

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 6 April, 1987.

Time — 1:30 p.m.

OPENING PRAYER by Madam Speaker.

MADAM SPEAKER, Hon. M. Phillips: Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MADAM SPEAKER: The Honourable Minister of Government Services.

HON. H. HARAPIAK: Madam Speaker, it's my responsibility to table the Annual Report of the Workers Compensation Board, and I am also tabling some supporting material for the actuaries who were responsible for the annual report.

Also, I am tabling my speaking notes that I made this morning at this morning's news conference.

MADAM SPEAKER: The Honourable Minister of Workplace Safety and Health.

HON. G. LECUYER: Thank you, Madam Speaker. I wish to table the 1985-86 Clean Environment Commission Report.

MADAM SPEAKER: The Honourable Minister of Culture and Heritage Resources.

HON. J. WASYLICIA-LEIS: Thank you, Madam Speaker.

I'm pleased to table the Annual Report, 1985-86 for the Manitoba Lotteries Foundation.

MADAM SPEAKER: The Honourable Minister of Municipal Affairs.

HON. J. BUCKLASCHUK: Thank you, Madam Speaker.

I am pleased to table the Triennial Actuarial Report for the Manitoba Municipal Employees Pension Fund as at January 1, 1986.

MADAM SPEAKER: The Honourable Minister of Housing.

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

I am pleased to table the Annual Report, 1985-86 for Business Development and Tourism.

MADAM SPEAKER: Notices of Motion . . .

INTRODUCTION OF BILLS

HON. B. URUSKI introduced, by leave, Bill No. 14, An Act to Amend The Milk Prices Review Act; Loi modifiant la Loi sur le contrôle du prix du lait; and Bill No. 15, An Act to Amend The Crop Insurance Act; Loi modifiant la Loi sur l'assurance-récolte.

ORAL QUESTIONS

Workers Compensation Board - amount of deficit

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Madam Speaker. My question is to the Minister responsible for the Workers Compensation Board.

Since I haven't had an opportunity to review the material that the Minister apparently tabled and distributed with media earlier today, I wonder if he can confirm the earlier reports that the accumulated deficit of the Workers Compensation Board is now at \$84 million.

MADAM SPEAKER: The Honourable Minister responsible for Workers Compensation.

HON. H. HARAPIAK: Madam Speaker, I can understand that the Leader of the Opposition has not had an opportunity to look at the report that was distributed.-(Interjection)- The Member for Pembina seems to be perplexed by - I'm not sure what he is perplexed by. The members opposite are saying the lack of courtesy. It is exactly because of my respect for the members of the Opposition, as a courtesy, I did not table that report while we were in recess. That is why we waited to table that report till today. Once the Leader of the Opposition has had an opportunity to have a look at the report, it will be clear that it is not a deficit, but is an unfunded liability which the figure is of \$84 million.

MR. G. FILMON: Well, Madam Speaker, the Minister is now referring to it as an unfunded liability. Can he say whether or not this \$84 million unfunded liability compares to a \$35-million surplus that the board had at the end of 1981?

HON. H. HARAPIAK: Madam Speaker, the Leader of the Opposition is referring back to the years of 1981 when there was a surplus. I'm sure that the Leader of the Opposition will remember that the reason there was a surplus is because the surplus was built up on the backs of the injured workers, the widows, the children of those injured workers.

If, prior to 1981, we had had the type of assessments that were across the country, then we would have been increasing our assessment all through those years, and we would be in the same position that the province to the west of us is. All those years when we were having a reduction in assessments the province to the west of us was having an increase. I guess that was the logical way of looking at it but, unfortunately, through those years it was not increased. We have to bear some responsibility as well.

In our first year of government, we did not increase our assessments. In 1983, the government did not

support the level of assessment that the Workers Compensation Board requested and, if we would have gone with the level of support they wanted at that time, then we would not have the unfunded liability we have at the present time.

Workers Compensation Board - cost of administration

MR. G. FILMON: Madam Speaker, can the Minister indicate whether or not, over the past five years, there has been more than a 100 percent increase in the costs of administration of the Workers Compensation Board that also contributed to that massive turnaround of a \$35-million surplus to an \$84 million deficit?

HON. H. HARAPIAK: Madam Speaker, very clearly, there have been many improvements in the services that the workers are getting. In order to deliver the improved services, there has been the need for additional staff.

But even taking that into consideration, Madam Speaker, if we compare ourselves to the Workers Compensation across the country - and we do have to operate in the real world. The Workers Compensations are operating under the same level that we are. There are six Workers Compensation Boards across the country that have a higher number of staff than we have. We have a very lean staff at Workers Compensation. Per capita, we handle more claims for employers and employees than six other boards across the country.

Workers Compensation Board - rate projection

MR. G. FILMON: Madam Speaker, given that during this same period of time that the board has gone from a surplus of \$35 million to a deficit of \$84 million, and during that period of time the payments from employers went up more than 100 percent, what is the projection from this Minister of how much the rates will now have to increase in order to bring that deficit into balance?

HON. H. HARAPIAK: Madam Speaker, once more I would like to correct the Leader of the Opposition's statement that this is a deficit. It is not a deficit; it is an unfunded liability. Taking into consideration where we have come - I realize that the Leader of the Opposition has not had an opportunity to look . . .

MADAM SPEAKER: Order please, order please.
The Honourable Minister.

HON. H. HARAPIAK: Madam Speaker, taking into consideration the fact that we have been increasing over the last little while but, once the Leader of the Opposition has an opportunity to look at the information that has been distributed to him, even taking into consideration the increases we have made in the last two years, we are still, at the end of 1986, the third-lowest assessment right across Canada.

Workers Compensation Board - unfunded liability

MR. G. FILMON: Madam Speaker, where would our rates be if the unfunded liability were brought into balance, the \$84 million?

HON. H. HARAPIAK: Madam Speaker, very clearly, we have dealt with the setting of the assessments for this year. The rates have been set, and there are many different variables that will come into play of where the rates will take us because, if the rehabilitation funds operate as we expect them to be, then there will be a reduction. Not only will there be an improvement because, if the worker comes back to work, rather than the person drawing compensation, they are contributing to the economy of the country. There is an improvement in the well-being of the person. The system is designed to bring people back to the workplace.

There's going to have to be greater recognition of the employers that is of great benefit to all of them, to bring the injured workers back to the workplace. That is the direction that the Workers Compensation Board is moving in.

Workers Compensation Board - rate projection

MR. G. FILMON: Madam Speaker, the Minister may not be impressed with an \$84-million unfunded liability, but I would say that the employers of this province will be absolutely devastated by this knowledge.

Madam Speaker, I want to know whether or not the board have done any studies to indicate how much the rates will have to be in order to bring this \$84-million unfunded liability into balance. What increase will there have to be in the rates?

HON. H. HARAPIAK: Madam Speaker, I am sure that the Leader of the Opposition, who has good business sense, recognizes that the rehabilitation claims that are presently in place are not going to have to be paid immediately. If the Workers Compensation Board was to close down, shut their doors today, then we would require the \$84 million. Otherwise, the rehabilitation claims that are presently in place will be paid out over the next 20 years or until such time as the people who are presently going on rehabilitation are off the rehabilitation fund. So therefore, it depends what happens with our rehabilitation funds. If successful, then there will be a reduction in the fund, but if our - there is a possibility, Madam Speaker, and once the Leader of the Opposition has a look at all the information, there's a possibility it could rise much higher than \$84 million. It all depends on what happens.

Workers Compensation Board - change in policy or administration

MR. G. FILMON: Madam Speaker, is the Minister prepared to bring in any changes in policy or administrative practice in order to ensure that the costs of operation of the Workers Compensation Board are reduced, or does he intend to put all of the responsibility on the backs of the employers to pay this massive deficit of \$84 million?

HON. H. HARAPIAK: Madam Speaker, I am sure that the Leader of the Opposition is aware that there is a

review committee in place at this time, a review committee that is made up of employers. There was an appointment by an employers group; there is an appointment from the labour group, chaired by a former director of the Saskatchewan Compensation Board, who are analyzing all parts of the Workers Compensation Board. They will be making some reviews and they will be looking at this whole area of financing and assessment, and hopefully there will be some recommendations coming from them. But for this year, we have set our rate. There will be no change, because it would not be fair at this period to be changing our rates this year.

Springhill Farms - opportunity to be heard by MLB

MADAM SPEAKER: The Honourable Member for Brandon West.

MR. J. McCRAE: Madam Speaker, my question is directed to the Minister of Labour.

Because of the legislation introduced by this government, Madam Speaker, respecting The Manitoba Labour Relations Act, the employees of this province are being denied fundamental freedoms and democratic freedoms in this province.

On Friday, Madam Speaker, we had the spectre of 140 of 160 employees at the Springhill Farms Hog Plant in Neepawa out picketing in the cold to demonstrate their dissatisfaction with a ruling by the Labour Board and to demonstrate their dissatisfaction with this Minister and his labour law. What will the Minister do to ensure that the workers at the Springhill Farms Hog Plant have an opportunity to vote and to be heard so that the majority wish at that plant can be granted?

MADAM SPEAKER: The Honourable Minister of Labour.

HON. A. MACKLING: Madam Speaker, I categorically reject the premises and the assumptions and the claims that are made in that question. This government and the labour legislation of this province is an example to many of fairness, Madam Speaker. We have an institution in the province, the Manitoba Labour Board, that is composed and it's historically been composed of representation by both labour and management. They hear applications for certification, make those decisions, and they make them removed from the kind of political posturing and manoeuvring of people like the Member for Brandon West.

Madam Speaker, this Minister does not interfere or play politics with either management or labour in their applications for certification before the board, and for the honourable member in this House to try and use political pressure to influence the fair collective bargaining process in this province is improper.

MR. J. McCRAE: Madam Speaker, one thing I've learned in my short time here is that, when the Minister of Labour categorically rejects or denies anything, we all sit up and take notice.

MADAM SPEAKER: Does the honourable member have a question?

MR. J. McCRAE: Madam Speaker, I do have a question and, of course, question period is not a time to enter into debate or to provoke debate . . .

MADAM SPEAKER: Right.

MR. J. McCRAE: . . . and honourable members opposite might bear that in mind.

Last week, Madam Speaker, Wilf Hudson of the Manitoba Federation of Labour and Bruno Zimmer of the United Food and Commercial Workers' Union went on television and had a press conference to complain about alleged interference on my part and on the part of the Honourable Member for Turtle Mountain in organizing efforts in this province. On the 18th of March, this Minister said in this House that I speak only for big banks and oil companies. Madam Speaker, Wilf Hudson, in 1985, donated \$1,662 to the New Democratic Party . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

MR. J. McCRAE: . . . in 1986, he donated \$1,830 to the New Democratic Party.

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

MR. J. McCRAE: Bruno Zimmer, in 1985, donated \$435 to the New Democratic Party, Madam Speaker.

MADAM SPEAKER: Order please.

MR. J. McCRAE: Just who does that Minister speak for, Madam Speaker, the workers in this province or the union bosses?

MADAM SPEAKER: That question is totally out of order.

The Honourable Member for Portage la Prairie . . .

HON. A. MACKLING: Madam Speaker, on a point of order.

On a point of order, Madam Speaker, we have allowed a partisan political attack in the form of a question . . .

MADAM SPEAKER: Order please.

What is the honourable member's point of order?

HON. A. MACKLING: My point of order is that the honourable member was allowed to continue to make a very vitriolic . . .

MADAM SPEAKER: Order please.

HON. A. MACKLING: . . . political statement and then I have no chance to respond to it.

MADAM SPEAKER: Order please.

That question is totally out of order. Therefore, no one gets a chance to respond to a question that is not legally on the agenda here.

The Manitoba Labour Relations Act - refer to Industrial Relations Comm.

MADAM SPEAKER: The Honourable Member for Brandon West.

MR. J. McCRAE: Madam Speaker, I have a further question for the Minister of Labour.

In view of the developments at Eaton's in Brandon, in view of the developments at Sooter Photo here in Winnipeg, and in view of the developments in Neepawa at Springhill Farms, will the Minister now agree to refer The Manitoba Labour Relations Act to the Legislative Committee, the Industrial Relations Committee of this House, so that all members of our society who wish to be heard can be heard?

HON. A. MACKLING: Madam Speaker, the labour relations climate in this province is second to none in the country and it will remain so despite the attempts of the Honourable Member for Brandon West, who does represent big banks and big oil companies who contribute mightily to the Progressive Conservative Party and their friends in Ottawa, who want to privatize and sell out everything that is good in Canada.

Ombudsman's Report re Manitoba Development Centre

MADAM SPEAKER: The Honourable Member for Portage la Prairie.

MR. E. CONNERY: Thank you, Madam Speaker.

People on our side of the House have the fullest confidence in the staff at the MDC, but Dr. Coodin has made some very serious allegations over problems at the MDC. To the Minister of Community Services, will she now allow the taxpayers of Manitoba to see the Ombudsman's Report and to see the recommendations made in that report?

MADAM SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: Madam Speaker, I trust the Member for Portage la Prairie is referring to a dispute among medical people about the appropriate use of psychoactive drugs at the MDC.

Madam Speaker, we have had concern about this problem for quite some time and, as of January last year, asked that regular records be kept ward-by-ward on the use of these drugs. The question has now arisen as to how the audit should be carried out. As we believe it is a medical debate that is occurring, there is quite a little difference of opinion about the use of these drugs in treating people with mental retardation, who may also have behaviour disorders or psychological disturbances.

We have therefore determined that the best arbiter in this dispute is the College of Physicians and Surgeons. I have sent a letter to them asking that they arbitrate and have been in touch by phone and they have agreed to meet. They say that they are the appropriate body to deal with that issue.

With regard to the other possibly-connected but not directly-connected question about an Ombudsman Report, I did request the Ombudsman to look into an individual case last year. He has submitted to me an interim comment on that, which we are reviewing and will then return it to him. It is then, in a sense, his property and his decision what he will do with that information.

MR. E. CONNERY: Madam Speaker, to the same Minister, that report was not about an individual case. It was a full-fledged report done by the Ombudsman, done by a Miss Donna Drever. It covered all aspects of the MDC and, to me, I'm told by the people who have read this report that it is one of the most damning reports that this Minister could ever have.

Madam Speaker, they don't even have enough staff at the MDC to wash the windows. One report says it's been 10 years. Why is the Minister allowing staff to be laid off at the MDC, when the Ombudsman's Report states that they are understaffed?

HON. M. SMITH: Madam Speaker, the allegations contained in that question are absolutely false. As you know, we have been down-sizing the MDC, in terms of its resident population but, in fact, the staff/resident ratio has been increasing. It's been increasing from April '83, when the ratio was 0.90 staff per resident, and it's been gradually improving to the point where, as of April this year, there will be 1.04 staff for each resident.

We are committed to improving the ratio and the quality of program and care and, therefore, I completely disagree with the allegations made by the member opposite.

MR. E. CONNERY: Madam Speaker, to the First Minister, in light of the serious problems that are in all departments of Community Services, but especially in light of the serious problems not only at the MDC but in the Welcome Home Program and the total mental retarded situation in Manitoba, because this Minister is stonewalling and will not release the report which she knows is very damning, will this First Minister not then have a little decency to remove this Minister and not keep these people at risk who are in the community?

Farms - number of closures and forecasts of

MADAM SPEAKER: The Honourable Member for Virden.

MR. G. FINDLAY: Thank you Madam Speaker. My question is to the Minister of Agriculture.

Because of the economic crisis facing agriculture, in preparing the Budget most recently introduced in this House, he must have done some analysis of the state of the Manitoba agriculture industry. Will he tell the House how many farmers have closed up their farms in the last year because of economic reasons and how many are apt to in the next two years?

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, I think debate into this very detailed area - I would not have readily available those kinds of estimates. But certainly, we will be having staff from the department here later today and this week in my Estimates, and we can get into that debate in a lot more detail.

Illegal interest rates charged

MR. G. FINDLAY: Given that the Allen Wilford case in Ontario raised certain questions in the eyes of farmers in Manitoba about techniques used by financial institutions to charge interest rates prior to 1982, will the Minister tell the House if he has any evidence, any evidence at all, that there were illegal interest rates charged prior to 1982 in the Province of Manitoba?

MADAM SPEAKER: The Honourable Minister of Agriculture, if that's in his jurisdiction.

HON. B. URUSKI: Madam Speaker, had I been one of those doing some of the investigating and checking through farmers' promissory notes and agreements made, one might be able to have that kind of evidence.

However, I have indicated that during our review process, through our mediation panels, if this kind of evidence is uncovered about the question of having a promissory note with a fixed interest rate and then charging the floating interest rates, clearly that would be illegal, and we would want to examine and prosecute in those instances as the Attorney-General has indicated.

But, Madam Speaker, until an exhaustive review is done of some specific cases - and it has to be done on an individual basis. One cannot make that kind of a clear determination until one finds the facts as they might be in each case that is examined.

MR. G. FINDLAY: This problem applies not only to the farmers who are going to go in front of the mediation board but all farmers who are still practising in the Province of Manitoba. Is the Minister doing anything to determine if the policies used were legal or illegal in the last few years prior to 1982?

HON. B. URUSKI: Madam Speaker, my suggestion would be to all farmers that they review their promissory notes and agreements that they have signed with all lending institutions to be able to determine in a cursory way whether or not the interest rate charged was in fact that which was agreed to by all farmers. It is very difficult to comment in a very general way unless all the specific, relevant documents in each particular case are in fact reviewed.

Winnipeg Tax Assessment - condominiums

MADAM SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Madam Speaker. My question is to the Minister of Urban Affairs.

In view of the fact that the City of Winnipeg, through its committee of EPC, requested that the Government

of Manitoba exempt condominiums from a Multiple-Dwelling classification and instead include it in the Residential I classification of single-family homes, can the Minister explain why the government rejected that request and instead created another residential classification for owner-occupied condominiums?

MADAM SPEAKER: The Honourable Minister of Urban Affairs.

HON. G. DOER: Madam Speaker, we have discussed this with the committee from the City of Winnipeg, and it was the legal opinion of both parties, both the city solicitor and the provincial solicitor, that the necessary legal work would require a separate category. In fact, there is a bill before the House, I believe Bill 13, dealing with the legal interpretation.

These are very technical areas. There are a number of groups attempting or threatening possible suits in terms of the assessment issue. There have been suits that have been successful in the past from previous bills passed in this House, and we took the advice of our legal people, in fact, indeed even the city's legal people. The essence of what we're doing is owner-occupied condominiums is the essence of the proposal, and the classification is what the city requested and what our research allowed us on legal advice to proceed with a separate category.

MRS. S. CARSTAIRS: A supplementary question to the same Minister, Madam Speaker.

In view of the desire of the government to soften the impact of reassessment on single-family dwellings, can the Minister assure the House that the mill rates for condominiums will be the same as that for other single-family dwellings?

HON. G. DOER: Madam Speaker, the initial sets of classification would have meant there could have been a potential where it wouldn't have the same mill rate as on single-family residences, but a provision of the extra category will provide City Council with the necessary flexibility that they requested to provide a mill rate that is consistent with a single-family residence. It's been the indication that we've received that the City Council will proceed similarly to Ontario where the condominium will be treated the same as a single-family residence through the provisions that we passed last year in Bill 57 for a differential mill rate.

MRS. S. CARSTAIRS: Madam Speaker, with a final supplementary to the same Minister: Will not Bill 57, passed last year, and Bill 9 combine together to make it possible indeed to assess two different mill rates, one for single family and one for condos?

HON. G. DOER: Madam Speaker, the classifications are established pursuant to Order-in-Council under Bill 57. So it isn't tied to Bill 9 as the member opposite is referring to; it's tied to Bill 57.

Bill 9, as you were referring to potentially, deals with the issue of phasing-in and the issue of extending the appeal period to June 12 to deal with the issue of the staggered mailing of assessment notices throughout the City of Winnipeg, which would not allow people to compare from one area of the city to another.

Bill 57 is an interim bill that is developed similarly to Bill 105 that allows the government to establish classifications, and it was felt that the six classifications that we did establish were inadequate to deal with the condominium issue.

I should point out, Madam Speaker, that never once did we ever receive advice from City Council about how many classifications we would establish. We could never get a consistent position from City Council but we did get a position from them on the condominiums. We did the legal research, and we have proceeded with the seventh and eighth category to provide that flexibility in terms of a differential mill rate.

Tourism - Vacation Planner brochure

MADAM SPEAKER: The Honourable Member for Springfield.

MR. G. ROCH: Thank you, Madam Speaker.

To the Minister of Tourism: In light of the fact that the Department of Tourism recently distributed a vacation planner - well, it's a so-called vacation planner - why did the Minister allow this extremely poorly planned brochure, which is laden with errors, omissions and misleading information vis-a-vis destination points as well as stopovers for food, gas and lodging, to be published and distributed in such a form?

MADAM SPEAKER: The Honourable Minister of Tourism.

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

I must say, it seems that we can never satisfy the members opposite, Madam Speaker. Last year, I think the member for Portage la Prairie suggested to us that we should throw out all of our publications because they didn't like them, and that they weren't up-to-date and they weren't very good.

Indeed, we indicated that we were revamping our entire tourism promotions package, Madam Speaker, and we have done that. We have done it in consultation with the tourism industry who is very supportive of the package, Madam Speaker. I have it here in my hand, because I want to make a point that the vacation planner that the member mentioned is what we call a lure piece . . .

SOME HONOURABLE MEMBERS: Oh, oh!

HON. M. HEMPHILL: Oh, yes, it is. It's luring 23 percent of the domestic market and a 14 percent increase in Canadian markets. It's going to bring us an additional \$25 million in a year, and that's one of the top industries in our province.

The members opposite may down play the tourism industry, but the tourism industry itself does not.

MADAM SPEAKER: May I remind Honourable Ministers that answers to questions should be brief. The Honourable Member for Springfield.

MR. G. ROCH: If this is a lure piece, Madam Speaker, there's sure a lot of . . .

MADAM SPEAKER: With a question.

MR. G. ROCH: Okay, well it's not a lure piece, because our stats are down all the time. I've got a new question to the same Minister.

Given the fact that this planner is error-filled and it is a misleading publication, including such notable omissions as Highway 10 from the south, a major artery from the United States to our province, and also they've failed to write down Lac du Bonnet as a major destination . . .

MADAM SPEAKER: Order please.

The time for Oral Questions is to ask questions, not to give information.

MR. G. ROCH: Okay, I was giving a preamble to a new question, Madam Speaker.

Will the Minister recall these incorrect and unfactual brochures and reissue correct and factual ones.

HON. M. HEMPHILL: Madam Speaker, I'm appalled that they're suggesting we throw a couple of \$100,000 down the tube. I mean, that's what they're suggesting. These are new -(Interjection)- Madam Speaker, if we included every highway, we would need another 40 pages, and then they would complain about the amount of money that we were spending.

MR. G. ROCH: Point of order.

HON. M. HEMPHILL: Madam Speaker, as I suggested before . . .

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

The Honourable Member for Springfield with a point of order.

MR. G. ROCH: Point of order, Madam Speaker, it's not expected to include every highway, but the major U.S. trunks . . .

MADAM SPEAKER: Order please, order please.

Does the honourable member have a point of order? A dispute over the facts is not a point of order. The Honourable Minister was answering the honourable member's question.

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

The point I was trying to make earlier is that all of the information is not contained in any one document. What we expect is that we will give out the information to the appropriate people. For instance for Highway 10, although Highway 10 does not appear in the western region, it does appear in Parkland and the north region. So they have to read all of it, just not one section, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Springfield with a supplementary.

MR. G. ROCH: Madam Speaker, it goes to Dauphin, but not all the way to Flin Flon like it should.

Madam Speaker, a supplementary, in the future will the Minister consult with the local MLA's and local officials to make sure that accurate information is

included in future planners, because this one certainly wasn't? I notably note the lack of Lac du Bonnet. Maybe she should consult the Member for Lac du Bonnet so he can inform her as to where some of the major tourist attractions are in his riding.

HON. M. HEMPHILL: Madam Speaker, I was going to indicate to the member opposite that we will consult with anybody and take information and suggestions from anybody, including the critic and including all of the members opposite.

In this case, we did extensive consultation and had support from the entire tourism industry in developing and changing all of these brochures.

MPIC - salvage vehicle auction

MADAM SPEAKER: The Honourable Member for Minnedosa.

MR. D. BLAKE: I can't be a beacon if my light doesn't shine, Madam Speaker. My question is directed to the Minister responsible for the Manitoba Public Insurance Corporation.

In view of the fact that all write-off vehicles are handled by the Corporation by way of public auction, and it's been reported on numerous occasions that these vehicles are finding their way onto the market, repaired by so-called, back-shop repair shops, what steps are being taken to ensure that the public is being protected against unsafe vehicles being resold and put back on the road?

MADAM SPEAKER: The Honourable Minister responsible for MPIC.

HON. J. BUCKLASCHUK: Thank you, Madam Speaker.

As the member is aware, auction sales made by MPIC of salvage vehicles are made on the basis that the vehicle can only be reregistered if the new owner can produce a mechanic's certificate. That's clearly printed on the bill of sale. Unfortunately though, we have recently been advised of situations where buyers have purchased vehicles that were salvage vehicles, and they were not aware of that. It's not a matter of the vehicle necessarily being unsafe, as much as some misrepresentation that may have taken place.

The Manitoba Public Insurance Corporation, the Motor Vehicle Branches, have probably for the past 15 years been grappling with the problem as to how to track these vehicles that are sold at the compound. The Corporation and the Motor Vehicle Branch are working on this at the present time. I would hope that some sort of resolution can be achieved within a short while.

However, effective this week, MPIC will be making a point of advising all potential purchasers that the province is presently reviewing this situation. Vehicles will still be expected to have a safety certificate when they're being registered, but one of the new guidelines will be that the buyer will have to be notified that the vehicle is a former Autopac write-off. That, I think, is one of the major concerns, a purchaser buying a vehicle and not knowing the source of that vehicle.

MPIC - registration of salvage vehicles

MR. D. BLAKE: That's all well and good, Madam Speaker, but can the Minister not tell us, when a vehicle is written off, that registration number cannot be fed into the computer? When anyone endeavours to register it, the computer would automatically kick it out as a written-off vehicle. Is that not possible with the computer system that we have in the Public Insurance Corporation today?

HON. J. BUCKLASCHUK: Madam Speaker, I understand that, at the present time, the program does not allow the branch to track that serial number. It is true that, if I were to buy a vehicle, I could go down to the Motor Vehicle Branch and ask for a history of that vehicle and determine that from the serial number. But in terms of automatically flagging that vehicle, that is one of the problems that the Corporation and the Motor Vehicle Branch have been grappling with for some time.

Manitoba Hydro - export sales in 1986 Throne Speech

MADAM SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Thank you, Madam Speaker. My question is directed to the First Minister.

We're all accustomed in this House that the language in the Throne Speech at some times is ambiguous, expresses a hope or direction of a government. But last year's Throne Speech on a specific issue of power sales was very clear and very precise, and I want to quote that line from last year's Throne Speech to the First Minister. It's talking about commitment of his government to hydro development: "The same commitment to the planned and orderly development of our natural resources has resulted in three more export agreements with six utilities operating in the United States."

Madam Speaker, I wish to ask the First Minister if he wishes to choose this opportunity to either apologize to the House and to the people of Manitoba about an error that was inserted in last year's Throne Speech, or in some other way explain what is now appearing to be the case with Americans not all that interested in some of our power?

MADAM SPEAKER: The Honourable Minister of Energy and Mines.

HON. W. PARASIUKE: Madam Speaker, we in fact indicated that we had those arrangements, and we had a debate about this last year so I believe that to be rather old news the Member for Lakeside is dredging up.

We did say that we had three arrangements. One of those arrangements has indeed been consummated in an agreement, and it is before the National Energy Board right now.

The other two, and I indicated this to the member a few weeks ago, have in fact been slowed down - not scuttled - slowed down, because there were two small utilities who were having arguments as to how they would allocate transmission line costs on the U.S. side of the border.

The basic fundamentals of the deal are there in terms of the economics and in terms of the numbers, and we have four major utilities still very interested. Indeed, one of the spokesmen for Northern States Power, which is the largest utility in the group, is indicating that they have heard that there is a very good chance - and we are negotiating with them - that they could sign the deal by summer. But I hate setting a specific deadline, because one certainly doesn't want to weaken your final negotiating position. We certainly expect those to be completed just as, when we brought forward the Northern States Power Agreement, members on the other side said it would never happen.

When we took the Northern States Power Agreement before the National Energy Board, Conservatives on the other side said it would never happen. Madam Speaker, the Conservatives on the other side have always been against hydro-electric development. It has been the New Democrats on this side of the House who have brought it forward in a logical, consistent way, and now we in Manitoba are reaping the benefits of it.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.
The Honourable Member for Lakeside.

MR. H. ENNS: Madam Speaker, it's a start of a new week, a Monday, and I'm prepared to be charitable. I accept that kind of an answer from the Minister, but my question still is to the First Minister.

Was it fair and honest to the people of Manitoba when that unequivocal statement was inserted in the Throne Speech, "has resulted in three sales," and that statement repeated during the election by the First Minister and this Minister who is now asking for understandable reasoning, that it's going to take time to consummate a deal and so forth? That is not the language that was used in the Throne Speech.

My question is: Does the First Minister not exhibit any more integrity than what he's allowing his Minister to do right now?

MADAM SPEAKER: Order please, order please.
First of all, the first part of that question seeks an opinion and is out of order. The second part impugns that all members are not fair and honest. I'm sure that the honourable member does not wish to leave the impression that all members of the House are not honest and honourable members.

Victoria Hospital - bed closures and staff layoffs

MADAM SPEAKER: The Honourable Member for St. Norbert on a point of order.

MR. G. MERCIER: No, a question.

MADAM SPEAKER: On a question.
Briefly, the Honourable Member for St. Norbert.

MR. G. MERCIER: Madam Speaker, I have a question for the Minister of Health.

In view of certain information I've received from the Victoria Hospital that they have made a decision that, in order to abide by the government's funding for 1987-88, they will have to close 48 beds and lay off 55 people, mainly nurses, in order to comply with the government's funding requirements, would the Minister of Health indicate whether such a proposal, which I understand is to go to the Manitoba Health Services Commission, will be approved as a matter of policy by this Health Minister?

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Madam Speaker, all these programs, each and every one of them, would have to receive the approval of the Manitoba Health Services Commission before they could proceed with this. I can assure the honourable members of this House that nothing will be done in any haste. If there's not something else in place to provide the service, this will not be allowed.

Furthermore, the committee has been set up with Labour Relations to proceed, if and when there's any approval from the Commission, in an orderly fashion, looking at attrition, transfer in the same institution, transfer between institutions and also redeployment. So that will be done very carefully, if done at all.

MADAM SPEAKER: The time for Oral Questions has expired.

INTRODUCTION OF GUESTS

MADAM SPEAKER: Before moving to Orders of the Day, may I direct the attention of honourable members to the loge on my left where we have with us this afternoon Mr. Morris McGregor, the former MLA for Virden.

On behalf of all the members, we welcome you back to the Legislature this afternoon.

MATTER OF PRIVILEGE

MADAM SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Madam Speaker, I have a matter of House privilege that I'd like to bring to the attention of the House, if I could have the opportunity to do so.

MADAM SPEAKER: Motion of privilege is always in order for a member to raise.

MR. J. DOWNEY: Thank you, Madam Speaker.
I just would like to, first of all, acknowledge and thank the Premier of the province for inviting me to participate in the major constitutional discussions that took place a week ago or a little more in Ottawa.

