

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 27 April, 1987.

Time — 1:30 p.m.

OPENING PRAYER by Madam Speaker.

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

INTRODUCTION OF GUESTS

MADAM SPEAKER: Before moving to Oral Questions, may I direct the attention of honourable members to the gallery where we have 13 students from Grade 5 from the Torah Academy. The students are under the direction of Mrs. Patty Cohen. The school is located in the constituency of the Honourable Member for River Heights.

We have 27 students from Grade 5 from the Robert H. Smith School under the direction of Miss Wolff, and the school is also located in the constituency of the Honourable Member for River Heights.

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

ORAL QUESTIONS

Workers Compensation Board - Report of Review Committee

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Madam Speaker, my question is for the Minister responsible for the Workers Compensation Board.

The public hearings of the Legislative Review Committee under the chairmanship of Brian King have been completed for quite some time. I wonder if the Minister can indicate whether his office has now received the report of that committee.

MADAM SPEAKER: The Honourable Minister responsible for Workers Compensation.

HON. H. HARAPIAK: Yes, Madam Speaker. The review committee made up of representatives of industry, representatives of labour, and under the chairmanship of Mr. Brian King has completed their review, the public hearings, but they have not completed their report at this time. We had hoped to have the report, but there were some delays that were unforeseen. So they, to this time, have not submitted the complete report to me.

Workers Compensation Board - board review of long-term claims

MR. G. FILMON: Madam Speaker, my question further for the Minister is: I understand that the committee looking into long-term disabilities, a committee of the board of the Workers Compensation Board, has completed its review of long-term disabilities. Is the Minister's office in possession of a report by that group led by Mr. Craig Cormack?

HON. H. HARAPIAK: Yes, Madam Speaker, the review committee were looking to many aspects of the Workers Compensation operations including rehabilitation and also, in addition to that, there are several other ongoing committees that are looking at Workers Compensation. One is with the University of Manitoba where they are doing a study on rehabilitation. There is also an internal review that is going on with long-term disability, and this long-term disability committee did meet with the review committee, as well.

MR. G. FILMON: Is the Minister indicating, Madam Speaker, that they have not given him a report as of yet?

HON. H. HARAPIAK: Madam Speaker, it is my understanding that there has been a draft report submitted to the Workers Compensation Board but they are still working on the report at this time. The report is not complete at this time.

MR. G. FILMON: Will that report be available for the consideration of Estimates of the Workers Compensation Board later this Session?

HON. H. HARAPIAK: Madam Speaker, it is my understanding that this report on long-term disability, that the committee is addressing many parts of the operations of Workers Compensation, and it's my understanding that it is an internal document that is to be used for looking at how we can be making improvements to the delivery of rehabilitation to injured workers. We intend to continue to work in that direction to see what areas of the workers' rehabilitation does need improvements. We are working in that direction at this time.

Workers Compensation Board - recruiting of doctors

MR. G. FILMON: I wonder if the Minister can indicate, Madam Speaker, if the Workers Compensation Board is currently advertising or recruiting doctors for the staff of the board.

HON. H. HARAPIAK: Madam Speaker, the workload at Workers Compensation for the medical department is extremely heavy and, because of that workload and because of the age of some of the doctors, a few of the doctors have asked to go on part time. They want to go from a full-time position to half-time position. Because of that request for reduction in the number

of work hours, the doctors have asked that they go to half time, so the Workers Compensation will be advertising for one position, for a doctor for Workers Compensation.

Workers Compensation Board - incorrect info. provided to media

MR. G. FILMON: Madam Speaker, the Minister, I believe over the weekend or earlier, has given a directive to directors and officials of the Workers Compensation Board not to talk to the media for the reason that he wanted to insure that the public gets the correct information on board activities.

My question to the Minister is, what incorrect information has been given out by directors and senior officials of the board?

HON. H. HARAPIAK: Madam Speaker, very clearly, I at no time, made the statement that there was incorrect information being given out. All I said is it's normal practice for - (Interjection)- Madam Speaker, I said it's normal practice for a corporation to have an immediate director dealing with the media. During the time, when we were tabling . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: The Honourable Minister.

HON. H. HARAPIAK: During the time that we were dealing with the annual report, unfortunately our Director of Information had retired just prior to us tabling the report, so it was our intention to have any requests from the media dealing with annual reports directed to the Minister's Office, and that is a normal procedure.

MR. G. FILMON: Well, Madam Speaker, in fact over the past six months and longer, it's been normal practice for the chairman of the board, whoever . . .

MADAM SPEAKER: Does the honourable member have a question?

MR. G. FILMON: . . . to answer questions of the media, and indeed senior officials to be quoted.

MADAM SPEAKER: Order please.

Workers Compensation Board - Premier's media aide providing info

MR. G. FILMON: My further question, Madam Speaker, to the Minister is: Why has the Premier's media aide been in charge of all media responses? Are things in such a mess that the Premier's media aide has to be brought in, or is the Premier's Office involved in some way with the circumstances at the Workers Compensation Board?

HON. H. HARAPIAK: Madam Speaker, if the Leader of the Opposition had been listening to my answer the first time, he would have heard that I told him that our

director of information had resigned prior to us tabling of our annual report; therefore, there was nobody available to handle the information, so we were directing the questions, for a short period of time, through the Premier's media person, Michael Balagus. While we were dealing with the annual report, the media calls were being directed to Michael Balagus who was acting in that capacity until such time as we had the media person replaced.

Crimes, break and enter - increase length of sentences

MADAM SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Thank you, Madam Speaker. I have a question for the Attorney-General . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.
The Honourable Member for St. Norbert.

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

I have a question for the Attorney-General with respect to the recently-announced statistics by the Winnipeg City Police Department with respect to the number of break-ins estimated for 1986. I have asked questions of the Attorney-General, I think annually, ever since they have assumed office.

In view of the fact that the number of break-ins in the City of Winnipeg have virtually doubled since 1981; in view of the fact that in recent weeks, particularly in the case of two elderly women, one of whom suffered a heart attack after a break-in, and another one who was viciously assaulted within the past few weeks, I ask the Attorney-General if he is now prepared to take some steps to help prevent these growing incidents of break and enter in the City of Winnipeg?

MADAM SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Yes, Madam Speaker. First of all, let's be very specific. The maximum penalty for break and entering a house now is life imprisonment, so I can scarcely ask the Federal Government to increase the maximum penalty. Secondly, the . . .

MR. D. ORCHARD: That was a serious question.

HON. R. PENNER: Yes, and that was a serious answer. Secondly, the judiciary is an independent judiciary and there's no suggestion, Madam Speaker, that the sentences that are being handed out by the judiciary for break and enters are inadequate. Where there is, we appeal. If there's any suggestion that we are not appealing those sentences which are inadequate, let that be specific.

Thirdly, the majority of break-ins in this province are within the purview of the City of Winnipeg Police. Their solution rate is 13.5 percent, and there lies the heart of the problem. Break and enters are primarily a crime of opportunity, committed in the main by non-

professionals, young people looking at opportunities where the gates are opened or doors aren't properly locked or the house is dark or whatever, and the police are simply incapable of upping that solution rate. Once that is the case, Madam Speaker, the whole process that follows therefrom becomes extremely difficult. If, in fact, you're only catching 13.5 percent of those who are committing the crimes, the deterrent effect of charge and conviction and sentence is gone for the vast percentage of those young people, regrettably, who are committing these crimes of opportunity is gone.

Finally, there will be distributed in the House today, for introduction by way of Second Reading on Wednesday, a bill which deals with the fundamental issue here, and that is crime prevention. We are going to be taking specific steps - and that's what we can do, that is what is within our jurisdiction. I hope for full support from the members opposite to increase enormously the level of crime prevention because that, and that virtually alone, is the thing that will stop or begin to level off the incidents of break and enters.

Crimes, break and enter - programs to decrease

MR. G. MERCIER: Madam Speaker, the Attorney-General doesn't need a piece of legislation to do something. The incidence of vandalism and break and enter has doubled since he assumed office. I ask him why he would not initiate, and why he's not initiated during the past six years, programs like the St. Boniface-St. Vital Community Awareness Group, a local community-based prevention group, which has succeeded in reducing the number of incidents of break and enters in that community. Would he not act and develop such groups in conjunction with communities throughout the City of Winnipeg?

HON. R. PENNER: That's precisely what the legislation is aimed at and I will give a full description of it, and further notes on the issue of crime prevention, when I speak to the bill on Wednesday.

Crimes, break and enter - meet with insurance companies

MR. G. MERCIER: Madam Speaker, a piece of legislation is not necessary to do something. In view of the fact, Madam Speaker, that it's reported that homeowner insurance rates in the City of Winnipeg are some 40 percent higher than those outside the city, mainly because of the incidence of break and enter, has he met with the insurance industry, including the general insurance division of Autopac, to perhaps with them develop a better program of prevention of break and enter?

HON. R. PENNER: Well, comparatively speaking, Madam Speaker, in fact the best crime prevention programs - and the Member for St. Norbert has indicated that and I concur entirely - are those which are indigenous, are community based. In fact, we do need a piece of legislation - significantly none passed when he was the Attorney-General - which will recognize the role that community-based organizations play, and begin to provide a statutory way of channelling assistance and funds to the community-based organizations.

Foreign exchange losses - reflected in deficit

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNESS: Thank you very much, Madam Speaker. I direct my question to the Minister of Finance.

Today, as has happened over the last two weeks, the American dollar is falling against other major world currencies, and the Canadian dollar is being slaughtered, Madam Speaker, in foreign exchange markets. The \$700 million equivalent money that we have been borrowed out of the Japanese market, today if we had to repay it back, would be equivalent to \$920 Canadian.

My question to the Minister: Given these massive foreign exchange losses that continue to accrue, can he indicate what portion of these losses are reflected in this year's deficit?

MADAM SPEAKER: The Honourable Minister of Finance.

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

As the member is aware, in order to provide for the capital needs of the Government of Manitoba and the people of Manitoba, for various government activities and self-sustaining Crown corporations, the province has to borrow money. That has been a practice that has been well established in terms of borrowing in the Canadian market, when the Canadian market has the necessary funds available, and at rates that are suitable and, in some cases, borrowing outside of Canada, in the U.S. and in other foreign markets.

The practice that has been put in place, during this government's term of office, has been to ensure that there is the accounting for the fluctuations in the currencies account, that has been put in place a couple of years ago, and that is continuing at the present time. The assumptions that are made, in terms of the costs of borrowing against those changes, which include the interest costs and the fluctuations, are put in place in terms of that estimate that's contained in the public debt costs in this year's Estimates.

MR. C. MANNESS: Madam Speaker, I received no answer.

Given that the Japanese yen has appreciated 15 percent against the Canadian dollar in the last four months; given that the Swiss loan that we took out last fall, Madam Speaker, for \$200 million, today if we repaid it back would cost us \$225 million, can the Minister indicate what portion of those losses is reflected in the deficit?

HON. E. KOSTYRA: As the member is aware, the way that those losses are accounted for is on the amortization of the loan over the period of time until when those loans are due. The fluctuations and the accounting of that are changed on a regular basis, based on what the ongoing trends are with those particular currencies.

I don't have the particular information, in terms of what assumptions were made with respect to each of

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the currencies that went into our estimate of public debt costs this year, but I would be prepared to provide that information to the member once we get the detailed review of the Estimates of the Department of Finance.

MR. C. MANNES: Madam Speaker, can the Minister of Finance indicate why the government has speculated so heavily in foreign exchange borrowings, without hedging those borrowings, without locking into place some hedge mechanism, so that in fact we would not be forced with these tremendous losses which will be measured in due course to be upwards, I'd say today, over \$1.4 million?

HON. E. KOSTYRA: I don't accept the assumptions that the member has made in the preamble to his supplementary question. The practice that is in place, in terms of the financing covered by the Government of Manitoba, is a practice that has been in place for a number of years, and that is looking at various markets based on the interest costs associated with those particular markets, the supply of money that is available, and also what are the projections for changes in currency. The practice is no different today than what was in place when that party was the government of the Province of Manitoba.

In terms of formal hedging, the advice that has been given to the Province of Manitoba by the financial institutions, and the financial advisors, private sector financial advisors, is that the cost of any formal hedging would far outweigh any of the benefits. There is a natural hedge built in place and is part of the determination that's made before any borrowing is done to look at the interest spread between that which is available in Canada, and that which is available in the foreign markets, and that is a determining factor, in terms of the actual hedge between the change in that currency and Canadian currency.

Foreign borrowing - contingency plans

MR. C. MANNES: A final supplementary, Madam Speaker.

Given the fact that we are going to the market for \$1.56 billion in the new fiscal year, a significant portion of that figure probably going into foreign exchange borrowings; and given the fact that the advice from the marketplace has been badly wrong over the last four or five years, can the Minister indicate what contingency plans are in place to prevent us or to stop us from going into foreign exchange markets for that 1.56 billion or any portion of it and borrowing it, indeed if we need it, within Canadian markets?

HON. E. KOSTYRA: Again I reject the assumptions that are in the preamble to the supplementary question from the Member for Morris. It was just the day after the Budget that was brought down by this government that an independent observer, Mr. Norm Cameron, when commenting on CKY Television, indicated that the borrowing strategy that the Province of Manitoba has in place is a good one, that it has resulted in the Manitoba Government borrowing funds at rates that are equivalent to a province like Ontario that has a far

better credit rating. So I don't accept the assumption that the member makes and, rather than taking my word, Madam Speaker, I would suggest that he look at independent observers outside of the Government of Manitoba.

In regard to the strategy for borrowing, the government's position is, to the greatest extent possible, we desire to borrow money within the Canadian market and to keep at least 50 percent of the borrowings within Canada if the market and the rates and available capital are sufficient in the Canadian markets.

Film grants - criteria for

MADAM SPEAKER: The Honourable Member for Charleswood.

MR. J. ERNST: Thank you, Madam Speaker. My question is to the Minister of Culture, Heritage and Recreation.

Madam Speaker, in view of the claim by the Minister that she has been vindicated over a grant to the Gay and Lesbian Film Festival over the weekend, will lack of police prosecution now be the criteria for grants made under this department?

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

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

Let me repeat what I said earlier and try to elaborate a bit on our decision. Madam Speaker, the decision to contribute some funding to this international . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

HON. J. WASYLYCIA-LEIS: The decision, Madam Speaker, of my department to contribute some funding to this International Film Festival was based, No. 1, on the basis of the fact that it is supported by our artistic community and not only -(Interjection)-

Madam Speaker, I wonder if the Opposition would care to know that this particular endeavour has been supported by many individuals, many businesses, the Plug-in Art Gallery, the Floating Gallery, the Ace Art, Winnipeg Cineplex, the Embassies of Spain, Netherlands, France, Germany, the Goethe Institute in Toronto, the British High Commission and so on.

Madam Speaker, on the basis of the support for this International Film Festival, it was certainly within the parameters of my department to support a film festival that was involved in showing some internationally acclaimed films.

Secondly, Madam Speaker, as I indicated last week, the decision to fund this Film Festival was made on the basis of the fact that it was running currently with AIDS Awareness Week, a fact that I thought members opposite would have some interest in. I think, Madam Speaker, if members are as concerned as they claim to be about this fatal disease, which is affecting a large part of our community and if it is of concern to all of us, then I would believe that there would be support

for this endeavour, which ensures -(Interjection)- Madam Speaker, it is getting very hard to answer a question. If this is a matter of seriousness to them, then I would hope that they would listen. The comments across the way, Madam Speaker, are getting more and more disgusting.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please.

I presume the honourable member who asked the question would like to hear the answer.

The Honourable Minister.

HON. J. WASYLICIA-LEIS: I'll answer by saying that all proceeds from this film festival are going to a health clinic and to the AIDS Advisory Council.

Madam Speaker, let me conclude by saying that, on the assumption that all members in this House have concern for individuals in our society and for all minority groups in our society, I can only then conclude that either the Opposition is in favour of censorship or they are totally opposed to any focus on AIDS awareness.

SOME HONOURABLE MEMBERS: Oh, oh!

Bingos - operation without licence

MADAM SPEAKER: The Honourable Member for Charleswood has the floor.

MR. J. ERNST: Thank you, Madam Speaker. A new question now for the same Minister, Madam Speaker.

The Pequis and Long Plains Indian Reserves have, for over a year now, been operating bingos without a licence. Madam Speaker, any other Manitoban who operated a bingo without a licence for a short period of time, let alone a year, would have been prosecuted.

Madam Speaker, is the Minister now prepared to prosecute those Indian Bands for operating bingos without a licence?

HON. J. WASYLICIA-LEIS: Madam Speaker, let me repeat again what has been said in this House around this issue. All members in this House know we are dealing currently with the issue of self-government and constitutional questions pertaining to the aboriginal people of this province. Given that situation, it is the intention of members . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

If other members have questions they would like to place, there's plenty of opportunity to do it.

The Honourable Minister.

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

Given that situation, it is the intention, at least of members on this side of the House, to proceed sensitively and to carry out a dialogue and consultation process to find the best solution for all of us, Madam Speaker.

Sugar beet industry - negotiations with Fed. Gov't.

MADAM SPEAKER: The Honourable Member for La Verendrye.

MR. H. PANKRATZ: Thank you, Madam Speaker.

The Minister of Agriculture indicated last week, Friday, that negotiations would be taking place this weekend in regard to the sugar beet industry. Would the Minister indicate to this House as to what stage these negotiations are at the present?

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, I want to indicate that on Saturday afternoon, the Minister of Industry, Trade and Technology and I, and the Minister responsible for the Wheat Board met in this building for an hour-and-one-half and discussed various issues dealing with the situation, and I want to say that I feel rather good that the Federal Government now is prepared to acknowledge our position that we put forward back on March 20 of this year, and are prepared to sit down and discuss our concerns.

Following that meeting, Madam Speaker, we were to hear back from the Federal Government today and, as yet, I have not received any response. I'm hoping that later today we will hear from them to see how they have responded to the issues that we raised last week. I am optimistic that we will hear from them and it's hopeful that we will have an agreement soon, notwithstanding the position of the Official Opposition of this province who would have signed everything away.

Sugar beet industry - alternate crop

MR. H. PANKRATZ: I think, as we all know, it's getting late in the season for the sugar beets. Could the Minister indicate whether his department is working with any substitute crops that these 28,000 acres of sugar beets could be seeded in case the sugar beet agreement will not be signed?

HON. B. URUSKI: Madam Speaker, I think the honourable member well knows, and he is one of those contract holders I believe, that the lands we are speaking about are some of the most productive lands in this province. And, Madam Speaker, he as well knows that we have been unwilling to participate in a plan that calls for \$200-an-acre subsidies, as occurred in 1985, as being the policy of the government to deal with agriculture. We have always indicated, Madam Speaker, that we are prepared to put in monies in terms of support up to the 3 percent in that the agreement called for. We were prepared to sign that agreement, but we were not prepared to sign a blank cheque.

Sugar beet industry - deadline for signing agreement

MR. H. PANKRATZ: To the same Minister, would the Minister indicate what is going to be his final date as

to when he will sign an agreement in respect to the sugar beet agreement?

HON. B. URUSKI: Madam Speaker, obviously I have no final date in this issue. In fact, had the Federal Government moved to respond to our proposal back in March 20, we wouldn't be here today, Madam Speaker, on the 12th hour waiting for a response to some of our proposals.

Farm land - relief from education tax - criteria for

MADAM SPEAKER: The Honourable Member for Virden.

MR. G. FINDLAY: My question is to the Minister of Agriculture about the Special Farm School Tax Assistance Program announced in this year's Budget. I would like to ask the Minister if hobby farmers and owners of less than 20 acres, will they qualify for this school tax assistance program?

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, I'm not sure who the honourable member classifies as "hobby farmers." He does know that there are approximately 30,000 Manitobans who file a farm return. Madam Speaker, as I indicated last week, we are in discussions with the Union of Manitoba Municipalities to make sure that we can work out arrangements in the delivery of the program and once those deliberations are concluded I will be in a position to make an announcement in this House, bringing about all the details of the plan.

I want to indicate to my honourable friend again the principles that I enunciated last week. It is the intention of this government as stated in the Budget that the funds from this program will go to the operators of the loans, as compared to the owners of the land who may not be the operators.

Farm land - relief from education tax - ceiling of tax rebate

MR. G. FINDLAY: Madam Speaker, my next question is to the same Minister.

Given that the municipalities feel that the details that they have so far make it nearly impossible to pay the whole \$12 million out with the \$500 ceiling that's presently in place, that being the case, will the Minister raise that ceiling so that the entire \$12 million can be paid out?

HON. B. URUSKI: Madam Speaker, I don't know where the honourable member gets his calculations. I certainly don't accept that assumption, but I certainly want to make sure that the program is delivered as quickly and as efficiently as possible. I'm hoping that we will have the fullest cooperation from the Union of Manitoba Municipalities.

Farm land - length of program

MR. G. FINDLAY: Madam Speaker, I would like to ask the Minister if this program is in place permanently or is it a one-year program - permanently or one year?

HON. B. URUSKI: Madam Speaker, the honourable member well knows that there is extensive work going on dealing with the whole question of education financing and reassessment in the province. Madam Speaker, the honourable member should wait until next year's Budget as to how it will evolve, how this program will work itself through and then he'll see the results.

Farm land - relief from education tax - ceiling of tax rebate

MADAM SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Madam Speaker. My question is for the Minister of Agriculture on the basis of his education tax rebate program.

Madam Speaker, my question is, a farmer who owns his land is entitled to a maximum refund of \$500 on education tax refund. Will that farmer receive additional monies from lands he rents, or is the \$500 a maximum regardless of whether he owns his own land?

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, the honourable member posed this question last week, and I indicated to him that, as soon as our discussions are concluded with the Union of Manitoba Municipalities and all the details are there, he will be the first in this House to hear of the details and I will be very pleased to provide them to him. I will not start going into hypothetical situations on this program until it is announced. Then, if there are still unanswered questions, we will attempt to answer them, Madam Speaker.

MR. D. ORCHARD: Madam Speaker, in posing the questions now, we are attempting to bail this Minister out of a disastrous policy direction he's heading into again.

Farm land - relief from education tax - compensation to municipalities

MR. D. ORCHARD: Madam Speaker, my question to the Minister of Agriculture, is it the intention of his department and the government to provide to the municipalities any compensation for administration of this program in determining who rents and who does not farm their own land?

HON. B. URUSKI: Madam Speaker, this is the first time I've heard an honourable member in this House indicate that in excess of \$12 million of support to Manitoba farmers is a disastrous program. Madam Speaker, if that's the mentality of the Conservative Party, now we know why they are on that side of the House. Madam Speaker, assistance for farmers is a disaster; that's the Conservative policy.

Madam Speaker, we are in discussions with the Union of Manitoba Municipalities. I would expect that those revenues that are flowing to the municipality, certainly those municipalities in the province would want to provide whatever assistance they can to assist the farming community, because they will be the beneficiaries of the flow-through cash that will come in terms of this program. But, Madam Speaker, we are not concluded our discussions and, as I've indicated, it's my hope that the municipalities of this province will in fact wish to cooperate and assist the farmers.

Farm land - relief from education tax - retired farmers

MR. D. ORCHARD: Madam Speaker, will the Minister's policy discriminate against retired farmers who own their land and are renting it out as an effort to make retirement income, will those individuals be discriminated against by this NDP Government?

HON. B. URUSKI: Madam Speaker, our policy will not discriminate against anyone who is operating the land, and that's who our policy favours. Anytime that any policy is brought in, obviously when there are rules there will be some discriminating features of the rules because, if there are no rules, obviously there are no discriminations.

But, Madam Speaker, our policy deals with the operators of the land, whoever's operating the land, and that is the basic tenet of our policy, Madam Speaker.

Agassiz Youth Centre - day passes

MADAM SPEAKER: The Honourable Member for Rhineland.

MR. A. BROWN: Thank you. My question is to the Minister of Community Services and Corrections.

Can the Minister explain why unsupervised day passes are given to teenagers at the Agassiz Youth Centre, in spite of their histories of running away and breaking and entering while on unsupervised day passes?

HON. M. SMITH: Madam Speaker, that particular problem arose last October with regard to a particular young man. I did ask the ADM to review the policy and, in fact, since December there has been a policy in effect at Agassiz, that no one who has a charge pending would be given a temporary absence. The recent newspaper article, in fact, doesn't refer to an incident since then, but refers once again to the incident prior to December.

In fact, the Temporary Absence Program at Agassiz has a very high rate of success of 97 percent. But I think with this fine tuning we'll have the policy as close as possible to optimum.

Correctional facilities - day passes

MR. A. BROWN: My question is to the same Minister. Is the policy of granting day passes at the Agassiz Youth Centre consistent with the policies at other correctional facilities?

HON. M. SMITH: Madam Speaker, I don't know the details of that. It is a youth facility, and I don't know whether the member wants a comparison just with other youth facilities or with all facilities. But I will undertake to get that detail for him.

Correctional facilities - break and enter while on day passes

MR. A. BROWN: My question is to the same Minister.

Has the Minister any count of the numbers of away without leaves and breaking and entering while on day passes, and the costs associated with the apprehension, the reconviction and the further incarceration of these individuals?

HON. M. SMITH: Madam Speaker, I've already indicated that the success rate is 97 percent. The right for a temporary absence is based on the behaviour in the institution, and it does act as a very powerful incentive. There is always some risk when you're dealing with this kind of population, but I think to go backwards and say there should be no temporary absence would really be very poor policy.

Again, I will review the question in detail and see whether we can come up with an answer to it. But I think the overall success rate of the policy really does justify its use, and I say we will endeavour, wherever there should be a case, the 3 percent that are not successful, to see if there's anything we can learn to further fine tune the policy.

Linklater, Greg - change of residence

MADAM SPEAKER: The Honourable Member for River East.

MRS. B. MITCHELSON: Thank you, Madam Speaker.

My question is to the Minister of Health. Can the Minister inform this House whether Greg Linklater, the schizophrenic referred to in the Sunday Winnipeg Sun, has been moved from the McLaren Hotel?

