece of paper are right. We know that the vast majority of producers will put the right figures down, but we just want to keep a bit of a local check on it, and the municipalities have been cooperative in that respect. We hope that the council for the ward that producer lives in is the one who will sign it in the case of each municipality. We have given the municipality the option of either the councillor or the council's designate will sign the authorization for those forms.

So the municipality has a role to play. They have the applications and they are required to verify the information. If they so choose they can write whatever they want on the application relative to what is submitted there as numbers. We are not asking the councils or councillors to challenge any of the figures. We are just asking them to sign it. If they refuse to sign it that is their choice, but they are welcome to put any comments they want on it and then the administrators can follow up on those comments as they see fit.

Mr. Uruski: What type of verification process will there be, either this fall or later on into the year, in terms of the herd retention? To what extent will the verification process be in place?

Mr. Findlay: It is our understanding that PFRA may react to comments that are written on particular applications, if any are. But otherwise they will be doing random spot checks of applications. In Saskatchewan there are going to be a lot of applications, an awful lot; Alberta, the southern-southeastern part, there will be lots; and certainly there will be lots of applications from Manitoba.

So we do not know what percentage they intend to monitor, but I guess technically they can monitor it any time during the course of the next eight months. I do not really know what percentage they are going to monitor, but we know they are going to radically monitor some producers. There is a back-up monitoring system that is going to be in place.

* (1600)

Mr. Uruski: Is the province playing a role in the monitoring since it is putting up half the money?

Mr. Findlay: The costs of doing the monitoring and the people who will be involved in the monitoring will be at the expense of PFRA. They may come and request staff to do something but it will be at their expense. It is under their control and at their expense.

Mr. Uruski: Just to get it straight, the Greenfeed Program monitored by the province and the administration covered by the province, the Livestock Assistance Program federally administered, they may interchange staff, and that is how it will be monitored but all the expenses would be federal PFRA.

Just a couple of other questions, next spring, since there will be a two-third, as I understand the Minister's comments, of the assistance in the livestock will be paid by December 15 or the deadline for application is December 15. When will the initial payout start to be made? As soon as we know what the monitors come out with? So then we are looking at the month of November at the earliest, some time in November onward before any kind of processing can be made based on applications, I am assuming.

Mr. Findlay: We are anticipating information from the Feed Security Program monitoring will start to roll in in the coming week to two weeks for various municipalities. Once that information is compiled, it will be submitted to PFRA and they are going to act immediately on issuing cheques to those producers who have made application. So we have to anticipate late October at the earliest and most likely November, as the Member identifies, the money will start to flow.

But producers who choose not to put their application in until November or the first part of December certainly will not get a cheque as early as those who have already got their applications in. I would have to assume that a majority of municipalities where they know there is going to be a payout this year have their applications in. There may be some municipalities with farmers wondering if there will be a payout or not and, once the figures are out as to the level of production under the monitors, if he finds out that he is in a payout position, he will submit an application. So there will be a dragged-out period in terms of applications coming in and the initial payout going out. But the two-thirds payout goes out this fall and the other final third next spring.

Mr. Uruski: In terms of next spring's payout versus the question of participation, can I just get some clarification in this area? Is it conditional that the third

payment can only be received upon proof of participation to whatever degree in either Livestock Feed Security or the forage crop, because PFRA will be making the final payment and somebody has to verify it? Is that a condition under this program?

Mr. Findlay: The Honourable Member has it basically correct that Crop Insurance will be supplying information to PFRA to indicate who of the list of the people who have made the first application and received the first payout, who on that list will be qualified for the second payout as a result of enrolling in either the Feed Security Program or the Forage Program. So they have to enroll at some level in either one of those two programs to receive any of the final third payment. The first two-thirds are paid out unconditional.

Mr. Uruski: Is there any communication going to producers or beginning to flow to producers now from either Crop Insurance and/or PFRA once the applications have been received to start basically giving them some knowledge of the existing program rather than just, in my mind, dumping the condition on them, but saying that look, there is this program available—and you are going to have to come to the conditions sooner or later, but as well do some selling of the benefits of Feed Security and/or Forage Security so that people are aware some months ahead before they have to make their application? In that process, is the application deadline being extended for Feed Security in order to accommodate those who are not in the program? Is December 15 the deadline, or will you be carrying it on into next year before the final payment, before they make application? That may become a bit of a confusing time frame.

Mr. Findlay: In terms of the deadline, the deadline for the Forage Crop Program was August 31. That has been rolled back to December 15 to coincide with the deadline in making the first application. That information is out in terms of having to enroll for the final payout. That has been in the advertisements that have gone out and the information has been put in the newspapers and, I have to assume, on radio also, although I am not certain on that. That information has been going out.

In the form of a stuffer when the first cheque goes out, that information will have to be reconfirmed. In order for the second one, you have to make an additional application and a herd count as of a particular day in March. It has to be in by the end of March in order to qualify.

In terms of the Feed Security Program, the deadline for enrolling in the program is March 31, and coincides with the deadline for the second application going in. There are really two deadlines: one the Forage Crop Program which is December 15, and the Feed Security Program which is March 31. They both coincide with the first application deadline and the second application deadline.

Mr. Uruski: I just want to make sure that I am clear on that. There is a second application under the Livestock Assistance Program of March 31 so you have

to make two applications, or are you automatically eligible under the program and the assumption is, if you do not make the second application, you have not bothered to consider taking out Livestock Feed Security or Crop Insurance on forage? Is that the assumption being made under the last third of the program?

Mr. Findlay: Really, the information that they have to submit on the second application will be the herd numbers, as of—I do not know, it is March 1 or thereabouts. That is the number that the second payout will be made, based on that. The first payout is going to be made on the basis of the herd number on July 1 '88; the second payout basis the herd number, breeding animals on farm, I think it is the 1st of March or thereabouts. That is the reason for the second application.

Certainly if the producer does not submit that second application for whatever reason, he refuses to enroll in one of the two programs, or maybe he did not get a payout the first time so he knows he does not qualify the second time. If he does not submit the second one, I have to assume that he will get no payout. But really, the figures that have to be submitted at that time are really the second herd count to determine the level of payout.

I have to assume on that application—I have not seen it. It probably has not been developed yet. But on that, it would have to say, "Have you enrolled in the Feed Security Program or have you enrolled in the Forage Crop Program? You would sign your name to verify yes or no, and then that would be confirmed with Crop Insurance.

Mr. Uruski: I want to thank the Minister (Mr. Findlay) and his staff for the information on these two programs. I appreciate the difficulty that producers find themselves in, and I hope that the administration of those can be as free of difficulties as possible.

On the area of Emergency Drought Relief, although the province is not likely to be financially involved in it, I wanted to raise the whole question of the grains area. The Minister has been reluctant in the past to indicate his position or his Government's position as to if there is going to be a payment, and there should be a payment of assistance to grain producers. Recognizing that, although prices have escalated, what is the preference of the province and what kind of position has the Government put forward in this area?

Mr. Findlay: Really, the preference is no different than what we just discussed with the per-head payment for livestock. It is a payout that is going to come from the federal Treasury for drought-affected areas and should be targeted to those areas that really did suffer a negative impact because of the drought. It should not be a uniform, equal payment to all producers, because there are producers in this province, particularly in Dauphin, Roblin, Swan River, Interlake, who got quite adequate and good crops, in fact substantial crops, and there is a good dollar value in them, far greater than what they anticipated when they seeded them in the spring. So it would be an unfair windfall for them,

whereas producers who got five bushels to the acre, they are the ones who had the negative impact and should have the drought payment.