I am just wondering if he had taken the opportunity to apprise the members of this House in a ministerial statement as to update them on such a major important matter.

MADAM SPEAKER: The honourable member does not have a matter of privilege.

**ORDERS OF THE DAY
COMMITTEE CHANGE**

MADAM SPEAKER: The Honourable Member for Kildonan.

MR. M. DOLIN: Madam Speaker, I move, seconded by the Member for Elmwood, that the composition of the Standing Committee on Municipal Affairs be amended as follows: the Hon. John Bucklaschuk for the Hon. Laurent Desjardins.

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Madam Speaker, would you please call for Second Reading, Bill No. 13?

SECOND READING

**BILL NO. 13 -
THE MUNICIPAL ASSESSMENT ACT**

HON. J. BUCKLASCHUK presented Bill No. 13, An Act to amend The Municipal Assessment Act; Loi modifiant la Loi sur l'évaluation municipale, for Second Reading.

MOTION presented.

MADAM SPEAKER: The Honourable Minister of Municipal Affairs.

HON. J. BUCKLASCHUK: Thank you, Madam Speaker. I am pleased to be able to introduce this bill, Bill No. 13, for debate on Second Reading.

This bill will provide a further amendment to The Municipal Assessment Act, which was amended in Bill No. 57 in the 1986 Session, to provide the Lieutenant-Governor-in-Council with the authority to make regulations defining property classes on the basis of types and uses of land or buildings or both.

This authority was exercised with the adoption of a regulation, Regulation 28386 on January 3, 1987, which defined six property classes, namely: Residential 1, Residential 2, Farm, Statutory, Institutional, and Other.

The purpose of this amendment is to provide two additional property classes. They are: Residential 3, which will be owner-occupied condominiums and cooperative housing units . . .

MADAM SPEAKER: Order please.

If honourable members wish to carry on private conversations, could they please do so elsewhere?

The Honourable Minister has the floor.

HON. J. BUCKLASCHUK: Thank you, Madam Speaker.

And a further class, a Golf Course class, both of these classes being requested by elected officials from the City of Winnipeg.

Since the criteria for defining these new classes involves ownership for the condominiums and size of the golf courses, it is necessary to amend the enabling legislation to take these new criteria into account. The bill to amend section 31(2) therefore adds the word

"size and ownership" to the existing wording of this section.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNESS: Madam Speaker, I just have a few words to put on the record in respect to this bill.

Madam Speaker, what we seem to have here again is another case where government in haste has made a mistake in some respects a year previous and now is trying to move some of the hurdles out of the way.

Madam Speaker, Bill 57, of course, was enabling legislation, giving the Cabinet the authority to set up classifications. We questioned the wisdom at that time of bringing forward that type of legislation. It seemed to me that it would make better sense that these classifications, if they are so important to Manitobans - and I think that we're finding that they are - themselves should be locked into statute and should be brought before the legislators of this province.

Instead, Madam Speaker, the government chose to do it the other way. They chose to give themselves and their Cabinet the authority to set them within council and, of course, they provided that mechanism through Bill 57. But in their haste, Madam Speaker, they quickly realized or since then have realized that there were some classifications or that the major writing, The Municipal Act, did not allow a full interpretation under some provisions that would allow the development of a couple of those classifications. Madam Speaker, that is the reason we have Bill 13 today. I wonder why the Minister couldn't stand in his place and be forthright and tell us that.

Well, I'll give you the answer to my own question, Madam Speaker, my own comment. This Minister doesn't understand the process. So this is what we have. We have it backwards. We bring in Bill 57 - (Interjection)- Well, someone says there's been a mistake. That's right, Madam Speaker, there has been a mistake. How many more have there been? The government gives themselves the right to set classifications in any fashion. They bring in eight classifications, Madam Speaker - which should be nine, but they bring in eight, arbitrarily come to eight - without an opportunity for members of this House to stand in their place and make specific comment as to those eight, which should be nine classifications. But instead we are asked to deal with Bill 13, to deal with an area which is asking us now to broaden the interpretation of one provision of The Municipal Assessment Act. Madam Speaker, that's backwards. You shouldn't have to do things that way. As legislators, we shouldn't have to deal with legislation in that fashion.

Madam Speaker, I tell you and I tell Manitobans and I leave on the record that this Minister is totally derelict in his responsibilities as far as assessment reform. We're doing things backwards and yet, Madam Speaker, as I've said before, the eight classifications we have no difficulty with. Bill 13 is giving greater legitimacy to two of them, and with that I have no problem.

MADAM SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Madam Speaker, I move, seconded by the Member for Arthur, that debate be adjourned.

MOTION presented and carried.

HOUSE BUSINESS

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Madam Speaker, on a matter of House Business, I would like to indicate that, through agreement with the Opposition House Leader, the Standing Committee on Public Utilities and Natural Resources will be meeting at 10:00 a.m. this Thursday morning to consider the Annual Report of the Manitoba Hydro-Electric Board and the Manitoba Energy Authority. It is my understanding that we will be beginning with the review of the Manitoba Energy Authority and then moving on from there in either that committee meeting or future committee meetings.

As well, Madam Speaker, as today is the first day of Estimates for the present Session, I would indicate that the Agriculture Estimates will be in the Chamber and the Estimates for the Department of Health will be in the Committee Room.

Madam Speaker, I move, seconded by the Minister of Agriculture, that Madam Speaker do now leave the Chair and the House resolve itself into a committee to consider 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 Burrows in the Chair for the Department of Agriculture, and the Honourable Member for Lac du Bonnet in the Chair for the Department of Health.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - HEALTH

MR. CHAIRMAN, C. Baker: We are considering the Estimates of the Department of Health. Let us begin with a statement by the Honourable Minister.

HON. L. DESJARDINS: Thank you, Mr. Chairman.

I wish to ask leave of the committee to show a few overheads. I think that will make the explanation a lot easier, and I wish to say that I've discussed that with the Health critic of the Opposition who has no objections.

MR. CHAIRMAN: No objection?

MR. D. ORCHARD: Mr. Chairman, we did have that discussion and the Minister and I agreed to show them today. If I had mine developed by the end of the Session, by leave, I'll be able to show mine.

HON. L. DESJARDINS: That is correct, except that we should add also that yours would have to go in front of the - what is it? Which board does - the Censor Board is it?

MR. CHAIRMAN: I'm glad we're starting off in such proper . . .

MR. D. ORCHARD: Where yours has been already, I take it.

HON. L. DESJARDINS: Mr. Chairman, and members of the committee, I have discussed on a number of occasions issues that face those of us concerned with the delivery of health services. I have pointed out that our commitment to the provision of quality health services is one of the paramount features in the fabric which holds together our federation of provinces. The health services which we enjoy in our Province of Manitoba and indeed throughout Canada, I believe to be unparalleled when compared to any jurisdiction in the world.

Lately, however, there has been a growing concern for the future of our health care system.

Does that mean that we have failed to provide adequate health care for Canadians? Of course not, far from it. The Canadian health care system is our most successful social program. It is cherished by Canadians who have made it clear to politicians that they wish to see it continue.

Health care we provide in Canada is probably better than in any other country in the world. It is certainly far superior than that which is provided in the United States - and of course I'm talking about a universal program. In the United States, the richest democracy in the world, it is reported that some 37 million people are without health insurance.

When we look at the experience south of the border, our costs so far - and I underline the words "so far" - have been reasonable. But although reasonable, they have risen steadily on both a per capita basis and as a proportion of our gross national product. I think that gives you an idea.

In 1960, health services consumed approximately 4 percent of our gross national product here in Canada whereas, in the United States, the figure was 5.5 percent. By 1985, the last figure that we have, it has risen to 8.5 percent in Canada and 10.7 percent in the United States.

MR. D. ORCHARD: Ours are growing faster than the United States.

HON. L. DESJARDINS: Yes. For those critics who are saying that we have failed to fund health services adequately, let me put this argument to rest once and for all.

I think that you will see, Mr. Chairman, that the following overhead illustrates the amount of money that has been spent on health services by the Manitoba Health Services Commission alone. The budget of the Manitoba Health Services Commission has risen from \$400 million in the fiscal year 1978-79, to the budget that I'm tabling today for the fiscal year 1987-88, which will be \$1.2 billion. This represents an increase of 170 percent over the past nine years.

If we continue with the same rate of increase, the budget for the Manitoba Health Services Commission alone is estimated to be \$2 billion by the fiscal year 1992-93.

You can see that, each and every year, we have funded health services far in excess of the rate of inflation. In the last five years alone, we have increased health spending by over 46 percent.

When we look at per capita consumption, and here I reference the Province of Manitoba, we have generally tracked the Canadian average since the introduction of insured health services. At present, and this reflects a recent breakout of costs in Manitoba, the Canadian average is \$1,543 per person; the Manitoba average is \$1,613 per person.

The dilemma that we face is self-evident. There is no foreseeable end to the continued rising expectations for health services. This becomes even more acute when you realize the impact the Federal Government's cutbacks, as a percentage contribution towards the cost of health and post-secondary education, have on the fiscal situation faced by all Provincial Governments.

Our health care program, although not perfect of course, is still one of the very best. Why then this concern?

It is clear that our present health care delivery network is functioning with considerable pressure. The reality that faces us all is that the Canadian public holds insured health services in the highest of esteem, while those of us in public life face the reality of shrinking resources available in the public treasury.

This should come as no surprise to anyone here today. We are providing health care at a time where there are breakthroughs in technology happening virtually each and every day and when we are continuing to strive for the highest standards possible.

With our present emphasis to shift the focus from institutionally based care to more home care and ambulatory care, I am convinced that we will maintain quality health services while at the same time we can look forward to a control in the rate of growth of health care expenditures.

I have instigated in Manitoba a series of forums which bring together people from a variety of backgrounds and interests to consider this subject and to provide me with much needed advice. I subscribe to this advice, which would refocus the emphasis of health services from our traditional institutional framework to one which emphasizes care at home and care on an ambulatory or same-day basis. I wish to reaffirm my commitment to support the growth of these programs so that we can bring about a refocusing away from our institutional model.

Not only am I prepared to reaffirm my commitment, I must stress again that this is the health care of the future. Mr. Chairman, I wish to emphasize that, in following this direction, Manitoba is not an island standing unto itself. Provinces east and west of us have chosen the same approach to increased ambulatory care and home care services by reducing the proportion of institutional care.

Speaking of provinces to the west of Manitoba, I am sure my honourable friends are aware of some of the harsh measures recently announced when bringing down their budgets. These measures include:

- substantial increases in medical insurance premiums;
- co-payment for seniors for dispensing fees;
- visit fees for services such as physiotherapy and chiropractic;

- substantial increases in the deductible under Pharmacare;
- actual reductions in health care spending by limiting increases to less than inflation; and
- closure of hospital beds.

There is not a jurisdiction in the western world which has not chosen to increase the quality of health services by driving towards a model of ambulatory or same-day treatment. Thus, we are facing both the challenge of the next generation to ensure the continuation of insured health services as we know them today and to bring about a smooth transition from our institutional model to an ambulatory care model.

The following quotation could be found on page 2, Volume 1 of the Summary of Recommendations of the Health Services Review Committee:

The Health Services Review Committee perceived that the province's ability to respond to health care delivery needs in Manitoba could be directed in one of several ways. These include:

1. More money for more of the same services;
- or,
2. Capping of health care resources; or,
3. Develop innovative alternatives of treatment and prevention to the present emphasis on in-patient services.

"The Health Services Review Committee concluded that the third option was the way to proceed. It merits support from all sections of the health care delivery system, including health providers (physicians, nurses, the boards and administration), the public-at-large, and government. All sub-committees seriously addressed the issues and provided a number of recommendations and proposals in support of the third option, providing a cost-effective continuum of accessible and appropriate health care services, that is, ambulatory, institutional, and post-discharge support."

But simply emphasizing one stream of care will not assure the continuation of Medicare as we know it today.

I have also discussed at length on numerous occasions the need to work cooperatively with the medical profession and, indeed, all members of the health service network. I speak specifically of physicians, because throughout Canada we have experienced a steady growth in the number of physicians over the past 20-year period. In the late 1960's, Chief Justice Hall presented the Federal Government with a proposal for national health services. Within this document was the recommendation that the number of physicians trained be increased dramatically. This was based on the assumption that our population would increase at a dramatic pace. This did not occur.

Early in the 1970's, we made a commitment as a country to train more and more physicians. Recommendations to the Hall Commission focused around training one physician for every 650 citizens.

This next overhead illustrates Manitoba's population-to-physician ratio. You can see that for all physicians, whether they be specialists or general practitioners, we had one doctor for every 620 citizens in the year 1976. By 1980, that ratio had fallen to one doctor for every 604 citizens; and by 1986, our latest data, the number had fallen even further to one physician for 521 citizens. Thus, when Chief Justice Hall was receiving recommendations that the country gear up to train one physician for 650 citizens, we surpassed this level in Manitoba by the year 1976.

This overhead demonstrates the difficulty in recruiting and retaining physicians to rural Manitoba. The overhead demonstrates the population-to-physician ratio and distributes it among urban and rural areas. In 1986, there was one physician for every 521 citizens. In rural Manitoba, this ratio is broken into one doctor for 966 citizens and in Winnipeg the ratio has fallen to one doctor for every 394 Winnipeggers, one doctor for 394 citizens living in Winnipeg and the number continues to drop, Mr. Chairman.

But discussing the issue of the number of doctors and their location is only part of the problem. We must also discuss the number of doctors in training, whether they be undergraduates in the medical school or taking postgraduate training as interns and residents.

Historically, on a per capita basis, Manitoba has trained more physicians than any other province in Canada. Traditionally, the first-year medical school entry class size has hovered around 95-100 students. Last year, the medical school first-year class enrolment size was reduced to 85 students, and our position, relative to the other provinces, then dropped to the second-highest ratio of medical students in training.

This is illustrated in the following overhead where you can see that, in British Columbia, there is one medical student training slot for every 4,578 individuals between the ages of 20- and 30-years old; Alberta has one for 2,854; Saskatchewan has one for 3,345; and Manitoba registers one training slot for 2,505 Manitobans aged 20- to 30-years old. Although Manitoba reduced its first-year's medical school entry size by 10 training slots, we remain 15 percent above the national average and, next to Quebec, offer the second-highest opportunity for a medical education in the country. The same case is true of the opportunity to take postgraduate medical education in our province.

The Manitoba Health Services Commission currently funds 338.5 postgraduate positions to support interns and residents. If this were adjusted to the Canadian average, the Manitoba Health Services Commission would only fund 276 positions and, if it was reduced to the average of the Western Canadian provinces, the approved number of postgraduate positions for interns and residents would be 202 training slots.

Thus, when it comes to the training of physicians and their location in urban and rural areas, we have seen a steady increase in the number of physicians. These doctors have, by and large, located in urban settings. Manitoba has supported training opportunities both at the level of the first-year medical school entry class size and the postgraduate training of interns and residents far in excess of the national average or the average of the western Canadian provinces.

One final note, we also have experienced, as is the case in other provinces, difficulty in recruiting the type of physicians we need to provide care to the changing demographics of our citizens. We have been unsuccessful in training adequate numbers of medical specialists such as geriatricians, psychiatrists, radiologists and pathologists. Surely, it is time that the health service needs of Manitobans will have to have at least equal weight to the medical education needs of the province.

Mr. Chairman, it is not only government that recognizes the need to address this situation. I've been meeting with representatives from the College of

Physicians and Surgeons, the Faculty of Medicine - the University of Manitoba, the MMA and the associations representing the interns and residents and medical students. All have agreed to work with me to arrive at some solution to the problem. At the present time, my Deputy Minister is chairing a committee including representatives of the medical community to provide me with some answers.

I need answers, Mr. Chairman, to ways in which the steady increase in volume billings can be brought to a halt. I need an answer to the maldistribution of physicians which we have demonstrated clearly and points to a dramatic increase in the number of physicians practising in Winnipeg and very little increase in rural Manitoba. I need an answer for the proliferation of walk-in clinics and an answer to the question: How are we going to be assured that physicians will be willing to participate in such government priorities as expanded medical care in community clinics and home care?

I will entertain any reasonable proposal that is brought forward by this committee which would provide viable solutions to the above-referenced issues. I hope that what will be presented to me will be a plan in which I have confidence and which my government colleagues will have confidence will bring about the changes that we all know are required. But let me leave this point with a very clear declaration that, as Minister of Health, I will not hesitate to take whatever steps are necessary to see that these changes are brought about.

With regard to hospital funding, we have experienced a steady increase in the level of deficits experienced in our health facilities. And here I reference primarily the acute hospitals in Winnipeg and Brandon.

This overhead outlines the projected operating deficit based on the December estimate of deficits being faced by urban hospitals - that is the first column. You can see that the high ranges from the Health Sciences Centre in excess of \$7 million to a low of approximately \$300,000 for the Seven Oaks General Hospital. In total, urban hospitals in Winnipeg and Brandon are running \$19.9 million annual operating deficits.

The baseline adjustment for deficits is for supply cost increases up to the Consumer Price Index for the past two years, which wasn't - and salary rate adjustments in accordance with negotiated contracts. This amounts to \$13.3 million annually. You'll find this in the second column. The Manitoba Health Services Commission has agreed that these adjustments are legitimate and have not only accepted the deficit adjustment for 1986-87 but have assured the facilities that similar amounts will be added to their base budgets for 1987-88.

As mentioned previously, I have received advice from the Health Services Review Committee and others that we need to refocus our emphasis away from institutional care to care that can be provided in a person's home or in an ambulatory care setting. Again, I emphasize that I support this approach, and I am confident that it will not compromise the quality of our health services.

The Manitoba Health Services Commission recently communicated to urban hospitals requiring them to produce a plan whereby the operating deficits would be reduced and finally eliminated in a phased approach. This is very beneficial to our general direction to de-emphasize institutional care and I support, wherever possible, the enhancement of resources that will keep people at home or treat them in an ambulatory care clinic.

There have been recent announcements by the Health Sciences Centre, Brandon General Hospital and the Victoria General Hospital regarding the possible closure of beds to cope with the deficit problem. In fact, the Brandon General Hospital decided last year to close 31 surgical beds permanently. Indeed the other hospitals may also be considering such action.

I have set in place instructions that deficit reduction plans must be reviewed and approved by the Manitoba Health Services Commission prior to implementation to ensure the orderly accomplishment of our goals without disruption to our present system.

I have put in place these safeguards because of the experience witnessed in the 1970's in the movement to deinstitutionalize the mentally ill. I would remind members of this committee of the difficulty that was faced by the mentally ill in the plan to provide supports for these people in the community. Having remembered the lesson of the past, we are sure not to repeat it in the present. Our goals will be achieved in an orderly fashion; and I can assure this committee that no hospital will be allowed to implement a deficit reduction plan in a unilateral way and that the total approach will be coordinated and approved by the Manitoba Health Services Commission.

In achieving this goal to promote a greater abundance of home care and ambulatory care, there is a need to consider a labour adjustment strategy. I can assure members that any staff reductions will require the approval of the Manitoba Health Services Commission and will be accomplished first and foremost through:

- attrition;
- redeployment within the health facility;
- redeployment to the community; and,
- retraining in consultation with both labour and management.

Now, Mr. Chairman, the difference between the operating deficits at \$23.9 million that you saw in the previous slide in the left column and that portion which will be covered, as I have already discussed, that is the second column of 19-something million, this leaves 10.6 million for discussion with health care facilities. The consequence of retiring the operating deficits in urban hospitals means that an additional \$4.5 million can be flowed from the institutional sector to support Community Health Services for the operating years 1987-88. Assuming the plans submitted by the hospitals are acceptable to government, additional funds will also be flowed to the community in the following fiscal year.

Although this transfer of these funds into the base of Community Health Services is a substantial amount, I would not like to pass over a commitment to enhance Community Health Services without illustrating the commitment that we have shown over the past fiscal period to increase the base funding level. Spending to support Community Health Services, and in this instance I reference the Continuing Care Program, has increased each and every year over the five-year period in question.

I would like now, Mr. Chairman, to demonstrate our commitment to Community Health Care by referring to the Continuing Care Expenditure levels. The expenditures for the Continuing Care Program have increased each and every year over the five-year period in question.

The annual expenditure for the Continuing Care Program in 1983-84 was over \$18 million and has

increased this year to an estimated cost of over \$34 million. This has enabled us to provide services to patients, many of whom would have been in hospitals or personal care homes had this program not been available. We will continue to increase funding to this critical component of our health delivery network so that, where possible, we may support people and deliver health services in a non-institutional setting.

But to be successful, we must demonstrate the success of other methods of health care delivery as well. We must search for creative alternatives, Mr. Chairman.

I previously referenced the advice that has been given me by the Health Services Review Committee and would like to make specific reference to the suggestion to establish a demonstration fund.

The Health Services Review Committee recommended that a one-time non-recurring fund in the sum of \$2 million be created to support innovative health care alternatives. The chief goal of such a fund is to support those proposals which would lessen the pressure for institutional care and test the success of treatment in a non-institutional setting. I have been informed that, in accordance with my call for proposals, the Health Services Review Committee has received in excess of 160 proposals for a sum amounting in excess of \$20 million. These proposals will be reviewed during the month of April by members of the Health Services Review Committee, following which the committee will provide me with their recommendations regarding the allocation of the demonstration fund. I am hopeful that this approach will show the creativity of the health professionals within the Manitoba community of health care and will demonstrate the willingness of these individuals to attempt to find creative solutions to the alternative of costly institutionalized care.

Mr. Chairman, with reference to the need for demonstration funding, I would like to note that, during the November 1986 meeting with the Federal and Provincial Ministers of Health, I proposed that a National Demonstration Initiative Project Fund be established by the Federal Government. The purpose of this fund would be to support initiatives that would facilitate the shift and focus from institutional care to community-based care.

One essential component of such an approach should be the establishment of a national labour retraining strategy to facilitate the redeployment of health care workers, who have been both trained and employed in an institutional setting, so that they may be employed in an ambulatory or community setting.

The fiscal requirement to facilitate the magnitude of this change is substantial, and the recommendation I made to the Federal Minister of Health and Welfare was that the Federal Government establish a substantial demonstration fund. I have dialogued with the Honourable Jake Epp's office and that of his predecessor on numerous occasions but to date with little success. I should correct that and say that I've heard from the Minister who has suggested that we get together to set a date to discuss this. Mr. Chairman, I hope that this suggestion will be taken seriously and that we will receive a favourable response from the Federal Government in the near future.

And just as we must look for creative solutions to find different and most efficient ways of treating illness, we must also be committed to promoting health.

Smoking continues to be the No. 1 preventable cause of disease, disability and premature death in Manitoba and Canada. The contribution of smoking to heart disease and lung diseases (especially lung cancer) is now well understood and must be reduced. Scientific evidence on the hazards of second-hand smoke is growing. I am pleased to announce that during the upcoming Session of the Legislature, I hope to be able to introduce legislation to control smoking in public places in rural Manitoba, paralleling by-laws passed by the City of Winnipeg and Brandon and in keeping with the spirit of those by-laws to protect the public from the hazards of second-hand smoke. In addition, I have been following with interest the ongoing discussions between the Manitoba Government and MGEA respecting cessation of smoking in the workplace, as this thrust is very much in keeping with the objectives of my department.

We remain committed to fitness and nutrition programs in addition to smoking reduction, because they are so important in contributing to the reduction in heart disease and other illnesses.

Since 1985, we have placed special emphasis on community-based diabetes education. There are 2,500 newly diagnosed cases of diabetes each year. The Diabetes Education Resource Centres, which have been established throughout Manitoba, are providing a valuable service. This service will continue to develop in this fiscal year with new services in rural areas.

The issue of health promotion and the need for public education cannot be addressed without discussing the issue of AIDS. In 1987, Manitoba Health will be undertaking a public education program to provide the citizens of Manitoba with factual information on AIDS. Counselling services will be expanded for those infected with the virus who wish to seek advice.

We will continue to work with other departments and jurisdictions to address this important issue.

In addition, I expect shortly to make announcements regarding the issue of making AIDS a reportable disease.

The issue of primary care is something which will be addressed in this Session as well. In cooperation with my colleague, the Minister of Education, I will be exploring avenues of discussion with health care professionals and the universities so that Manitobans may be offered an expanded level of primary health services which can be provided both efficiently and effectively.

We are also committed to the continued evolution of our mental health system. You will recall, Mr. Chairman, that I commissioned a review of mental health services which culminated in a report by the Mental Health Working Group entitled, "Mental Health Services in Manitoba: A Review and Recommendations." This report was tabled with me in September 1983, and was reviewed by Cabinet and given support in principle in the fall of the following year. We have brought about the successful implementation of many recommendations made in the report, and I am pleased to announce that this upcoming period will see even more accomplishments achieved.

I have established, in accordance with the original recommendations, a Mental Health Advisory Committee which last year was tasked with the review of the proposed legislation to rewrite The Mental Health Act

and to review the proposal made by staff of the Mental Health Services Division regarding a five-year plan for mental health services.

And now I wish to spend a few moments to describe some accomplishments that have been made regarding services to seniors.

In May 1985 the Fourth Manitoba Conference on Aging was held. Proceedings of the conference have been published and contain 174 recommendations. These have been directed to appropriate government bodies, agencies, organizations and groups for consideration, action and support.

The Support Services to Seniors Program is also worthy of notation. This program is aimed at supporting frail and at-risk seniors in their efforts at maintaining themselves in independent or community-level living status. Support services is defined as a range of types and intensity of services in the basic living category. These may include: meals and/or assistance in all or part of the task involved in meal preparation, transportation, escorts, facilitating meaningful social and recreational activities, telephone assistance and friendly visiting. When this program was begun in 1984-85, there were no project sites where the Support Services to Seniors Programs had been implemented. By the fiscal year 1986-87 there were 58 sites in place providing such valuable services to support seniors, and it is projected that, during the fiscal year 1987-88, there will be 82 sites of this nature in support of senior citizens.

Moving into another area of innovation, we have been interested for some time in providing support for large scale demonstration projects which would encourage both physicians and health care recipients in a plan that would markedly de-emphasize institutional care. There are a variety of examples in Canada and the United States which focus on this model of capitation payment. In Ontario, these are known as Health Service Organizations (HSO's) and in the United States they are referred to as Health Maintenance Organizations (HMO's).

I am pleased to announce my support for a "Made in Manitoba" capitation pilot project. Officials from my department will soon be discussing with interested parties a capitation payment model of health care. We will soon be entering into discussions with representatives of health care cooperatives and large Winnipeg-based group specialty practices to determine their support for this approach. This is in keeping with our general commitment to de-emphasize institutional care and would provide considerable incentives for the treatment outside of an institutional setting in an ambulatory clinic, physicians' offices, or in the patient's home.

Finally, Mr. Chairman, I will be announcing some organization changes within the department and the Manitoba Health Services Commission in the coming weeks. Our present organizations have served us well over the years but, just as we are expecting providers of services, institutions and community groups to come closer together to provide a more efficient and effective health care system, we must also have an administrative organization in place that can respond to such changes.

Mr. Chairman, I would like to summarize the key points which I have presented this afternoon, and to outline a framework which provides us with target dates

for the accomplishments that we know will bring about the changes I have indicated.

The target dates that have been set are dates that I remain hopeful can be met by all parties involved in the exercise. This will provide us with milestones by which we may judge the progress which will soon be made to facilitate this movement towards greater community care.

I re-emphasize that we must reach workable solutions to the issues of the proliferation of walk-in clinics, a steady annual increase in the volume of medical services provided, a maldistribution of physicians, a physician training program which is far in excess of the national average, and the priority of government to increase the medical component in community clinics and in home care. I will be continuing the discussions that are presently under way, and I am hopeful that these will lead to equitable solutions for all concerned. But I stress once again, I will not shirk from my public responsibility of attaining workable solutions to these pressing issues.

With regard to the operating deficits that have been mentioned, urban facilities which experienced operating deficits in the last fiscal year will be required to put in place a viable solution for the retirement of these deficits in this fiscal year starting in April and concluding in March, 1988. This proposed two-year phased approach should see the urban hospital deficit situation reduced to the base funded by the Manitoba Health Services Commission ending in the fiscal year 1988-89.

The consequence of this deficit reduction strategy will see a substantial increase in the funding of community health care programs during the fiscal year 1987-88 and again in the fiscal year 1988-89. I would remind you and others that the purpose of this transfer is to increase the scope of community services in a manner which will reduce pressure on acute hospitals.

With regard to the Health Services Review Committee and the Demonstration Fund, I expect to receive a list of projects considered for funding by the spring of this year so that results may begin to be realized by this time in 1988.

The orderly evolution of the Mental Health Service system will continue, Mr. Chairman, and I expect very soon to have the results of the proposed five-year plan for Mental Health Services.

I will be encouraging discussions by senior members of my department with those groups such as health cooperatives and large Winnipeg-based specialty group practices regarding the possibility of establishing a capitation-type remuneration system as has been tried in other jurisdictions.

I will continue to stress the importance of "prevention" and health promotion.

Mr. Chairman, the foregoing has been a review of the major issues facing our health care programs. I believe these Estimates tabled today indicate my government's determination to continue to fund our health care system at a level which exemplifies quality health care and for which we are prepared to offer no apology.

I have demonstrated my willingness and commitment to work with those parties involved to bring about a fair and equitable solution to the issues outlined. I hope that the process which is under way meets with the desired solutions.

As I mentioned previously, I seek the involvement of all health professionals in seeking the successful

implementation of the changes outlined, and I wish to offer an opportunity to the members opposite to participate in this progress of change as well.

Members opposite have been critical of my department for not providing adequate funding, primarily to our health care institutions. I believe I have demonstrated that we have consistently provided funding far in excess of inflation from 1979 onward. Indeed, if you trace the historical roots in Manitoba, you will find out that this trend has continued since the inception of insured health services.

If the members opposite do not support the need to change then, by definition, they accept an increase in health funding which contributes to the annual operating deficit of the Province of Manitoba and the requirement to increase taxes. If they support the need for change, then the accusation that we are not providing adequate funding to support health services must cease. They cannot have it both ways, Mr. Chairman.

But I am not offering an opportunity for participation in a mood of confrontation. I reiterate that I know the members opposite will provide a critical analysis of the Estimates that I am now tabling but I challenge them to do so in a spirit of constructive criticism which makes it clear once and for all that they either support the need to change or, by definition, they support the requirement for continued operating deficits and the requirement for increased taxes.

Thank you very much, Mr. Chairman.

MR. CHAIRMAN: Thank you, Mr. Minister.

The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Chairman.

I guess over the past three years that I've been more actively involved with the Department of Health in a critic role, I suppose this is about the fourth opportunity or the fifth opportunity that I have heard this Minister basically make the same kind of presentation he made tonight.

I think you, Mr. Chairman, might have been familiar with a similar presentation before your election when you were reeve of your municipality at the annual meeting of the UMM convention at which the Minister presented his figures about how spending could easily get out of control in health care. That, Mr. Chairman, I remind you is over two years ago, and the same kind of consultation process was promised at that stage of the game.

The Minister has now promised again this afternoon - and I remember very vividly circumstances immediately following that speech to the UMM in, I believe it was the fall of 1985, wherein no sooner did the Minister promise consultation in the change that he was going to bring about in the health care system; then he unilaterally announced, without consultation with the pharmacists in the Province of Manitoba, a change in the provision of pharmaceuticals to personal care homes. The Minister ran into some considerable political opposition in that attempt. I hope now that, when he mentions consultation, it's going to be for real.