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: I will have to check that report. I haven't seen that report, I'll have to check it.

Mentally-ill people - programs for community living

MRS. B. MITCHELSON: While the Minister is checking that, maybe the Minister could check and see how many other mentally-ill patients are out in the community, left to fend for themselves in dingy hotel rooms or other improper living conditions with no counselling. Madam Speaker, how many more threatened suicides will there be as a result of this government's policies to place the mentally ill in the community without proper follow-up?

HON. L. DESJARDINS: Madam Speaker, this is exactly the concern that I expressed on a number of occasions

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in the House and in committee, when we have talked about deinstitutionalizing the people in Selkirk and Brandon without the facilities. That's exactly what I said and you will see that pretty well in every large city, unfortunately, in North America. This is why it's so important to make sure that you have the facilities before you close these institutions, such as Brandon and Selkirk.

MADAM SPEAKER: The time for Oral Questions has expired.

The Honourable Government House leader.

HON. J. COWAN: Yes, Madam Speaker, as you are aware there has been an arrangement made with members of both sides to have the official photograph for the Session taken at this time, by leave. What we propose to do is have the photographs taken, we've invited the Press Gallery to be in one photograph, and then perhaps we can have the Press Gallery cleared for another photograph.- (Interjection)-

The second time we take the photograph, we'll have film in the camera.

No, we would like to have one with the Press Gallery in place, one with them. I think it'll take just a few minutes to get a couple people up there while they're setting up the cameras and, following the photographs, I would then move the motion, after some committee changes are made, to move us into Supply.

MADAM SPEAKER: Is there leave then to have a short adjournment to take the photograph? (Agreed)

Do we put a time limit on it, or just come back and resume proceedings when we've finished?

The House is then accordingly recessed briefly until we've completed this process.

RECESS

MADAM SPEAKER: I'll call the House back to order then.

The Honourable Member for Niakwa.

MR. A. KOVNATS: Fine, Madam Speaker, I would ask leave to make a non-political statement.

MADAM SPEAKER: Does the Honourable Member have leave? (Agreed)

NON-POLITICAL STATEMENT

MADAM SPEAKER: The Honourable Member for Niakwa.

MR. A. KOVNATS: Thank you, Madam Speaker.

In the family tradition Lynette Wittmeier, 16 years of age of Winnipeg's Panther Gym Club, captured the open women's title at the Western Gymnastics championships held during the weekend in Vancouver.

Fifteen year old Suzanne Villeneuve of the Winnipeg Limberettes Gymnastics Club was third.

In addition, Colleen Johnson of Winnipeg's Winnettes Gymnastics Club took the novice crown in Vancouver this last weekend also, Madam Speaker.

I would just like to mention that the Canadian Nationals will be held in Winnipeg on May 13-17 and we wish all of the participants, particularly from Winnipeg, good success.

COMMITTEE CHANGES

MADAM SPEAKER: The Honourable Member for Kildonan.

MR. M. DOLIN: Thank you, Madam Speaker.

I move, seconded by the Honourable Member for Elmwood, that the composition of the Standing Committee on Economic Development be amended as follows: the Hon. J. Cowan for the Hon. J. Storie; S. Ashton for the Hon. A. Mackling; the Hon. E. Harper for the Hon. L. Evans.

ORDERS OF THE DAY

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Yes, I move, seconded by the Minister of Municipal Affairs, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

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: No. 6., the Alcoholism Foundation of Manitoba. Somebody ready to go?
The Member for Pembina.

MR. D. ORCHARD: . . . do AFM, but I'm just wondering, following Thursday's discussion on Regional Services, whether the Minister has had an opportunity to inquire as to whether, in fact, any employees in Regional Services are presently red-circled and not under review, as the Minister had indicated on Thursday.

HON. L. DESJARDINS: The answer that I was given at that time was that they had been notified. There was a possibility that they would be red-circled, but that review wasn't finished. I'll check again if my honourable friend might have later information than I have, but that was my understanding on Thursday, and I had no reason to ask any questions at that time.

MR. D. ORCHARD: Mr. Chairman, a series of questions on AFM, this year the actual funding by the province is projected to be \$9.2798 million, and that's the projection of actual support. Is that correct?

HON. L. DESJARDINS: Yes, that's correct.

MR. D. ORCHARD: Now, Mr. Chairman, I notice that there is a move of function to Community Services, according to the reconciliation statement. Now what is being moved? I attempted to find that out in going through the explanation. I couldn't see staff being moved or significantly reduced.

HON. L. DESJARDINS: It's not staff. It is a grant to the Main Street Project, and that has been transferred to the Community Services.

MR. D. ORCHARD: Okay, so then Main Street Project now is no longer under the funding purview of AFM, but rather entirely under Community Services, and that is the full value of \$787,100.00?

HON. L. DESJARDINS: Yes.

MR. D. ORCHARD: Now that represents a small decrease of less than 1 percent in terms of government commitment, but indeed the government commitment to the AFM is a greater decrease than that in that recoveries are expected to almost double year over year.

Now, Mr. Chairman, I wonder if we might determine what is the nature of the recoveries, and how does the AFM expect that they will be increasing the recovery by - well I've got 93 percent, but virtually doubling the recovery? How is that to be?

HON. L. DESJARDINS: It's the Driving When Impaired Program that we expect a higher revenue. It took a while to get it going last year, and we expect a bigger recovery this year.

MR. D. ORCHARD: Mr. Chairman, now going to the chart in the back of the explanation, appendix IV, page 37 has a five-year recovery summary. Now, and I should correct myself, I'll check first off to make sure that my assumption is correct. Last year, it was expected that recoveries would be \$682,000, and that figure did not change. Were those recoveries achieved in the last fiscal year, '86-87?

HON. L. DESJARDINS: Pretty well what I said before, last year it was only at the second phase, and this has been changed. It took awhile, it wasn't in place as fast as we would have hoped. This is what we anticipate this year in the recovery.

MR. D. ORCHARD: Well, Mr. Chairman, that's not the question. The question was that they projected recoveries of \$682,400 last year. The adjusted vote did not show any significant difference. My question is: Did they achieve those levels of recoveries?

HON. L. DESJARDINS: Not quite, for the same reason I gave you, but I'm going to try and find out approximately how much. It wasn't the \$682,000 because we couldn't start the program as fast as we had anticipated, as soon as we had anticipated.

Yes, it was approximately \$350,000 less, but of course we reduced the Expenditures also because the program wasn't in place.

MR. D. ORCHARD: Now then, to budget for recoveries of - your recoveries last year were roughly half of what

you budgeted. If you anticipate meeting the recoveries of \$1.318 million, which was almost a doubling over budget, it would almost be a fourfold increase over actual recoveries last year. Are you saying that you're going to achieve that goal of recoveries of a 1.318 million?

HON. L. DESJARDINS: Well, that's what we hoped to. As I say, we didn't have the program. It wasn't there most of last year. We started a lot later than we thought we could. We had problems.

MR. D. ORCHARD: Okay. Then in the Recovery section, two questions: Are the rates of recovery increasing this year over what was charged last year; and, secondly

HON. L. DESJARDINS: It's the same amount, 225.

MR. D. ORCHARD: Okay. So then that means that you were expecting to have roughly four times the people involved in the program to achieve the recoveries for this year?

HON. L. DESJARDINS: We haven't finished with the complete hiring yet of the last group.

MR. D. ORCHARD: Run that one by me again, please.

HON. L. DESJARDINS: We haven't finished, we haven't hired all the staff yet. There are still some to come.

MR. D. ORCHARD: Well, Mr. Chairman, that takes us right in then to Schedule 5 on page 13. In terms of Program Delivery, you are requesting four less SY's, and yet you just indicated to me that you are not finished hiring. That would stimulate the question: What is the vacancy rate within the AFM?

HON. L. DESJARDINS: There are 23 vacancies. As I said, it's quite high. We're in the final stages of hiring.

In the Impaired Driving Program, there are 13 out of those 23. So there's another 10: one finance officer analyst; alcohol treatment worker, one on hold pending the restructuring; field worker, one; rehab counsellors, two; attendants, two; cook, one - it's in progress; administration assistant, one in progress; secretary two, one in progress.

MR. D. ORCHARD: Mr. Chairman, let's talk briefly then for the reduction year over year. I noticed that one, in Planning and Research, SY request is reduced by one, and four in Program Delivery.

Are you saying that even with the increased program that you're not expecting the necessity to fill the same number of positions that you believed were necessary last year to deliver the program? Was that basically where the reduction is coming in?

HON. L. DESJARDINS: Well, there is no doubt that like all other departments, we were subject to some cuts at times. and we're doing the best we can with the staff we have.

MR. D. ORCHARD: There was a note I was going to ask you to explain. That was the question, when we

go to page 27, where you've got the Planning and Research Directorate: "Reduction of one SY required to meet resource target level."

What was the resource target level? Was that the constriction placed on the AFM because of budget constraint?

HON. L. DESJARDINS: The reduction of one staff year was required to meet resource target levels, and the agency relations coordinator position has been eliminated. This position handled program and information support for eight AFM-funded agencies, and the financial control function and the strategic gathering roles will be maintained by other staff presently in the AFM.

MR. D. ORCHARD: The chairman of the Public Utility Board asked the Telephone System to come back with a presentation in English. Is "resource target level" the same thing as to meet budget constraints? Is that in English language?

HON. L. DESJARDINS: Yes, it is.

MR. D. ORCHARD: And I presume then, when we go to page 30, where we have a reduction of 4 SY's required to meet resource target level, that's once again a budget-imposed staff . . .

Now, can I ask what salary increases are budgeted with the AFM? When we dealt with the Department of Health, we were told that budgetary increases are in the range of 8 percent when you roll in the increment on cost of living and the increment. Now are you on a similar pay regime at AFM?

HON. L. DESJARDINS: We're identical under the agreement as the department. Those are not the only two factors. Those are the main ones. We haven't got this as an average. Of course, as I say, there are other factors, but it's the identical as with the department, the staff.

MR. D. ORCHARD: That's interesting, because then that means that we would be - would it be fair to say then that the 8 percent increased salary costs would apply with rough equality to the SY's in AFM?

HON. L. DESJARDINS: It should be quite close now. It depends on how many of them are at their maximum and so on, but it would probably equal out.

MR. D. ORCHARD: Now, Mr. Chairman, Personnel Services as another expenditure category includes such things as the education tax levy. Can the Minister indicate to me whether, in these Estimates, the 50 percent increase in the payroll tax is reflective of Personnel Service costs, which vary from down slightly in Planning and Research because you're losing an SY, to up fairly significantly in some of the other groups, particularly the Program Delivery directorate.

HON. L. DESJARDINS: We have sufficient funds to pay the increased rate on that.

MR. D. ORCHARD: So now, Mr. Minister, I have listened to answers in other areas that are similarly worded.

That does not necessarily answer the question as to whether the payroll tax, as budgeted in the preparation of this AFM request for monies this year, reflects a 1.5 percent payroll tax or a 2.25 percent payroll tax at the time the Estimates were prepared.

HON. L. DESJARDINS: It represents the lesser, now that this decision has been made. It's the same as any other bills that we have, like a Hydro bill and so on. We will have to find it.

MR. D. ORCHARD: The Minister is a mind reader, because I did a quick calculation and I find that on the salary component that is being asked for, the increase in payroll tax will equate to - and now this is assuming that you hire and expend your full salary category, but assuming that you expend the requested \$6 million - on just a little over \$6 million in salary requests, your payroll tax alone will be up by \$45,000.00.

Since that wasn't a budgetary item at the time of Estimates preparation, and the AFM will have to tailor their needs to fit the budget - resource target level is the new terminology I guess - it would seem to me that, for instance, in the Program Delivery directorate, where your average salary of 140-some professional, technical people is approximately \$31,300, the increased payroll tax alone may deny you the opportunity of filling one-and-a-half of those current vacancies with which you are going to attempt to put more people through the Alcohol Driving Program to recover \$1.318 million. You're like a dog chasing its tail to spiral down because you, the government, have imposed more costs on AFM and, as I said earlier, decreased their budget by 7 percent and more when you consider that there's another \$680,000 of expected increased recoveries.

The amount of government funding has gone down. AFM has turned into more a user-pay department or organization. On top of that, you've added to them - and we could go through it and find out what the management expect to be paying - payroll tax, 50 percent increase. You've added to them a 10 percent hydro rate increase, which I don't know whether it was budgeted at the time you prepared the Estimates. The telephone rates are going up by 12.5 percent, which I don't know whether that was budgeted for in terms of the Estimates. By the time we get finished with government-imposed price increases from either utilities or taxation, we're going to find that the available dollars the AFM has available to work on substance and alcohol abuse in the Province of Manitoba is going to be, quite possibly, substantially decreased.

HON. L. DESJARDINS: But if we have to find it all within our funds, that's going to happen. So far, we haven't had the final word from Treasury, at least on the AFM. It could be, as you heard the answer of the Minister of Finance last week, I think it was a question that was asked of him that some of the amount could be considered, as it was with, for instance, if you have an increase in a wage agreement and so on. This would be considered and we might be able to go back for more funds. We're waiting to hear the final from the Treasury Board, but I can't tell you that we're promised this money at this time.

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MR. D. ORCHARD: I quite rightfully agree that you're not in a position to determine, but as to whether - well, I suppose the logical question would be: Is the AFM or are you before Treasury Board requesting any additional monies for the AFM to make up for?

HON. L. DESJARDINS: We're waiting to find out what the final decision will be on that, if there's going to be any directive from the Treasury Board.

MR. D. ORCHARD: Now, just correct me if I'm wrong. My understanding of the Minister of Finances' answer was that, depending on contract negotiations which will affect the last six months of payroll for which you do not have a contract in place, that aspect of it will be reflected by presumably Supplementary Supply or whatever vehicle is before government and at government's disposal.

Are you also saying that Treasury Board is reviewing the impact of newly imposed taxation from the budget on your various funded agencies in the department and also will be increasing the allotment to cover payroll tax, because that's a pretty big item in the hospital, pretty big item in the schools?

HON. L. DESJARDINS: No, I certainly can't make that statement of what they intend. I'm saying that we've asked for a clarification, as far as AFM is concerned, from the Treasury Board and made them aware of our position, and we haven't received a final word from them. So, therefore, we must take the position at this time that we will have to find it.

Mr. Chairman, the member is absolutely right. We can't accomplish miracles. If we haven't got the funds for all the programs, something will suffer; that's true.

MR. D. ORCHARD: I'm tending to come to that cold hard reality.

Mr. Chairman, the Minister has indicated earlier on that, the salary expectations in AFM are similar to government where roughly we could use, with increments and increases, negotiated contract increases, we would be looking at roughly an 8 percent average within AFM. The requested increase is some 5 percent, which would leave a shortfall if the 8 percent is necessary, of almost another \$60,000.00. I think, Mr. Chairman, what we can quickly get to, if staff positions are filled and they have to follow the 8 percent increase, you've got a \$60,000 budget shortfall on salary increases.

I've done a quick calculation, as I say, on personnel costs, and it would appear as, if that is an additional \$45,000 right off the top in face of a decrease in the amount of government commitment by a total of \$70,000 year over year, we've got the potential of \$175,000 of reduced funds available to the AFM to carry out their program. As I pointed out earlier on, if you take the average salary in your program delivery where you've got the number of vacancies, which presumably is the option the AFM would have open to them to not expend money is simply not to hire or fill all of those 23 vacancies, but if you do that, you then potentially impair the ability to deliver the major program on which you are basing almost double the recoveries.

Do you see what I mean when I talk about you getting into a very, very tenuous circumstance imposed (a) by a reduction in the commitment from government to fund AFM, and substantially increase taxes?

HON. L. DESJARDINS: I don't feel that there is a reduction, except what is due to the Impaired Driver Program.

Now don't forget that we were talking about the salary and what we're asking for to the end of the year March 31, 1988. That doesn't take into consideration contracts, for instance, that might be due this September or November. Then we would have to go back to Treasury Board.

MR. D. ORCHARD: I realize that.

HON. L. DESJARDINS: That's why there would be a shortfall there. When you're talking about 8 percent, that's if everything goes the way it is now.

MR. D. ORCHARD: No, Mr. Chairman - and I think Hansard will show me correct - that the 8 percent that was given to me earlier on in the Department of Health was now that any settlement of contract from September 30 on is in addition to that, because the Minister of Finance, he almost ridiculed the intelligence of the Opposition for suggesting that any increase that would be in this year's Estimates is reflective of a contract settlement that hasn't been made. He said that's like playing poker and showing the Opposition your hand. So the Minister is not quite correct when he's saying that the 8 percent that we were told was the known settlement to date. The unknown is not even factored in.

HON. L. DESJARDINS: Well, the members of the AFM - as you know, it's a Crown corporation, it's independent, and they are giving me the best information as the comparison to the department. But if you want to make sure that we get proper information, the AFM would have to make this comparison and get in touch with the department to make sure that we are comparing apples and apples and not oranges.

We can try to have that for tomorrow. I don't want to mislead you and, obviously you know, we're having two different groups who haven't worked together on this, and I want to make sure that it is the same comparison.

MR. D. ORCHARD: Well, I don't even need the information for tomorrow, but at some point in time - because when I go from the adjusted vote '86-87 to the request for this year, I come up with a 5 percent increase.

HON. L. DESJARDINS: Well, all right, we'll give you that information as soon as we can.

MR. D. ORCHARD: Okay, that's fine. Now we can get on with other areas of discussion.

Is it possible to pull out from the Other Expenditures, what were the supplies and services aspect and communications aspect, the total dollars spent by the AFM on hydro and telephone? Is that possible to be done?

HON. L. DESJARDINS: Yes, we'll get you that information also.

MR. D. ORCHARD: Because that will tell us, Mr. Chairman, the impact of those two increases on the AFM.

The reason I'm wanting these figures is this is the first time in Estimates process, to my knowledge, that we've come to an outside-funded agency where we can directly ask the impact of the Budget on your ability to operate. Now we're going to be getting to that when we get into hospitals, personal care homes, etc., later on this afternoon, but the AFM, presumably, when they drew up their request for funds, they had to meet the "resource target levels" as well as . . .

HON. L. DESJARDINS: You like that.

MR. D. ORCHARD: I like that. That's creative accounting terminology but, nevertheless, let's not get hung up on the terminology. You choose to make a program fit the available budget.

But when you presumably drew that up, you had given funding criteria to target for - and I don't believe that those funding criteria increased or dealt with an increase in the payroll tax of 75 percent or a 50 percent increase in the amount you would have to pay year over year, nor or I don't think you had advance knowledge of the one-time forever hydro rate increase of 5 percent or whatever it was. I don't believe probably that you had knowledge of a 12.5 percent increase in telephone rates that you would be able to factor into your budgeting.

So this is why it will be interesting to know, within a few weeks, of the impact on the AFM as an outside-funded agency of those three taxes alone, because what I predict is that the AFM will be unable to meet some of its program commitments because the money will simply be going to pay additional utility taxes and taxes to the Provincial Government and will not be available to deliver programs in substance and alcohol abuse to the Province of Manitoba. It will be interesting as we pursue Estimates to find out how many other agencies will be in a similar position because of the most recent Budget that was brought down.

Now, Mr. Chairman, one last question that I'd like to ask, for instance, when an individual may be temporarily sentenced to Headingley for an alcohol-related misdemeanour and alcohol counselling is recommended by the sentencing judge, is that counselling available to inmates at Headingley through AFM?

HON. L. DESJARDINS: The assessment is made by the counsellors at Headingley, not our people, who then make reference and contact with the AFM for treatment later on. That is done by the counsellors of Headingley Jail.

MR. D. ORCHARD: Let me get the system correct, so I understand what's happening here.

You have an inmate at Headingley who has been, on the recommendation of the judge said that he needs some alcohol- or substance-abuse counselling. The first approach to that individual, that inmate, is then from staff at Headingley . . .

HON. L. DESJARDINS: Counselling from the counsellors.

MR. D. ORCHARD: . . . and if they can't resolve the problem, then do they come to AFM, or do they automatically come to AFM?

HON. L. DESJARDINS: Then the five-year educational program and then . . .

MR. D. ORCHARD: Five year?

HON. L. DESJARDINS: Five days. What did I say?

A MEMBER: Five year.

HON. L. DESJARDINS: Then the treatment after that would be the assessment for the treatment.

MR. D. ORCHARD: So the AFM is working in conjunction with the counsellors out there to deliver a program?

HON. L. DESJARDINS: Right.

MR. D. ORCHARD: One last question, we've always gotten into this and I wish we had more time to spend with it, but is there an expansion of AFM services in the school system for both alcohol and substance abuse?

HON. L. DESJARDINS: You realize that our staff there doesn't deal directly with the students, just the training, the teachers. No, there's no increase in staff. We don't feel that there is a need for it at this time. It's been going on for years, some of the same teachers and so on. We're satisfied; that's one area we're satisfied with what we have.

MR. D. ORCHARD: Mr. Chairman, there is I suppose a general question which gets us into the funded agencies. Now the funded agencies are receiving about \$1.5 million. I would presume again that the majority of the monies going to the funded agencies would be to contribute towards salary costs, by and large. Would that be a fair assumption?

HON. L. DESJARDINS: Yes, that would be fair. I think that's where they spend their money.

MR. D. ORCHARD: Mr. Chairman, the same general concern would apply there to the funded agencies in that their ability to operate year over year is diminished by them having to pick up an additional 50 percent increase in the payroll tax, and that will have some effect on their ability.

Mr. Chairman, I would be prepared to pass this unless there are other questions on AFM.

MR. CHAIRMAN: Any other questions? If not, Item 6—pass.

Resolution 87: Resolved that there be granted to Her Majesty a sum not exceeding \$9,279,800 for Health, The Alcoholism Foundation of Manitoba, for the fiscal year ending the 31st day of March, 1988—pass.

Where do we go from here?

HON. L. DESJARDINS: Mr. Chairman, it was unofficially agreed with the Health critic of the Official Opposition that I would give the five-year program now and give a chance to the members to see it during the dinner hour. Then they might want to comment on it this evening.

Have you got a copy? There's one on each desk in the House or there should be by now and then we'll have enough for the members who are here today.

The document that you have before you is a continuation of the format I have used for the past several years. That is a five-year capital program with projects moving through the major stages of planning and development, including the preliminary functional program stage, the architectural stages, approved for construction and eventually into construction.

The Manitoba Health Services Commission five-year capital program has evolved over the years to reflect a reasonable balance of thrusts in new areas, a modest expansion in existing services, an upgrading of existing facilities in accordance with the requirements of other regulatory agencies, that is Fire Commissioner and Workplace Safety and Health, and the replacement of time-expired facilities.

The objective has been to:

- 1) reduce the dependency and the number of acute care beds;
- 2) increase the space for ambulatory services;
- 3) increase the numbers of extended treatment and personal care beds;
- 4) reduce the number of hostel beds in the insured program.

The major projects at the large urban hospitals are phased over a number of years and propose substantial increases to the ambulatory diagnostic and program space with no increase in acute care beds. In some situations, in anticipation of these projects, a reduction in acute bed numbers has been experienced or will occur.

In addition to the provision of more or upgraded space in hospitals, personal care homes and clinics, and improving life and workplace safety, the Manitoba Health Services Commission five-year capital program provides for the following changes in bed numbers: acute beds - total reduction of 24; extended treatment beds - an increase of 307; new personal care beds - an increase of 356; new personal care-type beds to replace beds in the large mental institutions at Selkirk and Brandon, that is, the psychogeriatric beds - an increase of 200, 100 in Brandon and 100 in Selkirk; upgrading or replacement of hostel beds at the personal care level, 623; upgrading or replacement on time-expired personal care homes, 299; upgrading or replacement of extended treatment beds, 357; upgrading or replacement of acute care beds is 903.

As planning progresses on each project, it will be necessary to be assured that the planning is consistent with the new change in direction for health care in Manitoba including the following:

- continued deinstitutionalization of long-term mental health services;
- departure from the dependency on acute care beds;

- emphasis on home care and ambulatory programs;
- an elimination of the duplication of services at the teaching hospitals;
- an examination of the need for additional operating dollars as they relate to capital expansion;
- a review of the current and projected operating deficits as they pertain to existing space and new requirements;
- a review of the role of all hospitals in the system and their interdependency including:
 - the tertiary services in Winnipeg and Brandon;
 - the rural regional centres such as Portage la Prairie, Steinbach, Dauphin, etc.;
 - the rural district centres and their role in assisting to relieve the pressure on the more major hospitals;
 - the future role of the community hospital in the smaller rural communities. This will result in the deferral of several projects pending completion of a study now under way. These projects include: Benito, Elkhorn, Erickson, Manitou, Vita and Wawanesa.
- It is also necessary to re-examine the planning guidelines used to determine the bed numbers and bed locations.

All projects must be studied and prioritized within the proposed system, considering available resources and the status of the construction industry before projects will be allowed to proceed to construction.

In some cases, the total level of service will be examined, including the need to eliminate the duplication of areas of service at the teaching and tertiary level in the urban setting, or the future role of the smaller community-based rural facility.

A great deal of emphasis, at an early stage, will be placed upon the proposed operating costs. In some situations, the proposed operating costs of projects in the advanced planning stage will be re-examined before being authorized to proceed to construction.

To accommodate these reviews and set in place alternate systems necessary to allow for substitution, announcements may continue to be made throughout the year, updating the Manitoba Health Services Commission capital program.

In summary, the capital costs of the project in the various categories and the related operating costs are as follows:

Projects in construction: capital cost, \$136.7 million; and the annual debt servicing for those would be \$14.1 million; the annual program operating costs for those would be \$15.5 million. Therefore the total additional annual operating costs for projects in construction is \$29.6 million. So that is extra money. Not even if some were replacing other beds, this is when these are all built, are open, it will be a \$29.6 extra million, nearly \$30 million.