The perceived payout is expected to be \$1 billion to \$1.3 billion, almost a carbon copy in terms of dollars with the Special Grains Program in the last two years. The proposal that is receiving a lot of discussion is the one advanced by Keystone Agricultural Producers at a meeting in Saskatoon on August 9, if I am not mistaken, where the federal Government met with a large number of farm organizations to receive input as to the severity of the drought. Anybody who wanted to submit any proposal as to some kind of program that would be considered acceptable, that was the opportunity for the farm organizations.

I understand that Keystone Agricultural Producers came forward with what appeared to be the most viable offer, and that was that somewhere in the vicinity of \$40 an acre should be paid to all producers in the municipalities that had the negative impact of drought, and it should be paid on the 70/30 basis, the same as they used in the Feed Security Program. In other words, if your production was above 70 percent of normal, you do not get a payout but, if it drops to 30 percent, you get 100 percent of the targeted amount of money.

* (1610)

Certainly the Crop Insurance plays a very major role in determining who gets a payout because, through the normal process of gathering information by interviewing producers during the course of really the early part of '89, the Crop Insurance Corporation will be developing figures for what the production was in each R.M. Compare that with the long-term average production in that municipality, and you will get, whatever, 80 percent or 70 percent or 60 percent or 10 percent of normal. Those figures will be developed by Crop Insurance. That, we believe, is the appropriate way to determine which municipalities should be targeted.

Then I would assume that the process would be the producers would make application and list the acres that they actually had seeded, and I suppose they should have to identify which crops to what acres because I am sure the payout might vary by crop. I would have to think, in the process of determining the production in each municipality, there will be a so-called basket group of crops, a certain proportion of this and that and a percentage arrived at through the assessments that Crop Insurance will make.

It is roughly \$40 an acre, it sounds to me like a good proposal. The way they arrived at it fairly reasonably, they figure that the average Crop Insurance coverage is roughly \$60 or \$65 an acre and the average cost of production is up somewhere around \$100 or \$105, so they say that the gap for a person who took Crop Insurance is \$40 an acre and, if a person chose not to take Crop Insurance, he chose to take that risk upon his own shoulders. That argument could be disputed of course. The intention, as I understand it and I support it, is that every producer in the R.M. who is targeted

for whatever payment should get it equally regardless of his enrollment in Crop Insurance. The last thing we want to do is create any negative deterrent to a producer enrolling in a risk protection option that is available to him.

As a question that was asked earlier, I see no difficulty in requiring them to enroll in Crop Insurance for '89 in order to receive this payment. We have to find mechanisms to stimulate producers to protect themselves from the eventuality of losing their crop. I think the Crop Insurance Program is very good and, with some improvements and discussions with producer organizations, we hopefully will fine tune to make it even better.

Mr. Uruski: Mr. Chairman, I want to indicate to the Minister that I have no disagreement at all with the question of compulsion. I have to tell you that I have found in my many years in public office it is a lot easier for a Conservative to compel a farmer to do something than a New Democrat in terms of the philosophical approach. It seems, if a New Democrat in terms of policy tends to want to put some form of compulsion, it is repulsive to every Conservative around but, when a Conservative does it, it comes in with a smile and it is pro forma.

I want to tell you, I want to give the Minister, just so it would be on the record, that he has my full support in this whole area of that requirement. I have never had any difficulty with those requirements. In fact if I look back at the record, when we brought in the Livestock Feed Security Program in '84, one of the press releases that both John Wise and I signed, "There shall be no more ad hoc payments to producers from this day forward." I signed my name to that press release and so did John Wise.

I guess we have all had to eat our words. John has resigned and I am in Opposition, and there are some ad hoc payments. There should not be any discouragement or any disincentive, anything taking away from those producers who have religiously and through conviction believed and continue to believe in the Crop Insurance Program that they should somehow be penalized. That would be the last thing that we would want to do, and it would kill Crop Insurance if there were any move in that direction.

I recognized what the Minister is saying, that basically any payment will be an enhancement of Crop Insurance very similar to the suggestion that I made to him about six weeks ago. Although he said it could not be done, but in fact the basis of the record keeping and the basis of the way that it will be administratively handled has to be on the basis of the records that crop insurance have. But there still will be—and I guess there is just no way around it, those anomalies, because I am sure crop insurance, for example, has claims in the LGD of Fisher and the R.M. of Bifrost where the average production has been, I would say, near normal in terms of monitoring. But there will be some producers—and I know in the circumstances in our own area, if you seeded very early in May, and in our area it is not normal that you could get on the field that early—but those who seeded early in May, their crop yield was

poor, in fact, very poor because of the length of time before those June rains and the heat was excessive. While there was ample moisture for the crop to germinate, there was not ample moisture to carry it through and there are even claim situations in that area where wheat probably was in the 10-bushel range, or even slightly less, not much, and that is where I guess the difficulty will be.

I do not know whether there is any way around that kind of situation because there will be pockets even in areas, as I suggested, even in the Interlake, in areas where the crops were generally better, and I am sure even in his area. There may be some areas like Swan River with excessive moisture that, while the drought did not hurt, the losses were sustained by producers there as well, and that is going to be the difficulty in that whole area.

Mr. Chairman, I am glad that the Government is saying that yes, there is a need. Is there any information that is required by the federal Government now for them not to make a decision? I know the election is on, but nevertheless producers certainly are waiting for that announced program. Is there any indication that any announcement will in fact be made within the next week or two, and does the Minister know and can he tell us?

Mr. Findlay: I really do not know what the federal Government's time frame for action is, other than I can tell the Minister that our office received a phone call yesterday. The general comment was that there was—I did not receive it—but the message was that there will be some degree of meeting between the federal officials and provincial officials shortly.

So that is all the information we have at this time and we just hope that, for the good of producers, that the announcement is made soon because it is not only producers that need that announcement, it is creditors and suppliers of goods and services that makes it a lot easier for a producer to deal with his total affairs if he knows something is coming and he can make his decisions accordingly. Producers are certainly being asked to evaluate their financial circumstances earlier than ever for subsequent crop years. We used to think for next year's crop you worried about your financial arrangements next February, March, April. Now creditors are asking for information eight months in advance of when the crop is going to be seeded because a lot of the projections of this past spring naturally fell into disarray because of the circumstances, and if a person can sort of have the knowledge, or have the comfort of knowledge, that he is going to receive some degree of payment, either \$40 an acre or some portion thereof, it helps him make a lot of important decisions he must make in the coming few months, and it helps everybody, it helps the economy of the province. And if you figure on putting \$1.3 billion into western Canada that is a tremendous cash injection and it will do an awful lot of good. So the sooner the announcement of the intent is made, the better off the province and the producers will be.

* (1620)

But just going back to what I said before about the information-gathering process that crop insurance

normally goes through in terms of interviewing all its contract holders is normally done in January, February. We might have to consider speeding that up if we can to get the information compiled so that those payments can roll sooner than would normally be the case because of that general time frame for information gathering.