Mr. Chairman, there's probably no more important department when one does all of the analysis available to Manitobans than the Department of Health and the

resulting funding of health care facilities that Manitobans, from time to time, need for themselves and for their loved ones and for their friends and acquaintances. So health is a very, very important area for any government, this government not being any exception.

There's no question that people will demand additional services from the health care system, particularly when individuals face the crisis of failing health or disease that threatens their lives or lives of their loved ones. Then no system is probably good enough to fill their desires and their needs, and I think that's an understandable human reaction to the expectations of the health care system.

Mr. Chairman, I guess one of the things that I'd like to point out is that we as politicians - and I take my share of blame, and I certainly know that my honourable friend, the Minister and his Premier, will take their fair share of blame in raising those kinds of expectations to the people of Manitoba.

Going back, there was very little mention of the health care system in the 1986 election. In the 1981 election, expectations were raised dramatically because the New Democratic Party in that election ran on the basis of restoring the health care system.

As I've discussed before, and this is not news to the Minister, that is a commitment made by the Premier that has never been lived up to because this NDP Government has not restored the health care system. In fact, pretty near every empirical comparison you can make will show that the system is not in as able and capable a position today as it was in 1981 to deliver health care services to the people of Manitoba.

Mr. Chairman, that presents us with a whole series of problems. I note from the Minister's opening remarks in Table 7 where he is indicating that there are going to be adjustments for cost increases and contract settlements to bring the base-line funding for the major hospitals in the Province of Manitoba up to a level which will accommodate a substantial portion of the deficit.

Mr. Chairman, last year in the House, when we dealt with the estimates of the hospitals and the funding to hospitals in the Province of Manitoba, I pointed out, and I did it the year before as well, that with medical supply increases and hospital supply increases increasing at 6, 7 and 8 percent, there is no way that the estimates of a 4 to 5 percent increase to hospitals was going to be sufficient to meet the deficits.

The Minister today has confirmed that original position I've taken for the last two successive years is correct, because he's indicating that cost increases, staff settlements, contract settlements are the reason for an injection of \$13.3 million to the base-line funding of hospitals.

Mr. Chairman, that brings us into the unique situation where again government is not anxious to show deficits in excess of \$500 million. If proper funding had been provided, that \$13.3 million would have been a direct addition to last year's deficit and the previous year's deficit, something that would hardly be welcomed by any government going to the people for reelection, but it's a realistic outcome of what has happened. The funding was indeed not adequate to reflect maintenance of service, let alone improvement of services.

I guess, Mr. Chairman, the one thing that troubles me now as a critic and as a member of the Opposition,

and indeed as a citizen of Manitoba, and the Minister will take, no doubt, exception to this and will debate this probably when we finish off the Minister's salary, but this Minister isn't a stranger to the health care system.

This Minister has now been Minister of Health since 1981, the election of 1981. He spent the previous four years to that as Health critic, critic against the Honourable Bud Sherman as Minister of Health and, prior to that, was Minister of Health in the Schreyer years. This individual, this Minister of Health has been very active in the health care system for well over 10 years, something that no one else around this table and very few indeed in the Minister's department can say that they have had that kind of an opportunity to watch the health care system grow and develop in the Province of Manitoba.

I have to tell you that for the length of time this Minister has served, he hasn't served the department well. I don't believe he's shown the kind of vision that has been needed to come to grips with the problems that are there. We have today a series of plans that are being announced. The \$2 million fund on innovative health ideas was announced last year. It's essentially reannounced this year, and we're going to be picking, presumably this month, some projects.

The Minister has been responsible for health during a period of time when, for an example, in Opposition this individual, as critic, decried the acute protracted restraint of the Lyon administration and the cutbacks that were there, and now is the Minister presiding over a health care department and the Manitoba Health Services Commission when hospitals are actually closing beds, when personal care homes are being ordered to close beds. That has happened in the last year-and-a-half, Mr. Chairman.

It appears as if, and I want to - just so the Minister doesn't think that I'm totally unfair to him - I have one part in my notes and the Minister reiterated it again in his opening remarks. There is one area that this Minister has developed that's new and innovative and helpful, and of course that's the Diabetes Education Program, and I've congratulated him from Day One on that one because it continues to be an excellent program serving those unfortunate Manitobans who are struck with diabetes. It's also a program that exemplifies preventative health care, because a good educational program on diabetes prevents or helps to prevent those people from using institutionalized hospital care.

But other than that, there are very few things this Minister has done that have been truly innovative. Most of them have been a carry-over of programs that were announced previously and started by his predecessor, Bud Sherman. In terms of services to seniors, etc., etc., that's certainly the case.

It seems as if, when we approach technology, this Minister and the Premier were dragged kicking and screaming into the 1987's on CAT scans and the provision of CAT scans. We were below the national averages. It took an election commitment by an Opposition Party to bring the government into making that same kind of commitment in Brandon, and Winnipeg hospitals will be receiving additional CAT scans.

We've heard this Minister now, and I've heard him as critic for three years, talk about change and talk

about research. Mr. Chairman, the Minister has done a substantial amount of research and, in the review of Estimates, a number of projects were reviewed. Research is fine; research created Manitoban Medicare.

This is a document that I think presents the Minister more directly with solutions to some of his problems in funding the hospitals of this province than any other document I've seen. But this document now is how old? Two years old? I don't believe that one recommendation has been implemented. I don't know whether any additional studies have been made to determine the applicability of labour statistics as one area, which we talked about for the last two years, that has been studied to see its applicability to Manitoba and how it can save money.

So we've got research, but it appears as if the research and the documents produced by that research languish on shelves gathering dust and they don't become part of enunciated government policy.

I have to ask this Minister that, in the 10 years that he's been directly involved with the health care system, as Minister and as critic, where is the leadership that you provided? Where's the innovation? Where's the direction for change that you've provided?

Mr. Minister, with all due respect to you as an individual, I fail to see where you've provided that, and that is why I believe that the medical system in Manitoba now is approaching very serious times in which some of the changes are going to be changes the people of Manitoba will view as harmful. Then that gets me into the question of whether you, Sir, and your Cabinet have the political will to make some of those changes.

I note with a great deal of interest in your opening remarks, you're willing to - and I'll put it very bluntly - threaten the medical profession in terms of walk-in clinics, etc., etc., but I don't see that being the only problem in the health care system. You haven't mentioned any of the other problems that are in there, problems with contracting out which you disallow. No-cut contracts with labour unions, you just said that policy is still in place. You establish policy constraints for hospitals, when 80 percent of their costs are labour, and you say you can't have any layoffs of staff. You tie the hands of those very administrators that you from time to time blame for running deficits.

So I don't see, Mr. Chairman, any leadership from the Minister of Health, and I don't see a great deal of leadership from some of his senior departmental people. Until we get that leadership from this Minister and from this government, then the health care system is going to be in crisis.

Some of the questions I think this Minister has to ask himself, and I noted and I maybe missed it, but I think there was only one mention of the word "efficient" in the 30-page opening remarks that the Minister made. But I simply ask the Minister: Have you assured yourself that this one-and-one-third billion dollars that we're going to be spending in health care this year, that we're being asked to approve this Session, is it being spent efficiently? Are the dollars reaching the targeted people that are to be served by that one-and-one-third billion dollars of expenditure?

This government seldom talks efficiency and this Minister, of course, mentioned it once that I know of in his opening remarks. But if past experience in various departmental endeavours and Crown corporations over

the last five years of NDP administration point to the level of efficiency achieved under a New Democratic Party administration, then I suggest this Minister should very seriously ask himself whether one-and-one-third billion dollars is being spent efficiently. Because if the answers come out the same as it does in the Crown corporations, he's going to find many of the dollars he says he doesn't have to provide proper health care through increased efficiency in the way the money is spent within his department and the agencies funded by it.

But I don't think that this Minister has necessarily asked that question of whether the money is being spent efficiently. I don't think he can answer it, firstly, because he probably hasn't asked it of the staff and of the department. Secondly, I'm not so sure that he would want to share with committee, even if he did get the answer, about some of the inefficient practices within his department. I don't think he'd want to share that with us and with the people of Manitoba.

The second area that this Minister has to ask himself is: Can he assure us and can he assure the people of Manitoba, the taxpayers, the people that are putting one-and-one-third billion dollars, that he has competent senior management within the Department of Health? I don't know whether he's asked that question and, if he has asked that question of himself, I don't know whether he can give us the answer. But I want to tell you, Mr. Chairman, that again I don't believe, if he's asked the question, he'll be willing to answer it because some of his senior management are not efficiently operating their responsibilities within the department. If he hasn't asked that question, he should, because the answer there would give him, once again, a clue to saving a lot of money.

Now I note that this Minister who's talking about change and who talks about innovation in the health care system was remarkably mute on the CBC documentary on mental health. Comparisons between Saskatchewan and Manitoba are so dramatic that they need explanation, not by the Assistant Deputy Minister who was on CBC in a follow-up report, but need answer by the Minister responsible, the Minister responsible, I say again, for over 10 years in the Province of Manitoba as either Minister or as critic.

The comparison was very dramatic - roughly half the cost in the Province of Saskatchewan to deliver a higher quality, better level of service in mental health. That's \$50 million, Mr. Chairman, 50 million needed dollars in one area of this department's funding alone. The ADM candidly admitted that our higher per capita costs in Manitoba are a result of our institutionalized system, very candid of him. That's an admission that the Minister should have been saying to CBC on television and not an Assistant Deputy Minister, because that is policy direction of government, not of senior staff. That's why, when the Minister talks about de-institutionalization in our hospitals, I have to take some of that comment with a grain of salt because he hasn't done it in his own mental health institutions in Brandon and Selkirk.

Indeed, if you want to get down to the blunt reality of the health care system in Manitoba and some of the Minister's charts and some of his allusions to it in his opening remarks of the fact that Winnipeg appears to be the end-all and the be-all of medical health delivery in the Province of Manitoba, I don't believe this Minister is serious about rectifying that problem.

There are areas of concern in rural Manitoba that aren't being addressed, and those areas of concern deal with physicians, the College of Physicians and Surgeons, the Manitoba Medical Association, in terms of physician distribution, in terms of the way in which we allow certain procedures to go on in some of our major rural hospitals. Now that is something that I believe this Minister can actively be involved in and provide some leadership and provide some direction, and we'll discuss that when we get into the MHSC Estimates.

Winnipeg can't continue to grow as the only place where medical advancement is made at the expense of all regions outside of the City of Winnipeg, "the boonies" as the Minister of Labour so aptly described them, Mr. Chairman, last year. Many Manitobans don't subscribe to the fact that anything outside of the City of Winnipeg is the boonies, as the Minister of Labour is wont to call them.

But you know, the contrast in terms of de-institutionalization is there in mental health, in the Saskatchewan model versus the Manitoba model. Yet it appears to me, in terms of policy, in terms of direction, that this Minister is allowing Winnipeg to become more and more centralized in terms of delivery of medical services in the province.

Now if the example is wrong and dramatically wrong in mental health, where a de-institutionalized system in Saskatchewan works much better and at much less cost and more efficiently and effectively delivers services in mental health, in many ways that model will apply also in the medical health delivery as well as mental health. So I simply caution the Minister against repeating a proven mistake in the medical model by having Winnipeg the magnet for all future development.

Now I guess the Minister might be asking, why am I so critical this time around of him as Minister of Health, and I do it with some skepticism because I question his dedication to providing the leadership that's needed in the Department of Health. I don't question his ability. Because this Minister, when he wants to achieve something, generally achieves it. When Lotteries were his pet project after the last election, he made some changes there. I'm not saying they were all for the better, but he certainly didn't hesitate in making changes there. If it required bulldozing people out of the way, it happened, because there was a will for him to make those changes.

I don't see that will on the part of this Minister in terms of dealing with Health. I simply don't think that he is concerned or wishes to take the time and put in the effort to make the kind of changes that are necessary. It's not that he isn't backed up by research to guide him along the way; it is there. As I say though, it's often gathering dust on shelves.

But the reason why this Minister has remained as Minister of Health, Mr. Chairman, is that he is probably one of the more skillful political Ministers in the Pawley administration. He has successfully deflected blame - (Interjection)- well, if what I'm going to say is nice, you may wish to change your story in a few minutes, Mr. Evans - for hospital bed closing at Brandon General Hospital to whom other than the board. Nothing to do about his colleague, the Member for Brandon East, sitting around a Cabinet table, seeing a Budget approved that he knew, if he talked to the administrator

of Brandon General Hospital they couldn't live within the bounds of, and they would run up a deficit. But yet this Minister will stand in the House and blame the board. And when he can't blame the board, he will blame the MHSC. But the MHSC, of course, is the funding arm of government. But he manages to fool a few people and get away with taking the direct blame from the government.

So I give him credit for political skill, but I have to tell you that I don't give him credit for being a leader in the health care field, as a Minister of Health should be and ought to be; that is lacking. I don't give him credit for assuring that he's got competent top administrative staff in his department; I think that is lacking. Without that combination of the desire and the leadership and the staff to carry it out, this Minister is not going to achieve the kind of change that he thinks is necessary and important in the health care field.

I make the comment to the Minister that this Minister had sufficient time to spend a considerable amount of the Canada Winter Games in Cape Breton, but he didn't have time to be on television defending his government's record on mental health delivery in the Province of Manitoba. That's why I say I don't believe that the desire is there to lead in the Department of Health.

Now that brings me to the reason why I don't know whether I should be criticizing this Minister for that, because I don't know where the talent in the Pawley Cabinet is that would provide that kind of vision and leadership as was quoted by a renowned Winnipeg journalist, "The swelling ranks of the walking dead in the Pawley Cabinet is growing." So I don't know who could take it on and provide the vision and the leadership. I'm not saying, Mr. Chairman, that there isn't the competent staff in the Department of Health to provide the leadership. I believe the Minister has a great number of very competent people in the Department of Health. I think some of his more recent moves do not add to that competence and that certain people in his senior administration now are not competent, but they seem to be the ones who he relies on and that is the problem in the Department of Health. I fully believe that he's got people who can tell him and give him direction. That department hasn't changed that dramatically since 1977-81.

Mr. Chairman, the Minister is responsible for a department in which a number of things are happening and are a culmination of events over the last two to three years. We've got bed cuts, the first time in the history of the province, Brandon General Hospital being the first. There will be others unless this Minister comes up with a different style of funding. We've already heard of several Winnipeg hospitals which are preparing and making proposals for the reduction of bed counts in their facilities.

That, Mr. Chairman, never happened during the years of acute protracted restraint of the Lyon government from 1977-1981 when the health care system, according to the New Democrats, was "going to hell in a hand basket." But it is happening today with this Minister of Health.

This Minister of Health talks about health promotion. Mr. Chairman, I think it might be enlightening for the Minister to take a look at the one chart in his book

which shows that, of all of the appropriations under sub-appropriation 2 that are in there, one decreases, and the one that decreases on page 61 is none other than health promotion. Now how can you have a Minister of Health talk about, we need to have healthier people and we need to promote healthier life styles, when at the same time they're reducing the amount of funding for health promotion in the Province of Manitoba? It's a dichotomy. It is not an example of commitment to health promotion. The funding simply isn't there.

Mr. Chairman, the Minister talks about instituting his changes in cooperation with a wide group of people delivering medical service in the Province of Manitoba. Well, this Minister thrives on confrontation. I don't say that is anything new to him. If he doesn't get into a big fight with somebody at least once a week, I don't think he sleeps well at night - maybe once a month. He's mellowing.

Just for instance - and we get into this one when we get into the Medical line - he was prepared to take his bat and ball and leave the game after he didn't get what he wanted out of compulsory binding arbitration with the medical profession. Well, Mr. Chairman, we're not following the rules, are we? Mr. Chairman, the areas of confrontation that this Minister has gotten into over the last three to four years range from the medical doctors, the dentists, and the chiropractors. I could probably go on and mention a few more groups, but those are the professional people who are presumably delivering health care services in the Province of Manitoba.

Now, what implication do we have in government policy - and I know the Minister of Health isn't the one who just set the last budgetary policy of the Province of Manitoba. But there is growing concern that the last Budget in the Province of Manitoba will exacerbate the brain drain in the Province of Manitoba from industry, from universities, from our various business and high-income employment firms. The same, Sir, can apply to the medical profession right now. They operate in a system of confrontation which calmed slightly when they were in compulsory binding arbitration, but that is far from being settled, and now with the Budget measures, the 2 percent surcharge on income that hits those professionals. Now no one is going to shed a tear for them, I realize that. No one sheds a tear for the income of a medical doctor until you happen to need that specialty, and it isn't in the Province of Manitoba.

I invite members of the New Democratic Government to meet with the group called SEE. They're the eye care people who - Ms. Paula Kernesed is her name, is heading up that organization - are greatly concerned with the loss of ophthalmology services in the Province of Manitoba. General government policies exacerbate that brain drain and it's going to hit the medical profession as well.

We have an innovation announced - and I'm surprised the Minister didn't deal with it in his opening remarks because it's first. We now have Lotteries money going into Health in a direct way. Now, you know, this gets back into history. We debated the bill where lotteries money was wanting to be put into general revenues. We saw that as a very, very bad precedent then, and we see it as a bad precedent now.

Are we now, in the Province of Manitoba, where health care is going to be dependent on the roll of the dice

or the flip of an ace in a game of blackjack? Does that mean that the success at a blackjack table is going to determine whether another Manitoban might have open-heart surgery? I mean where are we going to in the Province of Manitoba where we have to then fund an essential service like health in part with revenues from gambling?

I think that speaks more for the failure of this NDP administration in terms of providing health care to Manitobans than any other announcement made or about to be made or implemented over the past number of years, is now health care depends on the roll of the dice.

MR. CHAIRMAN: Do we have leave for the committee to extend its speaking period for the honourable member? (Agreed)

Go ahead, Mr. Orchard.

MR. D. ORCHARD: Thank you, Mr. Chairman, and I thank the members of the committee. I'm not going to take too many more minutes.

Mr. Chairman, there is no question there are a number of problems in the health field, problems that are not unique to Manitoba, problems that need and beg for resolution.

I'm not sure that this Minister and this government are willing and capable of achieving those changes. And maybe, I suggest and I suggest this with some hesitation, Mr. Chairman, maybe indeed it is time for reform of the health care system in the Province of Manitoba and, as maybe indeed it is time for change, and maybe that reform and that change should start at the top and maybe we should get a Minister and a new Deputy Minister who are anxious and willing to implement those changes. I'm not sure that we currently have a Minister with that kind of desire and a Deputy Minister with that kind of desire. Again I say, I hesitate to say that because I don't see overwhelming talent in the government benches to replace this present Minister of Health.

So knowing that any suggestion I've made to the Pawley administration about changes of Ministers will not be heeded, I will then offer to the Minister some constructive criticism as we go through the Health Department Estimates this time around, areas that I think he can find dollars that are needed, that he can achieve savings. I will make those suggestions sometimes in a very critical manner but always with the bottom line being that dollars saved are dollars that are available to provide needed health care services to Manitobans.

I'm not here as a member of the Opposition to protect any group of vested interest people in the health care field, be it in or outside the Department of Health. I'm here, Mr. Chairman, to make sure that the \$1.35 billion that we are being asked to approve spending of here in Health Estimates are spent to the best benefit of Manitobans.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you.
The Member for River Heights.

MRS. S. CARSTAIRS: Yes, I wonder if I could beg leave to make a few brief statements.

MR. CHAIRMAN: Certainly.

MRS. S. CARSTAIRS: Mr. Chairman, there is no question, as the Minister has said in his opening remarks, that we have a serious health crisis in Manitoba and in Canada generally in terms of being able to meet the very high and rising expectations of the Canadian people in what they want their health care delivery system to be.

We talk about difficulties like cutting the number of beds that we offer for acute care in the Province of Manitoba, and cutting beds itself does not worry me as it seems to worry other individuals, provided that we have alternative care programs when we cut those beds.

If, for example, we can do some experimental work like that which is being done at the Foothills Hospital in Calgary, and we can in fact limit the time that an individual spends in a hospital and cut it back by a day or two as they are doing, and then in fact prove that their care was enhanced by so doing and therefore can eliminate a number of beds, I don't see that as a negative thing. Indeed, I see it as a very positive response to the health care program.

But there are a number of areas upon which I have a lot of concern about our Department of Health here in Manitoba, mainly because I don't see it moving fast enough to bring about the kinds of changes required in our society.

We have, for example, the announcement that \$7 million will be taken from the lottery funds and put into the health care system. Well, I have no difficulty with lottery money being put into the health care system but not put into the general revenues of the health care system. I would have liked to have seen a much larger sum of money, perhaps the \$20,000 that has been indeed requested for innovative programming, used as one-time money to in fact fund that kind of innovative research that might lead to very long-term savings for the overall health care program.

I see the concern of the Minister with regard to the overtraining of physicians. There's no question, in a province that is the size of our neighbouring province of Saskatchewan, there doesn't seem to be much rationale for why we take in 25 more students into first-year medical school than they do when we already know we are training too many.

There doesn't seem to be a great deal of rationale to postgrad programs which are much higher in number and yet not getting us the specialties that we require at the same time.

My concern and why I say that I'm concerned with the lack of haste is that I know that the medical school is already accepting young people into the entry of their 1987-88 year of medical school. So I don't see that there's going to be any further cutback in our programs within the next year at least.

I see no real solution to our mental health dilemma, and it is indeed that. We have had a report now which is four years old. We talk about a five-year plan but, in this budget, there is no start-up money for any innovative mental health programming. We don't see new facilities that will be built with the idea of deinstitutionalizing those who are suffering from mental disease.

We look at the overabuse of testing within our society and we know indeed that is going on, that there are too many patients who are getting too much blood work, too much chemistry, too much X-ray work being performed upon them, and yet we see no system in place to prevent that abuse.

Quite frankly, in the day of the computer, I don't understand why it continues. I do not understand why an individual can go from one doctor to the next doctor within a matter of days and have exactly the same blood work ordered and somebody somewhere says, I'm sorry, I'm not going to perform that test because you had it done three days ago."

I suppose, like many Opposition members, I have a "wish list." And my "wish list," quite frankly, is that the Minister of Health would speed up the process, that we would get going with some of the innovations, that we would in fact get more people into the community, both the mentally ill and indeed the physically ill, and have them serviced in that community.

My "wish list" includes the work that can be done in the pharmaceutical area, in which we know so many of our senior citizens are on drugs which are counter-indicated from one another. We again know that a good computer program would stop that kind of programming from being allowed to exist with those people. So if I have one bit of advice to the Minister, it's not that I disagree with the directions that he's going to take, not that I don't have some sympathy with the enormous task that he has in front of him, but I do wish he'd get on with it just a little bit faster.

Thank you.

MR. CHAIRMAN: Does anyone else wish to respond?

HON. L. DESJARDINS: Yes, Mr. Chairman . . .

MR. D. ORCHARD: Mr. Chairman, I just want to point out that normally, until this Minister set the precedent last year in the House, the Minister opens his remarks, the critic responds. We gave leave to the Leader of the Liberal Party. This is unprecedented that we don't call in the staff now and get on with the dealing of line-by-line in Estimates.

You have the majority in this committee and you can make it happen, but I just simply want to put on the record that this is unusual. This is the second year in a row that we have not called in staff and got on with Estimates.

HON. L. DESJARDINS: I have no problem with that, Mr. Chairman.

MR. CHAIRMAN: Shall we start then, on page 86, 1.(b)(1). Any comments or questions?

The Member for Pembina.

MR. D. ORCHARD: First of all, I want to tell the Minister that I appreciate the detailed work that's gone into the Supplementary Information. That has been a helpful document to me and to my colleague from River East. But there are a few general questions that I want to deal with before we get into the specifics on line-by-line to clear up some areas that are going to be recurring questions every time we come to an appropriation.

First of all, I'd like to get first off an explanation of the Reconciliation Statement on the first page, before we get to 1.(b)(1). That's on page 85 of the book.

HON. L. DESJARDINS: This is a transfer of functions to the one in the Agricultural Committee. These were, if you remember, the home economists that we transferred from Health Promotion Directorate last year; that is now under the responsibility of the Minister of Agriculture. The Community Services was AFM funds that have been transferred to Community Services for the Main Street Project. It was more of a social program than a treatment program.

Then I should say, I suppose that's part of it, you see a certain amount for Sport and that is now through the funds that we have in Lotteries that are dedicated for Sport. That will be covered by that fund now.

MR. D. ORCHARD: Mr. Chairman, just let me get clear then on the \$95,800.00. If my memory serves me correctly, is that two or three SY's and some operating money?

HON. L. DESJARDINS: It was one SY, 43.7, and the Operating, 32.1, and Health Information Resources, 20, for a total of one SY, 95.8.

MR. D. ORCHARD: And in the AFM, what we simply have here is Main Street Project going from funding in the Department of Health, AFM, over to direct funding by Community Services?

HON. L. DESJARDINS: That's correct.

MR. D. ORCHARD: Okay.

HON. L. DESJARDINS: I would like to take this opportunity, if I may, to make a correction. It was pointed out to me, and I don't know what made me give this information. In the House, before last week's recess, I mentioned that there was a \$200 million increase. What I meant to say and what it is, is \$120 million. You see 118 there, but I'm also talking about certain things that are not deducted from this column, for example, Sport, that will be covered; that's not in here. And also the research fund for the Manitoba Research Council, part of it was coming from the department Estimates, another part from Lotteries. It's all coming from Lotteries now.

I think there's another area that I don't recall at this time but, as close as I can, the increase for the total department, not counting some of the increases that were previously covered by Lotteries but just what was in here before, is approximately \$120 million.

MR. D. ORCHARD: Mr. Chairman, I caught that error last week, but I knew the Minister was just out a little bit so I didn't bother correcting him. It never got reported anyway so . . .

HON. L. DESJARDINS: I don't want to mislead you.

MR. D. ORCHARD: I realize you don't want to mislead. Mr. Chairman, in terms of the Reconciliation Statement itself, in the Reconciliation Statement before

us, which indicates a transfer of funding from the Department of Health to the Lotteries Foundation . . .

HON. L. DESJARDINS: From last year's Estimates?

MR. D. ORCHARD: Yes. In the Reconciliation Statement, is there any reflection of funding which was transferred mid-year to Lotteries?

HON. L. DESJARDINS: It's my recollection there was nothing transferred last year during the course of the year to Lotteries. To make sure that we understand, this is why I also mentioned besides this that I talked about the Lotteries - not the Lotteries, I mean the Sport, which now is funded by the share that was going to the department for Sport.

MR. D. ORCHARD: When we go through the actual Estimates Book, the left-hand column of figures, which indicates Year Ending March 31st, 1987 . . .

MR. CHAIRMAN: What page are you on?

HON. L. DESJARDINS: Anything.

MR. D. ORCHARD: It doesn't matter, any page will do.

There are, on most lines, some differences. Some of them are significant differences in terms of print-over-print. I note in the explanation that this is called adjusted vote that we are dealing with on the left-hand side of the page, if I can find it. Mr. Chairman, the question to the Minister that I have right now so that we know where we stand in terms of not only discussion of dollars but of SY's, is the figure on the left-hand column, the year ended March 31, 1987. The adjusted vote, according to the Minister's definitions - on page 16, they talk about adjusted vote - is a realignment of previous year's vote for any organizational change to provide for more accurate and realistic comparison from one budget year to the next. Now my question is, that then reflects only something such as a transfer of Home Ec staff from Health Promotion over to Agriculture?

HON. L. DESJARDINS: That could be, any change during the year. This is not new. I think we've always done that but we never had that information before. We only had this document during the last Estimates debate and now what is requested for this coming year's Estimates. But this was always something that was done. There were always adjusted figures and any changes during the year or, if there was any increase or decrease for the funding and transfer from one appropriation to another and so on, including staff, that was included in there.

MR. D. ORCHARD: So then, Mr. Chairman, this series of figures on the left-hand side, the adjusted vote for 1987 does not reflect the supplementary request for funding; it doesn't reflect that at all. - (Interjection)- Okay, then can the Minister provide me, as soon as possible because we're not going to be here all that long, the gross overexpenditure by line in the Estimates so that we can get a handle on what areas of the department required supplementary funding, because I believe the Minister went to Treasury Board and had some \$8

million or \$9 million approved for supplementary funding. I'd like to know the areas, by line in the Estimates, which areas that applied to, and would like to have the gross overexpenditures by line so that we can better see how various aspects of the department have been funded.

HON. L. DESJARDINS: Mr. Chairman, I'm informed that can be done so I will be very pleased to, as soon as possible, provide the required information.

MR. D. ORCHARD: Mr. Chairman, the other thing that I found confusing and when we've got the adjusted vote, it doesn't really give us the true picture on what has happened year over year because the adjusted vote, and I'll just give you one example, in terms of - can I use Research and Planning? No, can't use Research and Planning. I guess I have to use Executive Function. On page 20, as an example, we have a total of 11 people there in Executive Function, which I believe was called Executive Support. I think we're talking about the same thing. We've got a total of 11 people in there according to last year's adjusted vote, but yet the request last year with the SY sheet that you provided last year showed only 7 people, so that we don't get a true picture by comparing the adjusted vote to what was requested at Estimates time last year.

Now, Mr. Chairman, this may not seem like a major issue, and it's relatively simple enough to ferret out the actual change in staff because there is an addition of four in Executive Support, but it doesn't tell the story. If I could offer the suggestion to the Minister for following years, if they had the adjusted vote and in addition to that there is probably room to put in the request for 1986-87 which would show what the Estimates Book had printed in it and what the SY's were as requested last year at Estimates time, then it will give us the true picture, because what we're seeing in the adjusted vote is we're already seeing the reflection of mid-year changes. It doesn't give us a true picture of year-over-year changes. Does the Minister follow what I am alluding to here?

HON. L. DESJARDINS: Yes, and we will certainly give this consideration to try to give you the information for next year. I can give you the - you are using this just as an example. Did you want me to give you the reason for the discrepancy in that?

MR. D. ORCHARD: No, we can get into that. I've got some more general questions.

HON. L. DESJARDINS: We certainly will look at this to see if that is feasible.

MR. D. ORCHARD: Okay.

Now a second general area before we get into the details of the first resolution. There are some changes in terms of the layout of the Estimates year over year. For instance, we've got Human Resource Management now and, if I can just check back to last year, it was called Personnel Management Services, Management and Analytical Services and Human Resource Development were the three areas which now appear to be changed into Human Resource Management,

Internal Audit and presumably Administration and Financial Services, because all three of those areas have changed. Now, Mr. Chairman, I'm wondering if the Minister can provide just an overview of the change in the layout year over year where you've got now Human Resource Management. What did that evolve from? What did Internal Audit evolve from in terms of the layout of last year's Estimates?

HON. L. DESJARDINS: Maybe we can try to get this information also. There's been some - the title of the directorate or whatever you call it, the section was changed and was amalgamated with others, and maybe we should try to provide that with personnel and so on with some of the changes. Maybe we can try to look at that and try to get that information as soon as possible.

MR. D. ORCHARD: Those are general questions. Would the Minister consider a suggestion in dealing with this section on the Resolution 83. We can't pass the whole thing until we deal with his salary at the end of the Estimates, but there may well be areas where for instance in Internal Audit, I don't want to be restricted if we have passed Administrative and Financial Services to pose questions of them when we get to Internal Audit. My suggestion would be, could we deal generally with the section and then pass the whole works of it with the exception of the Minister's Salary?

HON. L. DESJARDINS: Providing - and I'm sure we've had no problem in the past - providing it doesn't reopen it for somebody who comes in late, hasn't been here and starts asking the same questions all over again. With that kind of a discipline between the two, provided that we can maintain that, I would welcome that.