Projects approved for construction: the capital cost is \$283 million; the annual debt servicing is \$38 million; the annual program operating costs are \$20.7 million. So therefore the total additional annual operating costs for projects approved for construction is \$58.7 million.

Projects approved for architectural planning: the capital cost will be \$268.81 million; the annual debt

servicing, \$53.6 million. The annual program operating costs, which in this planning category has not been fully developed to this point, we have \$10 million for that.

In total, these projects in these three categories will impact as follows: the capital costs would be \$689.11 million; the additional annual operating costs for debt servicing will be \$105.7 million; and the additional annual operating costs for new programs resulting from these projects are estimated at \$46.2 million.

This will result in an addition to the base of operating costs and continuing annually thereafter at a rate of almost \$152 million per year.

In addition to this, we must take into consideration the impact of the projects approved for functional planning, totalling \$150.5 million, the other projects approved in principle but subject to further definition as to role, and the many requests which have come forward and have not been acknowledged in this program.

Details of the projects are as follows; that is, the projects under construction now. You have the estimated opening date and I won't read that. I'll just read the others:

Bethania, Winnipeg - 50 new personal care beds and renovations;
Brandon Hospital - mechanical upgrading;
Brandon-Rideau - 100-bed psychogeriatric facility;
Foyer Valade - replacement of the existing 70-bed facility with 120 new personal care beds, in St. Vital;
Grandview - replace the existing 18-bed hospital;
Health Sciences Centre, Rehab. Hospital - air handling;
Luther Home - increased activity area and other improvements;
Middlechurch Personal Care Home - major fire and life safety upgrading primarily in buildings remaining in service;
Misericordia - Phase II of the major upgrading. This provides for completion of the power plant and overpass.
Municipal Hospital - reconstruction of the power house;
Pine Falls - renovation and replacement of the hospital wings;
Ste. Anne - upgrading, including Villa Youville life safety;
St. Boniface Hospital - upgrade and consolidate services;
Selkirk-Betel - upgrade 64 hostel level beds to personal care;
Steinbach Hospital - expand emergency outpatient and diagnostic areas and replace 20-bed ETU;
Victoria Hospital - fire safety upgrading and other building improvements;
Virden-Sherwood Personal Care Home - building upgrading, including fire safety;
Whitemouth - 20-bed personal care home, with multi-use beds and clinic space to replace the existing hospital;
Winkler-Salem Home - replacement of the older wing (58) beds, including hostel beds, with 65 new beds;

Deer Lodge - develop the facility as an extended treatment/personal care home facility following transfer of the hospital from the Federal Government. The capital cost will be provided by the Federal Government.

Projects approved for construction:

Brandon Hospital - CAT Scanner, consolidate laundry services;
Concordia - 65 extended treatment beds;
Dauphin - new public health building;
Dauphin Personal Care Home - 25 new personal care beds;
Fred Douglas - replace the existing 65-bed hostel and 19 new beds;
Gimli Betel - replacement of the 95-bed home, including hostel beds, with a new 80-bed personal care home;
Golden West Personal Care Home - renovation and expansion to upgrade the existing hostel beds to a heavier level, plus some new beds;
Grace General - hospital regeneration plus extended treatment beds;
Health Sciences Centre - CAT Scanner;
Klinic - new clinic building;
Morden Hospital - a major upgrade of emergency and outpatient areas;
Municipal Hospital - Phase I of a major redevelopment;
Neepawa-Eastview Lodge - upgrading, including life safety and other improvements;
Pine Falls - a new 20-bed juxtaposed personal care home;
Portage Personal Care Home - replace the existing substandard proprietary home with a new 60-bed personal care home;
Portage Hospital - renovations and upgrade, including life safety;
St. Boniface Hospital - CAT Scanner;
St. Boniface Hospital - a further phase of a staged redevelopment program;
Dr. Gendreau's Hospital, Ste. Rose - improvements to service and activity space and life safety upgrading;
Selkirk - Thomas Prince - 100-bed psychogeriatric facility;
Souris Hospital - upgrade diagnostic services and improve fire safety;
Virden Hospital - replace the existing 32-bed hospital with a new 25-bed facility;
Winnipeg - program space as recommended by the Health Services Review Committee for NFA surgery and ambulatory space;
Health Sciences Centre Renovations - permanent changes to areas of the existing facility;
Health Sciences Centre Standby Power - emergency power source for the facility;
Health Sciences Centre Interim Measures - short-term renovations to accommodate changes and decanting.

The following projects have been approved for architectural planning only and must come back to government for approval before proceeding to construction:

Beausejour Hospital - major upgrade;
Brandon Hospital - major redevelopment and upgrading;

Citizen Health Action - new clinic building;
Flin Flon Hospital - major hospital upgrade;
Middlechurch Home - replacement of the hostel beds;
Minnedosa Hospital - replacement of the existing 35-bed hospital;
Misericordia Hospital - Phase III of the redevelopment;
Foyer Notre Dame - facility upgrade;
Red Cross - replacement of the existing building;
Roblin - 20 additional personal care home beds;
St. Pierre - replacement of the hospital and additional personal care home beds;
Sharon Home - additional 30 personal care home beds;
Stonewall Hospital - replacement of the existing 18-bed hospital;
Swan River - replace the existing 53-bed hostel with 70 new personal care home beds;
Swan River Hospital - upgrading and expansion;
The Pas - expansion of diagnostic areas and improve patient areas;
Health Sciences Centre Redevelopment - including a free-standing psychiatric facility.

I have also instructed the Manitoba Health Services Commission to work with various communities and facility boards, determining and refining the functional program for a number of health care facility projects.

Projects approved for functional planning:

Eden Mental Health Centre - addition of administration and program space centre;
Killarney Lakeview - replace the existing hostel beds;
Manitoba Oddfellows - replace the existing hostel beds;
Shoal Lake Hospital - upgrading;
Winnipeg Municipals - Phase II of a major redevelopment;
Selkirk Hospital - 20-bed extended treatment unit;
Winnipeg Young Disabled - a total of 30 beds at yet-to-be-determined locations.

In addition, approval has been provided to carry out necessary preliminary studies to determine the role and scope of the following facilities:

Cadman Lab/Chief Medical Examiner's Office, Morris Hospital, McCreary Hospital, Treherne Hospital and Personal Care Home, Notre Dame Hospital and Personal Care Home, St. Claude Hospital and Personal Care Home, Swan Lake Hospital, Lions Manor, Convalescent Home of Winnipeg, Ste. Anne Personal Care Home, Hartney Hospital, Birtle Hospital and Personal Care Home, Carberry Hospital, Melita Hospital and Personal Care Home, Deloraine Hospital and Personal Care Home, and Altona Hospital.

Provision has also been made for a contingency in the various categories for those urgent and unforeseen projects which arise during the period.

This capital program from the replacement, upgrading and expansion of health facilities in the province is massive, almost \$840 million. The resulting ongoing operating costs must also be emphasized. During the development of plans for the specific projects, we all must be constantly testing the concepts to ensure that they are current and in line with our new thrusts in the delivery of health care in Manitoba.

These are rapidly changing times, and we must ensure that our planning and our buildings are flexible to

accommodate these changes. This may result in delays in planning, as we are now experiencing with some projects, while studies are carried out.

The planning process for specific projects may be interrupted from time to time for a variety of reasons, and this may be most frustrating for some. Hopefully, we all will be able to accommodate and ensure that our resources available for health will be used in the most prudent manner.

Thank you.

MR. D. ORCHARD: Mr. Chairman, I don't want to spend a great deal of time on the capital estimates right now - that'll come possibly tomorrow - but there are a couple of observations I want to make.

First of all, the last category on page 9: "In addition, approval has been provided to carry out necessary preliminary studies to determine the role and scope of the following facilities." Now, I take a look through that and I see certain areas of the province wherein a number of hospital facilities are under scrutiny. I notice Treherne, Notre Dame, St. Claude, all on No. 2 Highway. Well, Notre Dame isn't on No. 2 Highway, but that is the general area being served, and then Swan Lake Hospital as well. And I notice Melita, Deloraine.

Mr. Chairman, what is expected or what is to be studied here? Is this a study to determine the necessity of, or what is the criteria?

HON. L. DESJARDINS: Yes, that is one of the areas that we're studying. We're also trying to determine - there has been a lot of talk in the past of different levels of hospitals, and we're really trying to determine to have some - what is it? Where are they now? Just a minute.

Of course, the teaching hospitals that we're looking at, the urban hospitals, the tertiary services in Winnipeg and Brandon, the rural regional centres, the rural district centres and the future role of the community hospitals, that's what we're looking at.

It might be, for instance, in smaller areas, I think there would be a tendency to shy away from hospitals as such, and go more for personal care homes with some multipurpose beds, also depending where they are. This is why we have to look, and we want to look at the guidelines also to see if some area there is sufficient, and look at the area.

We have a lot of people who are coming in - they have problems between two communities and so on. Some of them would want to place many beds in a larger centre and then, later on, the smaller centres are not too happy with that. We're looking at decentralizing as much as possible, but in an efficient way also. We're not going to build beds where they shouldn't be. So we're looking at the whole thing, and some statement could be made during the year also. We want to keep that flexibility.

MR. D. ORCHARD: Mr. Chairman, the Minister's drive to flexibility and his budget drives, and I don't think we're going to have time to get into the full debate as to what the future role is in some of these facilities, but basically, if this preliminary study is to determine the role and scope of the following facilities and is aimed at determining whether they're needed anymore,

I want to tell you there are big chunks of the country certainly being studied in what may well appear to the residents to be a very ominous way.

I can speak from experience because we happen to use, our family, Swan Lake Hospital. My three children were born at the Swan Lake Hospital, and I suppose I have some attachment to assure that facility continues in existence.

I'm not wanting to overreact to what the Minister's doing here, but I do note that while you have Notre Dame Hospital and Personal Care Home in the group which is necessary for preliminary studies, it's also in the group that architectural planning is being done on, i.e., Foyer Notre Dame - facility upgrade, estimated construction start, mid-'88. So while it's in one category for preliminary studies to determine role and scope, it's in architectural planning.

Mr. Chairman, a further comment - and I think the Minister can understand the concern I have. For instance, Whitemouth is now in the process of having a facility under construction, which is a 20-bed personal care home, multi-use beds and clinic space to replace the existing hospital. That's going on in Whitemouth.

The Minister, in his opening statement, is putting the very same project with I think 16 beds instead of 20 at Manitou on hold, because the design of that one was to replace the Manitou Hospital with a personal care home plus four active treatment beds, clinic, etc., etc.

I want to tell you that I have to tell the Minister he is making a very grave error here. First of all, I reiterate the statement I made earlier on, that what we appear to be needing more of is personal care home beds, particularly levels 3 and 4.

Now that was the intention of the Manitou Personal Care Home Hospital combination. Instead we're going to have a hospital facility presumably carry on with no improvements, no upgrading. The community has just got themselves the services of a very fine physician - that's my understanding - and we're anticipating an inclusion of Manitou in a more definitive category for construction.

Now it turns out that community is in limbo, and I'll quote from the Minister's: "... the future role of community hospitals in the smaller communities. This will result in the deferral of several projects completing of a study now under way." You're going to study Manitou whilst you're proceeding with the construction at Whitemouth. I'm not saying that the citizens of Whitemouth don't necessarily deserve a facility that is almost identical by description to the one that was in Manitou, but it seems as if we've got a very interesting pattern of where we study for future role and scope of facilities.

We have Treherne, Notre Dame, St. Claude, Swan Lake, Manitou obviously in that category, all in a nice little corner of south-central Manitoba. We have Melita, Deloraine being studied, whilst other areas of the province are receiving facilities that could streamline the delivery of care, i.e., Whitemouth and others. We'll get into that at a later date.

HON. L. DESJARDINS: Mr. Chairman, I want to make sure that my honourable friend understands that we're not saying that this is cancelled. There is one thing, in

Whitemouth, the construction started last year. It was a different architect, they weren't ready. Even if we went ahead with Manitou right now, it wouldn't be ready for this year, so we are studying. As I said previously, things are changing. We haven't got the luxury to say, okay, we're going to put a sign on this until we know everything that's going on. Some of the things were started, and we don't want to do any damage. Whitemouth was started already - it's started. That's the difference. You're absolutely right, if Whitemouth had not been started, it would have been in that same category. They're about the same size places.

It's not just that we're saying to see if they are needed, to see how they're going to be used, how best to go along with building. There's some discussion. We fought with Vita for years to try to do exactly that, give them the personal care homes, and they were holding out for acute care beds that they weren't using. That took awhile, and now they're in that group also.

We're going to try to proceed with this as fast as possible, because those are part of the overall needs that we will need in the province. I don't want any members of this committee to think that this is cancelled, because it's not cancelled. To make sure, it is in other words to keep on with the functional programs, to make sure that we have a plan and we work together and we spend the money wisely. This is one of the reasons why I showed you at this time, when we're talking about cutting all the time, what this would mean with the new operating costs when these buildings are open, and it's scary.

MR. D. ORCHARD: Mr. Chairman, I'm not suggesting that the Minister is cancelling Manitou, although I will tell you there will be a great number of people in the community of Manitou who will fear that as an outcome because, when you have a review of the role of all hospitals in the system and their interdependency, including the future role of a community hospital in the smaller rural communities . . .

HON. L. DESJARDINS: We're looking at that.

MR. D. ORCHARD: . . . that's a fairly ominous sort of thing.

I want to tell you that the people of Manitou went through that wrenching community debate of losing some 15 hospital beds to get to where they agreed or the community agreed that, yes, 16 beds in terms of personal care homes, I believe, 4 beds of active treatment or treatment beds, plus doctors' offices and some community offices, or what the community agreed on. They have gone through that. They have made their accommodation with the planners, even though there are some who disagreed with doing it, etc., etc., but that argument is long passed. They've made that agreement and now, having made that agreement, they find themselves as do Vita, Wawanessa, Erickson, Elkhorn, Benito, in limbo again with another study.

HON. L. DESJARDINS: There's not going to be a long delay. There will be some action on that fairly soon, but my honourable friend is absolutely right. You've been telling us for three weeks to spend wisely and to be careful, and that's what we're doing. We're not

cancelling that. There's something that will be needed. In some areas, we're trying to make sure that we have district hospitals and community hospitals and regional hospitals. We're trying to work in that direction. This is not a message to show that we - yes, I think there certainly would be a tendency to get away from the acute care beds, I'll say that. I think it is more personal care beds and multi-purpose beds that we'll need in those areas, especially if we decentralize and try to go in some of these smaller areas. You're not going to build a hospital in all those places, there's no doubt.

MR. D. ORCHARD: Mr. Chairman, I want to go to page 3 before we move into the Commission itself. You've outlined capital costs in the various categories, and the related operating costs are as follows. In terms of projects in construction, you've got \$136 million, annual debt servicing for those of \$14 million. Now I make that to be a projected interest rate of 10.3 percent or thereabouts.

Now you go to projects approved for construction, and you have capital costs estimated at \$283 million, annual debt servicing, \$38 million. Now that works out, in rough calculation, to an annual interest rate of 13.4 percent.

Now if I'm doing it correctly and go to the next one, projects approved for architectural planning, I have a figure of \$268.8 million in capital costs with annual debt servicing of \$53 million, for an annual interest rate of 19.9 percent.

Then, in total, the average of capital cost, presumably of the three categories, is \$689 million, annual debt servicing is \$105 million, for an average interest rate of 15.3 percent. Are my figures basically correct?

HON. L. DESJARDINS: I would think that - well your figures are right and they're not. The situation is that you're looking at some - they're not all the same. Some of them are CMHC mortgages at 2 percent, and then those in architectural planning, for instance, or later on, there's probably an allowance for inflation in that also.

MR. D. ORCHARD: Mr. Chairman, the Minister, in his explanation, has made matters worse because, if he's saying that included in the 10.3 percent interest rate which the Commission has put down as an annual debt servicing for projects under construction, included in those projects there are some that have 2 percent.

HON. L. DESJARDINS: Excuse me, do you realize that includes repayment of principal also?

MR. D. ORCHARD: No I didn't, because annual debt servicing . . .

HON. L. DESJARDINS: Yes, it's the principal and the interest.

MR. D. ORCHARD: Okay.

HON. L. DESJARDINS: You see, that is on a per diem rate.

MR. CHAIRMAN: The Member for Pembina.

I'm trying to keep this organized so we can record it properly in Hansard.

The Member for Pembina.

MR. D. ORCHARD: Mr. Chairman, then is it fair to assume that, as we move down the line from projects in construction to projects approved for construction to projects approved for architectural planning, what are the interest rate assumptions?

HON. L. DESJARDINS: It's all going to be 10 percent, I'm told. I thought there was a certain amount for inflation, but just the principal repayment plus 10 percent.

MR. D. ORCHARD: Then is it anticipated that you are going to accelerate principal repayments in order that your annual debt servicing increases from an average of 10.3 percent, if my calculations are correct, under projects in construction to almost double that at 20 percent, 19.9 percent for projects approved for architectural planning? Like the annual servicing costs, if you're using 10 percent throughout, then something has to vary.

HON. L. DESJARDINS: In the first category, projects in construction, there are some CMHC mortgages and then the next one also, but they're getting out of personal care homes. There are none in the architectural planning group.

MR. D. ORCHARD: Well, you know, that helps slightly, and I suppose the only way we can get definitive numbers on it . . .

HON. L. DESJARDINS: We can cut that down, if you want.

Sorry, Mr. Chairman, we could try to assist you in getting the debt, that is the capital and the interest, separate the two if that's any help.

MR. D. ORCHARD: Well, you see, what I'm seeing here is, particularly when we go to the last column or the last set of figures where you're talking about the total impact the three categories will have on the budget, you're talking almost \$700 million of capital costs. Then you have two specific figures, both of which impact on the amount of money we vote every year and presumably the amount of taxation you have to either increase or the amount of money you have to borrow, i.e., that is debt servicing, interest and principal repayment, presumably now, plus the annual operating costs. Now we're saying and we're listening to the Minister daily warn us - well daily is not proper - but on a regular opportunity warn us of future cost projections in delivery of health care.

Now, if interest rate assumptions are the same as we go through, then the additional annual operating costs for debt servicing would only vary by the rate at which you increase your principal repayment, because presumably the first two, having a certain amount of 2 percent money in it, it shouldn't make for a 50 percent increase is what I'm getting at.

This projection, no doubt, is going to color your response, Mr. Minister, plus your Cabinet colleagues'

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response at Treasury Board into what projects they are going to approve, i.e., when it comes to making a decision on Manitou Personal Care Home Hospital facility. If your Treasury Board is looking at the last figure of \$105 million of additional debt-servicing costs, they're going to say hey, whoa. But if they just look at the first figure of 10 percent, they're not going to be

HON. L. DESJARDINS: We'll break that up and give you this. I asked for this as a guideline to show that every time you open a personal care home or a bed and so on what the cost is, because we've talked so much about deinstitutionalizing and so on. I wanted to show the operating costs and the total costs of building a bed, and then what it adds to my base every year. But we'll break that up between the interest and capital we pay.

MR. D. ORCHARD: Okay, that would be appreciated. It doesn't have to be done for tomorrow, because they're probably not going to get back to us tomorrow.

HON. L. DESJARDINS: But you understand, that could vary. This is a guideline to give you as close as we can.

MR. D. ORCHARD: Oh, I understand.

That's exactly the point I'm making, Mr. Minister. This is a guideline as close as you can, but you may well use the frightening scenario like, if I was presented with this at Treasury Board, the first thing I would do is what I did here in five minutes. I would find out that debt servicing is going from 10 percent under projects under construction to a total of 20 percent for projects approved for architectural planning. Now, if I'm faced with the budget constraints that you say you're faced with and you are faced with, I would say, whoa.

Now, I want to know the basis under which you, all of a sudden, double the debt-servicing cost. I want to know if they're accurate before I make the decision to tear communities out of health care facility construction, because that will be the net result of an analysis of these figures. The Manitou's may well not get any replacement of facility. I want the basis at which those decisions are made.

HON. L. DESJARDINS: Mr. Chairman, I'm assured that they're using 10 percent for it also. We'll break that down and, of course, that won't change anything. If the CMHC pull out, we won't have those good mortgages, and of course we'll take advantage of those.

MR. D. ORCHARD: Mr. Chairman, I'll make a suggestion in terms of moving through the Health Services Commission lines. I would hope that, with relatively short debate, we can move down to the Hospital, Personal Care Home and Medical Programs, and combine those with capital because they're sometimes interrelated, and attempt to stay line by line as much as possible in the first five items, and then have a wide-open debate tonight and tomorrow for the last three: the Hospital, the Personal Care Home and the Medical lines.

HON. L. DESJARDINS: All right, to assist also, because I've noticed we've talked about the not too much

debate, I would think that maybe the member or all the members could have a chance to make their point and not ask every single question. That takes longer. We'll bank the questions or I might not want to comment, and it would give a chance for them to make their point and that'll be it, to keep more time for the - I would think.

MR. D. ORCHARD: Do I wait with baited breath for the Minister's tabling of the study to amalgamate MHSC and the Department of Health? Is that what he's pulling out of his folder?

HON. L. DESJARDINS: No, I'll get you that. I did promise that.

MR. D. ORCHARD: I won't have time to read it tonight anyway.

HON. L. DESJARDINS: There's nothing final on that.

MR. D. ORCHARD: Mr. Chairman, let's go directly to the supplementary information, page 3 has the organization chart. I notice the pharmaceutical consultant has got two slots, first of all, under the insurance division as pharmaceutical consultant, and also as a direct line to the right of Mr. McCaffrey, associate executive director. Is that an error or is that intentional, that he's got those two hats?

HON. L. DESJARDINS: It is actually two roles. The top one is a consultant on drugs and so on, as a consultant mostly and advises. The last one is more, he's in charge of the Pharmacare Program.

MR. D. ORCHARD: Okay, well I wondered if it was an error, because it is somewhat confusing. Ultimately, the bottom position is responsible to Mr. McCaffrey as well, if you follow the flow chart.

HON. L. DESJARDINS: But, Mr. Chairman, he also provides any advice, any consulting to the department besides the Pharmacare, on drugs of course.

MR. D. ORCHARD: Okay, let's get right down to business, Mr. Chairman. In terms of SY counts in the administration of the Manitoba Health Services Commission, I regret that I couldn't locate my SY request from last year.

HON. L. DESJARDINS: Here.

MR. D. ORCHARD: Is that last year's?

HON. L. DESJARDINS: Well, part of it, we've got adjusted last year.

MR. D. ORCHARD: Well, that's the problem. If this has got the adjusted, that always isn't necessarily the same, because you could have added the staff during the year.

Well isn't this amazing! I do have it. Can I just take a couple of seconds just to check through here?

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HON. L. DESJARDINS: On that sheet I gave the honourable member, he will see that in 1986-87, we voted 712.5, and then we transferred from the Department of Health for data processing 10, one position only approved during 1986-87 re information technology agreement. That will give him the 723.5. So there's not that much change, especially when there are 10 who were transferred from the department for data processing.

MR. D. ORCHARD: Mr. Chairman, the reason for wanting that information or to discuss that information is, if we take a look at the voted estimate last year - not the print but the voted - the Administration line was just under \$16 million and ended up at over \$17 million. Now, the change from print 1986-87 at this time last year in the adjusted vote is almost \$1.1 million. Now if we take a look at the SY changes, you've only got a dozen in increased SY's, but yet you've got \$1 million on the adjusted vote for salary. Now that's about a 7 percent increase in the salary base. Now how did that happen last year?

MR. CHAIRMAN: The Honourable Minister of Health.

HON. L. DESJARDINS: In the last sheet that you received, you'll see that the administration went up by \$1.091 million, and that's transfer of data processing from the Department of Health, the salaries of the 10 staff here, and then the non-salary expense of \$726.6 million.

MR. D. ORCHARD: The difficulty in making the absolute comparison is, of course, we don't have a salary breakout per se from last year. Under Administration, that was never developed last year, but that's neither here nor there. That I don't want to get hung up on. I see now from that last sheet how we get to the \$1.091 million. That's not only the salary of the SY's who are transferred. That's all of their, presumably, operating expenses as well.

HON. L. DESJARDINS: It is a non-salary expense related to that transfer, to those 10 staff.

MR. D. ORCHARD: Now again, Mr. Chairman, it's fairly obvious here when we talk - and I've now advanced up to page 13, and I'm on presumably the Administration Program by detail. You've explained in your note No. 2 that the salary increase is primarily due to increments and annualization of September 27, 1986, and I read that to be about a 6.7 percent increase. So again, the question is: Are we under MGEA and roughly equivalent to the ball-park increase of 8 percent that was given to us as applicable to the Department of Health?

HON. L. DESJARDINS: That increased 2 percent for the rate increase, 2 percent for annualization of September, '86 increase, and another 2 percent - no rate increase of 20 in September 27, 1986; and the annualization was another 2 percent in each year; then the increment, 1.7 percent; two new positions, one approved last year and one that shows as a requested this year for 1 percent.

MR. D. ORCHARD: What was that last little bit?

HON. L. DESJARDINS: That is for two new positions, one that was approved last year and one that is being requested this year for 1 percent.

MR. D. ORCHARD: Now, Mr. Chairman, then presumably whatever the MGEA contract negotiation for the last six months of the year presumably will be applicable here as well, because you're under MGEA contract.

HON. L. DESJARDINS: No, it's not in.

MR. D. ORCHARD: No but I mean, whatever it is, it will be in addition to this vote request.

HON. L. DESJARDINS: Yes.

MR. D. ORCHARD: Mr. Chairman, when we go under the health and education levy of 173,700, the same question as with the AFM: Is that calculated at 1.5 percent?

HON. L. DESJARDINS: Yes, it is.

MR. D. ORCHARD: Okay. It should in fact be closer to, providing you pay out those salaries, \$260,000 rather than \$173,000.00. So we've got roughly an \$80,000 increase in cost there.