Mr. Uruski: Mr. Chairman, I thank the Minister and I see that he is as anxious as most of us here on this side as well as the farm community about some early indication of assistance to grain farmers, knowing what they have had to go through over the last number of years, and in Manitoba in particular, starting in 1980. As the Minister the other night said I think, in his case it was '79, a year earlier, so that there has been clearly ample pressure on producers. I want to urge the Minister and his staff to look at some way to see if there may be some way of dealing with the anomaly situations in terms of whether it is the grain side or the livestock side.

It is always a difficulty and I do not know whether it can be, but if there are some innovative ways which they can come up with to look at those situations, where in an area of green there is an area of drought and there are total losses which do fall in between the system, and to see whether there are ways in which that can be picked up. I am not sure, but certainly I think even an inventory or an assessment made through your ag reps and the like, through your crop insurance adjusters, those kind of indications could be provided so that they will know.

There may be some areas, for example, eastern Manitoba or the Interlake where the participation is only between 20 percent and 30 percent, so that the claims—one of out five farmers basically is enrolled. Unless you pick up a few of those in the areas where there are claims, then you will not have an indication just from your own adjusting experience whether or not there have been sustained losses, so some of that preliminary work should go on. I want to urge the Minister to do that on behalf of the farmers because of those situations and I thank him for his information today.

Mr. Findlay: Just a little bit more on the anomalies. Anomalies are going to work both ways. I was out to a town south and west of Portage last Friday afternoon and stopped in to see a couple of producers. They happened to be in the Garden of Eden in a pocket of despair. We thought that whole area had severe drought problems. One of the reasons I stopped in there was almost to verify the information that had come from staff on the final precipitation figures, Jim Tokarchuk's figures. He showed a pocket, a cigar shaped pocket south of Portage that had above normal precipitation for this summer. It is hard to believe that it happened out there. Sure enough, I stopped a couple of producers and sure, they had wheat yield of 30-35 and rape 25-30, so they have a good crop, but two miles down the road, nothing. In that municipality there will be an anomaly created. Some people at one end will have virtually nothing. At the other end they are going to keep the average up for that municipality.

Your comments are well taken that we have to be able to deal with those anomalies. Whether we can do

it by any other process, a review panel or a review tribunal or producers actually make application to a group of their peers. I think in this particular case, because of the potential numbers, we need a review tribunal in each province and three or four producers, peers that can assess the information that is going to be submitted by producers, to determine if they should qualify, even though they are in a municipality that is in a non-qualification category. That has to be done because those are going to occur, and in both directions.

Mr. Uruski: I accept the Minister's comments. Although it may be fairly expensive, he may even want to consider putting the notion of even regional committees where you have, for example, and it may put staff in a bit of a conflict but I am not so sure, where one of the resource people could be your regional crop insurance supervisor as the resource person there, knowing what claims have come through the areas and the pockets, not as sitting on the committee but as a resource person. You could have regional or maybe two sets of committees for a province, rather than producers not knowing, not having a handle of what is really happening. Not everybody knows what is happening right across their whole province, but if they had it, it may prove efficient.

Just a couple of points that I did forget, Mr. Chairman, to ask the Minister. Is there a cap considered on any of these? We dealt with the greenfeed, there was no cap. Is there a cap on livestock and has the Minister made any case, in terms of the grain, whether there has been a cap. I know in the previous program there was a \$25,000 limit per producer. Do any of those limits still stand today?

Mr. Findlay: There has been no cap proposed that we are aware of for the federal drought assistance. There may well be one emerge through the process of discussions as the final details are evolved, along the lines of the previous two years of \$25,000, but at this point in time to the best of my knowledge that has not been brought forward.

I guess my feeling would be that no matter how many acres a producer has, if drought hit those acres, he spent money and lost money acre by acre, regardless of how many he had.

Truthfully, the number of people who would go over the 25,000 cap on the previous two programs was very, very few. It was really determined by permit book. There has been a multiplication of permit books over the last two years, between husband and wife and father and son. I would have to expect that not more than 2 percent of the producers would have hit that 25,000 cap before. I have to feel it is counterproductive to put a cap in place in these sort of circumstances where a person is hit by drought no matter how many acres he has, high or low.

As far as using staff for resource people, we have no problem with it, unless it appeared there was a tremendously heavy work load and it was being distracting from the basic programs that they have to administer and look after. If it became a problem in that regard we would have to be careful as how much staff time we were contributing. But they certainly would

have the information to help the review tribunals assess individual cases that would come before them. If we could help we would certainly do what we could.

* (1630)

Mr. Uruski: Just on the area of cap and I want to indicate that—and I asked the Minister whether he has concerns about the whole perception. It is a perception, and I guess both the perception and a reality of the situation that has happened south of the border, where Government programs and Government assistance programs with no cap have exceeded the million dollar mark. I know they will not here, in our circumstances, but the whole perception—you only need one to get one big pile of money, especially public money and being of a grant nature—to put into jeopardy the rest of societies, meaning the urban centres' views that somehow here we are, we are having a hard time getting a job and we are struggling. Here is a \$100,000, or \$50,000, or \$60,000, or \$70,000 gift from us to a farmer. I guess it takes only one of those to temper the time it takes to build up public support and continued support for the farming community in terms of payouts.

So I say to the Minister in this whole area, while I agree in terms of the losses sustained, it does not take very many of those to blow the compassion that takes a long and hard time to build up in the rest of the country for the farming community. The credibility of that would be gone by one or two of those kinds of sensational news reports that come out to producers. That is the difficulty with what the Minister is talking about.

He should reconsider his position in this whole area, and look at how many might be eligible for some larger amount. If it is very few, then I think the difficulty then is much easier to withstand within the farm community, since the vast majority, if his figures are right, of say, 2 percent or less than 2 percent, then basically, one can say to those less than 2 percent, look, we targeted this to those who needed it. Although you are larger than the rest, we have capped it off as we have done for a number of years. So I ask the Minister to reconsider his position in that whole area and discuss it with his federal colleagues.

Mr. Findlay: Certainly what the Member raises is of concern with regard to the ability of the press to blow up a story totally out of proportion and create a negative reaction in the urban community that we are giving a gift, but really this is not a gift. This is trying to counter a disaster that the farmer has experienced and trying to keep him in business. But it is not an easy question to deal with if the press decides to take that negative approach. I guess just in a similar vein, I am somewhat disappointed about the fervour with which a certain group of people in western Manitoba chose to fight Western Grain Stabilization, the group of non-participants who created a lot of negative press.

The bottom line is that they wanted a big handout because they had chosen not to participate. That was their decision, but they were not prepared to live with their decision, they wanted special treatment, in a

program that has been broadly accepted, where 85 percent-plus of producers are in that program and they got a lot of press. They got a lot of press over the last number of months. I do not think it was positive press for the farm community, in light of trying to convince the urban community that they should support programs of assistance to the farm community. I think you will find when it is all over and done with, a vast majority of those non-participants will have opted into Western Grain Stabilization as of the end of September 29 being the deadline for opting in. Again, it was a good program. It has paid well in the last few years, and paid a lot more, I suppose really, in terms of what was ever expected because of the disaster we faced in terms of low grain prices and now drought, both of which are going to reduce the total gross income of producers and trigger payouts.