MR. D. ORCHARD: Okay, that would be the intention. The intention is not to - we're on time share now.

HON. L. DESJARDINS: What I want to say, if I may at this time also, that obviously some of this administration and so on, if there is a list of questions that could be submitted to me, either in writing or here, I'm not trying to prevent anybody, but obviously, these are not the things that I have that would be as easy for me to answer as the policy thing where I have a responsibility. If I can get that, I'll try to get the information as soon as possible through staff.

MR. D. ORCHARD: Before we even go on, am I looking at a new Deputy Minister here or did my suggestion come true already?

HON. L. DESJARDINS: No, no, no. We're going to have a special meeting at supertime but, right now, you're looking at Mr. Maynard who has been and is presently the ADM in charge of administration.

MR. D. ORCHARD: Okay, those are all the general questions on that section. I'll try to get into some specifics.

Golly, you just provided me with so much information, Mr. Minister, that I would like to spend a lot of time

talking about a whole number of areas, but I know that might not be the most fruitful use of Estimates this year.

But under your Minister's Salary itself, you have in there, on page 18, "Expected Results." You've got "Evaluates alternative health care strategies to meet the changing health care needs of Manitobans." Now I just noted in here: will we be hearing of these alternate strategies during this Estimates process so that we can debate them here or what's your proposal there?

HON. L. DESJARDINS: That's exactly, Mr. Chairman, what I was endeavouring to do. I guess I didn't try hard enough. My honourable friend said that he's heard the same thing for a number of years. I tried to be as specific, more specific than ever, thinking that's right. We've talked about some changes in the past. We did a lot of research. I think we're past that, we still have a lot of work to do, but we're moving. I thought it was very forthright and tried to talk about all of the things or most of the things that we were going to do and then to give the members of this committee a chance to discuss it and welcome it.

As far as I'm concerned, although these things can come back to haunt you, as I say, this is what you made a commitment to do at a certain time and you're not doing it. I wanted to explain that this was giving us a guideline as much as possible, more than a guideline, but then at times you need the flexibility and something might not go quite as fast as we want; but, yes, I think you're referring to the possibility when I referred to changing the Commission. Yes, certainly, that would be very much open, and I would welcome it in debate.

I will give you all the information. I can make a commitment that I'll give you all the information that I have during this debate that you request. The discussion of that probably would be under the Commission.

MR. D. ORCHARD: Mr. Chairman, last year's SY summary had under Executive Support - Executive Function now, it's called - seven SY's, and the first note indicates that three staff years from Executive Council were transferred over for health reform.

Could the Minister indicate who those individuals are and who the fourth addition is, because last year we approved 7 SY's and now there are 11?

HON. L. DESJARDINS: What we did in health reform, that I announced last year. Of course, you can't exclude the people who have been working who have a certain responsibility but also, unfortunately, we haven't got the luxury of being able to put a sign and say "closed for renovation." That's what makes it very difficult. Also, as far as the Minister is concerned, he has to attend the Session and other responsibilities. That doesn't stop when we're making changes.

What we did - and that's the explanation of the three others that you mentioned before. That was somebody that would help. We had a committee - you remember we talked about the action team - to get things moving, to start working, and these were three staff who were going to help coordinate that. I mentioned that last year during the Estimates. It came after; that wasn't

during the Estimates. I mentioned the name and everything last year. That was something to get us going.

There have been some changes and there will be more changes in the personnel, especially after realizing that both the Official Opposition and the Liberal Party are suggesting that I am not moving fast enough. It might be that we will require more staff to get these programs going and, if so, we will endeavour to go to Cabinet and try to get the authority for that staff.

MR. D. ORCHARD: So, Mr. Chairman, I take it that this is Mr. Poushinsky?

HON. L. DESJARDINS: Well, as I say, there are some changes in that. That was to get us going immediately and that work was done. As we go along, we might need different people. That's being looked at at this time. There was Mr. Poushinsky; there was Ginny Devine, who was there a very short time because she was promoted in the First Minister's office as principal secretary; and there was a secretary.

MR. D. ORCHARD: Okay. Mr. Chairman, it notes in here that staff and staff year for the DM are included in the Estimates of MHSC.

Was that Deputy Minister's salary included in Executive Function in last year's Estimates?

HON. L. DESJARDINS: No, it was always the way it is now, through the Commission since 1981.

MR. D. ORCHARD: So then what we have got is four additional SY's . . .

HON. L. DESJARDINS: Three. I'm glad you asked that question. It appears that I've got an extra staff year that I didn't know about, so that hasn't been filled. I know of only three, and I'm told we have four.

Yes, you're right - four - but they're not for exactly the same purpose, those three that I'm talking about: Poushinsky, the secretary and Ginny Devine.

MR. D. ORCHARD: What is the additional staff for if it's not for health reform?

HON. L. DESJARDINS: Well, it wasn't of that same group that we received at the same time. That person came on board before that, and that person has been mostly helping with the numerous telephone calls and queries that we've had to help as some kind of a special assistant. We never had a communications officer and we use that person mostly answering the phone and so on, and that person also was somebody who could coordinate the French services in the department, whatever we were providing.

MR. D. ORCHARD: Mr. Chairman, are all 11 positions filled right now, and is Mr. Poushinsky still being paid out of this appropriation?

HON. L. DESJARDINS: Yes, there could be changes soon but Mr. Poushinsky, as of this date, is being paid from that appropriation. Ginny Devine is no longer there. That position hasn't been filled yet, and there's another vacancy. There are two vacancies.

MR. D. ORCHARD: And the mystery fourth additional person is someone involved presumably in answering the telephone and communications?

HON. L. DESJARDINS: No, I said that we didn't have a communication officer. You'd have to be in that office to see the queries and the calls that we are getting constantly. That person has been helping. In fact, I've had to use the executive assistant most of the time, who's done very little work that person is normally required to do, because they've been too busy on the phone or getting back to people with questions and information needed and so on.

MR. CHAIRMAN: The Member for Pembina, any further questions?

HON. L. DESJARDINS: Mr. Chairman, I've got some information that I should have given to you before that we usually give you at the start. From the eighth on, you see the reduction in the first. That went to the Commission, the amalgamation with the computer and so on.

MR. D. ORCHARD: Reduction in Internal Audit.

HON. L. DESJARDINS: Yes.

MR. D. ORCHARD: Went over to MHSC.

HON. L. DESJARDINS: Well, it was a combination of both, which we've been trying to do more and more between the Commission and the department.

MR. D. ORCHARD: Okay, I'm just going to pass the mike off here for a second, Mr. Chairman.

MR. CHAIRMAN: The Member for River East.

MRS. B. MITCHELSON: Yes, Mr. Chairman.

Can I ask the Minister - he says that Mr. Poushinsky, his salary comes out of Executive Support as of right now. What is his responsibility in his role?

HON. L. DESJARDINS: Well, that's being re-established. He was coordinating, working with the changes, arranging meetings, working the information and progressing to prepare documents for Cabinet and so on, trying to coordinate whatever changes or whatever improvement or advancement we've made in that.

MRS. B. MITCHELSON: As far as health reform?

HON. L. DESJARDINS: Yes. That's all, he was strictly in reform where I said that previously the other people still had to carry on with their responsibility. That's what I meant when I said we didn't have the luxury of putting a sign saying "closed for renovations." We must provide the service while we're in the process of trying to change and bring some changes.

MRS. B. MITCHELSON: I'm just going back to last year's Estimates when we were discussing Mr. Poushinsky and his role in health reform. The Minister

indicated that his first responsibility at that time would be to prepare a kind of plan for approval of Cabinet, and then that plan that was approved for health reform at that time would be presented to the Opposition by means of a visual presentation. Was anything like that done during this past year by Mr. Poushinsky?

HON. L. DESJARDINS: When I was discussing the role of Mr. Poushinsky, I was talking about coordinating, which I just repeated. Today different documents, different papers, because it's not just one big document, it is a series of changes that you might make, and this is what will be done at this Session as much as possible. This is what I started to do with my opening remarks today, of talking very - not vague - but I thought anyway, very straight about the changes that we're talking about, different decisions I expect to have fairly soon, a recommendation and either legislation or other things that would be introduced at this Session. I open it all up for discussion at this time.

MRS. B. MITCHELSON: So at this point in time, there have been some documents prepared, some coordination going on, but there is nothing in printing or writing that we can see that has been accomplished.

HON. L. DESJARDINS: No, we're talking about developing a policy and obviously this is something that is shared only with Cabinet. When something is announced, when something is approved, then it becomes a policy paper, and that of course you will receive and you have received some.

MRS. B. MITCHELSON: Okay. Mr. Chairman, can I ask the Minister in this line under Salaries - there's \$1,000 of overtime allocated - who is specifically responsible or are there a number of people who are responsible for collecting that overtime money?

HON. L. DESJARDINS: No professionals receive overtime. This is clerical staff who might be required to work on weekends or longer hours to prepare documents that are urgently required.

MRS. B. MITCHELSON: Can the Minister tell me then, is it specifically one person or is it the group of clerical staff?

HON. L. DESJARDINS: No, there'd be a number of persons involved who would be delivering the service.

MRS. B. MITCHELSON: Okay. Can you tell me - you say that no management or professional staff is paid overtime. In this department or in this line Executive Function, has management in any way accumulated any time in lieu of overtime payment? Does that type of thing happen?

HON. L. DESJARDINS: No, it doesn't happen, that's part of their job. It might be, of course, somebody who's been working steady for a number of days or to get something out who might be told, well all right, take a couple of hours or take an afternoon, something like this, who are working all through weekends and so on. That is something that could be left to the person

themselves, if they're senior, or through the Minister. But technically, there's no overtime; these people cannot put in for overtime.

MRS. B. MITCHELSON: So the Minister is saying to me then that they don't keep any record of any overtime hours that they work and then, say, save up and take a week off here or a week there in lieu of overtime paid out.

Can I move just over into Research and Planning and ask . . .

HON. L. DESJARDINS: I wonder if the other member to your left wants to ask a question.

MR. CHAIRMAN: The Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Mr. Chairman.
My concern here is that I wasn't unhappy about the three additional staff last year going into health reform, because I thought it was a much needed area. What I'm now seeing, however, is that you perhaps only got the value of one person in health reform last year, because Miss Devine very quickly went back over to the Premier's staff and two positions are vacant. So have you only really had one person working in the whole area of health reform?

HON. L. DESJARDINS: That's correct and I think I can explain that. We felt exactly the way you did, and I would not be surprised to know that we will need more than two or three. It was that at first, that person was only doing that and maybe we weren't fast enough to provide those changes and those documents and ready to move. I know that today I was chastised, and I accept that we were too slow, but you'd have to have this responsibility to see where you have to go through the approval of Cabinet and so on and discuss it with so many groups. If you don't, you're criticized for having confrontations and so on. It is something that you always think is going to be done a lot faster than you do, especially when you are practically pioneering. When the funds aren't there, it is not - I'm not using that as an example, as an excuse. All I'm saying is that it doesn't move as fast as we'd like to see it move oftentimes.

MRS. S. CARSTAIRS: Well, Mr. Chairman, it certainly doesn't move as fast as I'd like when there's one person who is trying to do the job that perhaps three people should be doing or perhaps five people should be doing.

HON. L. DESJARDINS: No, but the point is that I should say that some of the people who are hired to run, who are now there, have done a lot of that work, but that has to be ready before people can coordinate it.

MRS. S. CARSTAIRS: Mr. Chairman, can the Minister tell us if, in fact, there is now on stream in his department a group of people - not just one, but a group of people - who are, in fact, actively working in the whole area of health reform?

HON. L. DESJARDINS: Yes, there has been for a number of years, but not necessarily doing only that. We didn't hire 20 people to say, okay, you're going to

change this. This has to come with the experience of the people who are dealing in those special areas. When you're talking about deficit in a hospital and so on, you're looking at somebody at the Health Sciences Centre who is in charge of that and you work with them. When you're talking about the number of doctors, of course, we've had all our staff on Research and Planning, who have done practically nothing else but that. And it is true that we've had many documents of information and we're backed by that, and I say that we are ready to move, in many instances now, where we weren't before.

MRS. S. CARSTAIRS: That's fine.

MR. CHAIRMAN: 1.(b)(1) - sorry.

HON. L. DESJARDINS: You just want to leave it vague, eh, is that what was suggested before you . . .

MR. CHAIRMAN: The Member for River East.

HON. L. DESJARDINS: Excuse me.

MR. CHAIRMAN: Mr. Minister.

HON. L. DESJARDINS: Can I ask the Member for Pembina to make sure that our Chairman has the directive, how would we want to pass that? Should he wait until the whole thing and pass it all together? That was your suggestion?

MR. CHAIRMAN: The whole page, you're saying, or the whole section?

HON. L. DESJARDINS: No, this section. This section up to 2., all the 83.

MR. CHAIRMAN: Okay, so you want to move onto Research and Planning then?
The Member for River East.

MRS. B. MITCHELSON: Can I just ask another question under Other Expenditures on Executive Function?
There's \$20,000 for Grants. Can the Minister explain what these grants are? Can he tell me?

HON. L. DESJARDINS: The Manitoba Research - how much did you say the . . .

MR. CHAIRMAN: \$20,000.00.

HON. L. DESJARDINS: I've got \$23,837.80, so I don't know if that's the latest. Don't forget, this was an assumption, this was prepared before March 31. It was in anticipation this might be finalized; this is the actual.

MRS. B. MITCHELSON: So you're saying, then . . .

HON. L. DESJARDINS: Do you want me to give you the list, or what?

MRS. B. MITCHELSON: Yes, if you will.

HON. L. DESJARDINS: The Manitoba Nursing Research Institute, to assist in hosting a banquet - that's

the hospitality grants, these are the hospitality grants - that was \$1,000; Nursing Sisters Association of Canada, \$1,500; Canadian Association for Biological Safety, \$1,000; Dr. Horne, Chairman, Program Committee, Third Canadian Conference on Health Economics, \$900; Society for Micropoly (phonetic) Conference, \$1,000; Psychiatric Nurses Association, Second National Conference on Psychiatric Nursing, \$2,625; Canadian Speech and Hearing Association, \$3,000; Canadian Society for Respiratory Technologists Annual Education Forum, \$1,000 - this is either for an annual meeting or banquets, national things, it's all hospitality; Executive Council Senior Day, \$812 - that last one was from the Lottery Fund; the Canadian Society of Cardiology Technologists, \$1,500; Canadian Lung Association, \$2,500; Dr. Beamish, University of Manitoba, the Heart Foundation, \$3,750; Manitoba Association of Licensed Practical Nurses, National Conference, \$1,875; Executive Council of the Canadian Association for Anthrostomal Therapy, \$1,250; Widows Consultation Centre Conference, The Many Faces of Grief, \$750.00.

MRS. B. MITCHELSON: All right, so you're saying that these hospitality grants provide what? Some funding, or some monies for these groups or organizations at an annual meeting or whatever to provide hospitality, P.R. . . .

HON. L. DESJARDINS: It might be kind of a forum or seminar or something like that.

MRS. B. MITCHELSON: Okay, and the total then is \$23,000 . . .

HON. L. DESJARDINS: \$23,837.80.

MR. CHAIRMAN: The Member for River East - Research and Planning.

MRS. B. MITCHELSON: The SY's under Research and Planning then, are they the same as last year?

HON. L. DESJARDINS: Yes, the answer is yes.

MRS. B. MITCHELSON: The Director of Research and Planning is D. Pascoe.

HON. L. DESJARDINS: The same.

MRS. B. MITCHELSON: Okay, there are two managerial staff here. Who is the other?

HON. L. DESJARDINS: The Assistant Director, Miss Kathleen Scherer, there's no change in that.

MRS. B. MITCHELSON: Okay. Now, Mr. Chairman, the Minister was talking about the \$2 million that was appropriated last year in the Budget for pilot projects. Did that come under Research and Planning because it was a recommendation made by the Health Services Review Committee to set aside that money?

HON. L. DESJARDINS: The administration, let's say, was in Research and Planning because they have been

working with the Health Review Committee, will be making a recommendation, but that came from the budget of the Commission. If you remember, it was through the Hospitals and then a recommendation of the review committee that this was done, and that was announced last year, the amount of money. That's correct.

MRS. B. MITCHELSON: The \$2 million?

HON. L. DESJARDINS: That's correct.

MRS. B. MITCHELSON: The \$2 million, was it for the demonstration projects or pilot projects or whatever, and that comes out of the Commission's budget?

HON. L. DESJARDINS: Yes.

MRS. B. MITCHELSON: Was that money used then, or shall we wait till we get to the Commission to find out whether that money was used?

HON. L. DESJARDINS: You can do it now, because that has nothing to do with the Commission. It is, as I stated, an invitation to people that would be creative to show that they can deliver the service maybe without sacrificing on the standards and probably in more economical ways. So if you want to talk about it here now, but I haven't got the information on this except that the review committee is looking at it. They will give us a recommendation and then it will be announced as a special project.

MRS. B. MITCHELSON: Okay, so it is the review committee then that is going to make the decision on . . .

HON. L. DESJARDINS: Well, not make the decision, will make the recommendation, and the government and myself will . . .

MRS. B. MITCHELSON: The government will make the decision on what will be funded and what will not?

HON. L. DESJARDINS: Right.

MRS. B. MITCHELSON: And I believe in your opening statement today, you said that there are about \$20 million worth of submissions for funding under that pilot project?

HON. L. DESJARDINS: No, not on the funding. The total application equivalent of \$20 million. There's still only the \$2 million.

MRS. B. MITCHELSON: There's still only the \$2 million, that's what I understand. But I understood you as saying that the submissions that were made if . . .

HON. L. DESJARDINS: The total is \$20 million.

MRS. B. MITCHELSON: Yes, right.

HON. L. DESJARDINS: They might not all be valid. The situation is there could be - and I don't know. I

haven't reviewed any of these as yet. There could be some that somebody is looking at an easy way to fund some new program of something that they have. We have to be very specific that is a creative way to try to deliver the service, not necessarily new programs, unless it's a new program that'll save in another area and make it more economical.

MRS. B. MITCHELSON: Just a comment, Mr. Chairman, it sounds like if there have been 160 submissions, I'm sure you'll be able to find at least \$2 million worth of pilot projects to go ahead with over the next year?

HON. L. DESJARDINS: I wonder if I could explain, Mr. Chairman, something. This is something that we've been working separately, and I think that the Leader of the Liberal Party has mentioned some of the things we're doing. We're looking at that now.

For instance, there has been some discussion with a hospital that wanted \$5 million to have construction to have an area or place, operating rooms, that they could use for day surgery and that would be done and therefore save beds. So we met with them and we instructed them to start on a functional program and then to go ahead and arrange a program with the Commission where they could use these facilities for the weekend instead of building something when this is not used and maybe after three-thirty at night.

There are other areas who have come in with a lithotripsy, which is a machine that seems to disintegrate stones, kidney stones and so on. They say, quite rightly, that this would save beds. There would be less beds because these people could be done in no time with no suffering instead of being hospitalized.

Let me explain something very important now when we're talking about changes. In the past, the answer was oh, this is great, yeah, it's not as expensive, so we would go ahead and buy expensive equipment, proceed with that service. The operation was fairly expensive and these people did not need beds, but immediately somebody else went in those beds. If you have beds, they're going to be filled, no matter what, and this is what we're saying now. If you're really going to do that and if you're talking about saving money, those beds will not be filled.

This is what we're talking about, about providing a different way of providing the service. So these people said, okay, save the money from within but those beds will have to be closed. So those are examples of some of the things and there are others. We're talking about maybe another possible six CAT scans. That's the amount of patients I think. It's not the complete body. I think it's a smaller one which would probably save money.

Those are all being negotiated at this time, but I can give you an example of some of the things that we've been constantly doing in trying to change in that direction. I would hope that the programs will be somewhat in the same vein, in the same idea as that.

MRS. S. CARSTAIRS: Has there been a significant change in the staff under Professional and Technical? The reason I ask that is that in fact the salaries for the six people have gone down.

HON. L. DESJARDINS: There have been some changes in that but, as you hire people, you budget for the lower range and that's what is reflected here.

MRS. S. CARSTAIRS: Can the Minister tell me how many of the six are different than were there last year at this time?

HON. L. DESJARDINS: There was one vacancy that has just been filled just lately by a permanent position starting at the very bottom.

MRS. S. CARSTAIRS: So five of the people are the same tribe that were there last year and one is new?

HON. L. DESJARDINS: That's correct. To make sure that we get the proper information here, there was a vacancy for most of the year.

MRS. S. CARSTAIRS: Right.

HON. L. DESJARDINS: All right, but also there were people on term at times, as they were required, and that position has been filled now with a permanent position.

MRS. S. CARSTAIRS: My concern is the same under this as it was on the other. I mean, I am really looking for a comprehensive planning directorate that will come up with the kinds of necessary reform that will bring about cost savings but in fact enhance health care. My concern is that we just don't seem to have those bodies in your department who are going to feed you the kind of information necessary for the kinds of decisions I think need to be made.

HON. L. DESJARDINS: I don't know if this is welcome criticism. Before that, I always had too much staff; now I haven't got enough. I think that is correct and I felt the same way, but it has to be done in an orderly way. You don't hire people just to say, well we've got a bunch of people. Things have to be ready and it's very hard to explain how this thing - these are people who have been working for a long time at that. At other times, I would not want a permanent position. I might want terms because it is a specific - what? - document or research or something that I would want by a certain expert who I would not need in the department forever. So that could be done by term and I think you'll see more of that.

When we hired those three people, we thought we would keep them busy right away but we couldn't turn the work fast enough to do that, to keep these people busy full time, so it's no use hiring people at this stage. But I could say that at our level there were an awful lot of people working practically every weekend at this other level, these people that you see in Research and Planning for instance. These people have been overworked, most of them, I can assure you of that.

MRS. B. MITCHELSON: While we're talking about Research and Planning, it seems to me that the Research and Planning stage is the first stage of what might work into Health reform.

First of all, you research and you plan and then you develop your reform or your plan of action, according

to the observations that have been made during Research and Planning. Would it not stand to reason - you've still got, under Executive Function, presumably four positions or three positions, I guess it is, for health reform. Would it not make more sense to sort of combine Research and Planning and health reform into one area and, if you've got to hire the staff and have them working, have them working along with Research and Planning in the same department, the same directorate so you have the coordination and the communication to move from the first phase, which would be the Research and Planning, right into health reform?

HON. L. DESJARDINS: We should have hired you a year ago. It took us a year to realize that was the way to go. Any new staff will then be under the responsibility of the Director of Planning. It was felt that somebody was needed in the Minister's office to coordinate that and to look at the political work also. It hasn't worked as well as we would like to see it, because there were directives coming from different people. You are absolutely right and, when these people will be replaced, they will be added to the Directorate of Research and Planning.

MRS. B. MITCHELSON: So that means then that probably these three staff years under Executive Function will be transferred over to Research and Planning as you get into the process.

HON. L. DESJARDINS: If they do that kind of work, yes. But as we go along, we'll give you the information. The intent, doing the same work - that might change a bit. Yes, as we hire the replacements and so on, this would come under the Director of Planning and Research.

MRS. B. MITCHELSON: As far as Research and Planning goes, under Activity Identification in the detailed Estimates, you've got several different projects or activities that presumably Research and Planning is responsible for, the Day Hospital Pilot Project, Manitoba Health Research Council, all the various ones.

Can you tell me how many of these activities are presently going on?

HON. L. DESJARDINS: Every single one.

MRS. B. MITCHELSON: Is in some phase? Can you give me a handle on where they are then? The Day Hospital Pilot Project, has it just begun, is it part way through, is it finished?

HON. L. DESJARDINS: That is something that is being developed at this time, and this is part of the research that we're saying - I mentioned awhile ago that a hospital, for instance, we're talking about having day surgery. That would be part of the program that these people would be referred to this committee, to people in Research and Planning, and also there would be people from the Manitoba Health Services Commission who would be working and preparing a functional program to see what is feasible and if it's going in the general direction that we would like to see it go.

MRS. B. MITCHELSON: So basically there's nothing here in these activities that has been actually completed. Everything's in an ongoing phase, when we're talking about Research and Planning.

HON. L. DESJARDINS: It's an ongoing thing that will be going for a long time. You add projects and you finish some and some become obsolete for some reason or other, and then you start others, but it's not necessarily a major program. Maybe they're started together. Different studies will then result in a policy, but things are so far-reaching.

For instance, it was mentioned that I've talked about the walk-in clinics. When we start discussing that, you'll see that it's not something that you just decide by itself, is a walk-in clinic good. We have to know, what does it do? What kind of people does it attract? Is it an add-on? Is it something that can reduce the cost or add to the cost? Is it something that will keep more doctors in the Winnipeg area instead of having to go in the - those are all different factors that you're studying at the same time. It's like a big jigsaw puzzle when you get all the pieces in place. It doesn't make that much sense, maybe one piece or so, but you haven't got a true picture until you put all those pieces in place.

MRS. B. MITCHELSON: One more question under Research and Planning. When we get into the Other Expenditures, there's \$50,000 on Supplies and Services. Can you indicate to me what those Supplies and Services are?

HON. L. DESJARDINS: There's 10,400 for offices - it's the same as last year - the rental's 15,000; professional fees, 20,000; repairs and maintenance, 5,300.00.

MRS. B. MITCHELSON: How much were professional fees?

HON. L. DESJARDINS: Twenty thousand.

MRS. B. MITCHELSON: Can the Minister indicate to me what professional fees are?

HON. L. DESJARDINS: For instance, the document that your colleague showed and said had a lot of recommendation, Dr. Bob Evans. That's to pay Dr. Evans.

MRS. B. MITCHELSON: Are you talking about Manitoba and Medicare?

HON. L. DESJARDINS: Yes, that's an example of these kind of people who have to do certain . . .

MRS. B. MITCHELSON: So it's that type of person who you're talking about.

HON. L. DESJARDINS: People who you don't hire at full time, because it is a specific work that you want or document information and they would develop it. It's term people, contract.

MRS. B. MITCHELSON: It's contract work or whatever. Can the Minister indicate to me then, you're planning

on spending \$20,000 on a contract position. Is there some specific contract then that they're doing?

HON. L. DESJARDINS: We were talking awhile ago about the staff not being available and, if you have to wait till you go through the Cabinet and so on to get a staff year, it could take an awful long time. This money is there and at certain times you need the money to hire somebody on contract or certain things will come up. It's just in anticipation of more. If you don't spend it, you don't spend it, but it's available.

MRS. B. MITCHELSON: It's available.

HON. L. DESJARDINS: It's a very small amount, to be honest.

MRS. B. MITCHELSON: It's not specifically allocated to anyone right at this point in time.

MR. CHAIRMAN: The Member for Pembina.

MR. D. ORCHARD: We've only got a few minutes, I take it, before five o'clock.

MR. CHAIRMAN: Yes.

MR. D. ORCHARD: Mr. Chairman, I noticed on page 25 of the Minister's opening remarks, he mentioned an area of innovation known as HSO's, similar to HMO's in the United States. Does the Minister have any outline, any framework of a proposal that he could share with us for debate later on?

HON. L. DESJARDINS: Probably this will come before we finish the Estimates or during the Session anyway, but right now, what we're doing, we have staff discussing with - it's a pilot project only. We're looking at the possibility with the Department of Co-op, some kind of a co-op clinic, that we might try this capitation; and also to have the two, if there's anybody interested of course in changing this, it would be trying to go with a well known, one of the well-known - I have no one specific in mind, but it could be somebody like what the Winnipeg Clinic or Manitoba Clinic and so on, who would be ready to try capitation. Of course there'd have to be some kind of incentive for those providing the service and probably - because it's not the same as the United States because we have universal coverage here. It would be on a voluntary basis for the patient, for the people who would register in that. The incentive would probably be something like - I'm giving an example now - of what might be a dental program or something like that as something extra, to participate in that.

MR. CHAIRMAN: The hour is now five o'clock, so I will interrupt the proceedings and we will be sitting again at eight o'clock, this being Monday.
Thank you very much.

SUPPLY - AGRICULTURE

MR. CHAIRMAN, C. Santos: The Committee of Supply, please come to order.

The section of the Committee of Supply shall be dealing with the Estimates of the Department of Agriculture. We shall begin with a statement from the Honourable Minister responsible for the department.
The Honourable Minister.

HON. B. URUSKI: Thank you, Mr. Chairman.

I will be very brief in my opening remarks this afternoon as we begin discussion of the Department of Agriculture Estimates for the year 1987-88, and I'm also very pleased to make a few remarks.

I first want to speak about the basic objectives and the underlying direction of my department in our effort to assist Manitoba farmers in a most difficult economic and market environment.

I then wish to talk briefly about the major program thrusts and strategies reflected in the budget and how they relate to achieving our objectives with regard to farm and rural people.

Mr. Chairman, ever since the early 1980's when farmers first began to suffer major financial difficulties due to high federal interest rates, a major target group for special assistance has been younger, beginning and low-income farmers and those with high debt loads. Those farmers were faced with servicing high debt loads with lower returns because of declining market prices which occurred about the same time.

We responded aggressively with interest rate relief to control rising costs. We introduced the Beef and Hog Stabilization Programs to maintain incomes in light of depressed livestock prices.

Additional special economic measures were introduced in recognition of the difficult financial situation of our farmers. The MACC Buy-Down Program, the Operating Loan Guarantee Program and the Part-time Farmer Program all served to minimize the hardships faced by farmers throughout rural Manitoba.

MACC interest rates on direct loans were twice written down to 8 percent over the last two years. The Farm Start Program and The Family Farm Protection Act were recently implemented to further help our farmers stay on the farm.

All these initiatives were introduced to complement the major objective of the department which is to upgrade the management capability of Manitoba farmers.

This objective was accomplished and will continue to be worked on through a massive shift in our extension programs and priorities over the last four to five years. While less visible than specific financial initiatives, the adjustment to more targeted extension programs and the emphasis on management upgrading is likely the most effective long-term weapon in the battle farmers are now fighting.

We are upgrading farm management skills through farm business groups and intensive management counselling combined with relevant production advice and special financial programs.

Our total approach has been proven to be an effective way of addressing the urgent needs of farmers in financial difficulty.

Since the early 1980's, my department's operating expenditures have more than doubled, MACC capital outlays have tripled and the more than \$60 million we have expended on beef and hog stabilization is unprecedented.

Our drive to minimize the loss of farm families was unsurpassed by any other province. In fact, it has become the model to be followed by many provinces who have taken up the challenge and responsibility of saving as many farm families as they can.

Mr. Chairman, we must and will do more to help these farm groups in the years ahead. Even more difficult financial circumstances now face many hundreds of Manitoba farmers because of the new round of projected price declines for crops. Those who were beginning to recover in the mid-1980's now face even more difficult circumstances than before.

In response, my department is in the process of broadening and strengthening its extension efforts to assist farm families to work and live together. This renewed emphasis recognizes an often overlooked and perhaps the most valuable agricultural resource - the farm family.

Strong team action by extension staff, which is our home economists, our ag reps and our farm management specialists, represents our front line in this drive to enhance our efforts to meet the growing needs of families in acute difficulty.

Our government's sensitivity to the agricultural situation and its importance to all Manitobans is reflected in the financial allocations to my department. It is reflected in the expanded set of complementary programs geared to further reduce farm costs and to invest in the future of these farmers.

Mr. Chairman, this budget represents a continuation of our efforts to assist farmers through this difficult period. It represents an intensified commitment to the many farm families struggling with financial adversity in a fight for survival.