Now the second question, we have telephone and telegraph staying stationary at \$148,800 for telephone and telegraph. Now I would presume that you wouldn't be using the telegraph too much in the MHSC. I may be wrong but would one assume that is mainly telephone at \$148,000.00? Of the projection of \$148,000, how much is telephone then? Could that figure be roughly made available?

HON. L. DESJARDINS: We'll have to break it down. Probably need a hundred for telegraph . . .

MR. D. ORCHARD: Probably the telegraph is to send wedding congratulations to whomever might . . .

Mr. Chairman, then can I ask the question as to whether the request for telephone reflects the 12.5 percent increase in telephone rate that is currently before the PUB?

HON. L. DESJARDINS: That is very difficult. This is the same as last year and we would hope that we could meet that if need be with the flexibility that we have in the total that we might have to make up, just in the total that you have for the administration. It might be that we would be able to borrow from Peter to pay Paul.

MR. D. ORCHARD: You see, Mr. Chairman, whenever the Minister gives a quiet answer, you know he doesn't want to give . . .

HON. L. DESJARDINS: I'm always quiet.

MR. D. ORCHARD: The Minister indicates that he may have to take from Peter to pay Paul and that's a luxury

that not all Manitoba businesses have that are faced with 50 percent increases in payroll tax, 12.5 increase in telephone but basically from the answer, I gather, that the telephone-telegraph of \$148,000, probably the utilities and maintenance of premise and equipment at \$265,000, the same as last year, similarly doesn't reflect the 9.5 percent increase in hydro rates, 5 percent of which was one-time forever in the budget.

So that basically what we have, Mr. Chairman, again is a significant amount of money that's going to be impacting upon the Manitoba Health Services Commission because of the budget, which is going to have to be found somewhere within the budget, and that may or may not mean immediate rehiring of staff vacancies. It may or may not mean a delay of program. We already probably dealt with sufficiently the Treasury Board submission where certain programs last year were deferred or cancelled because they had robbed Peter to pay Paul last year to stay within the budget cloth, and the same thing is going to happen this year because of not necessarily not budgeting sufficiently but because the Finance Minister came along after budgets were struck and demanded another \$82,000 in payroll taxes from the Health Services Commission and Mr. Doer, as Telephone Minister, came along and demanded another 12.5 percent of telephone costs, which is going to have to be paid. Mr. Parasiuk came along and demanded another 9.5 percent on electric bills throughout the Health Services Commission.

Now, I reiterate that in this particular portion of the Estimates we're dealing with a relatively small dollar impact on the administration of the Manitoba Health Services Commission because we're talking 400 SY's. We're talking a total operating budget of about \$7 million or thereabouts, \$6 million, so that the utilities portion of it is fairly small, but when we get down to the Hospital, Personal Care Home line, we're going to see some significant impacts on those facilities which are not accounted for in any way, shape or form by the increase that the government is going to allot to them this year. As with the AFM, it will impact on their ability to deliver services.

Now, Mr. Chairman, could the Minister make available the three areas at a later date? It doesn't have to be for tomorrow. At some point in time, could I get the Health Services Commission update on the additional costs of the increased payroll tax and the increased cost to the Commission of the telephone and hydro rate increases, what those will cost the Commission in this year's operating budget?

HON. L. DESJARDINS: You didn't talk about hospital administration at this stage, just administration.

MR. D. ORCHARD: No, just administration.

Now, Mr. Chairman, computerization is a topic under rather frequent discussion from people who I talk to in terms of the Commission, etc., etc. Is this the right place to discuss any advances or any changes or any new computerization programs, or should we be doing that when we get down to the Capital line?

HON. L. DESJARDINS: Are you talking about the Burroughs? That should be under Hospital.

MR. D. ORCHARD: Okay. But also, the Burroughs is the one aspect of it wherein you have dedicated through

an agreement with Burroughs to basically expand using their product. Now, Mr. Chairman, does that involve any computerization or any amalgamation of computerized functions between the Department of Health and the MHSC, like, if you have transferred over a number of SY's already, 10 of them to be exact, to achieve -(Interjection)- your data processing?

HON. L. DESJARDINS: We can discuss that now if you want.

MR. D. ORCHARD: What kind of cost estimates have you got for revamping or upgrading or redoing the data processing computerization within the Commission and the Department of Health?

HON. L. DESJARDINS: It's not impacting on the Commission budget at all. We don't show any changes because of the Burroughs at this stage.

MR. D. ORCHARD: Okay. What is the potential impact on it then when you say at this stage?

HON. L. DESJARDINS: It will be mostly in the hospitals. It will impact the hospitals at this stage. It might be later on, you know, there are so many years to this figure that it might be, but that's where we're starting.

MR. D. ORCHARD: Mr. Chairman, in past years in Estimates we have got into the discussion of computerization. I recognize it's a reality of modern business and probably a reality of modern government, and I know that we're going to be advancing more and more into computer information, collection, processing, etc., etc. I've always had the concern that as a layman, if I was sitting in your chair - and you and I probably have the same knowledge. You might have more than I on computers, but we're laymen in terms of computers and we run the risk, and I would even with trepidation, continue that on down the line to some of the administration staff within your department and within MHSC. They don't have computer expertise per se, but yet they are being proposed by computer experts within the department that XYZ should take place, that we should have this system for here and this system for there.

You can run into two things. You can run into substantial requests for computerization. I think you face them every day as administrators - maybe not every day, maybe that's too frequent, but you face them frequently. Along with that, when you have someone with a computer, they may well be generating materials and information that you have to do something with.

This is the debate and the discussion we got into, I believe last year, where I asked the Minister to make sure that they weren't having computerization for computer sake, and that you weren't having staff, because they have computers, demanding undue information requests from your hospitals, personal care homes and adding to their administration costs, simply for the sake of generating information which a group of people are going to examine and chase around, because that might not be an efficient use of staff time and budget, etc., etc.

I had a most interesting meeting - actually, it wasn't a meeting; it was a reception. I attended a reception

last fall, I believe it was, where one of the major consulting firms did something that I thought was very market-oriented and very timely. They set up a new consulting division in Winnipeg, and I won't mention their name for obvious reasons of commercial - I might be accused of promoting their commercial enterprise - but what they did is they set up a specific computer consulting division.

There was an accounting firm that went into the consulting business because they foresaw a void in the marketplace where a businessman, a manager of a business, an owner of a business, will be given a sales pitch by a Burroughs salesman, an IBM salesman, an Apple salesman, you name it, explaining the advantages of going into a computer in his business and, unless he has a lot of knowledge, he doesn't know whether he's getting good advice or bad advice. This consulting firm set up a specific division to provide independent consulting advice on whether computers are going to achieve what your management may say they will achieve within your department.

Mr. Minister, I think that, as you approach a potential amalgamation of MHSC with the Department of Health or some changes in the administrative responsibility, I think as you put hospitals under more severe budget constraints where you're saying the deficits cannot exist, you're going to see managers coming up with all sorts of computer schemes that are going to be the salvation of cost saving, etc., etc. I don't know whether in fact you have the expertise in-house to make those objective decisions and evaluations. Maybe this is time, and as I say, I'm not promoting this commercial enterprise but, to me, they struck upon a very real need of providing outside and independent advice.

I suggest to you, Mr. Minister, that it doesn't exist within government because, if you go to Manitoba Data Services, they're going to encourage the Department of Health and the Manitoba Health Services Commission to use as much of their main-frame capacity as you can because they're going to charge you for using it. They're going to use up a surplus. So you can't even go to them, I believe, and get independent and objective advice on whether you're doing the right thing in computerization.

Last year, we discussed some fairly substantial expenditures into computers, and you may well be doing the same thing again this year. I would ask you, Mr. Minister, to give consideration to whether you and your senior people have enough independent information at their disposal to make the kind of major investment decisions, whether they're going to be appropriate, No. 1, cost effective, No. 2, and end up with that goal of cost saving.

I make that as a suggestion again this year, based on the one firm that went into it. If they went into it, there's obviously a market need and others will, so it's not recommending them exclusively. I think they have struck upon an ideal slot to provide some independent consulting advice to business and governments in terms of their future computer needs.

HON. L. DESJARDINS: Mr. Chairman, I'll be brief and try to progress. We have hired Mr. Jim Dale, who has been appointed as senior manager, who will be responsible for implementing a full range of information,

communication application, across the health care system.

We encourage all the hospitals, the institutions, to get independent consultants. I agree with what has been said. We would not hesitate, as time goes and we get more involved in that, in getting independent counselling ourselves to analyze not only the ones from the institutions, but to make sure that is looked at from the point of view of protecting the Commission as well.

MR. D. ORCHARD: This individual that you've just mentioned is newly hired. He has background in computer systems, obviously.

His job is - what? - going to be to analyze the . . .

HON. L. DESJARDINS: Manage the Burroughs project pretty well.

MR. D. ORCHARD: Well you see, therein may be one of the downsides of your Burroughs agreement where you're tied to one individual corporation in terms of use.

I don't want to really get into this because it would probably take up too much time but, if he's looking at the Sperry-Burroughs agreement and how to implement it within the department, that may not be as clearly independent or objective, if you will, as what you may well need in determining your needs, because you're now going to tailor, if I gather it, the needs of the MHSC and the department to a specific agreement and that may have downsides.

HON. L. DESJARDINS: That won't prevent us, as I said, from going to an independent consultant.

MR. D. ORCHARD: That to me, Mr. Minister, is probably a very . . .

HON. L. DESJARDINS: What the Commission would need is not really tied into Burroughs. That'll be the hospitals. We could be using another product also.

MR. D. ORCHARD: Okay, I think enough discussion on that, Mr. Chairman.

In general terms, Mr. Chairman, can the Minister indicate whether, during this fiscal year, there will be any proposal for integration, amalgamation, coupling of the MHSC and the Department of Health?

HON. L. DESJARDINS: I would hope so; I think so. We might not even need legislation. Unfortunately, I forgot to bring this report that I promised. The suggestion is that we keep the Commission going, but pretty well like the Housing Corporation.

It might be that the Minister of Health would be the chairperson and then we could have the Minister of Treasury Board or Finance, or designate a senior staff in there because we have to go through that routine, through that procedure anyway, to go to the Treasury Board and so on, because all the money comes from the government now. We would have somebody probably from - I say probably because it's not finalized, but we seem to be going in that direction - the Planning and Priorities. In other words, it would be some senior people from the department and what is known as the

Commission at this time, and also it might save time and make sure of the other safeguards, if we have somebody from Finance and Planning and Priorities also. We would then set up an advisory committee. We certainly will have to have the contact with the consumer, so that would be it.

MR. D. ORCHARD: Can I ask the Minister whether there is a target date that he and the government have in mind for any implementation?

HON. L. DESJARDINS: When I get out of here in a couple of days, I hope, the intention is to set up kind of a target date, not only for that, but all the changes that we hope we can make, or how we can progress and go into Cabinet on that for the approval. I would say that we would hope to have this in place before we meet again next year.

MR. D. ORCHARD: Okay. Now therein lies the problem, not that I would necessarily be able to shed any great information or perspective on some proposed changes but, once we finish with the Department of Health Estimates, the open opportunity for discussion of that in the Legislature is essentially gone and, if it doesn't require legislation, what forum would we have?

Like question period is no good because you never answer a question there, with all respect. So where would the Opposition and the general public per se have an opportunity to have a fuller discussion on the potential amalgamation, because I think the Minister can recognize that can have either very minimal impact or very, very wide-reaching impact, depending on the degree of amalgamation?

HON. L. DESJARDINS: I can certainly assure you we're not stalling to wait after this at all. In fact, I would welcome a discussion on this. You're right, I don't know where because, normally, it would be whether it takes affect, and we're working on that now. There's been, as you know, an awful lot of work on that over the period of years, some with other provinces and other people. We can give you - I'll make sure that we bring a copy of this report tonight, okay, and then you'll have that. But then we haven't gone to Cabinet with the final recommendation.

I can tell you Cabinet approves, in principle, the direction we want to go. We want to involve, stop the duplication and involve the community side of health care also, and have them working together as much as possible. We've moved in that direction when in Research and Planning and other areas, and we would do more of that. But I certainly will not be able to finalize, especially not within the next few days.

In general, I would think that this is what we will recommend, that we go to a staff, mostly of something like - which is a recommendation of Decter, something like the Housing Corporation, probably with the Minister of Health as chairperson. Then we would have an advisory committee also, to keep in contact with the public. Then, other than that, in detail, will we have an Associate Deputy Minister or a Director of the Commission, I don't know. We wouldn't need any legislation. At this stage we don't think we will need it. We will go in that general direction, that's our

intention. We'll try to get the best of both worlds. This government insists on having more hands-on on the financing and on the Commission that normally would be allowed by the act that we have because they pay the cost. So we might as well bring them in and have everybody at least in the knowledge of what is needed in the Commission also.

So we would tend to go in that direction, because now we're going in Treasury, a lot of the things we never did before. At the insistence of Cabinet and Treasury Board we are now going in that direction. So we're trying to get that and, of course, one recommendation was that we be careful that we keep the post-audit in certain things. It would be very difficult to have pre-audit on everything dealing with the hospitals and so on.

I think it'll give you a good idea because when we give you that report, because we certainly want to go with the intent, we're very pleased with this report. That doesn't mean we'll do exactly what they're suggesting.

MR. D. ORCHARD: Mr. Chairman, and I only make this an observation, and the Minister I know won't want to ever even refute this.

But, Mr. Chairman, in the time that I've been in the House and watched this Minister respond to questions about problems in hospitals, he has generally very skilfully said: Well, you know, that's the Manitoba Health Services Commission, therefore, talk to them, don't talk to me. I know the Minister is curling up his . . .

HON. L. DESJARDINS: I said the hospital boards, not so much the Commission.

MR. D. ORCHARD: Right, but we get into this whole area of accountability.

Now I can see a positive aspect from my perspective right now in Opposition - I may not be so positive when we're government - of having the Minister directly responsible as chairman of this new Crown corporation, quasi-funding organization. But I want to tell you, given the kind of fiascos that we've seen from Mr. Mackling in the Telephone System; Mr. Bucklaschuk in Autopac; Mr. Lecuyer and others in terms of Workers Compensation Board, where they've had a hands-on, more direct approach to those respective Crown corporations, I fear, I fear very strongly having this government put any Minister more directly in control of hospital spending.

Now, you might be the notable exception, or maybe you have the ability to ask those very incisive questions to find out what's going on in your department and in MHSC. You may have that, but some of your colleagues are just bloody disasters at doing that, and the proof is coming out daily.

When you mention that this government wants to have a more hands-on approach in terms of hospital funding because you're paying the bills, that scares me immensely. Because within your Cabinet, with all due respect, it wasn't I - it was a neutral reporter - shall I say? - from the Winnipeg Free Press who described a number of your colleagues, Sir, as members of the walking dead in the Pawley Cabinet. That would be one area that I would have a great deal of concern,

if you put more hands-on government control in hospital spending because, when you've done that and politicized the Workers Compensation Board, I think you've ended up with some very bad, bad decisions and problems.

In MTS, that's self-evident. MPIC is becoming more and more evident, where you have a Minister interfering directly in its operations as chairman of the board, as you mentioned again.

So, Mr. Chairman, I just make those few comments and look forward to reading the Decter Report, maybe even tonight so we can discuss it a little bit tomorrow.

HON. L. DESJARDINS: I'd like to add that it was with trepidation that we went along. I've asked myself the same questions. I'm certainly not going to comment on the role of my colleagues in Cabinet. I'm not that versed with their responsibility, but I have that concern. But it would be, let me say now, I might regret this later on. I think it would be hypocrisy if we don't accept the responsibility in this area, because there is no such a thing as extra billing; there's no money, other than what comes from the department. What I've said is, right now, the Treasury Board and the Cabinet insist on more. In other words, we have to go through a decision of Cabinet, through Treasury Board where normally the act would permit me to bypass that in some areas.

I haven't got the same freedom, and I don't think that's bad. It's very annoying at times. That's why we think we must have a post audit. We've got to be able to manoeuvre it. Now, I'm going to be blamed anyway. You blame all those other Ministers. If I'm going to be blamed, let me find out what it's all about, at least then I can accept some of the blame. I know that I'm probably crazy in doing that, because I don't know how you can spend all your time in here and then run a billion-dollar enterprise, but this is an area that we will have to, if we're going to make changes, and this is why I suggest that we bring somebody in from Planning and Priority immediately - can't be in meetings all day, at least we'll bring them to us and work in that area.

In fact, the comparison was made to the housing corporation and it is, because right now we have a Commission, but these people cannot - you know, it's obvious, you know that and I know that and they know it and we've changed the roles. I said that publicly. We changed the roles more of an advisory committee and they don't meet as often as they did before. But these people, you know, there are some areas the government must make the decision in their area, and the funding.

I don't think that I would agree with you when you say that I blame the Commission. No, but I did say that it wasn't one person. I said that it was a team and I talked about the boards of the different hospitals and I'll do that again. I hope I can do that again. But the Commission, I've always accepted - there are certain things that go on in the Commission that I didn't know every detail when they were negotiating certain things or discussing with the different boards. But we've had to accept the responsibility for the Commission. The Commission will be like a department, so we know that.

A few years ago when we talked about this and you're talking about the government, I know it would be a lot easier and it's a lot better for the Opposition. I know

that. When I started in the House there was one line, Manitoba Health Services Commission. We hardly looked at it. We jumped on the other line. I had to go and see the Premier and ask him for his rate the same as the Telephone or Hydro, and that was the premium they paid and that was it. He stayed within his budget. It was his responsibility, and the MLA's didn't even have a chance to talk about it until we started adding these lines and started discussing it the way it should be. But it's a hell of a lot tougher on the Minister, I agree. I couldn't agree more. Maybe they'll have another Minister.

MR. D. ORCHARD: You're talking the exclusive vehicle of funding now being government. So that's why you've . . .

HON. L. DESJARDINS: Well, that's one of the reasons.

MR. D. ORCHARD: . . . set the change in time. That's what's the reality of the way it's funded.

HON. L. DESJARDINS: Yes. I would love to be able to have an independent, like we had a few years back, Commission, but it's not going to be anymore, not without premiums and they have to come through the Minister of Health who then goes through Treasury or Finance and the Estimates to get the money. I can't hide. No matter how I turn that around, it's going to come out the same way. So we might as well, you know, take the responsibility. We're not doing that because it's going to be easier.

MR. D. ORCHARD: Mr. Chairman, does the administration of MHSC still maintain a significant internal audit capacity to periodically go to various personal care homes and hospitals throughout the province to perform audits on their operations?

HON. L. DESJARDINS: The internal audit is mostly to do the auditing and our own operation at the Commission. We would have a consultant who would do this work with the personal care homes and institutions more than our own people with that.

MR. D. ORCHARD: Let me get this correct.

HON. L. DESJARDINS: People look at the auditing of our own with the Commission, our own administration, more than the individual institutions.

MR. D. ORCHARD: One of the responsibilities - let's just talk about this for a minute - of each health care institution, be it personal care home, hospitals, possibly even clinic, I don't know, is it their responsibility to retain external audit capabilities so that their operations are audited and submitted as audited statements each year to the Commission?

HON. L. DESJARDINS: Yes, but we have our consultants also who will go and work with him, more than our auditor.

MR. D. ORCHARD: Now that stimulates the question and possibly you could provide the information at a

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later date, what is the cost of your internal audit capability as it applies to examining statements or preparing statements for individually funded facilities, and I'm talking internal staff capacity to do that as well as you've indicated consultant capacity to undertake the acquisition of that information? I'd like to compare that to - whether it's compiled or not, I don't know, because you're dealing with a number of facilities, but is it possible to determine what the facilities are paying out in terms of external audit capacity? Is that readily available?

HON. L. DESJARDINS: Yes, we'll get you that.

MR. D. ORCHARD: I'm wondering, I've had a discussion with an accountant who happens to do some of the audits and the indication was, not that he wanted to demise his level of business, but he indicated that he got a substantial amount of information from the internal audit of MHSC.

HON. L. DESJARDINS: It would be from the consultant, I guess.

MR. D. ORCHARD: It begged the question in him - hence I'm posing it to you - are we duplicating to some extent the services of auditing whereas an external auditor is being paid probably full fee and you seem to have some sort of internal capacity paid for by the taxpayers as well? If there's duplication, that might be an area to take a look at.

HON. L. DESJARDINS: MHO is doing most of this accounting from the other facilities and we are discussing the role of MHO also. We want to make sure exactly the same concern that we don't have duplication and so on, that they don't start an empire of maybe things that aren't needed or we can do it better and cheaper.

MR. D. ORCHARD: Or vice-versa, but you don't create an empire that you think MHO . . .

HON. L. DESJARDINS: We've got too much of an empire now, I'd like to give it away.

MR. D. ORCHARD: Well, I'll tell you, there's a group of people who would be glad to take it away.

HON. L. DESJARDINS: Oh, yes, but I don't want to give it away to someone who will bugger it up in the first month. I want to make sure that we keep improving.

MR. D. ORCHARD: Well then you certainly, Mr. Minister, will not want to give it to any of your Cabinet colleagues then?

HON. L. DESJARDINS: Oh, I don't know.

MR. D. ORCHARD: Mr. Chairman, the internal audit, in the interests of speed and efficiency - I think that's about all the questions I have on Administration unless there are others.

MR. CHAIRMAN: Anybody else?

MR. D. ORCHARD: I might take the poetic licence that if my fading recollection brings up some questions that the Minister won't mind if I pose them later on anyway. He's such a gentleman.

MR. CHAIRMAN: Do you want to discuss the Pharmacare Program now?

HON. L. DESJARDINS: We passed Administration, passed the line. Just say, with the understanding.

MR. CHAIRMAN: Administration—pass.

MR. D. ORCHARD: Mr. Chairman, the Pharmacare Program, we've got a fairly significant increase this year, price and volume increase. Now is there any plan to increase the deductible, as was done last year?

HON. L. DESJARDINS: No, there's no increase.

MR. D. ORCHARD: Mr. Chairman, to achieve roughly a \$4 million increase in the Pharmacare Program or projection on the Pharmacare Program, my first question would be: Was the \$26.8462 million that was voted last year, was it expected to be expended this year under the Pharmacare Program?

HON. L. DESJARDINS: Yes.

MR. D. ORCHARD: Over or under?

HON. L. DESJARDINS: It'll be over.

MR. D. ORCHARD: By how much, Mr. Chairman?

HON. L. DESJARDINS: We're still processing claims so it's very difficult to give you, but somewhere between \$2 million and \$3 million.

MR. D. ORCHARD: \$2 million to \$3 million is going to be the overexpenditure from last year?

HON. L. DESJARDINS: That's what we - that's the best we have here.

MR. D. ORCHARD: Well that stimulates some questions then, Mr. Chairman. Was there an increase in the number of claims?

HON. L. DESJARDINS: There is over 20,000 claims and more to come over last year.

MR. D. ORCHARD: What would that represent in terms of - and I don't need the exact last number - but is that an increase of \$100,000 last year to \$120,000 this year? What are the relative numbers?

HON. L. DESJARDINS: 130 last year, 150 this year, to date. I'll try to help you, for the sake of brevity, if I tell you what you're looking for is that the price in volume increase was not provided in '86-87.

MR. D. ORCHARD: I noted that in terms of the explanation of the program, and I was going to ask that, but that's a 15 percent increase in the number

of claimants. Now tell me, your staff can tell you, has that been the yearly experience, an increase in the number of claims, 15 percent per year? I don't think it has been. Hasn't it remained relatively static over the past number of years?

HON. L. DESJARDINS: See, I can give you claims in '81, for instance, 117.9 - I'm talking about thousands now; in '82, 133.2; '83, 164; '84, 139; '85, 169; '86, 172; and '87, 174.

MR. D. ORCHARD: Well, those are different figures, Mr. Chairman, than he just gave me a moment ago.

HON. L. DESJARDINS: Hey?

MR. D. ORCHARD: Those are different figures than you just gave me a minute ago. You said it went from 130 to 150.

HON. L. DESJARDINS: Yes, I'm noticing that. We're trying to reconcile that, I've got two sets of figures here. I'm given the information that there are 11,000 more people. You know how people put in claims is not necessarily the same.

MR. D. ORCHARD: That's what I want.

HON. L. DESJARDINS: But there are 11,000 more people, not claims, and I'm try to reconcile those figures that we have here.

MR. D. ORCHARD: Mr. Chairman, as a general observation, while they're trying to figure out the number of claims, you're not sure yet of where you're going to be at in terms of the actual expenditure for last year, but you budgeted almost \$27 million. If you take the \$2.5 million - let's say a saw-off and you say you're \$2.5 million overspent, then you're going to be up to \$29.5 million. Part of the reason for that is there was no budgeting for price and volume increase for '86-87.

Now, given that added 10 percent last year to your actual expenditure, you're going to be underbudgeted again for this year as well, if price and volume continues along the same . . .

HON. L. DESJARDINS: I don't know. It probably won't be enough, but we have a small volume increase of 1.6 and a price increase of 4 percent, which is more than we had last year. We had nothing last year.

MR. D. ORCHARD: Yes, and I just simply say that it appears as if, between volume and price increase, your actual requirements last year approached 9 percent, and you budgeted none. This year, you're budgeting 5.6 percent and it may well be approaching that 9 percent again, and you may well be out by a couple of million and . . .

HON. L. DESJARDINS: Yes, but do you understand that last year this is what I was volunteering - that last year we had nothing for volume and . . .

MR. D. ORCHARD: Right, that's exactly the point I'm making. Last year, you had nothing for volume and price increase, and they averaged 9 percent.

HON. L. DESJARDINS: Yes.

MR. D. ORCHARD: And this year, you're budgeting 5.6 percent, when indeed it may well be 9 percent so, in all likelihood, you're going to be underfunded again this year, depending on how you turn out by the time you get all your bills paid this year.

Now that brings the obvious conclusion that the deficit numbers that we've been talking about are understated, in all likelihood.

HON. L. DESJARDINS: That's possible, in this case, that's possible.