It always has to be considered by producers and Governments that put programs in place, so we do not set up a situation that generates a negative backlash from the urban community because we are in essence reaching into their tax pocket and asking for support. Your comments are well taken. There is no question that we do not want to get into that situation. I feel very confident. It is a very low percentage, I said 2 percent. I do not recall the figures off the top of my head but I know, when I saw them some months ago, I was very, very surprised at how few producers were up in that category. In fact I am always very surprised as to how few producers have gross incomes of less than \$100,000.00. With today's costs, \$100,000 is not a lot of money.

Mr. Laurie Evans: I would just like to add my support to the issues that have been dealt with in the latter part of this afternoon, particularly the need for trying to address the anomalies which I appreciate as the Minister does are difficult to deal with but certainly they are one of the areas that most of the criticism seems to come from is someone who feels they have not been fairly treated. I think the other area that the Minister also appreciates is the desirability of getting the funds out to the producers as quickly as possible, bearing in mind of course that the monitoring and so on, particularly in the livestock program, will take time.

The other area that I think the Minister may have to use his ability to convince his federal counterparts and perhaps some of his provincial counterparts is the validity of using the support programs as leverage to get more producers into them. I certainly support the concept, but I anticipate that there will be some negative response to that. I would hope the Minister would use his persuasive powers with his colleagues to utilize it in that fashion, knowing full well that he has the support of all Parties in this Legislature.

I think it is imperative that we attempt as quickly as we can to get the entire agricultural community participating in these support programs and that, in many respects, will do away with the need for the adhocery we have been faced with. It is that ad hoc approach to the support of the farmers that could in time, if we do not reduce it, have a negative impact particularly in the response that we get from the urban centres. With that, I believe we are prepared to pass this Emergency Drought Program.

Mr. Chairman: Is it the will of the section to pass item 12., Emergency Drought Relief Program—pass. Order, please.

Resolution 18: Resolved that there be granted to Her Majesty a sum not exceeding \$18,300,000 for Agriculture, Emergency Drought Relief, for the fiscal year ending the 31st day of March 1989—pass.

Mr. Findlay: We will bring MACC in for the next sitting on Thursday, and call it a day for now.

Mr. Chairman: Order, please. The committee will then, by leave, stand in recess until just before five o'clock.

* (1640)

RECESS

* (1700)

Mr. Chairman: Order, please. The hour being 5 p.m., time for Private Members' Hour. Committee rise.

Call in the Speaker.

IN SESSION COMMITTEE REPORT

Mr. Mark Minenko (Chairman of the Committee of Supply): The Committee of Supply has adopted certain resolutions, directs me to report the same and ask leave to sit again.

I move, seconded by the Honourable Member for Kirkfield Park (Mrs. Hammond), that the report of the committee be received.

MOTION presented and carried.

PRIVATE MEMBERS' BUSINESS

Mr. Speaker: The hour being 5 p.m., time for Private Members' Business.

DEBATE ON SECOND READINGS PUBLIC BILLS

BILL NO. 2—THE BUSINESS NAMES REGISTRATION AMENDMENT ACT

Mr. Speaker: On the debate on second readings of public Bills, on the proposed motion of the Honourable Member for Elmwood (Mr. Maloway), Bill No. 2, The Business Names Registration Amendment Act; Loi modifiant la Loi sur l'enregistrement des noms commerciaux, standing in the name of the Honourable Attorney-General (Mr. McCrae). (Stand)

BILL NO. 3—THE CORPORATIONS AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Member for Elmwood (Mr. Maloway), Bill No. 3, The Corporations Amendment Act; Loi modifiant

la Loi sur les corporations, standing in the name of the Honourable Attorney-General (Mr. McCrae). (Stand)

The Honourable Member for Burrows (Mr. Chornopyski) is going to speak on Bill No. 3. Is it the agreement of the House, therefore, to leave it standing in the Honourable Attorney-General's name? (Agreed)

Mr. William Chornopyski (Burrows): There is not a great deal that can be said that has not been said before. I covered a good portion of this Bill when we dealt with Bill No. 2. By sheer accident, I drifted into No. 3 as well.

Bill No. 3 of course is not much different than that of No. 2, as far as its value is concerned. The Member who presented the Bill had good intentions. Unfortunately, the Bill is not doing or will not do what it is intended to do. The Bill presents nothing more than is already available to the province and the Government. Everything that the Bill attempts to do can be done at the present time without it.

I know that the Member for Elmwood (Mr. Maloway) had good intentions. He wanted to assist the Brick's Fine Furniture, and his intentions were honourable. This particular Bill, unless it is amended in such a way that it has the kind of teeth in it that the Member for Elmwood intended it to have, is not going to do anything for Brick's Fine Furniture.

I am not standing up deliberately speaking against the Bill as such but I had a legal opinion, as a matter of fact, when I first spoke on Bill No. 2 and I have since had another legal opinion on Bill No. 3. Neither of those two Bills provide any protection for Brick's Fine Furniture.

It is unfortunate that they do not and, as I say, I sympathize with Brick's Fine Furniture. It is a family operation and, according to the Member for Elmwood (Mr. Maloway), they are suffering some hardship as a result of this large corporation moving into the province and copying their name or very close to it, but that does not alter a thing. We can feel sorry for Brick's Fine Furniture, but these two Bills do not feel sorry for them because they do not do anything for them. They are a fine family operation, there is no question about that and nobody would question that, Mr. Speaker, but unfortunately they do not do anything for them.

As I mentioned previously, Mr. Speaker, I have said that I think there is not really much more that can be said about this Bill. It is not worth anything, unfortunately. With that, I will sit down and let somebody else make something out of it.

Mr. Speaker: And that will continue to stand in the Honourable Attorney-General's name.

* (1710)

BILL NO. 13—THE MANITOBA HYDRO AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Member for Flin Flon (Mr. Storie), Bill No. 13, The Manitoba Hydro Amendment Act, Loi modifiant la Loi sur l'Hydro-Manitoba, standing in the Honourable Minister of Finance. (Stand)

**BILL NO. 16—THE REAL
PROPERTY AMENDMENT ACT**

Mr. Speaker: On the proposed motion of the Honourable Member for Elmwood (Mr. Maloway), Bill No. 16, The Real Property Amendment Act; Loi modifiant la Loi sur les biens réels, standing in the name of the Honourable Member for Lac du Bonnet (Mr. Praznik). (Stand)

**BILL NO. 20—THE WATER RIGHTS
AMENDMENT ACT**

Mr. Speaker: On the proposed motion of the Honourable Member for St. Norbert (Mr. Angus), Bill No. 20, The Water Rights Amendment Act; Loi modifiant la Loi sur les droits d'utilisation de l'eau, standing in the name of the Honourable Attorney-General (Mr. McCrae). (Stand)

**BILL NO. 22—THE LIQUOR CONTROL
AMENDMENT ACT**

Mr. Speaker: On the proposed motion of the Honourable Member for Concordia (Mr. Doer), Bill No. 22, The Liquor Control Amendment Act; Loi modifiant la Loi sur la réglementation des alcools, standing in the name of the Honourable Attorney-General (Mr. McCrae). (Stand)

**BILL NO. 25—THE UNFAIR BUSINESS
PRACTICES ACT**

Mr. Speaker: On the proposed motion of the Honourable Member for Elmwood (Mr. Maloway), Bill No. 25, The Unfair Business Practices Act; Loi sur les pratiques commerciales déloyales, standing in the name of the Honourable Minister of Finance (Mr. Manness). (Stand)

**BILL NO. 26—THE CONSUMER
PROTECTION AMENDMENT ACT**

Mr. Speaker: On the proposed motion of the Honourable Member for Elmwood (Mr. Maloway), Bill No. 26, The Consumer Protection Amendment Act; Loi modifiant la Loi sur la Protection du consommateur, standing in the name of the Honourable Attorney-General (Mr. McCrae). (Stand)

PROPOSED RESOLUTIONS

**RES. NO. 17—CONDOMINIUM
PROPERTY TAX CLASSIFICATION**

Mr. Speaker: On the proposed resolution of the Honourable Member for St. Norbert (Mr. Angus), Resolution No. 17, Condominium Property Tax Classification, the Honourable—where is the Honourable Member?