We have proven that we are there to help in that fight. I am pleased, Mr. Chairman, to announce one of the largest increases in financial resources ever experienced in my department's history. We are there with new programs, such as the MACC Buy-Down and Leaseback Arrangements, as well as the special education tax measures to reduce farmers' operating costs.

But I want to say very clearly, Mr. Chairman, our efforts will never be enough in the face of drastic reductions in market prices and constantly declining support from national stabilization programs. Let us not forget that under section 95 of Canada's Constitution, agriculture is a shared responsibility of Federal and Provincial Governments. The Federal Government has been making much of this lately and has been using it as the basis for attempting to offload onto the provinces fiscal responsibility for programs traditionally within their jurisdiction.

What the Federal Government fails to point out when it speaks about "shared responsibility," is that, historically, the provinces have accepted responsibility in the areas of extension services, resource management and technology transfer. The Federal Government has accepted responsibility for trade and income support relating to agriculture since passage of the Agricultural Stabilization Act in 1958.

This is as it should be since the Federal Government has available to it a broader and more diversified tax base from which to raise the revenues necessary to pay for such programs. Accordingly, Sir, we will continue to call upon the Federal Government to play their full

part by immediately introducing a complementary guaranteed operating loan program and by strengthening the Western Grain Stabilization Program so that it will fully support grain producers during drastic price declines.

Mr. Chairman, I hope that I have given the committee just a brief insight into the context for this budget review in terms of its objectives and the strategy of my department which underlies these Estimates.

Mr. Chairman, I know that my critic will want to make some comments. I am also pleased to provide, and I know they have received copies of it, Supplementary Information for the Legislative Review, which I hope will be useful for honourable members as well as the reports that we have tabled. My staff will be available for detailed discussions as soon as my honourable friend, the critic for the Conservative Party, concludes his opening remarks.

Thank you very much, Mr. Chairman.

MR. CHAIRMAN: We will now hear from the honourable critic for Agriculture, the Member for Virden, a customary reply to the introductory address of the Minister.

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

Certainly in Agriculture, the Minister has touched on briefly, we are facing a severe economic crisis that has been developing for some number of years. It's not one that is going to go away easily. Many people think that given time something magical will happen and the whole thing will turn around. I, for one, do not believe that. I believe there are forces that work in the world: No. 1, many countries believing in a cheap food policy that will tend to prevent a quick and drastic turnaround that will keep our farmers on the land.

The economic crisis is to a large extent due to actions that started in Europe many years ago as they saw fit to subsidize agriculture in order to have food security. It's gone beyond that to the point where they produce surpluses that are now being put on the world export market at highly subsidized values. The United States has started to compete in this game and Canada, being the size of country it is, is caught in the very difficult squeeze as it Argentina and Australia.

But as we look at the problems that we are to address here in Manitoba, we have to face the reality that we have responsibilities and I'm glad to see the Minister acknowledge that it is a joint and shared responsibility within this country for the industry of agriculture.

We, in the Province of Manitoba, have been told by Statistics Canada that we will have a net realized income decline this coming year of 21 percent. That is fairly substantial but that is an average for all farmers, all farm types, and I can guarantee the Minister that the grain farmer is going to be the one most severely hurt in that drop in gross income.

Just as a bit of history, he says that the problems started in 1980, and for the grain farmer that's most definitely true. In 1980, for No. 1 wheat he was receiving \$5.63; in 1987 it looks like he'll receive around \$2.75 when the initial price is announced in the very short term. That's a decline of \$2.88 or a 51 percent decline in the value of that commodity. That is substantial, that is drastic, that is incredible, and it's something that

the grain farmers put up with over the last three or four years and now it's really hurting.

In our farm industry, I believe, roughly, we can divide our farmers into three groups: that one-third that's in severe financial difficulty, many of them have already declared bankruptcy or wound their farm down; and many more in that bottom third, if they're going to put the crop in in 1987, will have very severe difficulty in getting a crop in in '88 unless there's a drastic turnaround.

The middle third is a group of farmers that because of good management practices, efficient production, have been able to withstand the worst period of this economic crisis so far. They are hanging on but they're sliding down into the bottom third, and if this crisis continues for another two or three years, they will be in severe financial difficulty.

We have the top third which tend to be older farmers who are farming along quite well mainly because they have their equity 100 percent paid for. The unfortunate part of their lifestyle is that the farm is their retirement policy. Many of them have been hanging on for the last three or four years figuring this crisis would dissipate and then they'd be able to sell their farm and capitalize on their retirement policy, but they're getting scared because now not only is it not worth as much as it was and therefore they have less to retire on, but they really can't find anybody to sell it to at any price because the young farmers who are in the bottom two-thirds of the economic status are in a position where they're afraid to invest money in agriculture.

That really is the biggest problem we have out there is that developing fear that this industry is in a bad economic state and is going to stay there for some time to come.

When I look at the rural communities, of which I've been one for many years, I see a grave concern in the eyes of many of our small business people. They see the farmer doing less and less business, they know he cannot do any more business than he is doing; but their businesses, either their machine dealerships, their hardwares and so on, are in jeopardy and the jobs that they create in the communities are also in jeopardy.

I would have thought that this Minister of Agriculture in opening the Estimates period here would have made some reasonable statement as to the state of the agricultural industry - where is it at and where is it going? - rather than just saying that we've had a number of things in the past, we're going to do great things in the future. Is it enough? It's not good enough to say that we're doing things on paper. But what are we doing for those farmers out there, those farm families that are facing this crisis? I'm going to talk a little bit more about this as we go along.

I think that during this Estimates period I would like to, as much as possible, leave the politics out of it and talk about the real issues, the issues that need to be addressed as we look at agriculture in this province from now into the future. We have a number of provinces around us who are doing more in terms of putting money into agriculture through various types of programs and are making their farmers in a more competitive position to withstand the economic crisis that we're in and they are going to continue to go through.

It would have been nice if the Minister had given us some analysis of the impact of the programs in Quebec,

Ontario, Alberta, Saskatchewan and British Columbia as to whether our farmers can compete without comparable programs in this province. We're talking both for the grain sector and the livestock sector. We have some natural competitive advantages here. But if economically we can't compete in the coming years, where are we going to be five and ten years from now as an agricultural industry in this province?

I think we have to, in the Estimates period, look very seriously at some of the things that need to be done in order to keep us alive and well in the years ahead. I guess maybe I shouldn't say "well"; I'll say just keep us alive until the better times might come.

We need to be looking at diversification. To me, that's one of the ways in which the grain farming industry can be kept alive - diversification into a variety of crops. We have developed ourselves in certain crops like sunflowers and corn, which haven't increased in recent years, and that we would like to have seen increases. Sugar beets is one we're definitely going to talk about at some depth. It's an industry that is natural for this province. There are only two provinces left in the country and if we don't do something in this province, in other words, if the Minister of Agriculture doesn't do something, it'll be down to one province.

We have to look very seriously at our ability to market what we grow. If we can find some diversified crops that can be grown, is this Department of Agriculture actively working to market those crops? We have to look at trade. Where do we stand in trade? We are an exporting province, particularly in agriculture, but in other things too, and our biggest trading partner is the United States. Where do we stand in our competitiveness with trading with the United States?

I have some statistics here from Stats Canada which show that Manitoba, in comparison to other provinces, is not faring very well. Just for instance in 1985, the provincial export growth was 6 percent across Canada. Manitoba grew 2 percent, Saskatchewan grew 11.6 percent and Alberta grew 15.4 percent. Why, Mr. Minister of Agriculture, is that true?

We also can look at figures over the years as to Manitoba's exports in the United States. I look through the period '76 to '80, there was a growth in exports. From 1980-81-82-83-84, it's declined slightly but basically it's a flat line. Is that your philosophy of how we can improve ourselves in trade in the future?

In the trade area, roughly 25-30 percent of the pork grown in Manitoba is exported to the United States; beef maybe 15 percent. Those are what I call free enterprise commodities.

You get into the controlled commodities like dairy and poultry, what are our exports to the United States doing? They're very low; they have not increased at all because there doesn't seem to be the competitiveness there.

I would ask the Minister why is that competitiveness not there? Why aren't we, as a department, aggressively finding markets for products that we can grow here? If the markets aren't there, that's fine. Are we trying to find them and are we being competitive with the other provinces in finding those markets?

Another area of obvious concern has to be stabilization. Stabilization is something that is I guess our way of life now. I look at various other industries; they're stabilized in different ways. They are stabilized

by controlling the number of people practising, it's controlled by the transport area; but in farming we saw fit to allow all-out production and in many cases that all-out production leads to oversupply.

I don't believe in subsidizing. I don't like the word "subsidizing" to stimulate production that's non-economic, but I believe that stabilization, which is a level of support that doesn't stimulate overproduction, there's a balance between fair return and production, is a necessary evil for agriculture in the future. It seems to be done in many other parts of the world and I believe that we can no longer sit in this province and say it's somebody else's responsibility. And again, sugar beets will be an example we'll work on.

Hogs - the Minister saw fit to sign a tripartite agreement there under the Agricultural Stabilization Act as it was amended in 1985. Why does he not want to do it in sugar beets?

We have to look in this province at maintaining and expanding the value-added industries. For agriculture, that means processing - processing like a gasohol plant at Minnedosa, like a crushing plant at Harrowby or Altona, a flax plant that was in the works awhile ago in Rock Lake but seems to be on hold now, and maybe the Minister might have some detail he would like to give us on that. We have beet processing in this province. We have, and I hope we continue to have, but without some aggressive action on the part of this Minister, we know what will happen to that industry.

In the Budget as we saw the initiatives for agriculture, the Minister says that they're the largest ever, or something like that, in his department, and that's not good enough for the farmers in Manitoba. In 1980 we had a drought in Manitoba and over \$40 million was allocated for special assistance to the farmers of Manitoba because of that drought. There's nothing comparable in this Budget to even come close to that. The increase in the agricultural spending of 14.3 million is only 3.9 percent of the additional revenues taken in by the Budget and it's not a very big commitment to agriculture considering the state of the industry.

In Saskatchewan, roughly 6 percent of the Budget goes to agriculture, in Alberta it's 3 percent, in Manitoba it's just around 2 percent. Again, lots of statistics, Mr. Minister, if you want to talk about statistics as to where you stand relative to the competition in the other provinces of this country. Nobody is going to stand back and give you the opportunity to perform. You've got to go out and get it, fight for it and keep it.

He talks about the education program in the Budget and it's the most major initiative he's put in there. It certainly was a Conservative election platform; it was something that we recognized; we talked about last Session; we had a resolution on it and we're glad to see the Minister has finally realized it was an area he had to act on. We certainly want some details on how the program is going to be administered. None have come forward yet and as I look back at what some of his initiatives were in past Budgets, in 1985 he brought in a program for the part-time farmer and I notice he addresses that in his comments here today, but I look at the 1985 Annual Report, there were only two applicants that were given a part-time farmer loan. Two. Is that called addressing a major need?

In 1986 we spent an awful lot of time discussing Bill 4 which was going to be a major initiative of this Minister

to help the farmers of Manitoba. Six and-a-half million were allocated under that bill and I would like to ask the Minister how much money has actually been spent or put into the hands of Manitoba farmers through that bill? How many cases have been reviewed? How many cases have successfully been reviewed? Has there been any action? We had a Farm Start Program brought in under Bill 22. Again, \$5 million available, how has the money been spent? Have any loans been approved? How important has it been to help the Manitoba farmer? One year after they've been introduced, one full year and we need emergency help and we need it now. One year after they've been introduced. I want to know whether there's been any action on either of those two initiatives of a year ago.

MR. CHAIRMAN: A point of order being raised.

HON. B. URUSKI: Mr. Chairman, let the honourable member please indicate when the actual announcement of the program was made on Farm Start. Was the program not announced just in January of this year, Mr. Chairman?

MR. CHAIRMAN: The remark is more of a correction about facts rather than a point of order.
The Honourable Member for Virden.

MR. G. FINDLAY: As I recall, Mr. Minister, there was \$5 million in Loan Act (1) in last Session which was for Farm Start and if you didn't have it ready for introduction till this year, why was it in then? That's a good question I would like an answer to.

Mr. Chairman, the education tax removal as I've said, is something that we support but do we have to wait a whole year before it's implemented? That's the way it looks on the past history of what I've just told you.

We have a number of areas that this Minister should be able to address in terms of telling us whether his department has done some study, some analysis, and is developing some foresight. I've mentioned the export of agricultural commodities. I would like to know the impact of neighbouring provinces, agricultural programs on Manitoba farmers. Has he done any analysis on shipping grain east? We talked about it last Session and certainly the Wheat Board is still looking at charging higher rates for shipping grain through the eastern seaboard.

We also have a beef countervail action going on in the United States right now, the International Trade Commission's report on July 1. This Minister did virtually nothing when hog countervail was brought in which certainly hurt the Manitoba pork producers. Any action that was taken in defending Manitoba was done by the producer organization themselves. What's going to happen? Is he involved at all in addressing the beef countervail action in the United States, or is he just going to allow it to happen and say, well, producers, tough luck. We didn't have time to look after you. We had more important things to look after at home.

We have a significant decline in the meat packing industry in this province. Canada Packers is closed, or is closing, I'm sorry, this month, and about 45 percent of our kill capacity will be lost. Burns in Brandon has announced in the past that they intend to do some

major renovations of some several million dollars, but they're now reconsidering their action because this Minister will not allow the feedlot industry to be developed in this province. What feedlot industry was here, he has allowed to be decimated by competitive programs outside of the province he's failed to respond to.

We need some real thought and discussion and analysis of the future of agriculture in Manitoba. It's under stressful times right times now and I would like the Minister to, at some point during Estimates, give us some idea as to whether his department is looking at the stress element in farming. I've seen several reports that indicate that farming is the most stressful occupation. It's partly due to the economic circumstances but can our family farm survive it? It's a nice cliché to say the family farm is the way to go, but can they survive the pressures they are being put under right now?

I think, Mr. Chairman, that in agriculture, not only in this province but elsewhere, we're entering, I believe, a new era, and I say a new era for two reasons. One is, I believe, we're going to have a substantial increase in the number of part-time farmers - part-time farmers not by choice but by necessity. We're going to have farmers who were at one time full-time farmers, who for economic reasons are being forced to work off the farm. Either the husband or the wife or both working part-time or full-time to support the farm and unless things drastically change, and I don't think they will, these farmers are going to have to continue to be part-time farmers in the future, not by choice but by necessity.

I did a quick survey of my own community over the last week. You sit down and you write down the names of the farmers over a fairly large area. I came up with seven or eight out of ten, in other words 70 or 80 percent of the farmers now have reasonable amount of off-farm income. It's the wife in many cases, but sometimes it's the husband working off the farm and a lot of this has developed in the last three or four years because of the necessity of trying to support the farm. I don't know whether the Minister considers that an adequate way to support agriculture in the future or whether the industry should be able to stand on its own. I would like to hear him address it later on.

We also have a growing number of part-time farmers that are fully employed, professionally, off the farm. They're our doctors, our lawyers, our telephone workers, our hydro employees, our teachers, and so on. They are doing it as a hobby, but when it comes down to programs like the education tax removal, should these kind of farmers qualify? The Minister has never addressed this yet, but maybe he would like to have these people be well protected as hobby farmers.

The second area of what I call a new era of agriculture, is the involvement of women. I think women have always been involved in farming, but in a quiet way. Now we see them being much more actively involved and again it's because of necessity because the husband many times has to work off the farm. They are very active in doing the books, in making decisions. In many farms they are the hired help, they are the person that does the chores while the husband is away. Certainly in busy seasons, in spring and harvest, they become full-time farmers. And they are very capable people - I have no

problem with that at all. - (Interjection)- I'm talking about another area, a second area of what I call the new era. The involvement of women is not something that we want to stop but is something we must recognize in the delivery of programs such that, in many cases now, instead of having just the husband as the farmer, we've got two people as farmers, the husband and the wife, and some of our programs have to be directed to recognize that and not discriminate against the actively involved women.

Just for the Minister's information, in case he hasn't seen it, the Manitoba Farm Women's Directory has just been printed. It's a very good book. It shows the dedication and the involvement of these women who are getting into agriculture in a very big way.

I think, Mr. Chairman, that I've addressed enough to start the Estimates period. I would like to just conclude my remarks by asking the Minister, that during the course of the debate we will be asking for information to be brought forward and tabled so that we can analyze whether the programs that have been administered by the corporations, the commission and boards under his jurisdiction have been fairly and properly done, over the course of the last year or two.

I guess the first one I'm going to ask him for, because it may well be up in the next day or two, is to table in the House all the information that has been established in the Feed Security Program for base-line data in each R.M. and the measurements made of hay production on the monitoring farms in each R.M. in the last three years. Is he prepared to table that information? I believe we need to discuss it and the way the program has been operated.

Mr. Chairman, from the farmers' point of view, I will say that the farmers themselves will survive this economic crisis. We will see some drastic changes, but I ask the Minister whether we want to put them through shades of hell in the next few years or should we, as a department, be really bringing some very innovative and new programs forward similar to other provinces to help us survive.

I think I would like to ask the Minister if he will address the first issue in the Estimates period as being the sugar beet question, so we can get at it today. He has made a decision, I know, on where he stands on this issue. I think he should be in a position to defend it and discuss it here today. It's not something that can wait. It needs immediate attention and should be discussed immediately.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you.

At this point in time - the Honourable Minister.

HON. B. URUSKI: Mr. Chairman, we're waiting for staff to come into the Assembly. I'll just check if they're out there.

MR. CHAIRMAN: We will now consider item No. 1.(a). We will defer consideration of item No. 1.(a) Minister's Salary, as the last item in our committee's deliberation, and we shall start with item No. 1.(b)(1) Administration and Finance, Executive Support: Salaries; 1.(b)(2) Other Expenditures; 1.(b)(3) Policy Studies.

The Honourable Member for Virden.

MR. G. FINDLAY: Mr. Chairman, I asked the Minister whether we would be in a position to discuss the sugar beet question, and if he is, I would like him to give the House his analysis of the situation and where he believes the industry is going.

HON. B. URUSKI: Mr. Chairman, I certainly would have no difficulty in discussing any issue, and that's why I asked that my Estimates be brought forward first. But, Mr. Chairman, the whole question of income stabilization would more properly be debated under item 8 under Income Insurance Fund. Although the item is properly listed there, you will see, Sir, our final payment of our previous agreement in 1985 ending at \$812,000 and no further amount shown there. I would ask that honourable members, if they wish to debate the sugar beet issue, of course, that we move on through the Estimates and then we'll get to it and then spend as much time as members desire.

MR. CHAIRMAN: The Honourable Member for Emerson.

MR. A. DRIEDGER: Thank you, Mr. Chairman.

I would just like to indicate to the Minister that under Administration, where policy directions are being established, that is what we're debating right now. We want to deal with the issue right now because of the urgency of the matter. I would suggest to the Minister that he indicate to the members here exactly what his position and policy direction from his administration is in terms of the sugar beet policy because it is something of vital importance to the people who are planning activities right now. Never mind this business of waiting till we get down to that certain line he has there. This is an administration decision that has to be made and we want to hear what the Minister's position is on the policy.

HON. B. URUSKI: Mr. Chairman, if honourable members wish to move to item 8 in the Estimates, I will endeavour and we could have it set over, because that's where - I mean, they can raise the questions, but I would have to bring in staff. If there are any details and any information that they wanted on that issue of a detailed nature, I will have staff here in terms of correspondence and the like.

If they wish to move to item 8, whether it be today or tonight or tomorrow, I'm willing to accommodate that as long as I have a little bit of notice to say this is the item we want to go on so I can bring the relevant staff in. If they wish to move to Income Insurance, Mr. Chairman, I am willing to accommodate that debate, but let's do it in an orderly way so that I can bring the relevant staff. If there is any information and documentation that we require, we will bring the necessary staff in.

MR. A. DRIEDGER: Maybe, Mr. Chairman, you could help me in this regard because it was my impression, under Administration, that is where policy direction is being established and that is what we want to deal with with this Minister now, the policy administration, the direction that he's taking with the sugar beet policy. We don't have to go to item 8, Mr. Chairman. He's got

his major staff here; this is where the decision is being made and we want to debate that issue now because of the urgency that is out there in the field for the farmers, so there should be no problem with the Minister.

I don't know why he's saying, well, we'll wait till we get to item 8. There should be absolutely no problem with it because this is an administration decision that is being made here.

HON. B. URUSKI: Mr. Chairman, if honourable members will be satisfied with general answers, that I may not have all the information, they can raise all the questions they want.

I am the last one to say what issue should be debated. If they wish to raise the debate, let's go.

MR. G. FINDLAY: Mr. Chairman, we do want to discuss this issue because it's been an issue that's not been very well answered by the Minister to questions raised in the House. He seems to have given an indication of "no" to the sugar beet growers. I would like to ask him if he has done any analysis as to how many farmers are involved in sugar beets, how many jobs are associated with the industry in terms of the sugar beet plant directly and all the indirectly related jobs, and what would be the economic loss to the Province of Manitoba if this industry closes down because of lack of this Minister signing a tripartite agreement.

HON. B. URUSKI: Mr. Chairman, first of all, I should point out to my honourable friend that his first premise is inaccurate. He does not reflect in his comments the accuracy of the historical situation on sugar beets, and I would want to provide to him some of that background.

Mr. Chairman, for the information of my honourable friend, the sugar beet industry in this country was supported nationally since the passage - and prior to the passage - but clearly with the passage of the Agricultural Stabilization Act by a Conservative administration in 1958. Until 1983, successive Federal Liberal and Conservative Governments did in fact provide support when it was necessary, income support to the sugar beet growers in this country, so that whenever the market price for sugar beets fell below the running average of the previous five years, 90 percent of the running average, adjusted for cost of production, if the market price to sugar beet growers fell below that formula, although the commodity was not a name commodity, successive Federal Governments made stabilization payments not only to sugar beet growers but for other commodities throughout those years.

In 1985, Mr. Chairman, or in the fall of 1984, the sugar beet processors of this country served notice on the Federal Government that they were going to be renegotiating their contract with sugar beet producers and, in fact, served notice. We raised this matter with the Federal Government in the fall of 1984 - that was the new Conservative administration at that time - and they indicated that they would be dealing with this question.

At no time from the fall, about October or November of 1984, until their announcement of a change in the long-term historical relationship to sugar beet growers,

was there ever any indication given to this government that they in fact would be basically changing the rules of the game, Mr. Chairman.

Just a couple of short weeks before planting, Mr. Chairman, they decided to say we are now going to have a new regime in agricultural stabilization as it relates to sugar beet growers and we will put up an X amount of money, but it will only be paid out if, in fact, the provinces matched that amount.

Mr. Chairman, John Diefenbaker would have, and probably did, turn over in his grave when the federal Tories decided to renege on the historic relationship with the farmers of Canada and in particular at this time the farmers of Manitoba, Alberta and Quebec. Mr. Chairman, Alberta farmers, in their negotiations, said that that was not a good deal and refused to plant a crop in 1985. They refused to plant a crop.

Mr. Chairman, in recognition of the importance of the industry to this province, we indicated that we were prepared to put money into the industry under certain conditions. I want to tell you, Mr. Chairman, within two weeks, and one would say, well, how did you arrive at this decision, and I can only call that decision "made with a gun to my head and to this government's head" by the Federal Government renegeing on responsibility and saying that there won't be a sugar beet industry unless you put money into this program. We agreed to put money into this program, \$3 million, to provide support for the 1985 crop.

Mr. Chairman, we put forward a number of issues that we wished to negotiate and have agreed upon at that time. One of those was that the stabilization payments owing to Manitoba farmers for the year 1983 and 1984 be paid to those producers because they were in a deficit position. That was one of those points. Secondly, that there would be a national sugar sweetener policy in place by the time the 1985 crop year was taken off. Thirdly, Mr. Chairman, that there would be no further infusion of dollars by the Manitoba Government beyond the 1985 crop. Those were our conditions, Mr. Chairman.

We put forward those positions, and what happens? Mr. Chairman, the producers said, look, please remove your requirement about stabilization payments for those two years; we'll negotiate those ourselves. So that's what the producers' association said to us then. So we said, okay, we will give into that, but we want to know before you even start this year what your price will be, what you will receive from the company. During those negotiations, the company basically had to come down and said, yes, we will pay \$25 per metric tonne based on a sugar equivalency production and we will pay that to producers so that at least producers knew at that stage of the game what their market price would be from the sugar company.

Mr. Chairman, we removed that condition, but we didn't remove those other two conditions, and we received confirmation and an agreement from the Federal Minister, the Honourable Charles Mayer, the Minister of State for the Canadian Wheat Board who represented the Federal Government in those negotiations, and in a telex to the Premier of this province said, yes, there will be a national sugar sweetener policy in place and there will be no further financial contributions required to be put in by the Manitoba Government beyond the 1985 crop year, Mr.

Chairman. That is as clear as the whiteness of my honourable friend's shirt. It was very clear in those statements. We made that commitment and we paid that money to producers on the basis of that agreement.

Mr. Chairman, 1985 went forward, no national sugar sweetener policy, and we're into another year. So what do they do? The Federal Government said, well, we'll make a special arrangement now with sugar beet growers. We will allow the industry to go one more year and we'll put money into it. So they did. So they put in money to allow the 1986 crop year and they referred the question of a national sugar sweetener policy to the tribunal on tariffs and trades, and the Tariffs and Trades Board took submissions from the Province of Manitoba, from the sugar beet growers, from basically the sweetener industry in Eastern Canada and a whole host of groups who in fact could and might be affected by a national sugar sweetener policy.

I wish to indicate to my honourable friend that both the Province of Manitoba and the sugar beet growers of this province submitted very parallel positions vis-a-vis a national sugar sweetener policy; and that was, Mr. Chairman, that there be a Canadian internal excise tax levied on all the imports of cane sugar that was brought into this country - and that's about 90 percent of our production - in order that the 10 percent of production that is now brought in or produced by sugar beet growers would in fact remain and that there would be a very small levy on the entire industry to make this domestic industry, to protect the integrity of Canadian supply, which was there since the war years, to have a small segment of our sugar production protected in the event of international shortages and so that our positions were very much parallel to the sugar beet growers.

Mr. Chairman, the Tariffs and Trade Board was in fact supposed to report at the end or about two weeks ago, the last week in March. They did not, and they, I understand, have been given an extension of 60 days in which to make their final report and recommendations to the Federal Government. Based on that submission, we, in February of this year, advised the Federal Government that we hoped that the report and in fact the recommendations would be very much in line with what our submissions were and those of the sugar beet growers, and in fact there would be no need for any financial contributions on behalf of taxpayers of this province into the sugar beet industry, that the industry could be supported through a national sugar sweetener policy. That was rejected.

In the interval, we asked that the same arrangements that were conducted in 1986 be carried forward to give time for the Federal Government to review that report whenever it came down, and gave the sugar beet growers an opportunity to provide a stable income for at least another year, pending resolution of the Federal Government decision in this area. That, Mr. Chairman, was not acceptable to the Federal Government.

We subsequently looked at the importance of the sugar beet industry, both in terms of the production in the plant in Manitoba and the farm community, and we said that we will back off our agreement, our stated agreement, and we will put forward an additional \$3 million to the industry but not on tripartite, Mr. Chairman.

And why not tripartite, Mr. Chairman? Tripartite, in my mind, means that there are three parties who

willingly want to negotiate and deal with a matter of income stabilization that we all agree to, both governments - federal-provincial - and producers.

Mr. Chairman, this proposal was in fact brought down by the Federal Government unilaterally. It was a take-it or leave-it proposition, Mr. Chairman. And we had an agreement that there would be no further funding required from the province. We said notwithstanding that, we will put an additional \$3 million towards that industry over the next 10-year period as a contribution, but we will not be forced to be subjected to federal offloading of an historic national responsibility for agricultural stabilization.

That proposal, Mr. Chairman, was not, it appears at this point in time, acceptable to the Federal Government. So, Mr. Chairman, it appears that the Federal Government will in fact have to face the reality of the situation that they are the ones who reneged on an agreement. They are the ones who in fact are not living up to their commitment, their earlier statements. They are in fact the ones who are rejecting the Manitoba proposal, notwithstanding our agreement to still put money into the industry. They are the ones who are letting the industry down. They are the ones who are prepared to bury John Diefenbaker a second time, Mr. Chairman. It's no wonder that Mr. Kilgour from Calgary is saying, look, I think I want to leave the Conservative Party, Mr. Chairman, why? Because the West has been ill-treated, Mr. Chairman, by Mulroney Conservatives. Mr. Chairman, it's very clear what is happening in the Conservative Party.

I want to tell you, Mr. Chairman, that this industry in Manitoba, if it is allowed to flounder and close, it will be clearly at the hands of two Federal Cabinet Ministers, Charlie Mayer and Jake Epp, who certainly have not in a whole host of issues defended the interests of Manitoba farmers, Manitoba interests and western interests. It can only be either their lack of comprehension or a lack of clout in the Federal Cabinet to allow a Federal Conservative Government to remove its historic responsibility for income support in this country.

MR. G. FINDLAY: Mr. Chairman, I asked the Minister a specific question. He did not address the question at all. I'll ask the question a little later again. Now, I see he's got some staff there, he may be able to get the answer.

But, Mr. Chairman, the Minister went into a political diatribe there without really being too concerned about the industry and the farmers in the sugar beet industry in Manitoba. I would like to ask this Minister if he pays attention to what goes on in the federal scene. In 1985, there were amendments to the Agricultural Stabilization Act, which meant that future support would be on a shared basis, a tripartite basis. He has already signed, in 1986, a hog tripartite plan. How now does he address stabilization in a totally reversed position?

HON. B. URUSKI: Mr. Chairman, the honourable member should relook at the facts of the matter. The amendments to the federal Stabilization Act did not take anything away from the existence of the historical situation, historical program of ASA, of agricultural stabilization. All the amendments did in 1985, Mr.

Chairman, were in fact allow a permissive section to set up, if the Federal Government so wished, tripartite.

But, Mr. Chairman, the honourable member raised a telling point. Do I, in fact, look at what's happening at the national level in terms of federal politics? Mr. Chairman, I look and I am very concerned about where the Federal Government is going vis-a-vis the treatment of commodities now in Manitoba and Alberta versus other commodities in the country.

Mr. Chairman, for my honourable friend's information, on March 17, 1987, just two weeks ago, do you know what the Federal Government announced? They announced that apple growers in British Columbia, Ontario, Quebec, Nova Scotia and New Brunswick will receive \$12.5 million in stabilization payments. For which year? For their 1983 and '84 crops. Mr. Chairman, 1983 and '84, and what year is this? 1987. If they can make \$12.5 million available to those farmers, where is the money for '83 and '84 to the sugar beet growers of Western Canada, Mr. Chairman? That's what's happening at the federal level.

Mr. Chairman, this should in fact necessitate the Federal Ministers, John Wise, Charlie Mayer and Jake Epp, especially the two Manitoba Ministers, asking their colleagues either to relieve them of their responsibilities because they can't stand up for Manitoba farmers. If they can't do that and if they allow their own government to make those payments - and I don't begrudge those producers those payments, Mr. Chairman, because apples are also not a named commodity under the act. But if they can do it for apples, where are the sugar beet growers of this country? Where is the long-term historical commitment to sugar beet growers?

Mr. Chairman, members opposite should be ashamed. They should be going into Ottawa and demanding that either those members resign, Epp and Mayer, or that equal treatment be given to Manitoba and Alberta producers on sugar beets. That should be the action of honourable friends opposite, Mr. Chairman.