MR. D. ORCHARD: Okay, Mr. Chairman, it also . . .

HON. L. DESJARDINS: The generic Patent Act won't help you know.

MR. D. ORCHARD: Well I knew you couldn't resist getting that in. It also could reduce your costs in the hospitals, too.

HON. L. DESJARDINS: Hey, we'll never finish in a couple of days. Let's argue that during the resolution.

MR. D. ORCHARD: I realize that, and I realize there's a Neanderthal opinion in the Government Cabinet which hasn't been helpful to the province, nevertheless. Mr. Chairman, you know, under the Pharmacare Program, I'd like to get into the profession of pharmacy as a discussion, particularly with - as we affectionately know him as old "stump legs" here - or pardon me - the Minister of Education.

There is a looming problem in rural Manitoba particularly with the availability of licensed pharmacists.

HON. L. DESJARDINS: Why don't you stretch things a bit and get it under Personal Care Home? Because they're working, you'll want to come to that anyway.

MR. D. ORCHARD: Yes, I was going to do it under the Medical line, because that's where pharmacy fees are.

HON. L. DESJARDINS: Well, put it under hospitalization, under Personal Care Home.

MR. D. ORCHARD: We've got ourselves a looming problem, and it is one that you can't resolve on your own because you have no control over the number of entrants in the pharmacy program at the university. They're at capacity each and every year. I'm led to believe unless there's a major expansion of the faculty itself, in other words, almost a doubling of the current physical facility, you're not going to be able to increase that enrolment and we've got a double problem on the go.

We've got a substantial proportion of the enrolling class are residents of Ontario. When they go back to Ontario for the higher salaries, the higher job offers, the better job offers, they often encourage some Manitoba graduates to go down with them, and we are losing a substantial number of our graduate pharmacists to the detriment primarily of rural Manitoba. I have pharmacists in my area and, no doubt, in the Chairman's

area throughout rural Manitoba who are having a very, very difficult time recruiting and attracting pharmacists to private independent business in rural Manitoba.

Now, the problem I've outlined already is limited capacity at the faculty, the Ontario magnet dragging Ontario students plus some Manitoba students down there. Then we've also got the problem of in-house within the Department of Health, as you move away from fee-for-service pharmacists in personal care homes, hospitals, etc., etc., and hire pharmacists on nine-to-five jobs basically in your hospitals and your facilities at fairly decent salaries, you also are competing within Manitoba and taking pharmacists away from the independent business in rural Manitoba.

It's a real problem, it's there, and it's going to get, I predict, worse over the next number of years, so I just notify you that we'll be discussing that as we get to the Personal Care Home line.

Now, Mr. Chairman, let's pass the Pharmacare line unless there are some other questions.

MR. CHAIRMAN: Pass.
Ambulance Program.

MR. D. ORCHARD: We can go another couple minutes over, because we're ahead of those fellows in the other room.

Under the Ambulance Program, I note that the grants are going to stay exactly the same. Now, Mr. Chairman, can I ask your director whether they expect ambulance costs to remain static year over year or are they faced with increased costs?

HON. L. DESJARDINS: I can answer that. The situation is that, when we first brought in the grants, it was never felt that we were paying a certain percentage. It was a grant on, it was something that we never had before, and it was a grant to help him with either equipment or radio equipment or whatever. It was felt with the situation, the way it is now, that we would increase that value. That probably will create a difficulty for them, but it was never, never at any time did we accept responsibility. I know that certain provinces do but this is something, with what we have, we couldn't. With some of the other programs that maybe we lead other provinces, and it was felt that it would stay the same grant for this year.

That was a policy decision. We would have loved to improve it, but we felt that we didn't have the funds to do that this year.

MR. D. ORCHARD: Well, Mr. Chairman, I take it then that there is recognition in maintaining these grants equivalent to last year. That is not because costs will remain static, costs are going to increase. Now, I think the Minister understands that there are only then two other sources. There are two options, basically, you reduce the level of services, provider of ambulance service, or you increase your revenues from other sources since the government's revenue is remaining static. If you choose the second option, which I suggest most ambulance services will do, because I don't think they're going to reduce the level of service. They're not going to leave people trapped in cars in accidents, etc., etc., then that means either the user fee has to

go up for the ambulance user or the municipal tax base is going to have to pick up the costs. Are those the only two options that are available?

HON. L. DESJARDINS: I can't tell you more. When the Federal Government decided they wouldn't take the same percentage of cost, we suffered around the line too, and I guess it's the same thing. We either increase the tax, go into deficit, or reduce the programming, or have a utilization fee of some kind.

In other words, you're saying that the cost that the patient would pay would have to be increased. I don't see any other areas at this time. As I say, we felt that we could not accept the responsibility for the ambulance. That is done, granted, in other jurisdictions.

MR. D. ORCHARD: Can the Minister indicate possibly - he might have to dig this out over the dinner hour. Obviously last year when you provided the \$2.0879 million in grants, can the Minister indicate what percentage of the total operating costs to the Ambulance Program that was last year and what it will be this year? Is that possible to guesstimate?

HON. L. DESJARDINS: No, because it would change. For a while some of the rural areas were getting the service from the City of Winnipeg. I dare say that they were making out quite well. That was one of the reasons why Winnipeg pulled the plug. They warned them and warned them, but they never took it seriously until it was a little late. No, I couldn't tell them that because they could buy new ambulances, they can do whatever they want.

MR. D. ORCHARD: Well, Mr. Chairman, I'll have a few more questions on this before we leave the section this evening. Basically, the Minister has indicated that Ottawa decided that they were reducing the percentage of increase and therefore has been subject of debate where they have been singled out in almost, well, we had the Fair Share Office, etc., etc., became a very highly political issue. But here in a very straightforward example, the government has decided they don't have the money to increase funding to the ambulance providers throughout the province, and that is done with the full knowledge that either the users are going to pay more or else the municipal tax base is going to have to contribute more. It is a similar circumstance where someone else is going to pick up - a lower level of government or the individual is going to pick up the costs.

HON. L. DESJARDINS: Well, it is that we never accepted any responsibility. That was a grant to help them. In fact, I remember because I was the Minister when it first started; it was the same thing, either to help them with the radio, or the amalgamation of different towns and districts and so on. We steadfastly refused to accept the responsibility for the ambulance and we felt that, because of the geographic situation here in Manitoba, we should try. We have more of a responsibility to areas where they didn't have the same facilities, therefore, the air ambulance, and we spent quite a bit of money in there.

MR. CHAIRMAN: The hour now being five o'clock, we adjourn until eight o'clock this evening for Private Members' Hour.

SUPPLY - AGRICULTURE

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

We are now considering item no. 4.(a)(1) Agricultural Development and Marketing Division, Administration: Salaries; 4.(a)(2) Other Expenditures.

The Honourable Minister.

HON. B. URUSKI: Mr. Chairman, last week when last we met, I took a number of questions under advisement. Staff have provided information and I will put them on the record so that honourable members are aware of the responses.

We did have a discussion about swamp fever with the Member for Lakeside and I want to just indicate that the present federal policy is to test all PMU herds. Positive testing horses must either be slaughtered or quarantined in a fly-free stall during the fly season. Our understanding is that the Federal Government will complete tests of the PMU herds and then will likely decide where they go with the policy and that's dealing with our whole discussion on swamp fever.

Mr. Chairman, there were questions raised regarding the Manitoba veterinary students at the Saskatoon Veterinary College. There are 27 females and 20 males in total and 12 females and 10 males who are receiving financial support through our scholarship program. There were questions dealing with veterinarians practising in rural Manitoba. There are 78 full-time and approximately eight part-time veterinarians and 54 are hired in the veterinary district program. The special district, Alonsa, is the only district with an amount over the standard grant. It is a special district with a matching grant of \$20,000 per year.

The Water Licensing Act, there were questions raised regarding the Water Licensing Act. No licence is required for a well for domestic purposes. No licence is required if the well has less than 25,000 litres per day drawn. Irrigation will need a licence but will not be charged for water use. Essentially, only new significant drainage projects will require a licence by farmers. Minor drainage programs would not require a farm licence.

MR. CHAIRMAN: The Member for Virden.

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

A question on the information the Minister just gave. On the PMU herds, is it the intention to test every herd this spring in the Province of Manitoba?

HON. B. URUSKI: Mr. Chairman, I understand that they've got most of them done already but I believe that that's the intent.

MR. G. FINDLAY: Do you have any results yet from those tests as to how they're doing in terms of percentage that are infected?

HON. B. URUSKI: Mr. Chairman, we do have some numbers. Maybe we'll try and get them tonight. We have some information back but the percentage is very small in terms of testing positive.

MR. G. FINDLAY: Will this have any impact on putting these horses into the PFRA pastures around the Crown lands?

HON. B. URUSKI: I don't believe, Mr. Chairman, that it will. Once they're tested, of course, there are only two things that can occur, either a quarantine during the fly season or in fact slaughter. There is no in-between in terms of what can occur once the tests have been undertaken.

MR. CHAIRMAN: The Member for Portage.

MR. E. CONNERY: Yes, Mr. Chairman, to the Minister.

I've had a concern raised to me from the spray people that are spraying agricultural crops and, as you know, there are more and more acres being sprayed by airplane.

Is there any way that they can receive purple fuel to keep the cost of spraying down?

HON. B. URUSKI: Mr. Chairman, I'm not aware of that being a consideration at all. I've not had any matter of this nature even raised with us. We've have to consider that and just find out what the implications are. I'm not sure that the coloured fuel, whether the colouring might have some impact on the operation of any aircraft if, in fact, it was allowed. But, quite frankly, airplane fuel has not been one of those fuels designated for non-taxation.

MR. E. CONNERY: I wanted to draw it to the Minister's attention. It has been applied for, of course, the relief from taxation doesn't come through his department, but naturally the spraying of crops is under his department. He should be aware that there has been an application in the past that was turned down by the Minister of Finance, and there's still some concern. Well the costs in farming are fairly significant and the Minister should know that.

Another question: In the last year you hadn't finalized your agreement with Ottawa on the Housing Assistance Program for migrant labour. Did that get included in the agreement?

HON. B. URUSKI: What does that include?

MR. E. CONNERY: Well, for migrant labour, the assistance for housing; did that get included?

HON. B. URUSKI: Mr. Chairman, the agreement has not been signed as yet. It's virtually been ready to be signed; it's not been completed, but housing is, as I understand, part of the agreement.

MR. E. CONNERY: Mr. Chairman, just in closing off, because we have to move on the Estimates, I'd like the Minister to know that the horticultural industry is still fighting hard to be competitive in our prairie provinces and that a lot of product from Manitoba moves into Saskatchewan and Alberta, and some goes east into Ontario, and some further to B.C. but, by and large, we export a lot of product to Saskatchewan and Alberta.

I wonder if the Minister is aware what effect now the 2.25 payroll tax is having on our competitiveness with other provinces, in light of the Province of Alberta, for instance, in one crop, broccoli, where they have put a facility, the total capital cost, and are also paying for

the manager, without any of the costs that we have, in the payroll tax; and they've also got fuel rebates. What suggestions or what help has the Minister got in mind for the horticultural industry in Manitoba?

As he knows, it's a fairly significant industry here, hiring a lot of people, it's very labour intensive and, on our particular farm, the payroll tax will cost us in the area of \$15,000 this year; and the Minister is aware that we can't add the cost of the payroll tax onto our products because we're competing on the international and interprovincial border. Has the Minister been in consultation with the Minister of Finance to explain to him some of the problems that are being created with the 2.25 payroll tax?

HON. B. URUSKI: Mr. Chairman, the year 1986, the year of the election, the Conservative Opposition raised this question of the payroll tax. During that election, I spoke to a businessman in Swan River who told me that he was both in the construction business, in the lumber business, and in the hardware, I believe, and retail business, and he had a large number of employees. When he said that his provincial health and post-secondary education levy was brought into being, and I'm going for memory, his costs annually were in the vicinity of something like \$7,000 for the employees that he had.

However, he was, at the same time - and we didn't hear a boo about it - subjected to the new federal sales tax of 11 percent that was going to cost him in excess of \$50,000 that year, and we didn't hear a boo from the business community about a national tax that was imposed on business five times as great as the health and education levy in this province. We didn't hear a boo, and that's what we're hearing again from the Member for Portage la Prairie. We didn't hear a boo about the national federal sales tax on commodities that were, in fact, manufactured or remanufactured at the level right across this country; nobody said anything. But we just continually hear what I consider the downright negative negativism of the Conservatives of this province.

Mr. Chairman, we have had ongoing meetings with the horticultural industry. In fact, we had a meeting just about a month ago with the greenhouse industry, had a lengthy discussion on a number of issues where, although there is no doubt any business, anyone in business, would like to pay less and earn more, Mr. Chairman. The greenhouse industry, for example, have felt that their greatest concern is the question of importation of product that is not being checked at the border and providing unfair competition from what I would call "offshore," whether it's U.S. or elsewhere, but primarily from the U.S., has been providing unfair competition. But, in terms of the niche of the domestic market, they have been doing quite well. There are some pressures, I must admit, from Ontario in terms of some of the product that might move westward, but they have not been hampered by that question, at this point in time, to any great degree, but there are competitive advantages by virtue of provinces who are able to put more subsidy, more support into an industry. I've said before, the Albert Government has put in subsidies, by virtue of their revenues on oil and gas, in terms of their costs for producers and their costs

of operation, the subsidy of, now it's nine cents a litre I guess it is, what it amounts to in Alberta which, quite frankly, every farmer in the country is indirectly paying for by virtue of the fuel that we use.

We've never pretended that we would be able to even come close to matching the kind of support that is provided, for example, by the Province of Alberta but I believe, I'm not sure, and maybe the honourable member can - and he is of course closer to the industry than I - what impact, for example, the vegetable crop, the local crop of Alberta, is trans-boundary eastward to the extent that he is making out. I would think that in terms of the cold-crops of Alberta they would certainly have a heavy impact on the B.C. market and into Saskatchewan, but I'm not certain to what extent that trans-provincial transportation of those commodities would impact on the Manitoba market, because transportation, in terms of going three provinces, is not cheap either.

MR. E. CONNERY: Mr. Chairman, I thought we were dealing with the Manitoba Estimates and, of course, as usual, if the Minister didn't have fedbashing, he hasn't got anything concrete to offer to this House.

I think it's a shame that this Minister just looks at other areas. Sure, a federal tax base was less competitive on the international market, but this payroll tax has made us extremely less competitive within Canada versus other provinces.

And what does he say? Then he comes back and says, what effect has Alberta coming into these other areas? A significant effect! Saskatchewan is a major, major market for Manitoba and we're seeing more product coming from Alberta competing with us in Saskatchewan, in Saskatoon and Regina. This is a major market for us. It doubles our ability to produce, but this Minister doesn't really seem to understand what the market is.

We work in that marketplace, Mr. Minister, and we know the marketplace. We work on very few cents that makes us competitive or not competitive. We do cost accounting. We know what our costs are. We know that they are very marginal. If it wasn't for bad weather in some area last year, the industry would have had a poor year. Because of the eastern seaboard being drowned out, it ended up being a reasonable year for the horticultural industry.

But do you want to put those acres, along with the sugar beet acreage, into wheat, oats and barley, which has to be subsidized to stay alive, or do you want to encourage the horticultural industry to take more acres out of wheat, oats and barley and create jobs and a lot of economic activity would be in the province.

This Minister needs to become a little more aware of the viability and the economic growth that we have in sugar beets and the horticultural industry with the special crops. There is very little emphasis being put on, Mr. Chairman, and I think it's a shame that this province has to tolerate this sort of inactivity.

The Province of Alberta is really working to develop their horticultural industry. It's not easy to get growers to go into horticultural crops. It's a very difficult sector of agriculture. When you've got it, you want to be awfully happy you do have the few that are left in Manitoba. We went from having hundreds and hundreds of

growers at one time back to the beginning of the Fifties; now we only have a dozen of maybe really large vegetable growers left in the province. Alberta would give their eyeteeth to have some of us go there, and Saskatchewan would do anything to get us to move.

This Minister should be very happy that we have a horticultural industry here and should work with us to try and increase it rather than all of this fedbashing that he says is to blame for our industry problems.

A MEMBER: He's got a one-track mind; that's all he knows.

MR. E. CONNERY: Parasites, Harvey! You don't even know what a parasite is. You haven't looked in a mirror.

HON. B. URUSKI: Mr. Chairman, I think the honourable member, he said, "look in a mirror." He should take a look in the mirror at himself.

Mr. Chairman, let's just understand that in terms of his whole argument, it was based on the health and post-secondary levy of the Province of Manitoba, but what he didn't even mention is that there is - what is it? - a \$500 a year health premium in the Province of Alberta which most employers are picking up per family.-(Interjection)- Oh, Mr. Chairman, now the member says no, they are not, the employers are not paying it.

Mr. Chairman, who do you think is paying it? Either you're paying it in the wages or you're paying it in the benefits; one or the other, Mr. Chairman. So, Mr. Chairman, that becomes a cost of operating, a direct cost of operating, no matter which way you want to cut it.

I think, Mr. Chairman, what the member doesn't want to acknowledge, he wants to say no, employers are not paying that levy. Who does he think is paying it - the workers, Mr. Chairman? Then if the workers are paying it, they're going to demand it in terms of the wage package that they receive. Who is he trying to kid in terms of who is competitive and who isn't?

Mr. Chairman, our work with the horticultural industry in this province over the years is probably the best example of industry-governmental cooperation for the expansion of the industry right across, whether it's strawberries, whether it's cold crops, whether it's sugar beets, whether it's the vegetable industry. We have invested many, many thousands of hours of technical support staff time and incentive grants as we do to the potato industry all over.

Mr. Chairman, the province is heavily involved in this industry and continues to be and does recognize and has, by our actions and support of just the recent Carnation development in Portage that was announced, the province did contribute and assisted . . .

MR. E. CONNERY: And those bad feds did twice as much as you did.

HON. B. URUSKI: Mr. Chairman, the member from his seat says those bad feds did twice as much.

Mr. Chairman, it's been the position of this province, and many other provinces in this country, when it comes to interprovincial bartering for industrial development, there should only be one policy. There should not be interprovincial bidding wars for industries. There should

be a national incentive program in this country and there should be no nonsense of provinces trying to outbid provinces where industries have come into provinces.

In fact, the best example, Mr. Chairman, was Litton in PEI. The Federal Government had an agreement with Prince Edward Island and then the election changed governments and the Province of Nova Scotia went into the bidding war and put in more money, I think, than the whole plant was worth in terms of what economic benefit that province could have. That's the kind of suggestion, Mr. Chairman, we've had in the debate over sugar beets.

We spent more than half the time on these Estimates on one small industry in this province, Mr. Chairman, that has been historically the responsibility of the Federal Government. These people opposite believe that that's the only issue in agriculture, and that's what they've centred their entire debate in these Estimates on.

MR. CHAIRMAN: We have already passed the Administration and Finance section where we allowed some leeway in policy matters.

We are now considering Agricultural Development and Marketing Division, Administration: (1) Salaries and (2) Other Expenditures.

According to the Rules of the House, 64.(2) - "Speeches in a Committee of the Whole House must be strictly relevant to the item or clause under discussion."

The Member for Portage.

MR. E. CONNERY: I'd like to ask the Minister then, if he's sure that he's supporting the horticultural industry, will he guarantee us that the position held by Mr. T.A. Sandercock, who has just recently retired, will be maintained without removing the vegetable specialist? Will that position be filled by his department?

HON. B. URUSKI: Mr. Chairman, we haven't filled that position as yet, but it's our intention to fill it.

MR. CHAIRMAN: The Honourable Member for Emerson.

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

Just to make sure that I'm on the right track here, I checked with my critic and he indicates that the subject that I'm going to be raising is under this section here. The agricultural community, I suppose when it rains it pours, and when you have drought it's forever, and the problems never stop.

The issue I want to raise with the Minister is with the bee farmers. I want to clarify, Mr. Chairman - (Interjection)- Bee, b-e-e, the bee farmers. Mr. Chairman, we might make light of it to some degree here, but it is not something that we should be taking very lightly at this stage of the game for the simple reason that I'm sure the Minister and his staff must be aware of the problems that the bee industry is in at the present time.

Apparently, the Americans are subsidizing to some degree. They have a program in place where the agricultural community, the government will subsidize

the beekeepers to the point of whatever price they sell at up to the cost of production, the government will pick up that slack. Most of our export of honey goes stateside and, at the present time, I think our cost of production, Mr. Chairman, is 50 cents a pound or something like that. On the American side, I think the way the program works right now, they're selling their honey for 40 cents a pound.

What it has done, it has virtually cut off our market for honey. Mr. Chairman, it's a major issue and I want to raise it with the Minister to see whether there's been any discussion between him and the Federal Government in terms of what can be done.

We're always talking of subsidization in the agricultural community because of the problems that we're running into, but, Mr. Chairman, what has happened, most of our beekeepers, the export supply that usually goes stateside is still all here.

The bee farmers have got their hives out again now. We have approximately 1,000 commercial operators. I think our total beekeepers amount to about 1,700, but when we talk of commercial units, I think we have approximately 1,000. What has happened is that Saskatchewan has come up with a very rich subsidy. The province itself, I think, is paying something like \$18 per hive in terms of subsidy and Alberta apparently is paying \$15 a hive to keep the industry going.

But the beekeepers, Mr. Chairman, are asking: Is the Federal Government going to step in? You know, we have this problem again. As you know, many commodities at the present time run into this difficulty in terms of trading with the States, which is our biggest trading partner. Now that door is shut, what are we going to do? We have last year's export supply on hand. The bees are making honey again.

My question to the Minister is: Has he had any discussions with the Federal Minister in terms of what can be done in terms of getting something resolved there, and is he considering the possibility of subsidizing the beekeepers as Saskatchewan and Alberta have done?

HON. B. URUSKI: Mr. Chairman, the honourable member should be aware that we raised this issue last fall in discussions at the staff level when the Canadian Special Grains Program was being developed. As the honourable member may be aware, the Canadian Special Grains Program's original intent was to deal with the question of hurt as a result of the U.S.-European Economic Community subsidies. It was a question of determining that hurt on how those payouts would be made to the grain farmers.

Mr. Chairman, our staff contended last fall that the honey industry was fast approaching this area of concern based on what was occurring in the U.S.

Mr. Chairman, effectively, what we have today is the U.S. Government subsidizing domestic honey production to the tune of 20 cents a pound, U.S.; that's really what it amounts to. As I understand it, they had an initial payment or a loan of something like 64 cents or 65 cents U.S., and the market price was roughly at that time somewhere between 45 cents and 48 cents a pound at that time when they brought it in, and effectively the market since that time has dropped.

The reason that it's even dropped below the 45 cents to 48 cents a pound mark is that at the same time that

they brought in the loan program, they also released onto the market about 100 million pounds of honey that they normally transferred into what is known as the giveaway program where they provided honey to school food programs and to the needy throughout the United States and a whole host of federal giveaway programs of honey. Honey was one of the commodities that they gave away. What they did is they discontinued that program, effectively putting on the market an additional 100 million pounds of honey and the market price is down to somewhere in the 40-cent range.

We've had ongoing discussions with the honeybee producers. I had a lengthy meeting on about March 27 of this year, just prior to our meeting in Ottawa on the 30th, and at that meeting in Ottawa, I raised this whole question of honey and asked that it be reconsidered under the Special Grains Program, because it's very clear that honey has been one of the commodities that it can be shown that the U.S. farm bill, in its support and loan program and the discontinuance of the giveaway program, has had a negative impact on the honey industry in this country.

It was agreed to by the Federal Minister and Ministers there; the Alberta Minister gave us support that there would be reconsideration of this matter and there have been meetings on this. There has been no final determination as to what will occur.

I want to also emphasize that when I met with the staff and I met with the honey producers of this province at the end of March, Mr. Chairman, one of the areas that was very evident was that there was no overall marketing strategy of that organization. They do have the honey co-op, which markets a significant portion of the honey on a cooperative basis and there is a domestic strategy on smaller quantities, but in terms of many of the producers who have tended to market on their own, wherever - whether it be in Europe - the bulk of which I believe is south of the border to the United States - and there have been some, I have to say, some significant losses suffered by some of those individual producers because of some of the dealings that they've encountered in the States.

In fact, there have been cases where a semi-trailer load of honey was shipped south of the border, only to find that the broker the producer was dealing with ended up closing his doors and \$40,000 to \$60,000 worth of honey kind of went up in smoke and producers were not paid. Our marketing branch has offered continued support and we've promoted honey through our marketing branch on a continuous basis, but our problem has been the continuity of supply because a good chunk of the industry is not organized in their marketing efforts. We've asked them to start sitting down and rethinking their whole marketing thrust for their honey, so that we could, in fact, be more effective in our dealings with offshore purchasers, as a government assisting an industry.

MR. A. DRIEDGER: I want to thank the Minister for the information and I think I have to indicate to him that the beekeepers, by and large, or bee farmers have been a relatively quiet group. They have not raised too many concerns over a period of time, but I think the Minister and I agree with them, that we're getting to that point where it's going to be a problem; and under

the marketing branch of it, I had the occasion to talk with some of the bee farmers in the area and they were wondering if there's a possibility of maybe developing new lines within the marketing aspect of it. When we consider the federal promotional programs, they may be provincial, if there could be some assistance come forward to develop new uses for honey. We develop new things all the time, because obviously it's going to take a little time.

There are two points I want to raise with the Minister, Mr. Chairman, the potential of developing new products through honey that we can market; and the other thing is to see in the interim, whether there's some kind of assistance - that we could maybe develop some kind of assistance for the beekeepers because they're in big trouble right now.

The bees are making the honey right now, and we have to start - I want to raise it, I don't want to make a lengthy issue of it - I just want to raise it with the Minister that there's problems, and obviously he's aware of them. I would hope that either federally or provincially, we could come to some kind of an agreement that we are alerted to the fact that there's a problem out there with the bee farmers and that we do not close the door on this industry.