The Honourable Member is not here to introduce it so, therefore, I believe we move on to the next one. The Member is not here to introduce it. Order, please.

**RES. NO. 18—IMPLEMENTATION OF
PHARMACARE CARD SYSTEM**

Mr. Gary Doer (Leader of the Second Opposition): Resolution No. 18, Mr. Speaker, are you moving to that? -*(Interjection)*- Okay, would the Clerk please provide a copy of that resolution to us and our Member will speak to it and move it.

Mr. Speaker: On the proposed resolution of the Honourable Member for Churchill, Resolution No. 18, Implementation of Pharmacare Card System, the Honourable Member for Churchill.

Mr. Jay Cowan (Churchill): I move, seconded by the Member for Concordia (Mr. Doer) that:

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

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

WHEREAS prescription drug users have been hard hit in the past year by increases in drug prices that are running two-and-one-quarter times the rate of inflation; and

WHEREAS seniors have been doubly hit by those increased prices (of which they pay 20 percent) and the recent increase of \$10 in their deductible by the Conservative Government; and

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

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

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

BE IT FURTHER RESOLVED that this Assembly urge the Government to consider eliminating the present Pharmacare deductible of \$85 for seniors; and

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

MOTION presented.

Mr. Cowan: The New Democratic Party Opposition has brought forward this resolution because we believe that seniors in this province have been doubly hit in recent months by increases in pharmaceutical prices, and by the decision by the Conservative Government to increase the deductible for seniors by \$10.00.

There are approximately 135,000 to 140,000 seniors in the Province of Manitoba. These seniors, because of health problems that they experience as a part of the aging process, often have to use more drugs than would other Manitobans, outside of those who are disabled or suffer chronic illnesses.

For that reason, any increase in the price of drugs will have a major impact on those individuals and because most, or at least a large portion of them live on fixed incomes, that impact will be one that will create financial hardship for a large number of seniors.

That is why, as an Opposition, we were disappointed when we learned that the new Conservative Government determined that they were going to increase the deductible for seniors with respect to Pharmacare by \$10 to a maximum of \$85.00.

We felt that they had undertaken that action without appropriate consultation and, as a matter of fact, when we questioned the Minister responsible for Seniors (Mr. Neufeld) in the Legislature on the day that announcement was made, he did confirm that there had been no consultation.

When we questioned the Minister responsible for the Status of Women (Mrs. Oleson), because a large number of those seniors on fixed incomes and a large number of individuals on fixed incomes in this province are women, when we questioned her to determine if she had undertaken any consultation with affected groups, she indicated as well that they had not undertaken that consultation.- (Interjection)- The Minister of Natural Resources (Mr. Penner) says that they talk to their women and their seniors all the time. Let me tell them that if the Conservative Government is talking to the seniors and the women of this province, they are not listening to what those seniors and those women are saying back to them, because had they listened and had they tried to understand the unique financial circumstances of seniors in this province, they would have understood how wrong they were to proceed in the way in which they did.

What is ironic is at the same time that they were increasing the deductible for seniors and for others on Pharmacare, and saying they had to do so in order to bring more revenue into the province, they were giving back to the mining companies over \$10 million in deferred taxes.

Mr. Bob Rose (St. Vital): Which one?

Mr. Cowan: The Member for St. Vital asked, which one?

By and large, the money which they gave back to the large, multinational mining corporations in their most recent budget went to Inco. It is important to make that note because just today the Leader of the New

Democratic Party caucus, the Member for Concordia (Mr. Doer) put on the record that Inco was paying over \$1 billion in dividends this year because they had had such a profitable and productive year.

Now we do not begrudge them that profitability and we do not begrudge them that productivity. But what we do suggest is that when given a choice between taking money out of the pockets of seniors, and giving money back to the large corporations that are experiencing windfall profits at unprecedented levels, they made the wrong choice.

Their choice was against seniors and against those on fixed incomes and for their large corporate friends. We believe that they had an opportunity with that last Budget to put in place a fair tax system that would have companies like Inco and companies like the CPR, which they also gave about \$5 million back to in their recent Budget, pay their fair share and would have seniors gain the benefit of a fair tax system that would not impose undue financial hardship on them. That is why the New Democratic Party caucus has suggested and will be asking the support of this Legislature in that suggestion.

That is why we have asked that the deductible for seniors be eliminated and that a Pharmacard system be implemented. I want to spend a bit of time talking about the mechanics of that, but before doing so I want to go back for just one minute to what the Minister of Natural Resources (Mr. Penner) said. Because the Minister of Natural Resources, as I indicated earlier, said that they had been talking to their seniors and they had been talking to women in this province, and that is why they proceeded in the way in which they did. Let me read to the Minister of Natural Resources an article which appeared in a recent publication of a weekly newspaper for seniors, as a matter of fact, Canada's only weekly newspaper for people age 50 or better, entitled "Seniors Today."

It is an article from their August 10 edition. It is under the title of, "Minister Defends Pharmacare Hike" and I will quote from the article: "It was a bleak morning last Thursday for Albert Rondeau, when he learned of the \$10 increase in the deductible paid by seniors using the province's Pharmacare Program." The quote from that individual in the article: "It is the first time I cried in a long time, said Rondeau, 78. For some, the extra money does not matter. For me, it hurts." That was his quote. He went on to quote in that article, "I only just keep my head above water now. I do not like borrowing and imposing on my friends. This increase means I have to cut back on other things," he said. That is the end of the quote, and that is what the seniors were saying when they learned of that increase in the deductible.- (Interjection)- He now says he heard them loud and clear.

He may well and the Conservative Government may well have heard them loud and clear, but I will tell you who they heard a little bit louder and a little bit clearer. They heard Inco a little bit louder and a little bit clearer; they heard CPR a little bit louder and a little bit clearer. They heard the businesses which they are taking the health and education levy off of a little bit louder and a little bit clearer. When they had the choice, and they

did indeed have the choice, they lowered taxes to those groups, to the business groups in this province, to the large corporations, their friends, and they increased deductibles to seniors and others.

We heard on the day that happened as well the Minister of Health (Mr. Orchard) stand in his place and give a very spirited rendition of, what we are beginning to call in this House, the three-envelopes scenario. The three-envelopes scenario, Mr. Speaker, goes as follows. There was a new Government coming into Government. One of the outgoing Ministers gave three envelopes to a new Minister of a new political stripe who was coming in under the new administration, and told him to only open those envelopes when he felt particularly hard pressed and when he felt that he was in an indefensible position.