MR. G. FINDLAY: Mr. Chairman, the Minister doesn't really seem to be prepared to address the issue straight on as to what the Province of Manitoba is going to do.

I would like to ask him if he attended meetings in late '85 in Toronto and spring of '86 in Winnipeg where the sugar beet industry was discussed? Was he represented personally or by any of his staff to represent this industry in this province, or did he abort the industry way back then?

HON. B. URUSKI: Mr. Chairman, it appears that the honourable member is now eating his own words that he earlier indicated he will not want to be political in this debate. Mr. Chairman, I want to tell him that I have no difficulty of being political in the debate of Agriculture Estimates. It is politics, Mr. Chairman, it is more than politics. It is also the fair treatment of producers across this country.

Mr. Chairman, what is being proposed by the Federal Government, a historical 100 percent responsibility of the Federal Government moving to a 66 percent contribution by Manitoba and a 33 percent contribution by Ottawa. Mr. Chairman, if that can be labelled as fair by my honourable friends when for 25 years we've

said 100 percent is the issue on income stabilization from a national perspective - now we're moving it from 100 percent to 33 and moving it from 0 to 66 percent. That cannot be anything but being unfair.

Mr. Chairman, the 1985 meeting, if he's referring to the meeting of staff or supposedly of staff in Toronto, was during the time - and I will deal with those questions - of the Agricultural Ministers' Conference in St. John's, Newfoundland. Mr. Chairman, our staff, the staff who would be involved in those discussions, were in St. John's. Do you want to know why they were in St. John's? Because the Province of Alberta had a topic on the national agenda dealing with what? Sugar beets, yes, Mr. Chairman, toward a Canadian Sweetener policy by the Province of Alberta. Where? At St. John's, Newfoundland. It was the Alberta Government's proposal and their discussion paper to lead off the discussion on the sugar sweetener policy in '85.

Where should the staff have been, Mr. Chairman? At the Ministers' meeting or at some meeting that Charlie Mayer was calling on his own when, in fact, this issue was being discussed by all Ministers of Agriculture in Newfoundland? Mr. Chairman, is that what the honourable member is now trying to allude to? I hope not.

MR. G. FINDLAY: The question, Mr. Minister, is whether the sugar beet industry in this province should be allowed to collapse. We now know that Alberta is prepared to sign the agreement. If they are prepared to sign it, what have you done in terms of talking with Alberta to understand their position relative to yours?

HON. B. URUSKI: Mr. Chairman, if the Federal Government is in fact intent on pulling the plug on the Manitoba industry, why have they not signed with Alberta? Have they signed or haven't they signed? If they've signed, then let them at least announce it in Manitoba and tell sugar beet growers that they are abandoning their position in Manitoba.

What are you people doing as Conservatives? The onus really is on Conservative members of this House to tell their colleagues, we will not accept the unfair treatment of Manitoba producers from our own colleagues in Ottawa. Mr. Chairman, my honourable friend and some of his own colleagues, who are sugar beet growers themselves, should be demanding Jake Epp's resignation and Charlie Mayer's resignation, if they can't deliver on a policy of equality and support to producers in this country.

MR. G. FINDLAY: Mr. Chairman, is the Minister telling me, by his answer, that because of this major issue that's been ongoing for some time, that he has not talked to the Province of Alberta to understand where they stand on this issue? Has he not talked to them? - the only other province in this country that's in the process of growing sugar beets.

HON. B. URUSKI: Mr. Chairman, we have talked to the Province of Alberta, but let's look at the historical context of what Alberta did. Mr. Chairman, Alberta has been the apologist for the Federal Government, and I want to say that quite clearly, and I refer to 1985.

Mr. Chairman, in 1985, Alberta producers did not grow - and do you want to know why? They didn't

grow because the Government of Alberta announced a program of payments of support to the industry without confirming from the processors what the producer return would be. They, in fact, led off an announcement to say, we're going to put X amount of money on the table and the producers didn't have a clue what the company was going to pay them.

So, Mr. Chairman, when the producers came to the table to negotiate with the company, the terms that were being offered were not good enough and they said, "Notwithstanding your money," to the Alberta Government, "We're not planting," and they didn't plant. They didn't plant a crop.

Mr. Chairman, since when would you in fact negotiate a plan or support by putting your money out first without knowing what the other actors in the whole process were going to do? Since when would you in fact put money forward and bail out the Federal Government from their responsibility in this industry when it has been for 25 years, their responsibility?

Mr. Chairman, if the honourable member is suggesting that this should have been our negotiating stance, to follow and emulate the Province of Alberta, heaven forbid to the people of this province that he ever becomes Minister of Agriculture.

MR. A. DRIEDGER: Mr. Chairman, it's hard not to get emotional on this debate here, especially on a thing that is as important as it is. What bothers me most, Mr. Chairman, is that the Minister himself indicated he is playing politics and with his playing of politics, he will accept the total responsibility for the killing of the sugar beet industry in Manitoba, because he knows full well that the Federal Government have made amendments to the Agricultural Stabilization Act, where it will be, from now on, and under the stabilization programs, it'll be a tripartite approach to it.

My questions to the Minister are: Why? Is it just politics? Why will he not agree to that? Because if he does not agree to it, the industry is dead in Manitoba. A whole bunch of people will be out of work. A lot of farmers, at a time when we have real problems in the economy in terms of the grain industry right now, the diversification of growing sugar beets is a great asset, especially in certain areas in Manitoba and this Minister stands here and blatantly tells us he's playing politics, it is politics, and he's going to let the industry die because they have not come out with a national stabilization policy for sugar beets, which would be a desirable thing - it's not that - but because he's being stubborn and playing politics and is trying feebashing, he will let this industry go down and we haven't got very much time and that is why we wanted to debate it today, first thing, as soon as we got into the Estimates, because it is of major importance. And he, himself, can take total responsibility if that thing is going to fall down.

HON. B. URUSKI: Mr. Chairman, boy, are Conservatives ever confused. Mr. Chairman, let me quote the section of the act that was passed in Ottawa, just that section. I don't have the entire act, and I quote, Section 10.1(2) of the act as follows: "Where provinces or producers or provinces and producers desire to participate in a price stabilization scheme for an agricultural commodity,

the Governor-in-Council may, subject to this section, authorize the Minister to enter into agreements with those provinces or producers or provinces and producers, as the case may be, to provide such a scheme."

Mr. Chairman, since when is tripartite the only thing that the Federal Government is putting forward? Since when is tripartite the only scheme there, Mr. Chairman? This section says none of the like. We have not joined the Beef Stabilization Plan, why? Mr. Chairman, we joined the hog one in consultation and worked with the producers because we saw, and producers saw, that even though our support was slightly higher than the federal support, when you take into account federal contributions to the premium structure, Manitoba producers were not that far out in terms of the support that they were receiving. Mr. Chairman, in consultation with the industry, we decided to join, but that's not the case in sugar beets.

In sugar beets, it was a proposal, here is the plan. I want to tell you, Mr. Chairman, I met with the sugar beet growers today and the president of the Sugar Beet Association and other members said, "We didn't want tripartite, but we had no choice." That's essentially what they said, "We really had no choice in the matter, so it's tripartite or nothing as far as we're concerned, so please, Mr. Minister, join this plan." That's really what they've said.

Mr. Chairman, when the Federal Government continues to offload - and this is just one area - in health and education, that's where the major amounts - and that will affect everybody. Every farm family in the Province of Manitoba when, in fact, you start adding half-a-billion dollars in increased costs to pay for health and education, every family, including all the farmers of Manitoba, will end up paying for that offloading of the Federal Government.

Mr. Chairman, let not any member opposite forget that because it costs all of us and when you have an agreement, and yet we backed off that agreement - Mr. Chairman, I would venture to say that some people will tell me, are you nuts? You had an agreement that said there will be no more money beyond the 1985 crop year, were you in your right mind when you put up an additional \$3 million? Mr. Chairman, we had concern and have, and continue to have concern for the industry, but members opposite better start doing their homework, better start talking to their federal counterparts and get them off their high horse, or that 22 percent in national popularity will not be 22. It'll go down even below that, Mr. Chairman.

MR. A. DRIEDGER: Mr. Chairman, it's most unfortunate that the Minister is continuing to play politics with a very important economic impact on farmers in Manitoba. I just can't understand and he keeps doing it time and time again. He's indicated and agreed that the producers - he talked before that Manitoba is picking up 66 2/3 percent - but, Mr. Chairman, he indicated just now that the producers have come and said, Mr. Minister, please sign the tripartite program because if you don't sign it, we're all out of the sugar beet business and so will many people that are working there.

The Minister's indicated that he's prepared to give \$3 million over a period of 10 years into the industry.

He just is being stubborn, pig-headed. He does not want to say, well, yes, I've joined the tripartite program, and for that reason he's hanging up, he's going to let that whole industry go down because he's already committed that he's going to put money into it, so why can't he do it under tripartite proposal that's being put forward by the Federal Government, when the producers are literally begging him, do it, because otherwise we're out of business. Our equipment is all going to be obsolete and finished. We have no use for that, the investment that they have in many of those things, plus all the jobs.

I would think that this government and this Minister would be very keen as to job creation, holding jobs, especially in view of the way they've been taxed and what we're going to be doing to them in the future. Why? Because of this Minister's stubborn pride, he's not going to join the tripartite program and save the sugar beet industry, and that is why I said, as I've said before, if the sugar beet industry goes down, it's going to be on your head, because you've already made a commitment. You just are too stubborn to try and sign the three-way deal there.

HON. B. URUSKI: Mr. Chairman, let's just examine who is stubborn and who is not acting in good faith.

Mr. Chairman, two unilateral announcements by the Federal Government, one in 1985, unilateral with no consultation - in fact, I met with Charlie Mayer about a month-and-a-half, maybe two months, before that announcement was made - no hint that we would be required to put money up. They unilaterally announced the '85 program. Mr. Chairman, they unilaterally announced stabilization.

Who has, in fact, backed off and been conciliatory, Mr. Chairman? We put a proposal, after having an agreement with the Federal Government in '85, no more money, we put a proposal of an additional \$3 million to the industry. Who, in fact; who, in all fairness, can say has been conciliatory in this whole matter? We certainly cannot say that we are the ones.

Mr. Chairman, in fact, federal Ministers accused the Premier of New Brunswick and the Premier of Nova Scotia of virtual blackmail because they wouldn't sign an agreement on acid rain. Remember those comments by a federal Minister just several weeks ago accusing federal Conservatives? Is that now provincial bashing, Mr. Chairman, if what I am supposed to be saying "fedbashing"?

So, Mr. Chairman, let the honourable members not stand here and be so sanctimonious. Let them get on with the job of making sure that their federal colleagues know how dissatisfied they are and get the message to Ottawa as quick as they can, and let's cut out the nonsense that we've got here in this House.

MR. A. DRIEDGER: Mr. Chairman, the Minister of Agriculture says what we are debating here is nonsense. I want to indicate to him that by debating this and raising this issue, that this is nonsense.

Mr. Chairman, there are 100 full-time jobs at the plant here in Fort Garry; there are about 250, I think approximately 250 part-time jobs involved, plus the income to the farmers, the economic income to the farmers. When you consider the . . .

MR. CHAIRMAN: The members will have their turn if they want to take the floor.

MR. A. DRIEDGER: Mr. Chairman, if we consider the financial impact, economic impact, on jobs and on the agricultural community, I want to ask this Minister of Agriculture: in view of the fact that the Federal Government has not changed in their position - because Alberta has already indicated they will sign it - I want to ask this Minister once again: will he consider joining the three-way partnership for the sugar beet industry to keep those jobs and the economic impact on the beneficial side for the farmers of Manitoba? Will he consider doing that in view of the fact that he's made a commitment to put \$3 million into it over the next 10 years?

When you consider just on the jobs alone, the province will benefit from it, and he, because of his attitude and because he's playing politics, he's going to let this thing go down the tubes and the impact is going to be dramatic.

I plead with him, as the sugar beet producers have, I plead with him: reconsider your position; play your politics whichever way you want, but sign the agreement so that farmers know what they can do, that they can raise a crop of sugar beets and we can save a very important industry here.

How long are you going to be stubborn? May it rest on your head if you don't do that. I'm getting very upset with this Minister.

HON. B. URUSKI: You're breaking through your shell.

MR. A. DRIEDGER: Never mind "shell." It is your responsibility to look after the interests of the agricultural community in this province.

What are you doing? You're playing politics and playing games. Why don't you go and ask how the workers feel when the plant is going to be closed? How about all the producers that are involved? One individual is going to skuttle this whole industry, and I think that the people of Manitoba should take you to task, including your own government should take you to task, for your attitude.

HON. B. URUSKI: Mr. Chairman, we have, in fact, by our showing of good faith for the industry, put up more than the equivalency of job benefits to the Province of Manitoba.

Mr. Chairman, for the honourable member's information, I understand that there are 70 permanent jobs in the plant and approximately 40 part-time jobs, seasonal jobs, in the plant. Of course, that doesn't take into account any on-farm employment and the like.

Mr. Chairman, the honourable members better quickly realize that they are, in fact, trying to continually support their federal colleagues in an unsupportable position in terms of where their stand is in sugar beets. Members can't continue to stand up in the House and, in fact, defend their colleagues for an indefensible position as it relates to agricultural incomes in this province and in this country.

MR. CHAIRMAN: Order please. That's no way to conduct debate.

The Honourable Member for Rhineland.

MR. A. BROWN: Thank you, Mr. Chairman.

Mr. Chairman, we're on a topic that I have been involved with for many, many years. Twenty years ago was the first time that I went down to Ottawa to help lobby on behalf of the national sugar policy for Canada. I've been involved as a grower now for about 35 years. I am not in the association at the present time, but I was until four years ago, so I am quite up-to-date and I'm still continuously meeting with the association, so I know the problems that the industry has faced.

Mr. Chairman, during all these years, we've always lobbied for a national sugar policy and we were very close at times at receiving a national sugar policy because everybody agreed really that is the way that we ought to go. We are the only major country in the world that does not have a sugar policy, and it is ridiculous that we leave ourselves in the situation where we get into the present type of situation where sugar is being dumped into Canada from the United States at an unrealistic cost, and that is why we have the problem at the present time.

If we were to have our sugar prices at the world market, we could quite nicely compete with that market at the present time, but because we have no sugar policy, Canada is a country that you can dump sugar into when there is a surplus of sugar and that is why we have these varying prices in sugar in Canada.

And the way that it usually works out, you're going to see that we are going to have eight years of relatively low sugar prices in Canada and we are going to have two years which are going to be very extremely high sugar prices because at that particular time there's a shortage of sugar and because we have no guarantees, on the long-term basis, we have to pay that high price for sugar.

The thing that the consumer doesn't realize is that during these periods of high times and high prices in sugar, that's when your cokes, your cake mixes, everything that contains sugar, goes extremely high, and then two years later, the price of sugar goes way down low again, yet those prices always remain constant. So it's always the consumer that pays the high prices throughout the entire 8-year period of low prices. We've seen this happen time and time and time again.

So when you discuss this with the various politicians and so on, they all agree, yes, we should have a national sugar policy. Yet, for some reason or other, we can't ever seem to get there. Eugene Whelan said that we were going to have a sugar policy if that's the last thing that he ever did. Then he came up against people like Robert Winters in the Cabinet who was very much involved with the cane producers and there was just no way that they could ever reach agreement. There was always this hassle between the factories producing sugar from cane and the companies producing sugar from sugar beets, and unfortunately the cane factories that were producing sugar from cane had more money to lobby than what the sugar beet growers had, and they so far have been very successful in keeping a national sugar policy away from Canada.

So that is some of the background. Of course, many trade arrangements have happened over the years when

we first started working with the national sugar policy, and one of the reasons said at this time was, well, we can't give it to you at the present time because right now we are exchanging sugar for fish from Newfoundland. We're selling fish down to Cuba, and in order for Cuba to be able to pay for the fish, we are going to buy sugar from them. So we've got many, many different kinds of trade arrangements . . .

HON. B. URUSKI: You haven't touched on the issue of why do they renege on stabilization.

MR. A. BROWN: I'm coming to that, Bill. I was just going to give you some of the background of the difficulties that we had throughout the entire industry.

So finally what we did achieve through a lot of negotiations, we were under a stabilization program. Although we were not a name commodity, we had to go in and negotiate every year, the stabilization price, and that worked out fairly well. I must say that this worked out quite well.

However, things have changed. We now have a lot of low-cost sugar coming into Manitoba from the United States, not only Manitoba but all of Canada, and this is creating problems. In the meantime, the Federal Government is looking at all stabilization programs and they're going into tripartite agreements as far as stabilization between the producer, the province and the Federal Government.

Now we can argue back and forth as long as we want to whether that's a good thing or whether that's a bad thing. At the present time that's the only option that is open to the grower in order for him to remain in business, and we have to then take a look at that as we've had to over 20 years or so, have to take a look at whatever the situation was and try to adapt to whatever that situation was. Right now, this is the only option that we have, and I hope that the Minister, in all his wisdom, is going to see that this is the route that we will have to take in order for us to remain in business.

In Alberta, the company right now is signing contracts. In Alberta, they have accepted the agreement and contracts are being signed. The Federal Government is saying in no way are we going to have a different agreement in Manitoba than what they have in Alberta, so we seem to be at loggerheads because the Minister is not going to sign the agreement which is going to allow new producers to produce sugar in Manitoba.

Mr. Minister, I think that we have to look at where agriculture is going to be 50 years from now. If we're not going to do this, we're going to come up with an extremely poor policy as far as agriculture is concerned. If we take a look back, 15 years ago, we had many, many markets in grain that are not available to us now. India was one of the major importers and they are now at the stage where they're going to start exporting. The European Common Market at that time was importing grain. We have lost that market.

A lot of countries are becoming more self-sufficient as far as grain production is concerned, including China, which is one of our large markets. Heaven help us if Russia will ever start growing grain and we know that they have the soil in which they can produce grain. If they ever learn how to produce grain, where are we

going to be with agriculture products? We will not have the markets and that is why we have to start concentrating on pulse crops, not only on sugar beets, but every other crop that we can possibly promote because we are going to be in very difficult times in Western Canada if we are not going to do that, and we'll have to do that right now.

In Alberta, for instance, they already are very aggressively making agreements with other countries. They are now selling seed grain to Russia where they've developed quite a market, and this is the type of thing we should be looking at over here. Certainly, we have the type of climate within Manitoba where we can produce a lot of these crops, and sugar beets are certainly one of those crops. So, Mr. Chairman, there is just no way that we dare let this industry die because it is going to be playing a very important role in the future in Canada. There is no doubt about that.

We are now producing 10 percent of the sugar requirements in all of Canada. I can see where the governments, and it doesn't matter who is going to be in government, will be forced into a situation where we will be producing 75 percent to 100 percent of sugar for our requirements because we will be forced into that position.

HON. B. URUSKI: We're at 9 now.

MR. A. BROWN: We are at 10 now, but we will be forced into that position because we will not be able to sell grain. This is what I'm trying to tell you. So we will have to concentrate on other crops.

So it is rather imperative that we keep this industry at this particular time and that we do not let it die, because if we're going to let it die, then it's going to be very, very difficult to start up this industry again. There is no doubt about that.

So I hope that the Minister is going to reconsider the statements that he has made where he is not going to be going along with this agreement, and then that he is going to sign and that he's going to sign as soon as possible because the time is there where contracts ought to be signed.

MR. CHAIRMAN: Item No. 1.(b)(1) - the Member for La Verendrye.

MR. H. PANKRATZ: Thank you, Mr. Chairman.

My question to the Minister is - and I just have a few short questions - last fall, and the response that he has received from the Honourable Minister, Mr. Mayer, where it states that he himself has signed that agreement, now I want to ask the Minister, and I'll read it for you because it's not the tripartite agreement, so this is why. For clarification, I'd like to read to you the whole paragraph, Mr. Minister.

"I recognize the concern of the Government of Manitoba regarding a financial commitment to the sugar beet industry. However, the Federal Government policy as of June 1985, with the amendment to the Agricultural Stabilization Act, is to develop an equal partnership for all future stabilization schemes. This policy recognizes the joint federal-provincial responsibility for agriculture as agreed to by all Agricultural Ministers, including yourself, when the national agricultural strategy was signed last fall in Victoria."

My question to the Minister is: Did you sign this? Are you one of the ten that signed it?

HON. B. URUSKI: Mr. Chairman, let the honourable member look at any agreement and tell me that tripartite is the only game in town. Mr. Chairman, that's not what the legislation says that was passed. It is not what we signed, and I will be the first, as I said earlier, to admit that I signed the hog plan. We were supportive of the hog plan in consultation with the producers.

But for the honourable member's information, I want to indicate again - I guess he didn't hear my remarks dealing with the historical, and I will repeat for the record again - that the Federal Government, under section 95 of Canada's Constitution, indicates that agriculture is a shared responsibility of Federal and Provincial Governments.

I have also indicated that the Federal Government has been making much of this lately and has been using it as the basis for attempting to offload onto provinces the fiscal responsibility for programs traditionally within their jurisdiction.

What the Federal Government fails to point out when it speaks about shared responsibility is that, historically, the provinces have accepted responsibility in the areas of extension services, resource management and technology transfers. The Federal Government has accepted responsibility for trade and income support relating to agriculture since the passage of the Agricultural Stabilization Act in 1958. Mr. Chairman, we have said this is as it should be.

The move by the Federal Government in the area of sugar beets are two unilateral announcements. There has been no discussion in this whole matter. There was a unilateral announcement in 1985 of which we finally got an agreement and now Conservative members in this House are saying to this government and to the people of this province, please forget that agreement; please forget that understanding. Mr. Chairman, we, in recognition of the industry, in the value of the industry, have in fact said, notwithstanding that agreement, we're prepared to put \$3 million into that industry. But I don't want my honourable friend to suggest, because we signed a national agricultural strategy, that is not correct.

The information that the Minister of the Wheat Board, I'm assuming that the letter from Charlie Mayer, that information is not accurate. I want to say that on the record and I have told that to Charlie Mayer directly. (Interjection)- It is not accurate.

MR. H. PANKRATZ: Mr. Chairman, to the Minister, then when it states here that the Agricultural Stabilization Act is to develop an equal partnership for all future stabilization schemes, is that then not factual that this Minister has signed such an agreement?

HON. B. URUSKI: Mr. Chairman, since when is the tripartite scheme unilaterally announced, the one that is agreed upon? Is that what the honourable member is in fact advocating in this House, that one should enter into an agreement if it is unilaterally imposed and not question that at all? Is that what my honourable friend is suggesting?

MR. H. PANKRATZ: Mr. Chairman, the Minister I guess obviously doesn't want to admit that he has signed that agreement.

I want to ask him another question further to that date.

HON. B. URUSKI: Mr. Chairman, we signed the national agricultural strategy. I've indicated that.

MR. H. PANKRATZ: Well, that's what my question No. 1 was, Mr. Minister.

HON. B. URUSKI: We did. But, Mr. Chairman, nowhere in that strategy, neither in the strategy or in the legislation is it stated that tripartite is the only game in town.

MR. H. PANKRATZ: Mr. Chairman, I never indicated that it was.

Mr. Chairman, I read to the Minister exactly and then I asked him whether he had signed that agreement. Nowhere did I mention tripartite. But it states that you are willing to negotiate, to agree, with the Federal Government to participate in.

My next question to you is, you've had four or five different meeting places since 1985, which you did not attend to, can you then blame the Federal Government for coming through with a policy where you had very little input into?

HON. B. URUSKI: Mr. Chairman, we had an agreement in 1985 - what the member forgets and if he wants me to provide him with a copy of that agreement, I'm sure he's received it - on two major points. And I'll repeat it again: (1) that there will be a national sweetener policy that my honourable friend for Rhineland talked about. The only point that he missed in his remarks is that he didn't deal with the neglect and the offloading of the Federal Government onto Canadian producers; (2) the second point, Mr. Chairman, in that agreement was that there will be no further funding required by the Manitoba Government to the sugar beet industry beyond the 1985 crop year.

Mr. Chairman, what is so difficult to understand for my honourable friend that that kind of an agreement is very clear of what the intent was and what the intent should have been?

MR. H. PANKRATZ: Mr. Chairman, it is exactly these dates and about five meetings that the Federal Government called when they actually formulated this Tripartite Stabilization Program where our province could have had a lot of input, would have been able to suggest, delete and possibly include whatever they so desired. But they did not see fit to even attend these meetings.

I can see why the Minister of Agriculture would mention Mr. Epp and Mr. Mayer. I guess he feels quite threatened by them, because he's got to negotiate in certain other agreements with him as well, and possibly he'll run into more difficulty, or at least I would hope so that he would.

I want to ask this Minister, now that there is this tripartite agreement, which he is refusing to sign - (Interjection)- Well, the agreement that Alberta is signing, the one that you are not willing to sign. My question to you is: Have you ever indicated to Mr. Mayer what changes you would like to see in that agreement?

HON. B. URUSKI: For the member's information, I wish to indicate to him that there were no federal-provincial meetings discussed, called to discuss tripartite. The federal-provincial meetings and industry meetings were there to receive submissions from industry representatives and to receive their positions and there was a whole host of positions. Tripartite was announced by the Federal Government and put out as their response to those consultation meetings, Mr. Chairman. Let it be very clear as to what had occurred.

Mr. Chairman, I indicated and I will continue to indicate, for my honourable friend's information, that we will not sign a unilaterally imposed scheme.

MR. H. PANKRATZ: Mr. Chairman, I can sure realize now that if the Minister hasn't attended any, he wouldn't know what they even discussed at the time. I believe it's his deputy who agreed to and was making changes in the Alberta meeting at the time, and which was I believe a good point, whereby if the price of sugar would go up to the growers, that growers would contribute more. This was agreed upon and I believe it's quite obvious that the Minister wouldn't know what has been transpiring at these meetings if he never did attend them.

My question to the Minister still is, that in 1985, the Province of Manitoba did contribute. In 1986, the Province of Manitoba did not contribute anything to the sugar beet stabilization, to the price. The Federal Government paid the total shot. Now we're up against it whereby the province shall contribute.

My question to you is: This Tripartite Stabilization Program that the Federal Government would like to have the Province of Manitoba sign, which is a 10-year agreement, what are the changes that this Minister would have to see in order for him to sign it?

HON. B. URUSKI: Mr. Chairman, for my honourable friend to suggest that we had made changes to the plan, let it be very clear that my staff attended the meeting after the proposal was put out, not before there was a proposal. There were no discussions and I want to tell my honourable friend that we would have not attended. I want to tell you that we would have not attended. Why would we have attended when we in fact had an agreement with the Federal Government? I mean, that is pure nonsense, Mr. Chairman, in terms of the agreement that we had in '85 with the Federal Government saying, look, we won't call upon you to enter into any further financial contributions to the industry because, historically and for the last 25 years, it was our responsibility. Now we want to offload and we have a bunch of Conservative members in this Legislature parroting the federal line that the only way that there will be an industry is if this province capitulates to their unilateral decisions, Mr. Chairman, and we will not.

MR. H. PANKRATZ: Mr. Chairman, my question to the Minister still is: What changes would have to be made in it for him that he would agree with the plan?

HON. B. URUSKI: Mr. Chairman, I'll tell my honourable friend what we told the Federal Government. We told them that we would in fact change the clause to reflect

the \$315,000 a year Manitoba premium or contribution to the industry; and secondly, that there will be no deficit or liabilities to the Province of Manitoba.

MR. H. PANKRATZ: Mr. Chairman, to the Minister: If there would be a clause whereby you would be able to opt out in between the 10 years, let's say after 3 years, would that be satisfactory to you - the present plan, mind you?

HON. B. URUSKI: Mr. Chairman, there are clauses there now. I gave the honourable member the two points, basically my announcement. He knows what my announcement was, that we were prepared to contribute \$315,000 over the 10-year period for a total in excess of \$3 million and that there be no further liability to the Province of Manitoba in the plan. That was basically the Manitoba position, Mr. Chairman, and I'm accused of fedbashing.

Let me quote, and I had mentioned to my honourable friends earlier about what federal Ministers do to provincial Ministers or even provincial Premiers, and I quote from the Globe and Mail of - it was several weeks ago. "Federal Environment Minister, Tom McMillan, accused New Brunswick Premier Richard Hatfield yesterday of worse than blackmail in backing out of a promise" - just a promise - "to reduce acid rain. In addition, Nova Scotia Premier, John Buchanan, is trying to get more money out of Ottawa in return for ratifying a similar promise made two years ago," Mr. McMillan said. "It is," and I quote Mr. McMillan, "reprehensible for any party to that agreement to renege on its commitment."

Mr. Chairman, Mr. McMillan suggested that the Federal Government is being held to ransom. Mr. Chairman, if, on a commitment, the Federal Government is accusing Conservative Premiers of this country of being reprehensible and holding them to ransom, how can you members in this House, what do you consider the tactics of the Federal Government, vis-a-vis the sugar beet growers, if it is not blackmail and ransom, Mr. Chairman, I question you, what is it?

MR. H. PANKRATZ: Well, it's unfortunate that the Minister always takes off on a tantrum of some kind and tries to evade the question or the answer. But I want to ask the Minister a question. He states he's prepared to put \$3 million into the sugar beet industry. Is it then not also correct that it states in the tripartite agreement that with giving three years notice, the Province of Manitoba, or any party can opt out?

HON. B. URUSKI: Mr. Chairman, we could opt out anytime, but pay 100 percent of the deficit at that time.

MR. H. PANKRATZ: To the Minister, Mr. Chairman: So that you would have to give though a three-year notice, is that right?

HON. B. URUSKI: Staff are looking at the . . . Mr. Chairman, I want to tell my honourable friend . . .

MR. H. PANKRATZ: On page 10, 9.2, it states that you give a three-year notice.

HON. B. URUSKI: Right. Mr. Chairman, "A province may terminate participation in the program by giving

a three-year advance notice of the decision to withdraw from the program in writing. It shall pay to the account its share and the share of producers enrolled in that province of any deficit of the date of withdrawal, and if the account is in surplus, shall forego any right to its share of the surplus. However, producers who are enrolled in that program shall have the right to share proportionately in any surplus in the account existing at that time."

MR. H. PANKRATZ: Mr. Chairman, to the Minister, if he's prepared to put \$3 million into the sugar beet industry and he has the option, in three years, to sign an agreement today and within a month's time notify them that in three years he'd want to opt out, he would never have to forfeit \$3 million into the industry and he would keep it alive and maybe, in the meantime, he would be able to negotiate . . .

HON. B. URUSKI: Put that in writing, we'll take it to them.

MR. H. PANKRATZ: Well, it will be. Hansard will be in writing, so whatever I'm stating will be in writing. But I mean I think this is where the Minister of Agriculture would be able to keep the sugar beet industry alive and still pursue the negotiations that he is trying to negotiate with, because I definitely believe that, as growers, we have to accept what the province or the Federal Government is willing to give us. We are not in a position to indicate this is what it has to be or we can't place the demands on the province or the Federal Government.

So with that, I would suggest to the agricultural Minister that he look very seriously at this three-year opting-out clause, which he has in it, and which he would be allowing the program to be introduced and if he would feel that it would be too heavy a burden on the Province of Manitoba, then he would be able to give notice and three years later the Province of Manitoba would be released from its obligation.

HON. B. URUSKI: Mr. Chairman, I want to tell my honourable friend that if we were to sign now - and this is the most flowery speech that I've had from any member in a nice way, saying we will in fact, please trust us, we know what we're doing on behalf of the Federal Government. I want to ask my honourable friend, does he trust Charlie Mayer after he reneged on that agreement? I'd like his response to that.