The Minister has all the fact and figures, in terms of what kind of an industry we have there. It's just as vital as, for example, the sugar beet industry. I think it's important at a time like this that we have to be very attentive, in terms of making sure that these kind of agricultural commodities at least remain healthy, if at all possible.

HON. B. URUSKI: Mr. Chairman, there's no doubt that our staff have continued to support, and will continue to support and promote sales of honey, both domestically and offshore. In fact, Mr. Chairman, I want to indicate that because of the Chernobyl disaster, we have tried to start opening up contacts in Europe for honey, which historically has been an importer but of less significance.

We've made contacts in Denmark and have, in fact, shipped just recently a shipment load that passed Danish inspection resulting in, just a couple of months ago, a container load of honey worth \$30,000, being shipped to Denmark, to Copenhagen. Actually in the last couple of months, two container loads of honey moved into Denmark, with the assistance of our Marketing Branch specifically.

There's also, Mr. Chairman, work being done in cooperation with our branch and the University of Manitoba and the Beekeepers' Association, to put out a new brochure on honey recipes to highlight the value and the use of honey. In fact, I've continually indicated that I, for one, and my family for one, have been for the last decade, I would say, consistent users of honey, and have found certainly its use and its taste both refreshing and nourishing to us. So we're doing our own little bit in terms of that kind of promotion.

But clearly, what has to happen in the longer term, Mr. Chairman, is that our own association within the province, has to start prioritizing and organizing in the area of marketing on a consistent basis, so that we can, as a government, support them more fully than we have in the past. Our food products lab in Portage

certainly can be used, and has been used to do some of the testing of the antibiotics that were alleged to have been in honey in Quebec, and quite frankly that whole issue, I believe, in the longer term has backfired on the Canadian industry, not just on Manitoba producers, because I think it was overblown by some official in the Province of Quebec.

The tolerance level of our honey is well within the Canadian regulations, and we were quite frankly astounded by the action that was taken by the Province of Quebec last fall, in the seizure of the shipment that occurred. But we certainly have had a very close working relationship with the industry. We have some of the, I would say, most highly regarded staff, both at the University and at our staff level, who worked with the industry and have supported the industry consistently. It's our intention to continue the work, notwithstanding some controversies that erupt from time to time on the quality of imports of queen bees and honeybees. But I want to state very clearly and categorically, Mr. Chairman, I would venture to say we have some of the best staff anywhere in the country dealing with the apiculture industry.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. H. PANKRATZ: My question to the Minister: When you were discussing this issue in Ottawa at the end of March, were you also discussing possibly going into a tripartite agreement in regard to honey?

HON. B. URUSKI: No, Mr. Chairman.

MR. H. PANKRATZ: To the same Minister, Mr. Chairman.

Does honey have free provincial trade? Can it go across to all provinces without any duties or anything of that nature? Is it free provincial trade?

HON. B. URUSKI: Mr. Chairman, in terms of "within Canada," there are no restrictions, but obviously the Quebec situation would be what we would call a non-tariff trade barrier that occurred by Quebec imposing, unilaterally, standards of antibiotics far in excess of what could be even considered, and even monitored, in some cases, in the product.

Mr. Chairman, I just want to make one comment for my honourable friend on federal-provincial discussions. Mr. Chairman, every time the members opposite will raise this whole question of tripartite, I want to tell them that while I acknowledge, under the Constitution, agriculture is a shared responsibility, but it is only shared insofar as the Federal Government respecting its role, in terms of income support, in terms of trade and in terms of research. Those are the three federal areas and their chief responsibilities.

On the provincial side, it has been technology transfer, resource management, which is the land question and extension, those three areas. They are clearly joined, but they are not to the point of being that, in fact, provinces will or should, and that's why we have resisted this whole area of tripartite being the saviour of all industries.

I think it will be acknowledged, Mr. Chairman, before too long by the Federal Government, that that sort of

thrust that they are embarking on, they will find themselves in the position that they will not be able to withstand the pressure of varying commodities and commodity groups across this country saying, we want in. They will not be prepared financially or be able to respond in an actuarial sort of way to those demands that will be coming.

I believe, in the short run, the Federal Government may, in fact, get itself caught in a dilemma. Because it's not very hard, Mr. Chairman, for a province, if we want to say: Go see your federal counterparts, see whether they will, in fact, on a commodity that has no support, has not been supported by either level of government, provinces can easily say, go see the feds.

Mr. Chairman, that would be the easiest way to push the buck over. Mr. Chairman, I have not, I have resisted doing that. But when we get into an issue like sugar beets, where the historical relationship has been there, Mr. Chairman, we will stand very hard and very firm. We're prepared to move, notwithstanding the agreement we've had, but in those other areas, Mr. Chairman, that sword - I just want to leave that with my honourable friend - cuts two ways.

MR. H. PANKRATZ: Mr. Chairman, the beekeepers, they are naturally in financial trouble at the present time.

I'd like to have this Minister answer my question: Would he be prepared to go into tripartite negotiations in regard to save the bee industry?

HON. B. URUSKI: Mr. Chairman, clearly, in terms of what the industry has suffered to date, it is as a direct result of the similar kind of circumstances that the grain industry has, in fact, suffered. We have supported nationally the grain industry. We've taken that position nationally, and I don't think there's even any suggestion that there should be provincial support. We are prepared to support, and we have financially, the industry from the point of view of extension, testing, monitoring, those are provincial financial resources that are put into the industry year in and year out, it's not just staff time. There's ongoing testing procedures on monitoring of disease that we've put into the industry provincially, as well as the whole question of marketing.

Mr. Chairman, let it be clear to my honourable friends that the industry for the short run, there may be producers who are caught, who are marketing on their own, may have some honey supplies still in-store. From our discussions a month ago, we were left with the impression that there was not that much honey left unmarketed. Many producers last fall who were marketing on their own felt that they basically saw the writing on the wall of what might occur, and moved their honey fairly quickly. They were of the mind, initially, that we should put in some dollars to support some of the honey in terms of a subsidy. However, when they wrote the brief and, from the time that they wrote their brief, and the time that they came to talk to us, they realized that there was very little honey that they had, that many of them who were their own marketers left in storage. So what were you going to pay support on, or subsidy on, honey that had already been marketed.

And so, yes, there is difficulty in the industry. The cooperative is faced with market pressures on honey

that is now being marketed within our own province through the honey co-op, but those who have marketed outside the honey co-op, as I understand it from discussions with those who came to see us, the majority of whom have already moved their honey, but the pressure, of course, is going to be on this fall's crop. That's where the financial pressure will be the greatest.

MR. H. PANKRATZ: To the Minister of Agriculture, my last question, basically: Is there an insurance like you have in crop insurance also for the beekeepers in regard to production on their hives?

HON. B. URUSKI: Yes, Mr. Chairman, we instituted a honey crop insurance for the production of honey, last year, I believe, was the first year. We're making some changes on how we operate the program this year and that was discussed during crop insurance Estimates. There is for the production, not for the marketing, not for the price, but for the production.

MR. CHAIRMAN: The Honourable Member for Gladstone.

MRS. C. OLESON: Thank you, Mr. Chairman.

I just wanted to mention to the Minister for a few moments the Western Manitoba Agricultural Museum. I raged with him last year my displeasure at it being moved from his department to the Department of Cultural Affairs, and I felt that since he still has some input into that museum in that he names members to the board, that I would maybe just remind him that he does, as I say, have some responsibility, and I hope that he is keeping track of the affairs of that museum and discussing them with the Minister of Cultural Affairs.

That museum, as he knows, is in some difficulty financially. They have recently signed an agreement, I believe, with the Minister of Cultural Affairs with regard to reducing their debt, but as I understand it, the agreement is such that if they have a deficit this year in their operations or any of the years of the agreement that the agreement ceases, and so that leaves them in a very difficult position. So I just want at this point to remind the Minister that I hope that he is discussing those problems with the Minister of Cultural Affairs, that he is in Cabinet making recommendations when programs come up like Careerstart and so forth, that they get as much benefit of those programs as they possibly can.

I am greatly concerned when I see the kind of grants that the Minister of Cultural Affairs has been handing out recently, and when I think of this as a heritage museum of great importance to the agricultural community, that it should go by the wayside if care is not taken; and I just want to at this time remind the Minister of his still ongoing responsibility to that museum in that he does name some of the members to the board.

HON. B. URUSKI: Mr. Chairman, there's no doubt that my department - and I have taken a keen interest in this museum. I said this before and I'll say it again, we have had requests from other regions of the province to develop agricultural museums and we have made the decision - at least, this government has - that our

major agricultural museum is the Austin Museum. We have not accepted, even though some of the plans that were presented to us were quite good and quite unique in terms of what could be done as an agricultural museum. However, in light of limitations on resources, we were unable to and have resisted taking in requests from other areas.

We have indicated that this is the major museum, although that museum will have some struggles over the next number of years. I say that because I think we will have to decide as to how we want that museum to be presented and how it should function in the longer term. I believe we've tried to do too many things with that museum and I'm not sure that the success has been as great as it could be because we've kind of pulled ourselves into too many different directions, rather than, what some of those who are in the museum business, having a central focus. There is some work now being done with our support - not financially - through the Department of Culture and Heritage on the whole area of long-term strategy of that museum, and we're certainly supportive of that and we will continue to be involved, although in an indirect way, but our interest as a department is still there.

MR. CHAIRMAN: The Honourable Member for Virden.

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

I'd just like to make a few comments about the Marketing Branch. I mentioned the other day that there are only eight members in the branch, and to me eight members is probably not sufficient to meet the demand that we should be meeting today in terms of finding markets for what we grow.

You read different things in different places about how Manitoba is doing in terms of export trade, and that means outside the borders of Manitoba in any direction. I have certain indications that maybe, in a competitive sense, Manitoba is not doing as well as Saskatchewan and Alberta of trading with the United States. I'd like the Minister to comment on what is the direction of the Marketing Branch and are they meeting all the inquiries given to them in terms of finding markets. Are they actively working with the University of Manitoba and other research organizations in the province to try and cooperatively find new crops, diversified crops, for which there is a market somewhere in the world?

I think that there are considerable markets outside our borders that Manitoba growers can fulfill if we have the satisfactory initiatives from the Marketing Branch to work in that direction.

The particular area that has been raised to me several times is the ability of this province to market purebred livestock. There is a belief that we're losing ground in our ability to compete with neighbouring provinces and moving purebred livestock into the United States and other parts of the world. Personally, I'd like to see more emphasis put on the Marketing Branch and more personnel and more strategy developed to be aggressive in serving the needs of Manitoba growers.

HON. B. URUSKI: Mr. Chairman, I'm not sure that I understand my honourable friend, perhaps maybe I'm not clued in and maybe his sources of information are

better. I don't know where my honourable friend would be getting that kind of information to make that suggestion that somehow we're falling behind in terms of -(Interjection)- well, Mr. Chairman.

I want to tell my honourable friend that just on Friday we had a delegation from Japan here that we hosted in this building of what I would consider the largest buying co-op in the country of Japan called the Nichyru Group. There are individual cooperatives with employees in single cooperatives in excess of 7,000 employees for one cooperative. They are the central buying group for something like 15 of those cooperatives. So you're looking at - of which I think they move from 45 percent to I think it's now almost 60 percent of their buying is food products. We have been with some success, although modest, over the last number of years, made it a point to try and hit key sectors of the Japanese market. This buying group in fact is probably one of the most - hitting the best in terms of the Japanese market in the areas of the Japanese cities and economic community, what would be considered I guess by most of the higher standard stores.

In fact it's our hope that if our direct strategy works out very well that in the longer term we are now building the foundation for some very close relations with the Japanese and with some solid exports in, what I would call, value-added products. That's not to discount or down play the role that we have in livestock, in breeding stock, and we will continue that.

But I believe in the longer term, it will be to our advantage that we in fact have the value added of all products to be done within our own province in the longer term. We will not lessen our impact and our work on breeding stock and the trading of embryo transplants and those areas, and semen. That will continue, but, Mr. Chairman, our long-term goal should be the value added and exports of those kinds of products from this province.

The area of breeding stock, although we have had some successes, I would say that our herd associations have not coalesced as well as one might want to expect in terms of being able to deal with larger volume sales, whereby an association could in fact put together if there was a demand for say, 500 or 200 or 300 head of whatever breeding stock. We have not done as well in having our farm community coalesce in its marketing strategy in those areas, to be able to package those kinds of orders.

But what I'm concerned about is, are we going out and aggressively finding the markets? They have come here and that's laudable but have we gone out after

MR. G. FINDLAY: Yes, I would just say that the Japanese delegation that was here, I'm sure are visiting other provinces and probably numerous other countries in the world. So, just the fact they stopped here doesn't guarantee that we've got the corner on any market with them at all.

But what I'm concerned about is, are we going out and aggressively finding the markets? They have come here and that's laudable but have we gone out after

the Japanese market or other markets in the world to an effective level? I'm not saying we have or haven't but I'm wondering if maybe we shouldn't be guaranteeing that we're aggressive enough to meet the competition that we're contending with because I can see province by province in this country, we're in strong competition. We're becoming more balkanized in our efforts to export agricultural products. Saskatchewan, Alberta, Ontario, Quebec, B.C. are very effectively going after markets and we cannot sit back and expect to pick up markets just because we're here. We have to go after them.

I guess the other question I'd like the Minister, to answer is when he mentions the herds associations not coalescing, is he saying it's up to them to come after the department to work on their behalf, or is the department making the effort to try and pull it together?

HON. B. URUSKI: Mr. Chairman, the marketing staff have worked with the associations and continue to work. There have been opportunities where we had an opportunity to ship fairly large numbers of Holstein cattle to Mexico. However, we were having difficulty in organizing and it should not be our role to start organizing producers in terms of the marketing thrust. It should be our role - and I want to say that with the few staff that we have, they are doing an admirable job. In fact, the very reason that we're having the large delegations coming to Manitoba - and I want to say that they are also stopping in other provinces - but I want to clearly indicate that because of the outreach that our staff and some of us as colleagues have done, it has resulted in a higher profile of international recognition.

Quite frankly we don't want to downplay the role of the Government of Canada. Trade is their responsibility and sometimes from time to time I want to tell you, that Canadian officials have felt some sensitivity of other larger provinces like Ontario, Quebec and Alberta who have kind of come into some of the offshore countries and said, well we'll show you boys how things are done. And in fact when they fall on their face, then they come back to the Government of Canada and say, please pick up the pieces because we haven't done such a great job. We have attempted to work the whole area of trade and of course I don't believe it will ever be enough. I mean, you could put 50 people and you still will not cover all the leads that you think there could be on the myriad of products that are produced within our own province.

But for the staff complement that we have, I want to give all our staff a word of thanks and my fullest support for the hard work that they undertake, because they spend many long hours between our department and IT and T in terms of the promotion of food products, both domestically and offshore, and we will continue to pursue.

MR. G. FINDLAY: Since we're in the Technical Services and Training Branch, I would imagine this is the appropriate time to ask a couple of questions on PAMI.

Certainly we're all aware that Alberta and Saskatchewan are in the process of pulling out some of their financial support to PAMI, and I would like the Minister to comment on the future of the Portage Station

which is the one that's in our province. The two in the other provinces, although they're tied in with the Portage operation - is the funding for Portage - the Manitoba money goes only to the Portage operation, and is that all the money that goes to the Portage operation or does some come from Saskatchewan and Alberta too; and does the funding withdrawal that's occurring right now affect Portage in any way?

HON. B. URUSKI: Mr. Chairman, basically I guess you could say that the Portage testing station represents about 20 percent of the cost of PAMI and that pretty well equates our share on a cultivated acreage basis, not what The Cooperator had printed over the weekend on numbers of farmers, because our share, probably in terms of the total share, might be . . .

Mr. Chairman, basically our support is in the neighbourhood of 20 percent. Our annual support is \$470,000.00. It's being maintained. We were and are very concerned about the Province of Alberta announcing its decision to pull out. In fact, they did announce over a year ago, their intent to pull out, but they stayed in discussing the issue.

We, quite frankly, thought by about late fall or early winter last year, that we may have been on the verge of signing a new agreement. In fact, the impression certainly was there amongst our people on the board that it was go for another 10 years, and then all of a sudden, I guess with budgets and whatever, boom, the announcement was made without any further discussions, notwithstanding the kind of understanding we had.

But what concerns us even more, Mr. Chairman, is the impact of course on the Province of Saskatchewan, and we're not certain what the Province of Saskatchewan is saying now, although they've indicated that they are reducing the budget by \$100,000 this year to PAMI.

There seems to be an indication, and we're trying to get clarification of that, that in fact they may be shutting Humboldt down completely, and that, Mr. Chairman, would be very unfortunate, because of the centrality of the equipment and the data base that is handled through the Humboldt station, which provided the data base for all three provinces and the head office.

Mr. Chairman, once you start duplicating and triplicating administrative head office staff in three prairie provinces, then you lose the real benefits of a central office. I don't understand, quite frankly, Alberta's comments that it will in fact be cheaper for them to operate PAMI from their own department. It may be in the short run, but you see, Mr. Chairman, what is being missed in this whole debate is that the work that PAMI was doing for outside machine companies, for companies that in fact were using PAMI to do testing for themselves and earning revenue to cover a good portion of that overhead that PAMI has in terms of other functions in head office and testing equipment that can be used, not only for government and for the farmers, but for manufacturing firms, wherever they may be around the world; whether it be testing equipment for the Russians or wherever in the world, and that will be lost if in fact it's torn apart.

So there is much to this debate that has yet to take place in terms of what the final outcome will be. It's

my hope, Mr. Chairman, that we will be meeting in Regina later on this spring and I will maybe possibly have an opportunity to have a chance to discuss this with the Premier and with the Minister of Agriculture from Alberta. We'll be meeting with the NASDA Group, the National Association of Departments of Agriculture from the U.S., and Canadian Agriculture Ministers. At that time, I may be able to have a personal discussion on this issue because it concerns us, Mr. Chairman.

MR. G. FINDLAY: I also understand that the Nebraska test station activity has been decreasing too. Is your position or is Manitoba's position to continue its full funding of PAMI the way it is set up or are there certain problems within PAMI that you identify, that you want to see corrected?

HON. B. URUSKI: Mr. Chairman, obviously if we're to continue with the full funding, we're going to have to review it to see what course of action we take because the whole institute is up in the air right now as to what our steps will be in future years, because we're not certain what will occur. Are they going to shut down Humboldt, as there is some suggestion that might occur, which of course would change the entire situation, because Saskatchewan has the most to lose, I believe, in terms of PAMI, in terms of the head office, the type of technology, the type of equipment, the type of testing that can be done, and the information base in terms of the computer set-up, the network that is there is all in Humboldt.

For this year, we are continuing our full funding, but we will have to determine as we go on what will occur, because certainly, Mr. Chairman, we've had a 10-year agreement with the Province of Manitoba, by formula, and that formula was established and reviewed by an independent consultant. They came back in their review and said, look, the formula is about as good as you will find anywhere. No matter what other criteria you might want to put on the table, this formula will stand the test.

So basically our support, the 20 percent share of that . . . And we were prepared to continue on with another 10-year agreement, but we will have to re-evaluate our position once we more clearly determine what is Alberta's longer-term intent besides the one-year announcement that's been made and what is Saskatchewan's intent beyond this year.

MR. G. FINDLAY: The department is involved with some 1,100 pesticide dealers being licensed annually in this province and I know that it would take a short course of a day or something like that to achieve the licence the first time around. Have there been any updates in the process of giving these courses over the last two or three years in terms of making them longer or asking dealers that had been licensed, say five or ten years ago, to come back and retake the course to carry on their licence? Have there been any licences repealed in the last few years for any reasons?

HON. B. URUSKI: Mr. Chairman, I'll just provide a bit of information for my honourable friend in terms of The Pesticides and Fertilizers Control Act. We did continue our licensing and enforcement of retail pest

dealers and are continuing. New dealers and applicators were required to attend pesticide training courses and complete written examinations to qualify for licences under the act. Applicators are required to requalify for licensing every four years.

One-day pesticide training courses were held at Brandon, Winnipeg and Dauphin. There were two in Winnipeg and one each in Brandon and Dauphin. Commercial pesticide applicators were required to complete a further one-day course and examination based on their specialty of application. Examinations only were given to dealers and applicators who missed the courses, enabling them to qualify for provisional licence to be renewed only by completing a pesticide training program the following year.

One-day courses were held for aerial applicators which was attended by 34 people and ground applicators, 17 attendees; rights-of-way applicators, 47 of whom attended; landscape applicators, 126 attended; structural applicators, 38; golf course superintendents, 60; forestry, 40; applicators in the aerial ground and rights-of-way category who attended courses in '82 were required to qualify in '86; 14 veterinarians completed a separate course and examination for a pesticide dealer's licence in a cooperative program with the Veterinary Medical Board.

Mr. Chairman, 91 examinations were written - this is in 1986 - provisional examinations of 7; licences issued, 910. Those were for pesticide dealers. Pesticide applicators - examinations written, 392, licences issued, 460. Fifty-five unlicensed pesticide outlets were checked, most are out of the pesticide business; one prosecution of an unlicensed pesticide applicator was successfully completed; eight herbicide damage complaints and one insecticides bee kill from commercial pesticide applications were investigated. Information from the investigations of complaints is used in training courses for commercial pesticide applicators.

MR. G. FINDLAY: Certainly the use of pesticides, farmers are probably more exposed to concentrated pesticides than anybody else, other than maybe the commercial applicators. Most dealers, they only handle the pesticide in the container. The farmer is the one who opens that container and pours it into a sprayer or applies it. I don't know if there has really been sufficient information disseminated to make farmers aware of the nature of the pesticides that are presently in use, the toxicity, all the other associated problems with the chemicals. There is a lot of public money spent trying to be sure that the consumer is safely looked after in terms of residues and what not, but maybe some more consideration should be given to what the farmers are exposed to.

I'm particularly concerned, because in recent years we see, because of metrification and so on, the kinds of containers have changed, the size of containers have changed. In the days when we used cans, at least we knew we were dealing with something that was relatively safe to transfer, and now we've got boxes and containers that are plastic. There's a lot of pending problems with those if farmers aren't fully informed of what's going on.

So is the department considering any emphasis to assure farmer safety in the handling of pesticides?

HON. B. URUSKI: Mr. Chairman, I smile when the honourable member said that at least when we dealt with cans, we knew what we were dealing with. Mr. Chairman, I smile because I want to tell my honourable friend, we know what happens to cans when you kept certain pesticides in them for more than one season, and we had it with grasshopper insecticide; those cans rusted out.

So while we knew what cans could do or not do, Mr. Chairman, we in fact, in terms of trying to educate and provide useful information to the farming community, to those who are right on the farm; we have over the last number of years built into our pesticide guides, into our weed guides, and into brochures and information that we give to dealers, the whole question of safety and the need for both clothing safety, hand safety, respiratory safety, eye safety measures to be undertaken and we've built in those provisions into the information that we provide.

It would be my hope that farmers who pick up the Weed Guide don't just look at what chemical I'm going to spray for what crop, but built into that booklet is extensive information on the safe handling of herbicides and pesticides, Mr. Chairman. Obviously we probably could be doing more if we want, if we had the dollars to do, for example, television spot work.

I would hope that one of the roles of the industry, rather than promoting their product, they could be convinced and would be doing public service announcements by in fact using those spots to promote the safe handling of chemicals. Mr. Chairman, all our newsletters that we put forward into the rural papers and to farmers have built into those newsletters the safe handling of chemicals and that certainly has been the way we have, as a department, in conjunction with health and safety, promoted the use of chemicals and the safe handling of those. Because there's no doubt that a certain amount and a lot of the ingestion of chemicals occurs by way of skin contact.

I think many farmers still do not acknowledge that as a means of being poisoned by a chemical. They believe that they will wash their hands half an hour after, or maybe a few minutes after they've come in contact with it, rather than in fact wearing rubber gloves. I know, on our own farm, my wife's uncle who I farm with, historically has not taken the precaution for rubber gloves. He has now for the last three or four years, but I want to tell you that to change attitudes is not very easy, especially if they've been used to doing something a particular way for many years, to change that method of operation will continue to take our efforts and our education in this whole area.

Obviously, we could be doing more, but I believe that from our vantage point of view, we've plugged in every area of information that farmers get from our department and have covered this area within all the brochures and booklets that we've put out.

MR. G. FINDLAY: Mr. Chairman, I'd just like to hear the Minister's comments on the border dyeing stations. I see that five station have been bordered, opened up again this year. Last year I asked the Minister for some data on how much fuel is moving through those dyeing stations and he said he couldn't provide it. And I guess again we're looking at the same thing, what service

are they playing for the farm community of Manitoba? He has been quoted as saying that there's a saving of five to eight cents by having these border dyeing stations there. I've talked with a couple of farmers that have investigated what it costs to have the fuel from the States laid into their yard and they're talking two cents, two-and-a-half cents, net savings laid into their yard and they have to buy in volume and they have to pay cash. By the time they consider the carrying costs or the savings if by not paying their bill for 30 days, if they bought it from the local dealer and what not, they're not really saving too much.

I'd like to know what service they're playing for the farmers of Manitoba. I guess the next question is whether you're actually able to get fuel through those dyeing stations on a regular basis from the American suppliers?

HON. B. URUSKI: Mr. Chairman, my honourable friend is missing the key point of what government's intent was to set up this process. Mr. Chairman, the impact that occurred when we brought in the border dyeing stations had an impact to bring down farm fuel prices several cents below the actual provincial tax exemption. When that occurred last spring, for the first time in several years, all farmers, and we did monitoring on a month-by-month basis through - I think it was twenty locations around the province and we found that for the first time in several years farmers were not only getting the full tax exemption but they were having fuel price, fuel delivered to their farms several cents below the difference between the retail price at the pumps and what they were paying for, minus the provincial tax exemption.