The Minister of the new Government took the three envelopes and put them in his desk drawer. After about a couple of weeks, when he had made some stupid errors of judgment, such as this Government did when they increased the Pharmacare deductibles at the same time they were decreasing taxes on Inco and CPR, and after he had been under attack for some time, he reached into the drawer and he pulled out the first envelope. He opened it up and it said, blame the previous Government. That is exactly -(Interjection)-The Member for Kirkfield Park (Mrs. Hammond), one of the Conservative backbenchers says, right. She knows that is the strategy of their administration. For whatever happens, when the Conservatives make a calculated choice to reduce taxes on corporations and increase deductibles on seniors, they blame it on the previous administration. We would not have made that choice and, as a matter of fact, we did not make that choice.

The Minister then is able to use that excuse for a couple of months. After a while, that excuse starts to wear thin because everybody knows all they are doing is blaming the previous administration for every fault. So what happens then? Well, that Minister gets himself in trouble again, as these Ministers are going to do very shortly. That excuse has worn thin. He is wondering what to do, he is in a panic, he is sweating and he remembers there is a second envelope. So he reaches into the drawer after a couple of months in Government, pulls out the second envelope, rips it open eagerly, and what does it say? Blame the federal Government. We will see this Conservative Government very soon start to blame the federal Government for all their woes once they get through the present election. You will see that happen as certainly as day follows night and night follows day, Mr. Speaker. They will begin to do that, but that will only work for a certain period of time.

I will tell you to make the story short, because this is going to be a short-lived administration with their minority position, he gets into trouble again, opens up the third envelope after some great difficulty in the Legislature and out on the hustings where people are critical of their actions. What does the third envelope say? The Member for Lakeside (Mr. Enns) remembers this story. The third envelope says, write out three envelopes. That is exactly what is going to happen in this case.

So we saw the Minister try to blame the previous administration when he suggested that we had that sort of an increase in our Budget. I have to tell you we had considered increasing the Pharmacare deductible for seniors and we had considered it very seriously but, in the end, we said no to that. The Cabinet and the caucus said no, because we felt that with the increases of previous years that the Pharmacare deductible for seniors was too much and should not be increased anymore. We felt instead that we would increase taxes on the mining companies and on CPR, and that is exactly what we did in our Budget and that is exactly what they undid in their Budget. They came along and reduced the taxes on those large corporations and increased the deductibles. So we believe that they put the interests of their large corporate friends ahead of the interests of seniors.

The Pharmacard system is not a new system. It is used in other provinces. It is a system that was discussed during the election by the Liberal Party as part of their campaign. It was a system which I know the Conservatives thought about when they were in Opposition and, I can tell you, it is a system which we did some research on when we were in Government. We waited for some time following the election for something to be brought forward in this House and, when nothing was brought forward, we felt that we could help the process and help seniors get this system which will benefit those on fixed incomes particularly by putting forward this resolution. We would hope that we would have the support of all Members of the House, given that all Members in the House at one time or another have admitted quite freely that they have considered this system and believe that it has some value and some benefit.

How it would work would be that seniors and the disabled, according to this resolution, would be given cards which they would then take to the pharmacy when they were purchasing pharmaceuticals under the Pharmacare Program. Those cards would enable them to purchase those pharmaceutical products at 20 percent of the cost, which is what they pay now, except what they have to do in the present circumstance is get a Pharmacare receipt from the pharmaceutical drugstores. They have to take that receipt, they have to send it in and they have to get a rebate later on. What is happening is they are having to carry the costs of that purchase for some period of time.

The Pharmacard system would have the same cost to Government, except it would mean that the seniors would be only paying 20 percent up front. The druggist would be responsible for getting the rebate back from the Government, and it would take some of the financial hardship off of the seniors.

Now if one puts that system in place, one would also have to eliminate the deductible in order to make that system work well. Elimination of the deductible will cost the province approximately \$5 million, give or take. That is the same amount which they gave back to CPR in the last Budget. If they are worried about the cost of this proposal, then I would suggest to them that they go back, rethink their decision to give tax breaks to their corporate friends, impose that tax on CPR or

Inco as they please, because they are both doing quite well, thank you very much, and take some of the financial hardship off of seniors by implementing this system.

The New Democratic Party caucus has brought this resolution forward with that in mind. We have brought it forward in a sincere and forthright way, and we hope that we not only have your support but we have the support of all Members of the House when it comes time to pass this resolution to ensure that we recognize the role that seniors have played in this province and we give back to them some of what they had given to their society, rather than taking and giving back to people instead of to them.

Hon. Donald Orchard (Minister of Health): I welcome the debate on this resolution. I welcome it particularly because it gives us an opportunity to discuss the Pharmacare Program prior to Estimates and to maybe more fully understand the Pharmacare Program. But, Mr. Speaker, not that I want to chastise my honourable friends in the New Democratic Opposition, but when the increase in the Pharmacare deductible was raised by \$10, one would have thought that the NDP were taking on the greatest travesty of justice that you have ever seen. Mr. Speaker, I want to tell you what the global—and I want to tell my honourable friend from Churchill that I never once made a comment to him when he was making his remarks and I would appreciate him keeping his mouth quiet now and his ears open.

* (1730)

Mr. Cowan: Sorry to distract you, you never made comments from your seat.

Mr. Orchard: I listened with attentive interest to my honourable friend from Churchill (Mr. Cowan) and I would appreciate him doing the same thing right now.

What the \$10 increase in deductible was to seniors—and I indicated to my honourable friends in the House that no Government likes to increase that deductible. It is not a pleasant task, but that amounted to \$8 per senior, per senior family if it is a husband and wife, per year increase in payment for their pharmaceutical program. That amounts to 66 cents per month, or two cents per day.

Mr. Speaker, I realize that some people do not have two cents per day to put to that program and it may cause them a hardship, but I really have to indicate that my honourable friends in the NDP cry a little bit wolf when they protest about that increase, and now after 6.5 years of Government and seven Budgets that they tabled, the seventh one being defeated, they did absolutely nothing about removing the Pharmacare deductible, about introducing a Pharmacare card, until now magically all of a sudden they are in Opposition and have all the answers.

That is what I find somewhat reprehensible by the Members of the New Democrats, to sit here after seven Budgets doing nothing for seniors except raising their costs year by year on the Pharmacare Program without doing anything to relieve that, and then all of a sudden

in Opposition they have all the answers that they never had when they were Government.

My honourable friend says we could take from the CPR and Inco and give to the seniors. I want to point out to my honourable friends that they were prepared to take from the CPR. They were prepared to take from the Inco, and they did not give one nickel to the seniors. Not one nickel did they give to the seniors. They did not have in their Budget the removal of the Pharmacare deductible for seniors. Where were they going to put the money that they say now was only \$5 million? Well, in fact, it is probably \$6 million, removing the deductible for seniors, but that is irrelevant. The Government had those figures. The NDP when they were Government had those figures. They took the money from CPR. They took the money from Inco, and they did not put \$6 million to take the deductible away from the seniors when they were in Government. But now in Opposition they say oh, well, Government should do that. They do not live by what they—their actions determined when they were Government.