I want to tell my honourable friend vis-a-vis the deficit, Mr. Chairman, if we moved out of the program now, we would be liable for \$4.18 million in three years and that's only 50 percent of the deficit. Our share, if we opted out, would add another 50 percent of that, which would make it in excess of \$6 million, in addition to the premiums we'd have to pay up.

That's the kind of scheme my honourable friends would want us to get into, Mr. Chairman. I'd love to have him on the other side of the negotiating table anytime, Mr. Chairman, because I think we in fact would get along marvelously at his expense.

MR. H. PANKRATZ: Well, Mr. Chairman, there are so many other commodities that are produced in this

province, which the consumer of this province is totally paying for, and I needn't mention the product that the Honourable Minister himself is growing. I believe here's a product where the grower and the Federal Government and the province could get together, unite and keep an industry alive in this province. It is unfair that we have a Minister who I guess is not willing to negotiate and participate with the Federal Government. It was obvious by him not coming to the meetings, so for that, Mr. Chairman, those are my comments to the Minister.

HON. B. URUSKI: Mr. Chairman, the last suggestion that the honourable member has made is the most significant one of them all, and I want to agree with him. I want to tell him that the Alberta proposal that was discussed at the meeting that I was not supposed to be at, the Alberta proposal in St. John's, I want to tell my honourable friend, proposed as one of the options that an excise tax on refined sugar in Canada of 1 cent per pound would realize \$20 million. Funds secured through such a tax could be applied in support of the sugar beet production based on 1984 production. This could mean \$21.45 per tonne of support.

Mr. Chairman, that's the kind of suggestion that should be accepted as part of a national sugar sweetener policy. That was put forward by the Government of Alberta as one option for the Federal Government to review, Mr. Chairman. Why didn't they accept that? And I agree with my honourable friend that they should have. Mr. Chairman, I wish that he would in fact communicate that to his friends in Ottawa.

MR. CHAIRMAN: The Member for Portage la Prairie.

MR. E. CONNERY: Yes, I'd like to ask the Minister if he knows the trade position that Manitoba is in with foreign trade. If we don't grow sugar beets in Manitoba, that sugar's going to come from a foreign country. It's not likely Alberta will have enough to supply more than Alberta. Does the Minister know what our trade debt is in Manitoba with foreign countries?

HON. B. URUSKI: Mr. Chairman, in terms of agriculture production, Manitoba historically has been a net exporter of practically every commodity, except the seasonal commodities, in terms of vegetables and fruits that we import. But on every major commodity that is produced in this province, we are at a net surplus in terms of commodities.

MR. E. CONNERY: Mr. Chairman, I'm well aware that we're in a surplus with agriculture. I'm asking if the Minister knows in total trade, manufacturer trade, tourism, if he knows the economic position of this province before he makes a decision. Does he know?

HON. B. URUSKI: Mr. Chairman, I don't have those figures. I suggest that the honourable member raise the entire matter of trade and the trade discussions when my colleague's Estimates, the Minister of Industry, Trade and Technology, who heads the governmental group in terms of international trade and discussions on trade matters with the Government of Canada.

MR. E. CONNERY: . . . Mr. Chairman, this honourable colleague does not also know the facts. Mr. Chairman,

we don't always have the most up-to-date figures, but in the manufactured and processing we're somewhere in the area of \$800 million in a trade deficit. We've got over \$100 million in tourism deficit, foreign deficit. We also have somewhere in the area of \$200 million in the interest and exchange rate deficit in the Province of Manitoba, and this Minister then wants to increase the trade deficit that we have by refusing to sign a tripartite sugar agreement.

Does the Minister know the farm gate value of the sugar beet industry and the retail value and the total value of the sugar beet industry to Manitoba?

HON. B. URUSKI: Mr. Chairman, let my honourable friend start adding up the requests that they will be making in this department and in every department for increased spending, and the Member for Morris will try and sit and say to the public of Manitoba, a Conservative Government would in fact reduce expenditures and balance budgets. But we will be making, and I will be making, a note of all the requests that come to me for increased spending and we will tally them all up, Mr. Chairman, and we would not be having a \$400 million deficit in the province. If we total all those expenditures, we'd be looking at a \$1 billion deficit, and then who would be crying foul and bankrupting the province?

MR. E. CONNERY: Mr. Chairman, it's quite obvious either they do one of two things. They fed bash or say that we want it both ways, or they're going to add up all of the requests that we have for money.

The Minister didn't answer the question. I don't know if the Minister knows the answer, and probably he doesn't know the importance of the industry. The industry says it's worth somewhere in the nature of \$90 million to Manitoba in the total spinoff, the retail sales, the whole thing, \$90 million. We've already got a \$1 billion trade deficit, over \$1 billion, in fact \$1.1 billion. This Minister wants to add another \$90 million of trade deficit to this province. The money coming from the Federal Government is an assist to this province. This Minister refuses to go along with that. It is added dollars coming into this province. He's been bellyaching and bitching about there's been no money coming from the feds. Now you've got an opportunity to -(Interjection)- Well, the Chairman didn't hear, or he's not with us. I'll withdraw the word that some members find offensive.

But, Mr. Chairman, when you see an Agriculture Minister who is getting his total income out of the pockets of the consumer - and there's nothing wrong with that - but his total income is coming from the pockets of the consumers, rich or small, because he's got a turkey quota that guarantees all of his expenses and a profit, but he doesn't want to let other people - this Minister must be pretty cold hearted and pretty hard hearted to look at turning down these people just because he's got a gripe with the Federal Government, and he does not want to say I had to give in.

He hasn't got the bigness that is required of being a Minister, and it takes some bigness to be a Minister and to see when there is not going to be a change. There are people, Mr. Chairman, farmers out there, that a good percentage of their income comes from sugar

beet production. When they lose that, they don't have the land base to turn around and produce another crop that can't be sold anyways.

So, Mr. Chairman, this Minister, I find, should be in conflict of interest to start with because, when he can derive his income and not have to worry that he can turn his back on the other farmers . . .

MR. CHAIRMAN: The member is making an accusation.

MR. E. CONNERY: Yes, I think the Minister in his position can get his money out of the marketplace where other people can't. So when he turns his back on sugar beet growers, Mr. Chairman, then call it what you will. He is assured of his income, but other farmers aren't assured of their income. Just because he hasn't got the bigness and the greatness to say, yes, we've gone as far as we can with the Federal Government, now we'll sign.

His quota with turkeys is a tripartite deal because it's federal-provincial - well tripartite. The Federal Government has to go along with the quota structure; the province goes along with the quota structure; and the grower agrees, so that's a tripartite deal. Your own industry, what you get a good income out of is tripartite. That's all the sugar beet growers are saying, we want a tripartite deal, the same as you have with your turkey quota.

HON. B. URUSKI: This is the best speech that I have heard in support of supply management. Mr. Chairman, I have never heard a Conservative in this House get up and make such a plea for supply management. I'm pleased that the Member for Portage now got up and said, we've got to have supply management, because the Minister of Agriculture is in supply management and he's doing quite well, why can't we have it? That's really the point that the member is making.

Just for my honourable friend's information, Mr. Chairman, I want to tell him that the bulk of our production, although we have a quota, we are not in a supply management because in order to produce turkeys you have to -(Interjection)- Mr. Chairman, the honourable members have in fact, veiled, accused me of a conflict of interest -(Interjection)- Well, they did.

Mr. Chairman, if there were members in this House who spoke on sugar beet production who are in fact sugar beet growers themselves and I, for one, want to grant them the full right to speak on any issue, but I would not and I hope that my honourable friend from Portage would not cast aspersions because my farming operation, my family's operation, has a small quota in terms of the production of turkeys.

I want to tell my honourable friend that we produce 2,000 commercial turkeys, maybe 2,500 if that's enough for a family to survive on. But I want to tell him that the other portion of our quota, which is for about 4,000 birds, is in a hatchery supply clock where there is no consumer return. We get paid on a per-hatched egg, if he wants to know my operation. The bulk of our operation is a grain operation, and I cashed our cheque from the Federal Government just the same way as any one of them who received the special grains payment. We cashed it as well. But I don't think the way that program worked is accurate.

I want to tell my honourable friend, the Member for Portage, that if he is saying that there should be supply management in a whole host of commodities in agriculture, then why doesn't he get his colleagues to start speaking up? Obviously he's been in a marketing board for years. He doesn't want to say that or he's acknowledging that. I'm glad that he is, Mr. Chairman.

At least he believes from a Conservative perspective that orderly marketing makes sense, that if you work together in an orderly way, you can in fact impact on the market. If you go one step further, by the rules of provinces and the Federal Government, we can in fact establish supply management which is not against the GATT regulations, provided it is handled internally and there are no internal subsidies. Mr. Chairman, even that could be done.

But the difficulty with the sugar beet growers is that Canada historically has only produced 10 percent of our requirement. Historically, Canada is one of the few, if not the only, importing country that has not had international agreements dealing with imports. The U.S. certainly does, but Canada does not. Why they have not put into place a national sugar sweetener policy that can in fact take that into account, either on an internal basis or through international agreements, Mr. Chairman, only successive Federal Governments can answer that question. But clearly, Mr. Chairman, my honourable friend for Portage should not attempt to confuse apples with oranges vis-a-vis supply management to the sugar beet industry.

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

MR. G. CUMMINGS: Mr. Chairman, I would like to direct a couple of questions and a couple of comments to the Minister regarding what I think has been a first-class Academy Award performance in the House this afternoon in his defence of the position of this government and his position.

We are witnessing this afternoon an industry that is going down for the third time. I'm not a sugar beet producer. I'm a hog producer and a grain producer; I'm formerly a dairy producer and a beef producer. What I've seen here this afternoon is a situation that I don't consider sound and reasoned government. I think that you have taken a position that does not necessarily carry very much forward thinking on the part of this government.

I think you're taking a short-term view of a problem that has been ongoing, and that you have come to a position where you're saying there is, in your opinion, no future in any further recognition of the sugar beet industry in this province. I believe that good government and sound government would look at what the real ramifications are of letting a unique industry like this go down the tubes.

You can talk and the Minister of Finance can talk about the careful expenditure of funds, and I wholeheartedly agree that any government that would throw funds into any industry without a rationed and rationalized approach and without good reason would be foolish government. But when we look at the fact that we have a sugar beet processing industry in the city, that if it's closed, Mr. Minister, it will be closed

permanently. This is not a temporary problem. It was a very unique situation, I believe, in Alberta. When the factory was shut down for one year, the plant there cost the factory a considerable amount of money to maintain that plant in an idle state for one year.

I predict, and I'm quite prepared to go on the record here, Mr. Minister, that if the plant in Winnipeg is shut down, that will probably be the end of sugar beet processing in this province. I cannot predict and I cannot speak for the company, but I would be very surprised if the company would put that plant in an idle state and in a state where it could be brought back into production or into processing in a year or two down the road.

So we're looking at a situation where, if the province and the Federal Government cannot agree with the producers and with the manufacturers or the processors, if you will, on what the future of this industry is, we are witnessing this afternoon a government and a Minister of Agriculture who are prepared to sink this industry because they are not prepared to see the future and the future needs that the agricultural industry as a whole have in this province.

We have a very unique area in southern Manitoba, soils and heat units that lend themselves to the production of crops that provinces such as Saskatchewan cannot take advantage of. Southern Alberta also has a unique area, and I believe they have demonstrated that they are prepared to recognize and support those needs in their indication that they are prepared to sign the tripartite agreement.

The Minister, it would seem to me, is indicating that the \$3 million or \$3.5 million is not necessarily the problem, because he has been prepared to put that money on the table, but he's not prepared to put it on the table in context of the tripartite agreement. You have, in fact, left the producers of this province in a very sore state of affairs. This is the 6th of April. Right now is when those people should be planting their crop, and yet there's still some uncertainty out there. The Minister is saying, well the money is there, but it's not there if we're in tripartite, because there's an additional exposure in the tripartite agreement.

I can't believe that the Minister has, out of hand, dismissed the figures that were brought forward by the sugar beet producers, where they show that the revenues to this government as would be generated by the taxes on the labour, the taxes on the products that the producers would use, the taxes on the fuel that the truckers would use, would offset the annual cost to this province in those revenues alone. I believe that their figures are soundly thought-out, and I accept them as they put them together. But apparently, this Minister has not been able to convince his Cabinet colleagues that is a sound enough reason to support this industry.

I mentioned some of the other reasons that he could have used ahead of that statement, Mr. Chairman. You could look at the jobs. This government, Mr. Chairman, has prided itself in how it represents the common man, the labourer in the field. After what I saw at the Springhill Plant on Friday, I'm not so sure that I agree with that. The labour laws of this province are screwed up, frankly. But we've got workers out in the field in agriculture; we've got workers in the plant who will, quite simply, be looking for something else to do this summer if a

decision and a positive decision is not made in the next few days.

The Minister has skirted around the topic in many different directions. He has indicated his lack of trust of the Federal Government. I don't want to get into a debate with the Minister about whether I would trust him or Charles Mayer most, but I think that while we debate each other's pride and honesty, there's an industry out there that's going down the tube, an industry that is unique, an industry that deserves some special consideration, and I believe an industry that will not, in the long haul, cost this province very much money.

It will have a positive effect, because we are looking at a situation where grain is not a reliable single-source income for the farmers of this province. We're looking at an area that has unique opportunities, not only in sugar beets but in many other crops. The department should have options available out there and does have some, but I believe needs a far greater thrust. Given the situation where you're looking at an industry that is going down and one more option is being taken away from the farmers who are in this area of our province, I think there's something seriously wrong with the direction that the Minister is taking agriculture in this province.

Frankly, the reason that you've seen so many members in the House here this afternoon on our side is that we see this as a last-ditch attempt to get some sense and some reason into this government not to let this industry go down the tubes this week, because surely, within a week or 10 days, is when we are going to see that a decision has to be made or there will not be a crop planted. Surely, you can stop waving the \$3 million out there and say, well maybe it's there, maybe it isn't there. Like it's there, but to what - you're taking away any opportunity for a long-term program for these producers. You're putting them in a situation where the tripartite can't be signed under the conditions that you have laid down. Does the Minister deny that? - (Interjection)- Does the Minister deny that his conditions forego any signing of the tripartite agreement?

HON. B. URUSKI: No.

MR. G. CUMMINGS: Then I would like him to explain.

HON. B. URUSKI: Mr. Chairman, just make those two changes that I gave to my honourable friend from La Verendrye, the two changes that we put forward. Then the agreement can be signed.

MR. G. CUMMINGS: Mr. Chairman, I don't know how much more this side has to do to emphasize the importance that we give this issue. I don't know how much more we have to do to emphasize to this government that good government is not necessarily a government that acts like a dog in the manger, and has their way or their way only.

If their philosophy cannot agree with the producers of this province and if their philosophy cannot agree with the central government, they're prepared to sacrifice this industry because they've said, we're right. Nobody else's opinion is right, and we're going to let the sugar beet industry go down the tubes. That kind

of attitude and that kind of leadership, Mr. Chairman, we don't need. Agriculture has got enough problems.

You can talk about sugar beets being a small portion of the agricultural industry, but surely this is only an indication of the problems that we've got out there, and it's one more thorn in the side of the farmers who are sitting on some of the most expensive land in Manitoba. Their taxes are high. Those who have bought recently are paying enormous land values, and the one crop that will not return to them this summer, the high-profit crop that they will not be able to receive returns from is going to be denied if a decision cannot be made on the future of the sugar beet industry, a positive decision.

I think that's the part that really hurts this province, the direction that we see this government taking us. I appeal to you, Mr. Chairman, there are ideas that - surely, you can reach an agreement with the Federal Government on this issue, and let's get the sugar beets in the ground this year and let's have an industry in this province.

HON. B. URUSKI: Mr. Chairman, if ever there was a speech in this House that said agree and capitulate, there's one from the Honourable Member for Ste. Rose. My honourable friend talked about good government, Mr. Chairman. He missed one corollary of that - fair government.

Mr. Chairman, what is fair in this situation in terms of good government? Good government would have said a deal is a deal. That would have been a good government. We have a deal; we have an agreement. That would have been sound, good government. Mr. Chairman, what members opposite are advocating, are advocating that notwithstanding an agreement reached, notwithstanding our willingness to put money up in terms of the significance of the industry to this province, to the workers of this province in terms of processing, manufacturing, we moved away from our position, Mr. Chairman, and that apparently - and we very clearly and in a personal meeting said, that's it. Mr. Chairman, if anyone is, in fact, renegeing and, in fact, not providing good government, it's his colleagues in Ottawa.

Mr. Chairman, one unilateral decision in 1985 which we responded to and signed an agreement, two unilateral decisions by the Federal Government saying this is the tripartite scheme, take it or leave it. No negotiations. No discussions. Mr. Chairman, if that is his description of good government, let him continue to support his colleagues in Ottawa.

MR. G. CUMMINGS: I prefaced my remarks - and I thought maybe the Minister would notice that I said I was a hog producer. Prior to this election he, without very much hard negotiation, agreed to write off between \$11 and \$13 million to the hog producers of this province so that we could join a tripartite agreement. What was the final figure, Mr. Minister? Whatever the final figure was with the hogs it was a substantial amount. At the time of the signing, the potential exposure was \$13 million. There was future income to come in to reduce that figure. The final figure, I would be interested in hearing what it is.

But it was written off without a lot of hard negotiations so that the producers of this province could get into

a tripartite agreement. But it was prior to the election. Now that the election is over I'm not so sure that this government is nearly as compassionate.

HON. B. URUSKI: Mr. Chairman, I'm glad we're now, or maybe I'm not - if there are any more questions we'll deal with the stabilization question. I want to tell my honourable friend that when we made a commitment we kept it. To me that's the very salient point in his comments. When we made an announcement we kept the commitment, whatever the figure was. The figure is not \$13 million, Mr. Chairman, it's in the vicinity of \$3 million. We'll get the figure when we get to that issue, Mr. Chairman, but if my honourable friends have any further comments on sugar beets, let's go or let us go into the regular Estimates.

MR. CHAIRMAN: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, it's really a little unfortunate that we have to stand up when members of this side of the House practically plead, get on our knees on behalf of the sugar beet manufacturers or producers in this province so that they can just stay alive, so they can just support their families, so that their children will have the things that their children have always had. It is unfortunate that the Minister has stood up today and given all kinds of excuses as to why he shouldn't have any feeling for those people, why he shouldn't care whether they go on relief or not and he uses the Federal Government as an excuse.

We have a situation where the Minister of Industry obviously doesn't care, and we have a situation where the Minister of Labour sits in his chair and chirps across the House to us saying, "Call Ottawa" - "You're right, Billy." The Minister of Labour is a person who would want to preserve jobs in this province and you'd think he would be working with you or trying to show you the error of your ways, so that these people can continue to enjoy their lives. There are people working in - the producers, there are people working in the plant, there are people working in the trucking business, there are people working in the equipment business, and they have, through the years, developed a very good business in the Province of Manitoba.

It is unfortunate that my colleague from Portage la Prairie indicated that marketing boards might be the best thing because it's documented in Hansard that the Minister believes in the Russian system of agriculture and I heard him in the caucus room when he jumped on that and said this would be the best way to go. He documents that he signed an agreement with the Federal Government and the Federal Government reneged. Well, the Federal Government had a situation where they had an industry the same as in the cereal or the grain industry that is very serious for the farmers of the Province of Manitoba, and the country as a matter of fact.

We have a situation that happened with the sugar beets because offshore sugar was coming in as low as four cents a pound in B.C. and sugar cane certainly has been taking over and hurting our sugar beet industry. As my colleague, Arnold Brown from Winkler said, they have had a problem for years this way. And

it has to be solved. But it hasn't been solved. It hasn't been solved and so we come along after an agreement was signed and the Minister does all his hollering saying, they backed out. Would you trust Charlie Mayer? Let's blame the Federal Government, and I repeat that, would you trust Charlie Mayer?

Mr. Mayer has explained it to us as he has explained to you that he has not been able to get out of a bad situation that's almost worldwide in the sugar industry. And of course you don't trust him. You choose to malign him and tear the Federal Government apart rather than work with them on a situation that is still bad. Not that he reneged on any deal, he still has a bad serious situation which he is trying to solve with you.

He's come to you, probably hat-in-hand and if you want to call it capitulation because he's trying to do the best he can, you call it what you like for political reasons. You call it what you like because you don't care. You call it what you like because this province is absolutely broke and has no way of helping these people because you've blown your money on everything for the last six years and you don't have any money.

You use all those excuses but that's the real reason why you can't and so you choose to blame other people. We hear it all the time when we go through the Interlake - "Billy isn't a bad guy, but . . ." - they usually add - ". . . he doesn't know what he's doing. And he doesn't know what he's doing when it comes to this agricultural situation. He's proven he doesn't know what he's doing when it comes to grain. He's proven he has only one excuse. He's proven he has only one excuse for not helping the farmer of Manitoba and that is "blame the Federal Government," which proves he's incapable of running his department, the agricultural department of the Province of Manitoba, in his own way, as his own man and doing something for the people of this province when it's required.

Let's not talk history; let's talk about today. It's been said it'll be on your head, it'll be on this government's head, and it will be, if you want to walk out and use the excuses of threats by the Federal Government and all of those things. There is a problem that has not yet been solved and you haven't got the ability to help solve it, and you use excuses to do otherwise.

You'll see those farmers not planting, Minister of Agriculture. The Minister of Industry will see that plant not working; the Minister of Labour will see those people out of jobs and - (Interjection) - Open my eyes? Well, maybe when it closes, I'll take you by the hand down to visit them. Will you come with me to visit them in their homes when they're not working? Will you visit those farmers who can't put in their crop? Go ahead, open my eyes. I'll open my eyes and go and see them, but all I know is you've got yours closed and you're just trying to be something big, but quite frankly you're making yourself something small in this matter and it's time you start thinking of Manitobans and not just yelling "Federal Government."

HON. B. URUSKI: Mr. Chairman, the Honourable Member for Sturgeon Creek, in his diatribe today, tries to put someone on a guilt trip, in terms of support.

Mr. Chairman, \$3 million in 1985 is not peanuts; \$3 million in 1987 over 10 years is not peanuts. Let him not get up in this House and try and say you're broke,

you don't have anything to do with this problem. I reject the honourable member's comments. If \$6 million is nothing, Mr. Chairman, then let the honourable member stand up and say that it's nothing.

MR. F. JOHNSTON: Mr. Chairman, on the contrary, I will say that \$6 million is something. I regard money much more sacredly than that side of the House ever has. Mr. Chairman, we have a problem today, that you haven't got the capacity or the ability to solve now. Don't tell me history.

Laugh - will we put on the record that the Minister laughs when he thinks about this situation? I will tell you, Mr. Chairman, I will do exactly what I said I will do. I will take him in my car down to meet the producers that are not planting. I will take them to the factory where the people aren't working and I'll take him to the farm implement dealers who are suffering because of this, and I want him to laugh at them.

HON. B. URUSKI: Mr. Chairman, the only person that I laugh at is the Honourable Member for Sturgeon Creek. Let the record show that very clearly.

Mr. Chairman, in this issue, when a Conservative is in trouble, don't give me history. Let's deal with the problem today; forget about everything else. Forget about agreements, forget about agreements entered into, forget about commitments, but because the Conservatives are in trouble, now let's deal with it today. That's the argument and the rationale of the Member for Sturgeon Creek. Leave history aside. If that's Conservative logic, Mr. Chairman, I'll let him decide that question for himself. I will not.

From 1958 to 1983, agricultural stabilization under John Diefenbaker's legislation was a federal responsibility. It's Mulroney's Conservatives who have backed away from that piece of legislation, Mr. Chairman, and he is now trying to defend them. He, of all people, should say to the Mulroney Conservatives in Ottawa, you are renegeing. Old John Diefenbaker, poor soul, probably has turned over in his grave three times, having heard this debate in this Chamber today, saying oh, my God, what are they doing to my piece of legislation? I had a vision; I had a vision for the farmers of Western Canada, for all farmers of this country, that there would be a support scheme that would provide a measure of income stability for whatever commodities we decided to put under the act, Mr. Chairman.

This member, the Member for Sturgeon Creek, says, "Don't give me history." Well, of course, Mr. Chairman, don't give me history because the Mulroney Conservatives are trying to rewrite history. They have rewritten it, Mr. Chairman, and they are backtracking in all fields. Why would they pay stabilization payments for apples for the years 1983 and '84 for a commodity that is also not named in the act? But they are not prepared to do it for sugar beets.

Let the honourable member defend the Tories on that one. Why would they be prepared to go four years and pay for those commodities and they were not prepared to pay for sugar beets? Why would they not allow sugar beets to stay under the Agricultural Stabilization Act? What changed? Government policy changed, Mr. Chairman, that we're now not prepared

to do what we are in some commodities and we're not going to treat farmers fairly. That's what changed, Mr. Chairman.

MR. F. JOHNSTON: Mr. Chairman, I said don't give me history, and I say don't give me history. I say that I want something done for the producers in Manitoba; I want something done for the workers in the plant and I want something done for the people in the implement business and all the supporting people to this industry.

Have you forgotten what a renewal resource is? It's something that we should work to always preserve in this province because every year it grows. Every year it creates jobs, and that plant will close. I'm rather surprised that you say don't rewrite history. We're not rewriting history. You're going back, and in fact I rather feel bad that you would use Mr. Diefenbaker's name, because quite frankly, I don't think you knew anything about the man.

Let me say this: Did you ever write legislation that didn't have to be changed because of circumstances? Have you never written a bill or something comes up that doesn't have to be looked at again to solve a problem for the benefit of the people? You don't even know what people are if you take that attitude. You say, what is the change? The change is this, Mr. Minister, that the sugar industry is in deep trouble. They tried to solve it; you signed an agreement with them to solve it. It hasn't completely worked and it's still got a problem and you haven't got the capacity or the capability to do anything about it.

MR. CHAIRMAN: The hour is now 5:00 p.m. I'm therefore interrupting the proceedings for Private Members' Hour.

The committee will resume at 8:00 p.m. this evening.

IN SESSION

PRIVATE MEMBERS' BUSINESS

PROPOSED RESOLUTIONS

RES. NO. 2 - FREE TRADE

MADAM SPEAKER: Proposed resolutions.

The Honourable Member for Kildonan.

MR. M. DOLIN: Thank you, Madam Speaker.

I move, seconded by the Honourable Member for Elmwood that

WHEREAS a comprehensive, bilateral, free trade agreement with the United States is not an appropriate solution to overcome transitory problems of U.S. protectionism; and

WHEREAS the suggested benefits of comprehensive free trade with the United States has been greatly overestimated; and

WHEREAS the economic dislocations and adjustment problems of a comprehensive free trade agreement have been continually underestimated; and

WHEREAS continental rationalization of production will in all likelihood make Canada a "low tech" ghetto in the 21st Century; and

Whereas the greatest potential for harm in a comprehensive free trade agreement would come to

the resource exporting regions of the Atlantic provinces and the West; and

WHEREAS Canada's cultural identity and social programs will, inevitably, be brought to the bargaining table and placed in jeopardy.

THEREFORE BE IT RESOLVED that negotiations with the United States be limited to sectoral agreements rather than a comprehensive package; and

BE IT FURTHER RESOLVED that Canada should pursue fair trade with all nations, including the United States, through the GATT (General Agreement on Tariffs and Trade); and

BE IT FURTHER RESOLVED that the Federal Government should direct its energies to restructuring the Canadian economy to ensure the establishment of a national policy of equitable industrial development in all regions of Canada, and break down barriers (e.g. discriminatory freight rates) to inter-provincial trade; and

BE IT FURTHER RESOLVED that the Clerk of this Assembly be directed to send a copy of this Resolution to the Prime Minister of Canada.

MOTION presented.

MADAM SPEAKER: The Honourable Member for Kildonan.

MR. M. DOLIN: Thank you, Madam Speaker.

I think the resolution before this Assembly is reasonably complete in its intent and in the resolution. I'd like to go into some of the background of the resolution and the reason for it.

Basically, I think there is no one in this Legislature who could dispute that the major issue before Canada in its relations with the United States at this point in time is the free trade issue. I think its effects are enormous; the potential dislocations are frightening. The potential benefits being suggested, Madam Speaker, by the Prime Minister and his negotiators may be as great as they say.

However, one of the background, in 1984 during the federal election, the Prime Minister of this country did not see this as an issue worthy of discussion in the election. It is interesting to note that I have seen no place where the voters of this country have given the Prime Minister of Canada a mandate to negotiate a totally complete free trade agreement with our neighbour to the south, the United States of America. Madam Speaker, the Prime Minister of Canada, Mr. Brian Mulroney, has taken it upon himself to do this massive negotiation with the major power to the south of us without, up to this point, any consultation with either the provinces or with the people of this country.

I would like to point to an editorial in the Montreal Gazette of March 14, which is entitled, "Keeping us in the Dark." Canadians, I would like to point out before I get into the details of the editorial, haven't really been told. We, any members of this Assembly nor the public, none of us have been told what Mulroney's \$1,000-a-day man, Simon Reisman, is exactly doing with Clayton Uter (phonetic) and these people in the United States. What exactly are the issues on the table? We are told, well, this issue may be on the table, this issue may not be on the table. This issue isn't really being dealt with,

this issue is. We have no hard factual information on what has been going on in those negotiations at this point and time. What are the priority issues? What are the minority issues? We do not know that.

The Montreal Gazette expresses some concern with this. I also, as a member of a provincial Legislature, have some concern as to what is the role of this province in approving any agreements that are made, Madam Speaker, on a bilateral basis or on an international basis with the United States of America. Will the Premier of this province have some mechanism by which he and the other Premiers of this country can sit down and look at whatever agreements are being proposed and say, yes, this is good for Manitoba, this is bad for Manitoba; this is good for Canada or this is not good for Canada. We do not know that at this point, and the Prime Minister of Canada has been keeping us in the dark, in the words of the Montreal Gazette.

Four issues pointed out in the Montreal Gazette are: the Autopac, culture, agriculture and the regions. I would think my honourable friends opposite, Madam Speaker, might have some concern about at least a couple of these areas.

One, the Autopac, on March 12, the Prime Minister of this country stood up in the Commons to give a reassurance on these four issues with the Autopac. He said, trying to allay the concerns of workers and people in this country affected by the auto industry, that it will not be sacrificed. What he did not mention though, and this is a quote from the Gazette: "If a trade deal were to eliminate tariffs, the Autopac safeguards for Canadian production would be useless."

And second, the matter of culture, the Prime Minister stood up to defend our cultural sovereignty. "Ottawa would continue to take steps to strengthen Canadian culture." It was no guarantee that Ottawa wouldn't trade away some of the freedom to set policy affecting cultural industries.

The third misconception that Mulroney addressed was support programs and marketing boards. He said: "Ottawa aims to help farmers by increasing their security of access to foreign markets while ending export subsidies, while preserving farm support policies and marketing boards." "This is a nice aim," the Gazette points out, but Mr. Mulroney did not actually say he expects to attain it and I think, from the experiences we have had and from the comments I just heard a few minutes ago from the Minister of Agriculture, this is an impossible dream worthy of a Frank Sinatra ballad.

I would also point out in the fourth part, in the regional disparity which is a consideration affecting all Manitobans, Mr. Mulroney said: "It's wrong to suggest Ottawa might sacrifice regional development programs." He did not back up that remark. He said a free trade deal would aid regional development, but would reject any suggestion that Canada bend in its commitment to regional developments. Do these remarks really amount to a promise to maintain regional development programs?