That was the major impact that we had on the marketplace. That was at least five to eight cents on the market price of fuel to the majority of Manitoba farmers. Mr. Chairman, there is a problem that has arisen in the last several weeks since we've opened the border dyeing stations. That was a change enunciated by the Federal Government in the recent budget changes. That deals with the payment and/or exemption of the federal excise tax of, I think it's around seven cents a litre.

Last year we had an agreement with the Federal Government that if the fuel was destined to the farm, the broker did not have to pay up front that federal excise tax and could provide the backup information, basically had a line of credit with the Federal Government, with the federal excise tax. That's really what it was all about. He would provide the back-up information on a monthly basis, thereby not having to put up front all this money.

This year, what is occurring. Mr. Chairman, is that the Federal Government has instituted a provision that the broker, that the transporter has to pay that seven point-some cents a litre up front right at the border, and then he can ask for a refund, which, for some of those who are doing the importing, may mean hundreds of thousands of dollars of revenue put out if they are fairly large discounters.

We are endeavouring to deal with the Federal Government to reinstitute the provisions that we had last year to be able to allow that free flow of fuel and to impact on the Manitoba market. We should know

later this week as to whether the Federal Government will be able to allow us to continue that previous arrangement.

MR. G. FINDLAY: Also something that happened about the time you were doing that a year ago is that the rebate program that was in existence where farmers were able to get fuel at a reduced cost from the various suppliers, it disappeared, at the same time that many people were getting 8-10 percent discount on fuel off the posted price. You're talking about a reduction in the posted price. It did happen, Mr. Minister, the year before, and when government got in and started monkeying around, then the company seemed to have responded in an action of that nature. I will also remind the Minister, and we've said it many times before, that in 1986 farmers in Manitoba were paying about 26 cents a litre net costs, in Saskatchewan around 18 cents, and in Alberta around 10-12 cents. So we're non-competitive and nothing that you've done yet has brought us onto a level playing field with Saskatchewan and Alberta relative to fuel prices.

HON. B. URUSKI: Mr. Chairman, let it be known that all the Province of Manitoba did was provide what the industry has been talking about for years, we brought in some competition. The honourable members now say that we brought some competition into - (Interjection)- We played their game, Mr. Chairman, for the Honourable Member for Roblin-Russell. We brought in what the industry have said all along, we want competition. We don't want government regulation. Mr. Chairman, the Federal Government gave the industry \$2.5 billion in October of 1984 by the reduction of federal revenues from the oil industry. The industry said, government, get out of our life.

Mr. Chairman, what did the Federal Government have to do a month ago? They provided \$350 million of financial welfare to the industry that said, government stay out of our lives. We don't want government interference in the industry. The Tories, the Federal Conservatives, the Provincial Conservatives, the Alberta Conservatives, continually said, let the industry operate by market forces. Get out of our lives. Pierre Trudeau's energy policy is wrong; we will change it. You did change it. The industry loved you for it.

But, Mr. Chairman, now they are the biggest welfare bums in this country. The oil industry demanded and the Alberta Premier said that if the Conservatives in Ottawa don't come up with support, we're going to change our name. Marcel Masse caved in and he came up with \$350 million of welfare for the oil industry, Mr. Chairman. Why do you think that the Alberta Government would not want to sign tripartite in sugar beets, for the Honourable Member for La Verendrye? Three hundred and fifty million bucks for one industry, you'd be glad to sign \$4 or \$5 million into sugar beets, wouldn't you, Mr. Member for La Verendrye? Wouldn't that be a fair deal? Boy, would that be good!

If they did with health care and education with the Province of Manitoba, the level playing field that my honourable friend for Virden talks about in terms of what's level, what's level about a \$13 billion heritage fund paid for by all Canadians? What kind of a level playing field is that when the interests of that fund with

more than the Province of Manitoba's entire budget, what kind of a level playing field is that? We've all paid for that level of playing field and we've always said that.

You know, for the Province of Alberta, at the federal-provincial meetings, who argues most strenuously that we should not have top loading in agricultural programs, that we should not be able to top up, on a regional basis, agricultural programs, Alberta's consistent position, when it comes to the support of agriculture, is saying no province should top load agriculture or have the right to top load agricultural programs in this country because that is a detriment to interprovincial trade. It's going to hamper the context of the Canadian fabric and nobody should do it.

Mr. Chairman, that's how they've argued and, boy, just on the other hand, what do we do? We put in \$20 a tonne on feed grains for the cattle industry. We put in 14 cents a litre - now it's down to nine - onto the fuel prices, Mr. Chairman. Talk about, well speaking out of both sides of one's mouth, clearly, I mean, there's no doubt they do get embarrassed. Even the Maritime provinces point that out to them in a nice way. I mean, look, we do try to get along at these federal-provincial meetings, but it's very clear.- (Interjection)- Oh no, Mr. Chairman, the Member for Gladstone says I'm the odd man out.

Mr. Chairman, I want to tell you that, in the field of politics, you come up with the strangest bedfellows on positions in federal-provincial meetings. I want to tell you that you'd be surprised where you get support from. You'd be surprised who supports you on certain issues. Even some of the most conservative of Agriculture Ministers tend to be pretty progressive on some issues, Mr. Chairman, I have to say that. I will not say on what issues but, clearly, you'd be surprised that Manitoba - I want to tell my honourable friends opposite - does not generally stand alone. Maybe they won't come out and speak publicly in front of the mikes, but they will be like the Member for La Verendrye. Silently they will tell you, you're doing a good job, keep banging away, don't agree with them, Mr. Chairman. That's what they tell you at these meetings.

So, Mr. Chairman, I want to tell my honourable friends that those meetings are . . .

MR. H. PANKRATZ: On a point of order, Mr. Chairman.

MR. CHAIRMAN: Would you state the point of order, please?

MR. H. PANKRATZ: Yes, Mr. Chairman, I'm rising on a point of order. When the Minister of Agriculture indicates to me that I have, behind the scenes, made some statements, I wish that he, for the record, would put those statements on the record. I agree; we should be playing on the same playing field. So I would wish the Minister of Agriculture at this present time would like to elaborate as to what statements I have been making behind the scene.

MR. CHAIRMAN: The Member for La Verendrye fully knows that disagreement as to facts is not a point of order.

HON. B. URUSKI: Mr. Chairman, I will tell my honourable friend that he has been silently praying and wishing that we, in fact . . .

MR. H. PANKRATZ: Praying?

HON. B. URUSKI: Oh, yes, praying. Of course, Mr. Chairman, I believe in the power of prayer, and I would think that my honourable friend for La Verendrye would do likewise.

But he has been praying silently that we in fact have an agreement, and I would think as well, gee, he says to himself - and he'll correct me if I'm overstating his case - why won't those federal officials come down and sit down and talk to them.

Well, Mr. Chairman, they have finally come down and talked to us, and notwithstanding their Leader's position and some of their positions, we may have an agreement. It's my hope that we will have an agreement, Mr. Chairman, but I want to say that if in fact you had anything to do with bringing in Jake Epp into the agreement, I want to give you some credit. I want to give you some credit today that if you got Jake into the discussions, you did the right thing because, since Jake came into the discussions, we've at least elevated the discussions to the point where we can in fact sit and recognize our differences and recognize the sensitivity of those differences.

Mr. Chairman, it's my hope that we in fact will have that agreement, but if you haven't done that then - I've always said that I was prepared to give you support, not only support, but acknowledge the work that you have done, but obviously some of the statements that your Leader has made certainly would not give me rise to get up and do that.

It's my hope that the Member for Rhineland and the Member for La Verendrye would have had a hand to play in this area and, if they had, I want to thank them for that, and I say that right in this House. But I know what his hopes were, to say, look, damn it, they better get to that table and get discussing and, quite frankly, notwithstanding his statements in this House, we hope that we can move ahead in this area.

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

MR. L. DERKACH: Mr. Chairman, the Minister has taken up about 10 minutes of valuable Estimates time and has said nothing, but that's kind of usual for this Minister.

Last year when the Minister came up with his money-saving device on farm fuel, it just so happened that fuel companies who had been giving rebates to farmers, rebates up to as much as nine cents, all of a sudden discontinued them. The Minister now claims that it is his program that has saved farmers thousands of dollars in fuel prices. We're back into the same situation this year where he has announced a program to bring fuel in from the United States but, for those farmers who live along the Manitoba-Saskatchewan border and who are quite removed from the United States border, this program doesn't do anything at all.

As a matter of fact, since that program was announced, farmers in my area have experienced increased fuel prices because of the fact that the discounts were taken off. Now I'm wondering whether the Minister would also open up the border between Saskatchewan and Manitoba where farmers could

purchase the lower-priced fuel in Saskatchewan, as farmers who are close to the United States border.

HON. B. URUSKI: Mr. Chairman, we'll look at that question, but I wish the honourable member would not bring misinformation into this House.

Mr. Chairman, his statement that the Province of Manitoba . . .

MR. J. DOWNEY: Mr. Chairman, on a point of order.

MR. CHAIRMAN: A point of order is being raised by the Member for Arthur.

MR. J. DOWNEY: Imputing motives, Mr. Chairman, is unparliamentary, and I ask the Minister to withdraw that.

HON. B. URUSKI: Mr. Chairman, I did not impute any motives.

MR. J. DOWNEY: Yes, you did.

HON. B. URUSKI: I said that I wished that he would bring - and I will deal with the question of misstatements. Mr. Chairman, the Member for Roblin-Russell alleged that this province monkeyed in the fuel price issue that caused the removal of discounts to farmers. That was his assertion, both his assertion and the Member for Virden. I said, I wished they would not bring in misstatements.

Mr. Chairman, the oil industry brought in discount reductions right across Western Canada. Manitoba was not the only province that was impacted by it. It was right across Western Canada, Mr. Chairman, so let not members opposite now try to allude that something we did in the oil industry impacted on farm discounts. That was done before we opened the borders.

MR. CHAIRMAN: Order please.

The Member for Roblin-Russell is raising a point of order.

MR. L. DERKACH: Yes, Mr. Chairman, you have not ruled on a point of order. The Minister just simply continued to speak on the issue. I beg your pardon, Mr. Chairman. I raise that point of order again to your attention, and I would wish that you would rule on that particular point of order. I think the Minister should withdraw his statement.

MR. E. CONNERY: He did not accidentally, he said that he brought misinformation to this House.

MR. CHAIRMAN: On the same point of order?

HON. B. URUSKI: Mr. Chairman . . .

MR. CHAIRMAN: Is the Minister speaking on the same point of order?

HON. B. URUSKI: Yes. Mr. Chairman, could the member repeat what he had just said?

SOME HONOURABLE MEMBERS: Oh, oh!

MR. E. CONNERY: Don't let him run the show; you're running the show.

MR. CHAIRMAN: What was the point of order that was raised?

HON. B. URUSKI: I just want to know what his point is.

MR. E. CONNERY: He said "aspersions, misinformation."

MR. J. DOWNEY: Mr. Chairman, the point of order that I rose on was that the Minister of Agriculture accused my colleague from Roblin-Russell for misinforming, or bringing misinformation to this Chamber. That's unparliamentary and I ask him to withdraw it.

MR. CHAIRMAN: The Honourable Minister, on the same point?

HON. B. URUSKI: Mr. Chairman, yes, I rise on the point of order.

The Honourable Member for Virden raised this issue. I have corrected the Honourable Member for Virden on this issue. The Member for Roblin-Russell raised the same issue and repeated the same statements. Mr. Chairman, they are incorrect and I ask the honourable member not to bring misinformation to the House knowing that information is inaccurate.

MR. E. CONNERY: He cannot leave that on the record.

MR. CHAIRMAN: Are we through debating the point of order or is it on the same point of order?

On the same point of order, the Member for Roblin-Russell.

MR. L. DERKACH: Mr. Chairman, again the Minister repeated his accusation and I think that is very unparliamentary in accordance to the Rules of this House and I think you, as chairman of this committee, should make the Minister withdraw that statement.

MR. CHAIRMAN: The Honourable Minister of Agriculture on the same point of order.

HON. B. URUSKI: Mr. Chairman, if the honourable member is sensitive to my statements, I know his information not to be accurate, it is not correct. I will still withdraw the unparliamentary nature that he believes it to be, but his information is not correct.

MR. CHAIRMAN: There is no point. The point of order disappeared.

Carry on with the substantive debate.

MR. L. DERKACH: Thank you, Mr. Chairman.

Well, I would still like to ask the Minister the question, and I guess in our point of order, etc., I missed the answer. Perhaps it wasn't given, whether or not he would for this fiscal year, consider opening up the border between Manitoba and Saskatchewan for farmers in the western part of this province, to be able to buy

fuel in Saskatchewan, which is considerably less money than it is in Manitoba at this time.

HON. B. URUSKI: Mr. Chairman, I think that's not a bad idea. I am glad that the honourable member raises that idea. I think we should look at that and look at it very quickly. I will ask my colleague, the Minister of Finance, who is joining us here, to look at that question because it is his department who actually monitor and do the dyeing at border points and we'll look at that question. I think that suggestion is not a bad suggestion and we should consider that as quickly as we can.

I should just point out for my honourable friend that when we made the move last year, fuel prices right across the province, even as far north as Swan River were impacted by the opening of the border dyeing from the United States. Fuel prices dropped for the first time in several years, giving farmers the full advantage of the tax differential plus about two cents a litre in excess of what it would normally be at the retail pumps.

So, Mr. Chairman, I don't want any of my friends opposite to now start talking about, as they have on this whole question of the discounting. The discounting practice was done away with before the border dyeing. Mr. Chairman. It was done even before. It was done months - (Interjection) - Pardon me? Well, Mr. Chairman, I - that was raised several months before we announced the border dyeing. We were well aware of that discounting practice. We thought, when we were discussing publicly the notion that we should bring in some competition, we had not finalized the details on what the scope of the provincial policy would be at that time.

During that period of public discussion, that was several months before we actually opened the border, when those discounts were discontinued. We know, Mr. Chairman, and in fact it was done several months before we finalized and made our announcement on the opening of borders. But that was done, Mr. Chairman, not only in Manitoba, it was done right across Western Canada, and I believe even in the Province of Ontario, the discounting practice that the oil companies had had. They had, in fact, discounted. So it wasn't a Manitoba situation; it was a Western Canada situation.

MR. CHAIRMAN: The Honourable Member for Virden.

MR. G. FINDLAY: Certainly, I would agree with access to Saskatchewan would be beneficial, because the farmers in my constituency who I've talked to, who live on the western edge, they still have discounting available to them because they're close to the border where there appears to be, for some reason, a desire to sell fuel, a competitive desire. Once you get further into the province, the discounting has disappeared. So that's the way I understand it, and I think that's why we would like to see the Saskatchewan border opened up to us with access there.

Another area I'd like to get into before we leave this section on Agricultural Development and Marketing, I'd like to hear your feelings on game ranching. We have buffalo farming going on, or bison farming. We have fish farming. What about the elk-ranching situation? Within the Department of Agriculture, is there support for it? Do they see that there's a future for it? Where do you stand?

HON. B. URUSKI: Mr. Chairman, I just want to take my honourable friend back to the fuel issue.

Mr. Chairman, let it be very clear that the honourable member just destroyed his whole argument and the whole debate that he and the Member for Roblin-Russell had on the question of discounting when he said that there was discounting still at border points. Mr. Chairman, the discounting policies . . .

MR. G. FINDLAY: I didn't say that.

HON. B. URUSKI: Well, Mr. Chairman, then I heard him wrong.

MR. G. FINDLAY: For the Minister's information, what I said is that farmers who live on the Manitoba side of the Saskatchewan border have discounting available to them because there's more of a competitive activity going on there, and those who own some land in Saskatchewan and some in Manitoba are getting a better break on fuel than the person who's living completely in Manitoba.

HON. B. URUSKI: But, Mr. Chairman, he went on further in his remarks earlier to say that those people who were further into Manitoba, the discounting wasn't that much of an issue, in his remarks just earlier, to those people as it was to those living near the border. That's what I heard my honourable friend say.

So, Mr. Chairman, the discounting question was province-wide. It was province-wide. Until there was public discussion about it and, in fact, some companies began reinstating the discounting practice when there was public pressure, because they had certain volume discounts. They had certain discounts based on distance away from delivery points. They had a whole host of criteria. When there began to be some public pressure placed - in fact, there were discounts whether you were a corporate name or you were an individual name. There were those kinds of questions that were being debated. If your farm happened to be registered at something-something incorporated versus John Doe, you got a discount.

So, Mr. Chairman, when farmers and - we got into the act, we actually put some chinks into that industry-wide collusion, what I would have called collusion, because it was the entire industry that moved. They began to reopen up the discounting practices in a lesser form across the province, but that was before we opened up the border.

Mr. Chairman, the Member for Ste. Rose beats his chest as if we want to take some credit. Mr. Chairman, it is because farmers drew it to our attention that we were able to in fact assist through the media, through the the Fourth Estate, in raising this matter publicly. It did have an impact on how the oil companies treated the farm community in this province; it did have an impact.

I don't want to take all the credit. I think some credit is due to the farmers who were astute enough to say, hey, something is happening here and started phoning and raising the question. Then when we started ferreting out the information, we were able to determine as to what some of them were doing and what some of them were prepared to allow in terms of discounting beyond that.

Mr. Chairman, the question of game ranching, the provincial policy has been announced by my colleague, the Minister of Natural Resources. It is the position of the Government of Manitoba that the question of elk ranching not be allowed within the Province of Manitoba. That is the governmental position and it is supported by the entire government, irrespective of what views we may hold personally.

MR. G. FINDLAY: Is the Minister implying that personally he supports it, along with buffalo farming?

HON. B. URUSKI: Mr. Chairman, whether I support it or don't support it, the government policy has been announced. We as a government have taken that position, and it is supported by all departments and all ministries.

MR. G. FINDLAY: Section 4 can be passed.

MR. CHAIRMAN: 4.(a)(1)—pass; 4.(a)(2) Other Expenditures—pass.

4.(b)(1) Animal Industry Branch, Salaries—pass;

4.(b)(2) Other Expenditures—pass.

4.(c)(1) Veterinary Services Branch, Salaries—pass;

4.(c)(2) Other Expenditures—pass.

4.(d)(1) Soils and Crops Branch, Salaries—pass;

4.(d)(2) Other Expenditures—pass; 4.(d)(3)(a) Northern

Development Agreement, Salaries—pass; 4.(d)(3)(b)

Other Expenditures—pass.

4.(e)(1) Technical Services and Training Branch,

Salaries—pass; 4.(e)(2) Other Expenditures—pass;

4.(e)(3) Agricultural Societies—pass; 4.(e)(4)(a) Northern

Development Agreement, Canada-Manitoba, Salaries—

pass; 4.(e)(4)(b) Other Expenditures—pass; 4.(e)(4)(c)

Less: Recoverable from Northern Affairs—pass.

4.(f)(1) Marketing Branch, Salaries—pass; 4.(f)(2)

Other Expenditures—pass.

Resolution No. 9: Resolved that there be granted to Her Majesty a sum not exceeding \$11,544,500 for Agriculture, Agricultural Development and Marketing Division, for the fiscal year ending the 31st day of March, 1988—pass.

Item No. 5.(a)(1) Farm and Rural Development Division, Administration: Salaries; 5.(a)(2) Other Expenditures - the Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Chairman, I have some brief notes that I'd like to read into the record, and I'll provide a copy of that for my honourable friend opposite.

Mr. Chairman, the Farm and Rural Development Division is that part of the department which deals directly with farmers, farm and rural families and communities. Mr. Chairman, these staff are in the front-line delivery of the department and, as such, must be very sensitive and responsive to those farm family problems.

The division includes five regions, agricultural Crown lands and Manitoba Water Services Board. Most of the department's agricultural extension education is carried out through the five regional offices and specialist staff and the 40 district offices with agricultural representatives and home economists.

The objective of this division is to provide technical and specialist support to farmers, farm families, and rural residents to enhance the viability of family farms.

The means of reaching this objective is to improve the growth and efficiency of the agricultural sector through improved farm and family financial management, efficient crop and livestock productivity and marketing, as well as adoption of soil and water conservation practices, development of community and human resources, efficient use and development of agricultural Crown lands, and the provision of water and sewerage services to rural municipalities, towns, villages and farmers.

Generally, Mr. Chairman, staff have had contacts with 30 percent of Manitoba farmers regarding credit or farm management. Many of the contacts and consultations have been instrumental in allowing the farmer-client to continue farming.

Financial and farm management two-year courses called "Farm Business Groups," are being offered in each agricultural district, to assist farm families increase their knowledge of planning and management. These courses are being expanded to include broader family considerations and family living. It is projected that 1,200 to 1,500 farm people will have completed the course supported by the Agri-Food Agreement by 1990.

Surveys have indicated that 3,000 farmers are having extreme financial problems. During the past year, staff have had in-depth, intensive individual counselling with 1,000 farmers and assisted them in selecting the most profitable commodities for their farm, to increase cash flows, and maintain records for obtaining credit and generally helping improve management skills.

The department has arranged with the Manitoba Cooperator to print and distribute a revised farm account book developed by staff. Record keeping courses are held in each region. Farmers often ask for these financial record keeping courses.

Part of the management and training is the knowledge related to estate planning and transfers. Staff have courses in workshops in this area which is always of interest to many farmers.

In the area of crop production and marketing, on-farm demonstrations have proven to be effective in showing benefits of new technology. Over 5,000 farmers attended demonstrations in such matters as production of potatoes, soybeans, forage seed, alfalfa, pulses, and crop variety adaptations.

Pasture demonstrations showed individual farm gains of up to \$134 per acre through increased productivity of beef cattle. Maintaining feed quality through forage preservation under adverse weather conditions has allowed many farmers to save their herd feed supply.

Peat-line crop demonstrations continue to provide good results in farmer interests, particularly in the Eastern and Interlake regions. Weed control and soil fertility are two major concerns of farmers, with both areas having had many successful demonstrations.

In 1986, weed supervisors found that the wild oat populations were going down and were quite low. Through press and radio releases, farmers were told to check their fields before automatically spraying. Farmers were able to save many thousands of dollars on this advice.

Crop management groups have been formed in most regions supported by the Agri-Food Agreement. Farmers are keeping records on 40-acre fields to determine the most economic option with respect to inputs and yields.

Safe use and disposal of chemicals continue. We continued our emphasis in this area and it's placed on the proper handling of farm chemicals and the development of municipal pesticide container disposal sites.

Weed district reports indicate that in 1985-86, 54 municipalities had a total of 109 disposal sites at which 292,000 containers were collected.

Success with winter wheat in new crop development, soybeans and to some extent, lupins, has allowed farmers to broaden their crop base and improve cash flow; 134,000 acres of winter wheat was grown in 1985. Field beans and sunflowers are being extended to the eastern region.

In the area of livestock production and marketing: Last year's staff for the department contacted approximately 6,000 livestock producers. Three thousand were involved in in-depth consultation and 3,000 for general information. Each region is cooperating with the Manitoba Beef Commission in emphasizing one owner beef cattle feeding, and sale of fed-slaughter animals. Staff visit many farms and provide training in selection of animals ready for the market. For example, in 1985-86, 100 producers in a specific area of the province fed 3,000 calves to slaughter weight adding at least \$300,000-\$400,000 of income to area farmers.

On-farm demonstrations include pasture and hay management; on-farm feeding, forage harvesting and storage; bull testing for feeding efficiency, feedlot management and fly control.

Significant management changes have occurred as the result of these demonstrations, in the area of record of production.

Regional staff, beef, hog, dairy and sheep producers with record of performance activities and analysing the results.

Hog producers have improved market grade indexes and have moved from last place to second place in Canada.

In 1985, all dairy cows registered under ROP increased milk production by two pounds per day. Generally, cows on test produced 3,000 pounds more milk per year than those not on test. This is at least an increase in income of \$45 per cow for those producers on ROP.

Mr. Chairman, on terms I want to reflect back on hog producers. Generally I can say that our extension work in cooperation with the hog producers of this province, again, we have come a long way in the last decade in terms of the ability of our hog industry to improve itself in terms of quality of products. It's certainly with acknowledgment to our staff and also to the hog producers' marketing board and producers of this province that that cooperative approach has resulted in the type of gains that we have made.

In the area of soil and water conservation and management there are approximately 20 soil and water conservation projects, under the Agri-Food Agreement in the various regions. In addition, the department in cooperation with the Department of Natural Resources, PFRA and local residents are developing five prototype conservation districts.

Regional staff are assisting farmers in the planting of shelterbelts, providing thresh cover on erosion-prone fields, improving on farm drainage and using forages in crop rotations.

Mr. Chairman, the department has embarked on a human resource management policy and thrust, our home economic staff support to rural areas and families is limited to a total of 17, in the five regions. Activities have been prioritized around our rural scene requiring emphasis on farm and family financial management and counselling.

Our whole thrust in this area, as I've mentioned in earlier debates is to assist those families who are in financial difficulty as well as those farm families who have chronically had low incomes and we're attempting to outreach to those farm families in terms of the support that not only our ag reps, but clearly our home economists can provide.

4-H activities, with emphasis on individual development and leadership training, continues to be an ongoing program.

Mr. Chairman, in the area of agricultural Crown lands, Manitoba farmers utilize 2 million acres of provincial Crown lands. Over 1.5 million acres are held in long-term forage leases by 2,600 farmers who own almost 20 percent of the provincial beef herd.

Since 1973, approximately 120,000 acres of Crown land has been improved, allowing hay and forage production increases sufficient to meet the needs of an additional 21,000 head. Approximately the same amount of land is suitable for development and is an ongoing program within the department. The branch, in cooperation with the Department of Natural Resources, continues to assess Crown land suitable for multi-use purposes.

Our Manitoba Water Services Board, in 1986-87, provided on-site construction supervision of 16 projects using Manitoba Water Services Board staff and checks were made on 13 construction projects where consultant engineering services were used.

Construction contracts were valued at \$6.3 million in 1986-87. Eighteen feasibility studies were carried out for municipalities.

From April of '82 to March, 1986, a total of 732 farmers were provided with rental dug out filling equipment at cost.