I have pointed out to my honourable friends that in their term of Government—and I want to just use this one figure because it is a figure that no Manitoban should forget. In 1981, the last Budget by the Progressive Conservative Government, the annual interest cost on the accumulated debt of 110 years of provincial Government of all political stripes was less than \$90 million a year.

After six Budgets of NDP spending under Howard Pawley—the present Member for Churchill (Mr. Cowan), as one of the leading lights of brilliance in that Government—the annual interest bill rose to \$545 million. Now, if we had the \$455 million of interest in Manitoba instead of going to Zurich, to Tokyo, to New York, and all across the international money markets, sating the pockets of international financiers, we would have \$6 million to provide free Medicare to Manitobans of senior citizen age.

Let not our honourable friends in the New Democrats who drove this province to the brink of financial bankruptcy now tell us what we could do with just a few extra dollars, when they chose to put \$455 million of interest per year into the pocket of international financiers from Tokyo to Zurich to London to New York. That is where their priorities were, Mr. Speaker. International financiers to the detriment of seniors in Manitoba, so let them not stand and all of a sudden now, in Opposition, be the champions of the Opposition.

Let us deal with some program detail. A number of provinces have instituted a Pharmacare card and it is interesting that I have met recently with the Minister of Health from Ontario. Now Ontario has a program in which their seniors pay absolutely no prescription costs, prescriptions are gratis, the seniors in Ontario.

Their program costs per year for the seniors alone I am told is \$600 million a year. Now, one might say that is providing a great benefit to the seniors in Ontario because it is "free." But do you know what they found when they analyzed the effectiveness of that program? They find that senior citizens are being overprescribed drugs and medications. To their detriment, that is

happening in Ontario and the Ontario Government is moving to attempt to put some sort of framework of controls on the system so that it does not rampantly run out of control to the detriment, in some cases, of the senior citizens involved.

Now, Mr. Speaker, that does not mean that the Ontario Government, which happens to be Liberal, is going to cut off senior citizens from a drug program. No, that means they are going to responsibly administer a program that has gone out of control over the years, out of control because it was free, gratis.

Nobody likes to raise the Pharmacare deductible, and we raised it 12.5 percent this year, but I want to reiterate, as I did to the House when this announcement was made, my honourable friends, when they were Government, my NDP friends when they were Government, when the Member for Churchill was a Member of Treasury Board and approved this, raised the deductible 28 percent on June 1, 1986 and then six months later raised it a further 18 percent. That is a 50 percent increase in six months. This is a 12.5 percent increase in a year.

I do not believe that all Manitobans welcomed that increase of \$10 on the Pharmacare deductible and I accept that. I simply accept that but, on balance, Manitobans even with increased deductibles are going to receive \$20 per year more in average refund despite the fact that they are paying a higher deductible. That is over 7 percent increase in benefit paid to Manitobans under the program. We cannot operate in isolation because the people receiving the benefits in the majority are the taxpayers who pay for those benefits. This is not funny money we spend in this House, this is real tax dollars, real tax dollars.

Like my honourable friend, the Leader of the New Democrats, who was part of the Pharmacare deductible increase when they were Government, he says that we could, I suppose echoing his colleague from Churchill, says that we could have not helped out Inco and CPR that we had an option. Well, as I pointed out to his honourable friend, the Member for Churchill, they also had an option. They were going to take the money from Inco; they were going to take the money from CPR, but they were not going to give it to the seniors. They were not going to reduce the Pharmacare deductible, absolutely not. But when they are in Opposition, yes, it is a nice thing to talk about for the seniors in the hopes of regaining some support in the senior citizens' group.

* (1740)

Mr. Speaker, I do not think that seniors are that naive that they would believe all of a sudden, in a four-month immaculate conversion, by New Democrats who, for seven years raised their Pharmacare deductible without consultation, and now all of a sudden when they are in Opposition will say well, we do not believe you should have had a deductible in the first place. Where were they for seven years is a question asked of me by the senior citizens. Where were the NDP for the seven years they were in Government? Why did they not take off our deductible then if it is such a good idea? Why did

they leave it in place for year after year after year? Why is it that in Opposition they can make this proposal for removing the deductible? That is what seniors are asking. My honourable friend, the Member for Churchill (Mr. Cowan), simply does not tell the truth when he says from his seat that I offered to take off the deduction. That is not true and he knows it is not true. Truth does not bother the Member for Churchill from time to time.

Mr. Speaker: Order, please.

Mr. Cowan: The Minister of Health has very clearly stated on the record that I was, in his opinion, not telling the truth. That is unparliamentary, Mr. Speaker. He said that in speaking from my seat I did not tell the truth. I find that offensive. I find it, as well, out of order with respect to Beauchesne. I would ask you to ask the Member to apologize and to withdraw both.

Mr. Speaker: Order. The Honourable Minister of Health (Mr. Orchard), to withdraw the unparliamentary language.

Mr. Orchard: I indicated that what the Member for Churchill has said—and if you wish to check the record, you could do that. I indicated that the statement made by the Member for Churchill about my position in Opposition on the Pharmacare deductible was not the truth. As simple as that, that he was not telling the truth about my statement in Opposition. That is a clear and simple statement of fact.

Mr. Speaker: Order, please. Obviously I have no other option but to review the Hansard, and I will come back to the House on that one.

Mr. Orchard: As we approach consideration of changes to the Pharmacare Program, the one thing that we have attempt to do, and I do not think any Member in this House will disagree with this direction, the delay in processing the Pharmacare refunds, particularly the senior citizens, in the time frame from roughly April through the end of July takes an inordinate amount of time. We have dedicated additional term staff resource to that this year and we managed to bring the waiting time down. But I clearly indicate to the House that we do not find that to be administratively acceptable. We will be attempting over the next number of months to come up with some options which will better facilitate the refund of Pharmacare claims to all Manitobans, but particularly to seniors. I think it is fair to say that seniors, by and large, are the largest recipients of refunds because of course their needs for prescription pharmaceuticals are higher than most Manitobans. That really stimulated a lot of concern.

During the election campaign, I entertained discussions with a number of people about going for some sort of a Pharmacard system. I was in the process of developing that as an election campaign commitment. Our Party did not do that. We did not do it because we simply did not have an adequate handle on what such a Pharmacard system (a) would cost the system because that is terribly important. You have to know

what your election promises are going to cost. Secondly, you have to know how it will work administratively and whether in fact it will resolve some of the problems that have plagued the system over the years. The delay in refund was not unique to this year. It has happened every year. Every year, anybody who has been a Member of this House has received complaints from Manitobans with a delay in their Pharmacare refund receipt.

What I simply indicate to my honourable friends when they are considering this resolution is that in removing the Pharmacare deductible, it is estimated for the seniors this could cost in the neighbourhood of about \$4 million. In addition to that \$4 million, it would seem as if their estimate—and here is where you run into the difficulty—the guesstimate is in how you estimate the cost when you remove the deductible and everybody qualifies for his dollar. The estimate is that it would add another \$2 million to cost.

I guess what we have to weigh—and this is what all Governments have to weigh—is whether that is an effective use of scarce health care dollars. I would suggest that it deserves further consideration. I look forward particularly to the debate in the Estimate process where we can discuss possibly some of the options that have come forward in terms of how to deal with the Pharmacare Program, how it can be better administered, how it can be refocused to serve Manitobans in a more cost effective way. I look forward to that debate when we approach the Estimates process.