I would like to point out a comment in the Globe and Mail of March 16: "U.S. companies are looking for major concessions from Canada on trade in services, intellectual property and investment." I do not doubt that in the least. I read a similar article in this Sunday's New York Times, pointing out that the Americans are

now getting very interested in free trade. One of the reasons is they see that there are remarkable concessions from Canada that they feel they can achieve.

Let us look at what I consider one of the major issues. We have heard from the Federal Government, from the Prime Minister of Canada, Madam Speaker, about a promise of new jobs. Of course, it's at the risk of existing jobs. The Prime Minister uses the term, "there will of course be dislocations." By figures and reports I have read, there will be 800,000 workers in this country "dislocated," Madam Speaker.

The Honourable Minister of Co-op Development, I asked legitimately, what does that mean? We don't know. The Prime Minister is not telling us what it means. We do know there are 800,000 workers who are not going to be working at the jobs they're presently working at. We know nothing about what they could be working at, Madam Speaker, or what they may be working at or what industries are affected, because we do not have that information before us.

We also look at the matter of wages. If we had an open border with the United States, what happens to our - what the Honourable Member for Brandon West thinks is - terrible labour legislation. Do we end up in a right-to-work kind of situation à la the U.S. south and sunbelt? Do we end up in situations where low-wage workers in the United States are forcing down wages in Canada because of an open border competition? We don't know that, Madam Speaker. What happens in Winnipeg, the major city in this province? What happens to our financial industry? What happens to our trucking industry? What happens to our railroads?

I would quote from the Winnipeg Free Press from February 28 on a speech given to the Chamber of Commerce by one Mr. William Loewen, Chairman of the Winnipeg Payroll Services firm, Comchec: "The result for Winnipeg would be disastrous. Our importance as a rail centre would disappear," said Loewen. "If agricultural marketing boards, including the Canadian Wheat Board, were to be dismantled, Winnipeg would lose importance in a large number of jobs. Manitoba service industries would also be damaged if Canada negotiates a free trade agreement with the U.S.," he said. He singled out the transportation industry as one important example of a service business which will be harmed and noted it accounts for 16 percent of the employment in this province.

As we are all in this House aware, Madam Speaker, 9 of the 15 major trucking companies in this country operate basically at this point, east to west trade, stemming from Winnipeg.

What happens to other matters? What happens to our legislation? What happens to the environmental protection laws that we have, if they're inconsistent with the U.S.? What happens with our marketing boards? What happens with our price stabilization legislation? What happens to our regional development programs? What happens to DRIE? What happens to the equalization program, Madam Speaker? What happens to grain transport subsidies?

I think, legitimately and logically, under a free trade agreement, we could kiss them goodbye in Canada. What happens to our taxation system in this country? What happens to our monetary policies, our interest

rates? What happens to our exchange rate in a free trade situation? We don't know this.

I would like to quote something from John Foster Dulles, the Secretary of State under Dwight D. Eisenhower, who says, and I quote, "There are two ways of conquering a foreign nation. One is to gain control of its people by force of arms, the other is to gain control of its economy by financial means."

Until I see otherwise, Madam Speaker, from the Prime Minister of Canada, I have no question at what seems to be happening is what John Foster Dulles said years ago, the motivation in the United States is exactly as John Foster Dulles said, why take us by force of arms, when they can take us by economic means?

I would also quote, during the leadership campaign for the Federal Conservative Party, one of the candidates said, "Free trade affects Canadian sovereignty, and we will have none of it, not during leadership campaigns or at any other time." The author of that statement, Madam Speaker, was the Right Honourable Brian Mulroney.

I would like to point out, Madam Speaker, that both Brian Mulroney and John Foster Dulles are correct. It is my opinion and it is the import of this resolution to point out one of the concerns that we should all be looking at, and that is that economic integration leads to political integration. The reality is the more we are economically integrated with a foreign power, and the United States - in spite of our friendship with the United States - is a foreign power, with its own foreign policies, with its own economic policies, with policies that benefit Americans, not Canadians - that is their primary interest - is to enter into agreements that will allow us to be at the beck and call of the larger elephant of the United States. It's an elephant dancing with chickens again, or a lion sleeping with a lamb - we in this case being the lamb - it's a very dangerous situation.

There is a precedent for this. The United States now has a policy with Israel on free trade. One of the things included in that policy is the United States retains the right for retaliation if they are unsatisfied with Israeli policies. The fact is, I think that is an extreme danger to the sovereignty of Israel and I think Israel has found that out in matters such as Irangate, etc. I think we should be cautious not to find the same thing.

I would like to point out one final comment and I would like to read and quote this item which I think is significant; and I think all members of this House should be concerned and we should be very carefully monitoring whatever comes out of the negotiations, Madam Speaker, to make sure that Manitoba's interests are served and that Manitobans are protected. I think that the best way to do this is on a sectoral basis and protect. Quote:

"I do not understand how nine million people can enter into such arrangements as are proposed with 90 million strangers on a frontier of 4,000 miles and, at the same time, preserve their national integrity. Ten-to-one is too heavy odds. No single Canadian would accept such odds in any private matter that was vital to him personally, as the issue is to the nation. It is her own soul that Canada risks today. Once the soul is pawned for any consideration, Canada must inevitably conform to the commercial, legal, financial, social and ethical standards which will be imposed upon her by the sheer admitted weight of the United States."

This was said by Rudyard Kipling in an English newspaper in 1911 during the reciprocity debate. In 1911, they called it reciprocity between Canada and the United States. In 1987, they call it free trade. A rose is a rose is a rose. A rose by any other name smells sweet; a stinkweed by any other name stinks as badly. The free trade agreement that I see and the secrecy that's proposed by the Federal Government, I think, endangers all Manitoba workers. It endangers all Manitoba industries and I am suggesting that this resolution should be supported in order to preserve our sovereignty and preserve our integrity as a nation and as a province.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNESS: Thank you very much, Madam Speaker.

I rise with a divided view, I suppose. Madam Speaker, I just really wonder whether, after listening to that speech, whether indeed members of the Opposition should rise to debate this resolution at all, because quite frankly I don't think many people outside of this House will be reading the remarks that have been put on the record by the member. Certainly Simon Reisman won't. I can say, Madam Speaker, in my view the member hasn't added materially at all to the debate.

Madam Speaker, free trade, reciprocity, whatever you want to call it, is an issue today that we are trying to grapple with and I think it's incumbent upon all of us who address it to try and bring forward something meaningful, trying to put something on the public record, Madam Speaker, that is more than just rhetoric.

I listened to the member opposite for 15 minutes, carefully. I finally heard him mention Manitoba - Manitoba, a trading province within a trading nation, Madam Speaker. I finally heard him mention it the last three or four minutes.

Madam Speaker, he says, quite a few times. I would debate that with him, but the point being that it's very important, when we're discussing free trade, that we try and look at it, not only in a Manitoba, but in a western Canadian context. The member opposite did very little of that.

Madam Speaker, today you probably heard on radio that Canadians are beginning to identify with the issue, that indeed the number that are in opposition to the context of trying to come to a comprehensive free trade agreement with the Americans is beginning to fall. Indeed, 26 percent compared to 37. Numbers like that don't mean an awful lot to me, but I point them out only to say to the member opposite that Canadians are beginning to realize the import of this question, and they're no longer going to believe the scare tactics of the NDP and the labour bosses in this country as to the serious impact of trying to formalize a trade agreement with the Americans.

Let me say that there are aspects of this resolution, within the WHEREAS, preambles that are supportable, and let me go through them.

He says, first of all, "WHEREAS a comprehensive, bilateral, free trade agreement with the United States is not an appropriate solution to overcome transitory

problems of U.S. protectionism." What he's saying, Madam Speaker, is don't take the threat seriously. The Americans are just flexing their muscles; they're just trying to push us into a corner so that we'll desperately sign any type of trade agreement.

Madam Speaker, I believed Premier Lougheed four years ago when he said this is going to be a most important issue for this nation. It's going to be a most important issue for Western Canada and, if you don't believe it, the day is going to come when you're going to regret using the words "transitory problems of U.S. protectionism," because, Madam Speaker, they're real. Whether one wants to read the book called "Leap of Faith," by James Laxer (phonetic) who was very much akin to members opposite for a long period of time or not, and whether one chooses to believe the final conclusions that he came to or not, to me, is immaterial. He's put out a lot of good material on the record. The main point he said is that there is some significance to the argument, to the U.S. protectionist argument, and you'd better take it seriously.

Madam Speaker, when the member opposite says, "The suggested benefits of comprehensive free trade with the United States have been greatly overestimated," I agree with that, Madam Speaker. I don't believe that, if we formalize the broad trade agreements that are in place today, there will be major significant - (interjection) Well the member says, yes, he hopes I'm right. I would hope he would listen to what I say. He says that there will be greatly overestimated free trade benefits.

Madam Speaker, I don't stand here and claim that there will be great additional benefits. I guess I stand here and say, in my view, there could be tremendous losses if we do not come to the table. I believe that we have no choice. To stand in this Chamber as representative of many Manitobans, Madam Speaker, and say that we shouldn't or that we fear that there could be some adjustments that may take place, I think, is breaking faith with the electorate, all the people who have put us in this Chamber.

Madam Speaker, the member in his third "WHEREAS" talks about the "... adjustment problems of a comprehensive free trade agreement have been continually underestimated." I haven't seen where they have been estimated at all quite frankly, Madam Speaker. So I think it's a moot point at this time, but of course to individuals and to political parties that want to whip up fear as to what may happen in a whole host of areas, naturally they can say this, and they know they will cause great consternation.

Madam Speaker, to my view, they haven't been estimated at all. When the member talks about making Canada a "low-tech ghetto" - and you can just see the member opposite. One night, he's laying in bed and he isn't quite sleeping. He's saying, I'm going to debate this free trade issue, and I don't know what I'm going to say. All of a sudden, bang, what goes on? The light bulb, a low-tech ghetto. Madam Speaker, I say to him, I can see him rushing, turning on his television or whatever and writing that down.

But the point he misses, Madam Speaker, when he talks about a low-tech ghetto is, what impact is the payroll tax having on this province. What impact is a 2 percent flat net income tax having on this province? What is that doing to making Manitoba a low-tech ghetto, using his words?

Madam Speaker, the member talks about the greatest potential for harm in a comprehensive free trade agreement. Let me put on the record, Madam Speaker, what trade with the United States means to Western Canada, and he doesn't have to take my word for it. I quote from the Canada West Foundation in a document that they released in 1986, and it's entitled, "Putting the Cards on the Table," Madam Speaker. "Total western exports to all foreign countries . . ." - and I'm quoting - ". . . account for nearly one of every three dollars in Western Canada's economy. Two-thirds of western Canadian total exports go to the United States, suggesting that one of every five dollars in Canada depends directly upon sales into the American market. As such, the preservation enhancement of our trading relationship with the United States has great significance for the economic well-being of Western Canada."

To be more specific, Madam Speaker, destinations of exports from Western Canada: 64 percent of them to the United States, 23 percent to Asia, 7 percent to Western Europe.

Further, what are our trade exports with the United States? What goods do they encompass? Madam Speaker, natural gas, 19 percent; grains, 2 percent; forestry, 21 percent; sulphur, 1 percent; chemical, 13 percent; livestock, 1 percent; other, 13 percent; and of course, petroleum, 28 percent. Madam Speaker, in my view, free trade is a western Canadian issue.

So when the member, further on in his resolution, indicates the great potential for harm to the resource-exporting regions of Atlantic provinces in the West, does he know what he's talking about, Madam Speaker?

I hear the member talk about John A. Macdonald. Madam Speaker, John A. Macdonald represented Central Canada on that issue. Free trade, Madam Speaker, is a western Canadian concept, and the members opposite know it, and yet for the member opposite to rise in his place and say that Western Canada will be harmed. Madam Speaker, who was harmed when there was a countervail placed on hogs? Who was harmed when a countervail came in on softwood lumber? Who was hurt the most? Western Canada. For the member to stand in his place and say, move away, be concerned, don't be terribly concerned about trying to formalize a trade package with the Americans. He knows not of what he speaks, Madam Speaker.

Madam Speaker, Laxer points out, page 11 - and I won't quote it - that tariffs today, using his words, "are vestigial." There are very few in place and of course, Madam Speaker, as a result of that, we have major trade with the Americans.

When he says further on, on page 134 - and I found this interesting, because the member opposite talked about dislocation and the fact that there may be some industries that are impacted in a negative fashion and there may be some people thrown out of work. Well, of course, that will happen. What does Laxer say about that, Madam Speaker, page 134? He tells us: "Most Canadians, about 70 percent of wage and salary earners work in the so-called service sector of the economy. They work for banks, insurance companies, merchandising operations and in education, health care and private and public administration. Many of them

work for governments. Such people often find it difficult to believe that the fate of their sector of the economy depends very much on the health of commodity production, but it is so. If they work in the merchandising of products, their relationship to the commodity-producing sector is obvious. For educators and health care professionals, the relationship is less direct but, nonetheless, very real. Without the surplus generated in goods production, the revenues to sustain the educational and health care systems would not be there."

Madam Speaker, the wealth of the nation is created in primary and manufacturing sectors, reflected in this. Yet the member says, be fearful of entering into comprehensive trade negotiation with the United States.

Madam Speaker, can he tell us to what level he's prepared to let our standard of living drop so as we can build these barriers around Canada because as Laxer points out, Madam Speaker, on page 81 - (interjection)- well, Madam Speaker, he says why do you quote Laxer? Because I think that he may have some identity. So, Madam Speaker, Laxer points out that we have a \$20 billion trade surplus with the Americans on the trade side and yet in the services area we've got a \$20 billion deficit. You know what those service areas are, Madam Speaker? Well, they're the three main areas. Interest payments on the debt that we have with the United States, dividends. Of course, the members opposite are well aware of those, dividends going to the United States, and of course the third area being tourism. Six billion dollars we spend in the United States.

Madam Speaker, right today, there's virtually no difference in currencies going between countries as to the total accumulated amount. And yet, Madam Speaker, the members opposite are saying don't worry about the Americans shutting our lumber and our petroleum products and our chemical products; and yet, can they find a way that the interest payments won't have to continue? Well, they can't, Madam Speaker, because they believe in deficit financing. So that's the dilemma that the NDP have themselves in, in this issue.

Madam Speaker, in summary, I cannot support the resolution. I'm not going to basically go to the effort of trying to amend it. I've seen no recent Manitoba positions on the issue. I know we've had three studies laid before the members of this House over the last year. We've had no additional papers that have come forward. I say to you that sectoral and bilateral trade agreements quite frankly can't work.

We've worked in that area for a number of years and as the article by Michael Howlett (phonetic) in the Policy Option monthly or bi-monthly magazine indicated, there just aren't any areas which you can mesh these days between Canadian trade, sectoral trade and American. Madam Speaker, we have no alternative. The buzz word is competitiveness and believe me, this nation has to compete.

How much time do I have left, Madam Speaker? Would you give me an extra minute or two?

MADAM SPEAKER: Does the honourable member have leave? (Agreed)

MR. C. MANNES: Madam Speaker, the issue is competitiveness. I want to tell them - because I'll send

copies to the members if they're interested - this is an article written by Lee Iacocca, maybe a would-be presidential candidate for the Democrats in the United States and I pulled it out of the Saint Petersburg Times. This is what he said and I think it has great import to Manitoba and Canada, and indeed, by that, I also say to our Federal Government.

I also say that to Michael Wilson too, and I quote: "For seven years now, I've been telling anyone who would listen that America has been losing its ability to compete in the world. I was just about to get off my soapbox, when suddenly, like magic, the word 'competitiveness' sprang up.

"Now suddenly it is the big buzz word all over the country, as it is in Canada. You can bet that every candidate for president in 1988 is going to have a multi-point program to make America competitive again and I'll listen to any of them, as long as the last point is here's what it is going to cost. I'll write off as a campaign, 'hot air,' any competitiveness program that skips that last point, because getting America competitive again is going to cost us a bundle and it's going to require some sacrifice from everybody."

Madam Speaker, those words could be used in Canada because if this nation thinks it's going to be able to maintain its share of standard of living based on trade, and continue to move products into the American market without sitting down and trying to negotiate around their attempts to make their nation more competitive; and if they think our standard of living is going to stand where it is today; and if they think that Western Canada and Manitoba is going to be able to maintain its competitiveness in that whole dynamic situation by just sitting up and building borders, tariff borders, Madam Speaker, and trying to bluff, play a poker game with Americans; they're completely wrong.

I thank the members for an opportunity to speak to this question and their offer of some additional time, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Thompson.

MR. S. ASHTON: I want to say today, Madam Speaker, right from the outset that I am very concerned about the current negotiations for so-called free trade. But I am very concerned about what this Federal Government is attempting to do and what I see as being its real motives. You know, in researching my speech today, I came across a quotation I think that probably sums up some of my concerns.

I'd like to read it into the record - and this is a direct quotation, Madam Speaker, and that is what free trade with the United States would be like, and I quote: "Sleeping with an elephant. If it ever rolls over, you're a dead man." I'll tell you, when he's going to roll over, he's going to roll over in times of economic depression, and they're going to crank up those plants in Georgia or in North Carolina and Ohio and they're going to be shutting them down up here. A pretty basic summary of many of the concerns that have expressed about free trade, Madam Speaker.

Now, who made those comments? Who made those comments? Was it Ed Broadbent, the Leader of the

federal NDP? Was it John Turner, the Leader of the Liberals, both who have been outspoken in their criticism of free trade? No. Was that one of the labour leaders that the Member for Morris referred to? No. Was that the leaders of the cultural communities in Canada who have expressed concern about free trade? No.

Well, Madam Speaker, those comments, that direct quote was made by none other than Brian Mulroney, in 1983, when he was running for the leadership of the federal Progressive Conservative Party. And, Madam Speaker, the Member for Morris has the nerve to get up in the House today and talk about scare tactics on warnings about the impact of free trade? What's his explanation of these comments by Brian Mulroney in 1983? Well, Madam Speaker, we'll get to that.

I would point out for the record, Madam Speaker, that in the 1984 federal election there was no mention of free trade. There was no reference by Brian Mulroney to a major effort to have so-called free-trade negotiations, no reference at all, Madam Speaker. I would say that it is legitimate to suggest that most Canadians believed the Prime Minister from his 1983 statement and in 1984, if they were asked where Brian Mulroney stood on free trade, they would have answered that he's against free trade, but such was not the case, Madam Speaker.

When they were elected, as they did with so many other issues, they trotted out what was clearly their hidden agenda and free trade, all of a sudden, became one of the most critical issues of our time. I want to mention in passing that I was amazed at some of the conversions that took place amongst members of the Progressive Conservative Party.

I think it's difficult enough, Madam Speaker, for a Prime Minister, in a space of about two years, to totally reverse himself on such a critical economic issue, but I think it's particularly noteworthy that that conversion goes against more than a century of Conservative Party philosophy and policy.

You know I just heard the Member for Morris, in effect, disown the national policy of Sir John A. Macdonald, disown it, Madam Speaker. I wonder what John Diefenbaker would say today if he was alive and he saw the shameful turnaround of members opposite on such a vital issue as Canadian sovereignty; and, yes, I will use the name John A. Macdonald; and, yes, I will use the name of John Diefenbaker, because they stood for Canadian sovereignty, Madam Speaker. They knew where they stood on such issues as free trade.

We won't talk about Robert Borden in 1911, when another government tried to bring in free trade, a Liberal Government at the time, and when a Conservative Opposition Leader, Sir Robert Borden, was swept to power, opposing what he saw as a sell-out of Canadian sovereignty. We won't talk about that, but I will note, in passing, that I find it somewhat strange to see this conversion that has taken place.

But you know, Madam Speaker, I think it's all part of the real Conservative agenda and we've seen it trotted out, time and time again, federally, and I have no doubt that if the Tories were ever to come back into power here, we'd see it trotted out time and time again in Manitoba. It's basically the Tory three-horseman of the apocalypse, free trade, deregulation and privatization, that's the solution to everything. That's the solution to everything.

If it means we give up Canadian sovereignty and culture in the process, well, that's too bad. If it means on deregulation that we wipe out many of the transportation industry, many of the features of our transportation industry, that's too bad. If it means we have to pay more for generic drugs to protect the interests of American multi-national drug corporations, that's too bad. If it means we have to sell off Crown corporations, Madam Speaker, at bargain basement prices, well, that's too bad as well, because essentially this is the agenda of Ronald Reagan, the right wing in the United States, and it's what I think was really the agenda of Brian Mulroney in 1984. He didn't have the guts to place it in his electoral documents. He knew that Canadians have rejected that form, Madam Speaker, of Conservative thinking. He knew that but in essence that was what he was really planning for the Canadian people.

Well, what is the basis of this strategy, Madam Speaker? This strategy that is supposed to bring the jobs, jobs, jobs that the Prime Minister so often talks about. Well, I would suggest, Madam Speaker, it's a strategy that is based on some fundamental misunderstandings about the Canadian economy.

The Member for Morris took quite a bit of time to quote from the book by James Laxer. I find that very interesting. He must have quoted about the only two pages in that book that would support his argument because James Laxer is clearly opposed, clearly opposed to the policy of free trade negotiations as put forward by Brian Mulroney. And he, in fact, demolishes a number of the arguments, I think, quite effectively that have been put forward by the federal Tories. He talked about protection, Madam Speaker, and, yes, there is a growing threat of protection in the United States but the clear fact is that the federal Tories have overstated that. One thing they've often referred to are bills before the American Congress. Do they know how many bills are placed before the American Congress each year by individual congressmen and how many of them actually pass? Well, Madam Speaker, many bills are placed before the American Congress and virtually all of them do not pass. Many of them reflect the views of one individual congressman or one senator and to overstate the threat, Madam Speaker, I think, is bordering on the irresponsible.

Let's go a bit further about some of the other assumptions that are made. Let's deal with the threats. Let's deal with the western economy, as the Member for Morris tried to do. He made reference to what we export to the United States. The most interesting thing is that virtually all of the commodities he mentioned were natural resource commodities. Many of them are essential to American industries. Is he suggesting for one moment that the U.S. is not interested in our oil exports or our natural gas exports because that was the largest percentage of the figures that he quoted? Is he suggesting for a minute that they would sacrifice their industrial production, their standard of living, to cut off those vital supplies? In fact, if he cares to read the James Laxer book he will see that close to 90 percent of our exports to the United States fall into that category of either essential natural resources or direct exports from Canadian branch plants to their parent companies in the United States. Is he suggesting that there is somehow some political pressure for

American companies to want to cut off shipments of goods from their own branch plant companies here in Canada? I would suggest not, Madam Speaker.

Let's deal with what the supposed benefits are of the free trade negotiations. If the Member for Morris, once again, cares to read the James Laxer book, he would see that the maximum suggestion has been that it might lead to a 3 or 4 percent increase in the gross domestic product in Canada, that it might lead to that, Madam Speaker. Then again it might not and if someone who does have some background in economics - I can tell the Member for Morris who also supposedly has a background in economics, that if he would just look at some of the projections that have been made, he could see that the other scenerio could easily be developed as well. The job losses that the Member for Kildonan referred to in his speech, could easily be the rule rather than the exception. We actually could come out worse off.

Let's look at what would be at stake even if that were to be the case. Well, let's just look at what is on the table in the discussions, the free trade discussions. It's kind of difficult, Madam Speaker, to actually determine what is on the table because our Prime Minister keeps talking about, for example, political sovereignty, our system of social programs, our commitment to fight regional disparities, our unique cultural identity, our special linguistic character as not being at issue, but we've seen time and time again that many of these very items are, in fact, being raised by the Americans and that we have, in fact, not insisted that they be off the table.

Consider for a moment what kind of country we would live in without some of the things that are being talked about. Let's talk about it. Regional development. Some of our regional development programs which are a real irritant to the Americans. The auto pact - an arrangement that has worked very well, both for Canada and the United States. Agricultural marketing boards and our cultural programs, our many cultural programs, Madam Speaker. That's what is at stake.

That's what we could lose but I would like to suggest to you that there is something else that we could lose as well if we were to adopt the complete logic of the approach that is being put forward by Brian Mulroney and the Federal Conservatives. I think, Madam Speaker, what we would lose essentially is the opportunity to establish a truly independent Canadian economy that is not based just on the export of natural resources but has as a major component an industrial strategy for this country. An industrial strategy that is based on Canadian resources and Canadian needs and is not, Madam Speaker, integrated into a larger economy where perhaps some companies would be competitive, but where many Canadian manufacturing firms would not be competitive.

I have a different view from the Member for Morris for this region of the country, Madam Speaker. I do not see Western Canada as continuing to be an area which continues to depend on the export of natural resources. I see Western Canada, Madam Speaker, if we had a truly fair industrial policy, as being a major industrial area. I think that that can only be accomplished, Madam Speaker, within a framework that rejects this continental integration that we're seeing put forward by the federal Tories.

Madam Speaker, just look at what we see on this issue. We see the federal Tories with a two-faced approach saying one thing before the election and then totally reversing their position on another. We see clearly that there is hidden agenda. We see them abandoning their original principles and we see what is at risk. Can you blame me, Madam Speaker, if I do not trust the federal Tories? Do you blame me, Madam Speaker, if I stand up here today and say that I have very serious concerns about the potential danger for this country? Can you blame me? I don't think so, Madam Speaker. I think that what I speak for is actually probably expressed by a majority of people in this country because many people have indicated that, yes, perhaps they are in favour of some form of negotiations, for the Member for Morris who likes to quote poll statistics, but the figures on Brian Mulroney and the federal Tories and their present negotiations are clear. Most Canadians do not trust them. They do not trust their motives. They do not trust the way they are handling negotiations. They are extremely concerned about the result this would have for our country.

So, I want to state while I have this opportunity, Madam Speaker, my own personal concern and I think the concern of many people in my constituency and I think a lot of people in this province as well. We're not saying that we're opposed to trade with the United States. That would be ridiculous, Madam Speaker, as the Member for Morris knows we already have a substantial amount of trade. What we're saying is that trade should be on a fair basis, Madam Speaker, that does not level the playing field as the Americans have tried to do, that does not give up our social programs, our cultural identity, our regional diversity programs, but respects that in the unique character of Canada. Respects the need of Canada to promote a Canadian industrial strategy through the use of tariffs, if necessary, to make sure that Canadian manufacturing industries are viable. That's all we're saying. Trade, yes, but this so called free trade that is being put forward at the present time, no thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Portage la Prairie.

MR. E. CONNERY: Thank you, Madam Speaker.

I find it somewhat embarrassing to be following the Member from Thompson because it was strictly a rhetorical . . . I would like to thank the Member for Kildonan for putting this resolution forward because it gave me the opportunity or spurred me on to do some research into free trade.

Madam Speaker, I approach the discussion on the resolution on free trade with an open mind. Madam Speaker, I spent at least some 100 hours in researching and reading material so that I could fully understand the issue of free trade. I didn't take the "I'm supporting the Conservative position" because I don't support totally one position, but neither did I take the position of the NDP, of their head in the sand, and run and look just for material that can support their stupid stand.

The NDP and the unions have taken a common approach and they have not looked to really understand free trade, but just to bash somebody else. Madam Speaker, the issue of free trade is such a complex

subject, it would take at least an hour to address it and to really come to some comprehensive understanding of it. To better understand the issue, Madam Speaker, as I said -(Interjection)- for as many studies that have been done on free trade, there were equally the same number of opinions, all differing to some extent. So no matter who you talk to, everybody has a different idea of what free trade is.

Probably the most comprehensive study was done by Richard Harris and David Cox, and they spent a lot of time and they developed quite an understanding of free trade, and they looked at it from all the various sides, unlike the NDP and the unions.

Madam Speaker, the estimated annual gain to Canada from multilateral free trade is estimated to be at 8 percent to 10 percent of our gross national product. Unilateral free trade is somewhere in the area of 4 percent of gross national product. This is their opinion.

Canada has a \$200 million bilateral trade with the USA, over 700 of which is duty free.-(Interjection)- Yes, it is. I'm sorry, it's \$200 billion. Thirty percent of our gross national product comes from exports and, of those exports, 80 percent go to the United States. It's estimated that 2.5 million jobs are related to exports to the United States. We must not lose this important export or these numbers of jobs.

At the same time, we must push for greater trade with other countries. I don't think we should be totally dependent on the United States for our trade, that we should be looking for trade with other countries. It is also imperative that the Canadian dollar versus the U.S. dollar continue to fluctuate or we would be in very serious trouble in our trade with the Americans, and that's the one area we have to make sure that we allow the dollar to fluctuate.

There is a valid position, that with increased free trade with the U.S. and their market of close to 240 million people, it would allow us to obtain the economies of scale that we need to help to be fully competitive. But, Madam Speaker, once we have become fully competitive with Americans, we'll then become fully competitive with the other nations of the world, and we'll then be able to have a more global trade than what we have now.

Madam Speaker, through the nations of GATT, there is a trillion dollars of trade within the members of GATT.

A MEMBER: He couldn't understand that; he's asking who wrote it.

MR. E. CONNERY: Well, if you looked at the writing you'd know that it was me. It's darn poor.

Let us, Madam Speaker, examine the NDP and their labour bosses who are in opposition to free trade. The labour unions recognize that under free trade there would be a significant reduction in the number of union jobs, in the percentage of jobs. In the United States, the membership in the unions is declining significantly. In Canada, it is remaining somewhat static, and this is the terrified fear of the NDP, is that they're not going to have the union jobs and therefore the money that they get from unions, that they bully out of people because they don't have an option. The money that the NDP get from the unions is going to decrease and that is the terror that these people have.

Madam Speaker, I want to give a quote, and this was to do with the UAW opposition to free trade. This quote says, "Fearful of losing any of their own special status, they want to deny their brothers and sisters in other industries, the benefits which would accrue to them under a free trade agreement." The UAW has a very vested interest in opposing free trade, Madam Speaker, and that's what they're doing.

The NDP, in supporting the union leaders in opposition to free trade, do so not in the best interests of the citizens of Manitoba. In Manitoba, the NDP are bankrolled by union leaders, so their money would drop significantly.

Because the time is going to be out, I'm going to jump from a part of my speech, but I'll finish it later; but I want to put in the trade that Manitoba has with the foreign countries. They're so concerned about protecting the industry that we have, Madam Speaker, I don't know why, because we don't have a viable industry in Manitoba that is competitive with foreign countries. We have a \$2 billion trade deficit.

Madam Speaker, it's very obvious that members opposite have not done their research so they don't know what the trade is within Manitoba and foreign countries. They don't even know, because in a request for information from the Manitoba Bureau of Statistics, it said detailed import statistics are not presently available and would require a special run via the MBS.

Obviously, the Minister of Business Development doesn't know these stats because the government doesn't have them. If you don't know your stats, how do you target certain areas of import replacement, Madam Speaker?

Later on, when I come back to finish my talk, we'll then go into the numbers and we will show the members opposite how huge the trade deficit is and in what categories. Madam Speaker, if the Minister would like to know the categories of imports, I would be glad to supply her with that information so that she might be able to target some of the industries in Manitoba that might be able to have some import replacement.

Madam Speaker, there are only three provinces in Canada that have a foreign trade deficit. Manitoba is one of them. Manitoba, Ontario and Nova Scotia have a trade deficit. All the rest have a trade surplus, and those provinces to the west of us have a huge trade surplus with foreign countries.

Thank you, Madam Speaker.

MADAM SPEAKER: When this matter is again before the House, the honourable member will have seven minutes remaining.

The hour being 6:00 p.m., I am now leaving the Chair, with the understanding that the House will reconvene at 8:00 p.m. in Committee of Supply.