Mr. Mark Minenko (Seven Oaks): It is indeed an honour for me to participate in the debate on this particular resolution and the whole principle relating to Pharmacare and Pharmacard. It was certainly during the election held earlier this year that the Liberal Party in Manitoba issued a policy statement in health care that set out that the Liberal Party in Manitoba is committed to a development of an effective, efficient and quality publicly administered health care system in the Province of Manitoba. Part of that pledge was through the introduction of a Pharmacard system.

May I add that over the last number of years the increases that all Manitobans felt with respect to the deductible certainly put additional strain on everyone, put additional stress and strain, of course, on the resources of all seniors, put indeed the stress on families of children who require medication for their survival. It was indeed unfortunate, and we certainly in the Liberal Party felt that through the introduction of a Pharmacard system that it would allow seniors, would allow families whose expenditures for medications which are very high, it allows them a little bit of a cushion with respect to these costs.

During the campaign, many people that I met at the door definitely agreed with our policy with respect to the Pharmacard. They agreed that this was an equitable system, a fair system. They agreed that this was a system that could operate well if there was definitely political will. This was a system that was applauded by seniors as well as young families with young children who require extensive outlays for medication.

The Liberal Party, with respect to the Pharmacard, was aimed at reducing the paperwork at easing the

cash flow problems many seniors now have with the present provincial Pharmacare system.

* (1750)

Seniors on limited income experience serious problems when, after spending several hundred dollars during a month, they have to wait for several weeks. In fact, Mr. Speaker, during the campaign, people told me they sometimes had to wait several months in order to receive the 80 percent rebate. They asked me at the door, they asked me, Mark, how can we continue to pay for these medication that we require when we barely have enough for the required necessities of life? I encountered that at more than just one or two doors. They certainly agreed with the Liberal policy of a Pharmacard to allow them those necessities, and in some situations allowed them the opportunity of perhaps including a little recreation. Through this major innovation of this Pharmacard seniors would be able to buy prescription medication without spending the full cash amount of the purchase, without the filling of forms and waiting several weeks for reimbursement.

One of the things that was mentioned to me also when I discussed with the constituents of Seven Oaks was that one of the problems some people felt was that sometimes they did not necessarily remember to include all of the receipts which they were entitled to include as part of the Pharmacare application. This is indeed one of the side effects of the present system. I am sure many Members of the Manitoba Legislature encountered a similar type of comment where they themselves were met at the door with the Liberal policy for a Pharmacard.

I came across some people who assisted their parents in filling out the many different forms that are required for access to different programs, including the Pharmacare system. They also agreed that indeed it would be much simpler for seniors, for indeed many Manitobans, to simply present the Pharmacare card to the pharmacist, pay the 20 percent amount that they are prepared to pay and not have to worry about retaining all the receipts, not have to worry about filling out the forms, not have to worry about mailing it out in proper and correct time. Most importantly, not having to worry about the \$300 or \$400 that seem to just whisk out of their pockets, that seem to disappear.

Indeed, it is an honour and a pleasure for me to speak on this Resolution because indeed it was a firm Liberal policy of this last election to include this new innovation into the system.

Mr. Speaker, this was one of the two policy matters which the Liberal Party set out as part of its new approach to senior citizens' issues in the Province of Manitoba. One of the other issues that we set out was the promise of establishing a Minister responsible for Seniors. Again, it was a pleasure to see the Government establish the Minister responsible for Seniors (Mr. Neufeld). What is of concern to us is the responses that this Minister has made to questions asked from Members of our Party during Question Period.

It would certainly seem to be an appropriate circumstance in which the Minister responsible for

Seniors would certainly act as their advocate, especially with respect to the matter of the Pharmacare system generally and the Pharmacard specifically.

Mr. Speaker, it is an honour that once again another Party has agreed with the Liberal policy. It is reinforcing the principle, I believe, that Liberals are looking to set new innovative ideas in many of the different areas the Government has control over.

One of the other areas that perhaps should be considered with respect to this resolution is providing a Pharmacard to Manitobans whose children require an extensive array of various medications. For example, again constituents of Seven Oaks have brought this matter to my attention, saying would it not be a good idea, if instead of me having to pay \$300 or \$400 a month that I am presently am to ensure that my children are healthy, would it not be much better if we were to pay the deductible and, instead of paying that \$300 monthly, I would only pay as in the present system the 20 percent or some \$60.00. One mother said to me, Mark, I think that would be a good idea. It is very difficult for me to look to our budget and include in that budget the extraordinary expenditure for medication for my children.

Mr. Speaker, I certainly believe I, as undoubtedly all Members of this Legislature, feel that this matter bears some consideration. This matter as well should be considered. Ultimately, we know that those who submit their receipts and fill out the forms, who send them on to the Pharmacare offices will, in some timely or untimely period, receive their refund. But consider the stress and strain, and I would ask all Honourable Members in the Manitoba Legislature to consider that extra strain on a family's budget. As I mentioned earlier in my comments with respect to seniors, many families in my own community as in many communities throughout Manitoba feel that extra pressure when they have to spend that extra \$200 or \$300 for medications for the children.

So it is indeed an honour for me to rise and participate in the debate on this Liberal policy, which I am sure all Honourable Members in the Manitoba Legislature will indeed adopt as part of their own Party's policy and platform. Thank you.

Mr. Gary Doer (Leader of the Second Opposition): I too would like to rise and support the resolution before

this House, a very important resolution dealing with seniors and Pharmacare and the future of Pharmacare in this province.

I would like to put a few things on the record in terms of the statements made by the Minister of Health (Mr. Orchard). We were going through our Estimates process of last year for the '88-89 Budget, and we had a good debate on the Pharmacare deductible. If the Minister of Finance (Mr. Manness) checks the minutes, he will find that the last decision on it was to not go ahead with that 12 percent increase because indeed, although we had not raised it in the last number of years, we had raised it a considerable amount, 50 percent in a short period of time, to get it closer to the inflation increases over the last 16 years.

Mr. Speaker, this decision were made in December or January, so let the Members opposite not try to fool the people of Manitoba. We were faced with that decision with the same information from the bureaucracy as they received. We said no to the increase to Pharmacare deductible. They had the same information from the bureaucracy, and they said yes. They had the same information from the bureaucracy on putting in a tax for the mining company of Inco and they reversed that mining tax. They said yes to Inco, yes to Inco for another \$15 million, and we said no. Let them pay their fair share. So that is the two comparisons. They say no to seniors and yes to Inco; we said no Inco and yes to seniors.

Mr. Speaker: Order, order; order, please. I am interrupting the proceedings. The Honourable Member will have 13 minutes remaining.

The hour being 6 p.m., this House is now adjourned and stands adjourned until 1:30 p.m. tomorrow (Wednesday).

ERRATUM

On Friday, September 30, 1988, Vol. XXXVII No. 48, page 1749, second column, following the rephrased question by Mr. Paul Edwards (St. James): "Is it Government policy that the Labour Minister maintain as much as is possible the role of neutrality between the interests of labour and management in his job in enforcing labour legislation in this province?"

Mr. Connery (Minister of Labour) was recognized by the Speaker and answered: "Yes."