From April 1, 1981 to March 31, 1986, 643 individual farmers received \$419,000 in grants to resolve their farm water problems.

One hundred and seventy-nine Community Water Source Grants were paid to cooperating local governments between April, 1981, and March 31, 1986. This resulted in 43 new high-capacity tank loading facilities for such uses as field spraying and a source of water during periods of drought.

Mr. Chairman, this is a brief overview of our Farm and Rural Development Division. Maybe the Clerk could take a copy of my notes over to my critic for his information and I thank the indulgence of honourable members of hearing this brief overview.

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

MR. G. CUMMINGS: Mr. Chairman, I wonder if the Minister would elaborate on the role of the ag rep in the rural communities and in the department. Since the department has put an increasing effort on regional responsibilities, the province is divided into districts.

Has the role of the ag rep been redefined in any way with the advent of specialists in most areas, grassland and your management specialists? Has the role of the ag rep been substantially altered or have there been any studies or reports that the department may have done with the eye towards reorganizing the responsibility for the ag reps in the province?

HON. B. URUSKI: Mr. Chairman, I guess there is no sort of restructuring of the role of an ag rep. I guess we see the ag rep as the local contact for the Ministry of Agriculture for the resource person that farmers make contact with, and he would use the specialist to assist him in dealing with whatever concerns and specific issues that farmers may come to him that he may not be fully knowledgeable in, but clearly the role of the ag rep has been evolving and continues to evolve in terms of what areas of extension that we provide.

We've moved, obviously, in the last number of years, with the financial crunch in agriculture, to very specific, in depth, one-to-one counselling with many farmers in the financial area, in the hosting and providing with the farm business groups of providing increased emphasis on farm management and financial management. So the role of the ag rep has and continues to evolve and alter as the circumstances in agriculture change.

I'm not sure that I can answer the question any differently for my honourable friend. Maybe he's asking something more than I've answered.

MR. G. CUMMINGS: I guess I wanted to know if the department recognized and was providing the direction to the ag reps to deal with the changing situation that has evolved, albeit over many years, but certainly the responsibility of an ag rep has changed considerably with all the different specialists and resource people that he's able to draw on.

I don't think I personally however would want the ag rep to be seen solely as a person who refers all the problems to a specialist area. I was interested to hear that the Minister said that some of the ag reps are getting into intensive counselling. That's an area where I would certainly see some advantage and yet I have an understanding that a lot of the intensive counselling is turned over to management specialists within the districts to help. But if the ag reps are doing a lot of work in that one-on-one area, then I would suggest that is an area that I think they should be moving into.

I want to ask one specific question about which - it goes quite a way through the same department; I hope the Minister will indulge me. I'm looking at administering the forage leases.

There is land that is under conservation districts - would you like me to defer the question till you . . .

HON. B. URUSKI: We'll bring the staff in, on Crown Lands.

MR. G. CUMMINGS: Okay, I know the critic doesn't want to spend too much longer in this area.

HON. B. URUSKI: Mr. Chairman, we've only got a few minutes remaining. We could have the staff down here, but if you want to go into Crown Lands, I'll bring the staff in.

I just want to emphasize and mention to my honourable friend that in terms of the resources available to the ag rep, there's been no change since the regionalization of our department in 1972. Those same resource people have been there since '72 and are there today. It's clear that the role of the ag rep is changing and evolving, and we are attempting to, and with some success, to build; and we've attempted to build the team approach in terms of counselling. It's not just counselling, for example, and negotiating with financial institutions that farm management specialists might do. Ag reps might be sufficiently involved in certain cases and would call on the farm management specialists to give them some advice.

They would act and work on behalf of farmers. It would not all be turned over to the farm management specialists. They would be doing some of those in cooperation with the home ecs. They may be dealing with families in stress situations and trying to provide some help and some linkages to the community, because there are community resources which we, as a department, have and are attempting to tie into. There are many church and volunteer groups in the community that have been working together to try and support families.

We've attempted to plug in the governmental system to what I would call the ad hoc volunteer community system to have a much more balanced approach and wider-range approach to tie into the resources of whether it's mental health, whether it's counselling, whether it's social development and whether it is community counselling, because there are some very good pastoral people in the community who can provide the area of counselling where some of our staff may not have those strengths but can call upon community people to assist who want to help out. That's the kind of role that we see home ecs as specialists and ag reps combining, and farm management people combining as a team to provide that kind of an extension approach to farm families in the community.

If I can answer the question specifically on Crown land, I'll attempt to do it. If I can't answer it, we'll wait until eight o'clock. Let's hear the questions.

MR. G. CUMMINGS: Where there are Crown lands that have been accumulated as a result of a conservation project and put into grassland, whereby that land is leased back for use by the farmers in the surrounding area, my question is: Can any of that land at any time be sold or is it held by caveat forever and a day in the name of the Crown?

I'm thinking specifically in terms of building sites where there have been farms where at one time farms are now part of the district, for the purposes of municipalities which would be able to receive tax revenue from those, for the purposes that the land is probably grassland oriented area, livestock building sites could be used if that land could be made available for purchase. I think the Minister understands the direction I'm leading.

HON. B. URUSKI: Mr. Chairman, that's a very difficult question to answer. A building site might be at some future time be considered for resale. I guess I will ask the question, are you speaking about something like

the Duck Mountain Grassland Society project or are you talking about farms that may be in wildlife management areas where there might have been a building site? I'm just not clear what the honourable member is referring to.

MR. G. CUMMINGS: To be a little bit more specific, the property of which I speak is a conservation area that has been assembled on the escarpment of the Riding Mountain and there are past building sites there that would make future building sites if they could be subdivided off from the land that was acquired in order to set up the conservation district. I'm asking the question that if the department would consider that a compatible usage because it would have the dual effect of not disrupting what I see as a useful conservation district, at the same time creating some tax revenue for the municipality that has to service the area at any rate.

HON. B. URUSKI: Mr. Chairman, I'll try and answer the question this way. The province has been promoting land use planning through the provincial land use policies and has encouraged municipalities to in fact provide development plans for their respective areas, provided that the use of the land or the site would not be in general conflict with the land use development plans of that particular municipality.

I would think that that question could be considered. I don't know what impact it would have, for example, if it was a livestock-dominated land base and the development plan called for agricultural dominant land, that a rural residential development for a yard site would likely not be approved for an area. But that's what would have to be looked at. It would be those kind of considerations that would have to be made to see whether or not an exemption in fact or an allowance could be made to the sale of a farm site. It would have to be raised and we'd have to have a look at it. It's not one that there is a black and white situation on.

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

The members of the committee will return at 8:00 p.m.

Call in the Speaker.

IN SESSION

HON. B. URUSKI: Madam Speaker, before we enter Private Members' Hour, I wonder if I could ask leave of the House. My office just received some of the copies of the University Research Report, the PAMI Report, and an Agri-Food that I promised for honourable members. I wonder if I could have leave of the House and of honourable members to have these distributed. We're still in Agricultural Estimates. They have just become available and I thought I would raise it and I understand the reports have been sent up to the Clerk's Office for distribution, if that's possible.

MR. D. ORCHARD: Do you require leave, Biii?

HON. B. URUSKI: I think so, because we're not in tabling of reports of the House. I'm asking for leave to do that.

MADAM SPEAKER: Agreed? (Agreed)

**MINISTERIAL STATEMENTS
AND TABLING OF REPORTS (Cont'd)**

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, I'd like to table the 12th Annual Report of PAMI; the 33rd Annual Progress Review of the University of Manitoba Faculty of Agriculture; and the Agri-Food Package Agreement on projects from the Province of Manitoba ending March 31, 1987.

PRIVATE MEMBERS' BUSINESS

PROPOSED RESOLUTIONS

**RES. NO. 10 - FOREIGN
STUDENT TUITION FEES**

MADAM SPEAKER: On the proposed resolution of the Honourable Member for Roblin-Russell.

MR. L. DERKACH: Thank you, Madam Speaker. I move, seconded by the Member for Kirkfield Park,

WHEREAS foreign students are being subsidized by Manitoba taxpayers; and

WHEREAS most other provinces are charging foreign students tuition fees which more accurately reflect the actual cost of a university education; and

WHEREAS due to the financial position of this province, taxpayers no longer have the ability to subsidize foreign students at the same rate as Manitoba students.

THEREFORE BE IT RESOLVED that the Assembly request the Minister of Education to encourage the universities in Manitoba to set tuition fees for foreign students at levels which more accurately reflect the actual cost of a university education.

MOTION presented.

MADAM SPEAKER: The Honourable Member for Roblin-Russell.

MR. L. DERKACH: Thank you, Madam Speaker.

In moving this resolution, Madam Speaker, I would like to address some of the reasons for the resolution and some of the situations which have arisen causing this resolution to come forth.

As you know, Madam Speaker, the economy of our province has become worse over the last several years, and especially since 1981. In 1981, the Pawley administration was given the authority to take charge of the stewardship of this province and since then we have seen the deficit of our province escalate to heights that have not been seen before this particular time in history.

The problem is that the money that has been squandered by this government has been squandered on self-image, on promoting its own image to enhance its popularity with the people of Manitoba. When the people of Manitoba went to the polls last year, Madam Speaker, again we saw abnormal promises made by the government, promises which were swallowed by

the taxpayer and by the people of Manitoba. We went through a series of a promise a day, and today we find that our province is in a very abysmal state in terms of its economy.

That is one of the reasons, Madam Speaker, that this resolution has come about, because taxpayers in this province can no longer afford all the luxuries that this government is expecting from them. Taxpayers are becoming poor because of the increases in taxes, and especially in the last Budget, when the Minister of Finance increased the tax on almost every conceivable thing that he could. So, Madam Speaker, the problem has to be addressed.

We take a look at what's happening around us and we find that universities in other provinces than Manitoba, with the exception of one province, are charging a differential fee for tuition for foreign students. And when we take a look at our position economically to that of other provinces in this country, we find that our deficit on a per capita basis is one of the highest in the country. Therefore, Madam Speaker, we have to ask ourselves whether we can afford to continue some of the luxuries that we have.

In this resolution we are not proposing that there be massive increases to tuition fees paid by foreign students, nor are we talking about discouraging foreign students from attending our universities, because we do see the merit of foreign students at our universities and within our province. Foreign students do contribute richly to our culture. They provide our students and the people who they associate with a knowledge of the world, outside of our country and outside of our province.

They take with them an awareness of Canada, an awareness of Manitoba back to their homeland. In that way, we get a better perspective in the world as a country that is friendly, as a country that is willing to do business and associate with peoples across the world.

I am sure that because of foreign students in our universities, the relations that we have with countries outside of Canada are much improved, and there are many economic benefits that students from foreign lands bring to our province. We don't dismiss any of these positive aspects that foreign students contribute to our society. So this resolution does not in any way attempt to discourage foreign students from attending our universities. And, yes, it has already been suggested that this may in fact happen.

But when we take a look at what has been happening across the country, if tuition fees were going to discourage foreign students from coming to universities, then Manitoba should have enjoyed an increase in the numbers of foreign students that have come to our universities by comparison to other provinces, but yet we have not seen this. As a matter of fact, there has been somewhat of a decline in the numbers of foreign students attending our universities. So, therefore, the argument that a nominal increase in tuition fees would discourage students does not hold water.

What is the tuition fee breakdown at the present time? Well if we take a look at our tuition fees in Manitoba, we find the students at the universities pay approximately 14 percent of the cost of education, the rest is borne by the taxpayer. This is why I made my opening statement about the deficit and about the taxpayer burden.

Now the taxpayer, it takes about \$10,000 to educate a student for one year. Therefore, the taxpayer pays somewhere in the neighbourhood of \$8,000 or \$9,000 per student to educate a university student. What we are suggesting is that taxpayers can no longer afford that kind of subsidy to students who are living or coming to our universities outside of Canada.

Yes, we have a responsibility to the students within our province and within our country first. Those are the students who we have to subsidize their tuition fees to make sure that they have a good and proper education, an education that has quality. We have seen that universities have been talking, and justifiably so, about the need for extra funds to upgrade their facilities, their buildings and their equipment.

Madam Speaker, if we continue on the road that we are on, in a few years, we are not going to attract any foreign students because the equipment, the facilities, the buildings will have deteriorated and all as a result of somebody not taking the proper steps and ensuring that the proper things be done and the proper funding be put into place.

Charging foreign students some extra money is not going to solve all the problems, but certainly every dollar that we can use to improve the quality of education that we offer at our universities, we should take advantage of.

The Minister of Education just recently has openly admitted that if he had his way, he would not support any funding to independent schools. Now independent schools, public schools are made up of our students, students from Manitoba. It'll be interesting to note because these students who attend our independent schools in many instances, we can find them all around us after they have left school. They are usually found in leadership roles in our communities, in local government, in our Provincial Government and even in our Federal Government. So these students also contribute richly to our society because of the experiences they gain, not only in the public school system, but in an independent school system.

Therefore, I'll be very interested to know what the Minister of Education has to say about charging foreign students tuition fees in that he is opposed to giving any support to independent schools.

Madam Speaker, the Canadian average tuition fee is \$2,650.00. Manitoba's tuition fees average somewhere around \$1,000.00. If we were to double tuition fees to foreign students, we would still be below the Canadian average. I think there is nothing wrong with expecting a little bit of extra tuition from all students, because I think that we are seeing that tuition fees will increase for Canadian and Manitoba students and therefore there is nothing wrong with asking everybody to take a share in the burden that's before us.

Other provinces carry tuition fees as well and they range anywhere from 150 percent, Madam Speaker, to a high of 1,000 percent over and above what local students pay. Other countries charge tuition fees. The United States has differential tuition fees that not only apply to students outside of the country but they also apply to students outside of the state. So therefore differential tuition fees are not something new.

We are also aware of the costs that are borne by foreign students when they come to this province and

when they come to Canada. But we have to compare them to the costs that are borne by the students within our province. For example, we know that students who come from foreign countries have the cost of travel, they have the cost of room and board, they have the cost of their living expenses, etc.

But let's take a look at the student who comes from rural Manitoba to a university in Winnipeg. That student also has those very same expenses because that student has to find lodging, room and board, he has the expense of travel to his home. It may not be as great because it's not that great a distance but nevertheless, we have students within our province who have those same expenses that foreign students have as well. The only expense that perhaps the Manitoba students don't have is the cost of the visa itself.

So if we're talking about foreign aid to students outside of our country, I think that we, as taxpayers, have a responsibility to the students that live within our province first. And if it is a wish of the Federal Government or of the government of our province to subsidize foreign students, then I think it can be done through a different avenue but I do firmly believe that there is nothing wrong with charging some differential tuition fee to students from outside of our province and outside of Canada.

In conclusion, Madam Speaker, the reason for this resolution is because of the state of our economy, because our taxpayers can no longer afford some of these luxuries. The taxpayers are burdened heavily enough now and I think it's only fair that we ask everybody to share in the responsibility. Universities are in need of money. They are in need of money for facilities for equipment and for buildings. In this way, everybody can contribute to assisting in improving those facilities.

We are also going to, by virtue of this resolution being passed, we could bring our province in line with other provinces and other countries in the world whereby differential tuition fees are being charged and this will not deter from the number of students we have attending our universities. By not charging differential tuition fees, Madam Speaker, I submit that it is unfair to the students of our province and that we should be, first of all, fair to the students within our province and within our country.

So, Madam Speaker, based on those reasons I submit that this resolution is a good one and I would ask that members of this House support this resolution.

Thank you very much.

MADAM SPEAKER: The Honourable Member for Thompson.

MR. S. ASHTON: Thank you, Madam Speaker.

I can assure the honourable member opposite right from the beginning of my remarks that I have absolutely no intention of supporting his resolution. I would also suggest, Madam Speaker, that if he would look accurately at the facts of this particular case not only would he not be bringing in this ill-thought-out and poorly researched resolution but rather that he would be bringing in a resolution which would encourage foreign students to attend university in Manitoba, both for the economic benefit of this province, Madam

Speaker, and for the benefit to both the university and to our community as a whole, that overseas students bring when they attend universities in this province.

I want to state too, right from the outset, Madam Speaker, that this is an issue that does concern me greatly personally. As president of the University of Manitoba Students' Union, I fought against differential fees. As a member of this Legislature, I'm going to fight just as hard because I know how wrong they are, how poorly thought out they are, Madam Speaker, the negative impact that has on both the overseas students, and I would suggest on the university as a whole.

I hope in debating it this time, that we will not see some of the racist remarks that were made, Madam Speaker, during the time which I was UMSU president, made by members of the Conservatives unfortunately. I hope we will be able to keep this debate on the issues.

A MEMBER: That's a stupid remark.

MR. S. ASHTON: That is not a stupid remark, that is a fact. If you care to check, you will find those remarks on the record, Madam Speaker, made in this Legislature. As I said, I have no intention of stating those remarks at this present time, and I hope that that will be left out of this particular debate.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please.

Would the Honourable Member for Niakwa please come to order?

The Honourable Member for Roblin-Russell on a point of order.

MR. L. DERKACH: On a point of order, Madam Speaker.

Nowhere in my remarks to this resolution, nowhere in the intent of this resolution was there anything racist. By bringing that in, Madam Speaker, the member . . .

MADAM SPEAKER: Does the honourable member have a point of order?

MR. L. DERKACH: Yes, the point of order is that I want that member to withdraw his inference that this was a racist resolution. I want him to withdraw that. He implied it, Madam Speaker.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order, order please.

As members well know, a dispute over the facts is not a point of order. I distinctly heard the honourable member say that former Conservative caucus members had made racist remarks in past history on this subject. In no way did I hear him say the Member for Roblin-Russell made racist remarks.

The Honourable Member for Thompson.

MR. S. ASHTON: Madam Speaker, I want to state as a Member of this Legislature that I resent the twisting of my words that we've seen, and also the threats, Madam Speaker, that were made by members opposite, who obviously were not here at the time. I will show

the member the remarks I am referring to. I will not stoop as low as to repeat the remarks that were made in this House, because they were racist and offensive, Madam Speaker. I will show that member, and he can read Hansard once again. He will see again that I stated that I do not want to see those remarks in this debate. I stated that as my view, and for the Member for Niakwa as well, that I want those kind of attitudes kept out of this debate. Let's stick to the facts.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

The Honourable Member for Fort Garry on a point of order.

MR. C. BIRT: No, Madam Speaker, I'm wondering if the member would permit a question.

MADAM SPEAKER: Order please.

The Honourable Member for Thompson with a request whether he will answer a question.

MR. S. ASHTON: Madam Speaker, if I have time left at the end of my remarks I will certainly ask a question. I'm quite prepared to document the statements I made about previous discussions, Madam Speaker, if there is any consideration as to the accuracy of those remarks. I will show the Member for Roblin-Russell exactly what I'm referring to. But I will not repeat those remarks in this House, Madam Speaker, because they were quite despicable and disgusting.

I want to state, Madam Speaker, as well, that this issue is of concern to many people in this province. I said as before, it is a concern to the university community. I would note, in this regard, Madam Speaker, that we have a number of students present today who have expressed their concern for half the students they represent, directly to the Member for Roblin-Russell.

I want to state right from the start, Madam Speaker, that I'm quite frankly offended by some of the remarks that have been made by the Member for Roblin-Russell. Because, I think essentially what he's done has made foreign students out to be scapegoats. I heard him refer to the deficit; I heard him refer to the economy; I heard him refer to this as being a luxury we can't afford; I heard him refer to independent schools; I heard him refer to rural students.

Well, let the record be clear, Madam Speaker, that foreign students have nothing to do with the debates on those issues. If you look at the facts, Madam Speaker, I think you'll find that, even on economic issues - and I hate to talk about foreign students in economic terms - but even on the economic issues, there is clear evidence that the arguments put forward by the Member for Roblin-Russell are totally fallacious. In fact, foreign students do benefit this province, both in terms of the cultural input and in terms of the input to the university, but also economically as well.

Let's begin, Madam Speaker, with a talk about costs. The member in his resolution talks about costs, but nowhere in the resolution does he define exactly what costs he's referring to. He sums up the entire university budget, Madam Speaker, and then suggests that a

certain percentage is paid by the students out of that entire figure, and it averages it out. I assume that is the approach he is taking.

Does that mean, Madam Speaker, that he's saying that students should pay for all the costs of the university, including research costs and community development costs, because a large proportion of university budgets are exactly those items? Is that what he's saying? Well, I hope not, Madam Speaker, and I hope he would have been more clear. Perhaps others on that side who support this resolution would be more clear with costs.

I'd also like to ask what costs he's referring to in terms of the impact of the foreign students themselves. Is he referring to average costs? What about marginal costs, Madam Speaker? What about the incremental costs? Is that really not the cost we should be looking at in this particular situation?

Is he suggesting that, if we were to have fewer foreign students, we would somehow be closing buildings down and spending less money on buildings? Well if he is, Madam Speaker, he has no understanding of the economics of the situation. Is the member suggesting that there would somehow be fewer staff? Is he suggesting that? Well, no, says the Member for Roblin-Russell. So then, what is the additional cost of having the foreign students in this province?

Madam Speaker, the member opposite obviously has difficulty with this line of argument. I would suggest he refer to a number of studies that have been done on this particular issue by university groups, by the Vancouver Board of Trade, and he will find that the legitimate cost to be looked at is the marginal cost, the additional cost of having one student, not the average cost. I wish, when he is doing the research on this particular item, he would look at that, because he would find that the additional cost of foreign students is not the large figure he referred to, but it's something quite less.

We've talked about the costs. What about the other side of the ledger? What about the benefits economically for this province? Well, Madam Speaker, foreign students bring with them, on an estimated amount, between \$7,500 and \$10,000.00. There have been various studies that have looked at the exact amount. A study in Ontario used the \$7,500 figure; the Vancouver Board of Trade, North-South Institute and the Canadian Bureau of International Education have used the \$10,000 figure. Madam Speaker, the Department of Immigration, for the information of members, requires that foreign students bring with them \$8,000 to \$12,000, depending on the expenses in the area in which they are going to be studying. So there are a number of figures that have been used to look at the economic impact of foreign students in Manitoba.

I'll be fair on this, Madam Speaker. I'll take the smallest figure that was used, \$7,500.00. Let's look at the impact that has in Manitoba alone. Two thousand visa students are in Manitoba at the present time. Well, the member opposite says, no, there aren't. In this press release that was issued, Madam Speaker, and in comments that were made in regard to this, that's the figure that was used. If he has some other figure he would like to use, I would like to see that information provided, but that is the figure I have been given as the number of visa students that are here, from the Department of Education.

Madam Speaker, when one looks at the amount that provides to the Manitoba economy, one sees that it's a total of \$15 million in expenditures for the Manitoba economy. Now where's that in the member's resolution, \$15 million of benefit?

Madam Speaker, there's more in terms of economic benefit. It's been proven clearly that the contacts that are established by those visa students, Madam Speaker, at university have a great deal of economic benefit at later times. I've talked to members of the public, for example. I talked to one gentleman who members of this Legislature will know well, who worked in Nigeria for a while and pinpointed exact contracts, which had been determined by the fact that the person making the decision had been educated in Canada at the post-secondary level, and how important those contacts were in determining that contract would go to a Canadian company.

There's a study, Madam Speaker, in Australia that, I think, probably is very applicable to the current circumstances, which show that 20 percent of the trade that Australia did with a particular country came as a direct result of student contacts that were made by foreign students when they were studying in Australia. I would suggest to the members opposite that those figures are still very, very much the same.

So, Madam Speaker, I think it can be shown that foreign students are of economic benefit to this province, both in terms of the present situation and in terms of the future situation as well. But there is so much more that they bring. They bring an international perspective that benefits all of us, Canadian students and foreign students alike. They bring, I think, what is absolutely vital in the university experience, a window on the outside world, and that is a benefit to all of us.

I benefited, Madam Speaker, by my contact with foreign students, both at the University of Manitoba and Lakehead University, and I consider that contact to have been an integral part of my post-secondary education.

So I would say, Madam Speaker, if one were to look fairly at the facts in this situation, one would see that the Member for Roblin-Russell is being unfair to foreign students when he somehow ties them in with all those other issues that he referred to previously. I would suggest to the Member for Roblin-Russell that he debate those issues on their own merit and not somehow try and make foreign students scapegoats, as he does directly in the press release that he issued which talks about, if our universities continue to offer high quality programs and if facilities are to be upgraded, then it is time to address this issue. Is he suggesting, Madam Speaker, that somehow the foreign students are taking away from that? If that is what he is doing, Madam Speaker, he is wrong. He is wrong, because foreign students are benefiting our universities.

In fact, Madam Speaker, in speaking against this resolution today, I want to go further than merely pointing out the inaccuracies and the inaccurate research that the member opposite has done. I want to go further and make a clear statement on the record in this Legislature, a statement that I have made personally many times in the past before, and that is to say that I welcome foreign students on the same conditions as other students, Madam Speaker. I, unlike the member opposite, do not view doubling tuition fees

for foreign students as, and I quote, "nominal and no massive increase." My God, Madam Speaker, if that's not a massive increase, what is? I, Madam Speaker, will go further and say that I don't believe, as the member opposite obviously does, that Manitoba students should also be paying massive amounts more, because he made reference in his remarks that we need extra tuition from all students.

Madam Speaker, as I said, I want to go further than simply refuting the poorly constructed arguments that were put over by members on the other side and, in doing so, perhaps I want to refer through this Legislature to foreign students in Manitoba and want to make it very clear, despite the resolution of the member opposite, a resolution that is apparently supported by his colleagues, by all his Conservative colleagues which I consider very unfortunate - I wonder how the Member for Fort Garry, for example, will explain that to the university community, the university which is in his own constituency, which is solidly against this resolution. I would ask the Member for Fort Garry to place his views on this issue on the record.

But I am stating clearly on the record that I value the contact that we have with foreign students, coming as they do from many areas throughout the world. I value it, Madam Speaker. I've had contact with people from every part of the globe. I remember contacts so well, Madam Speaker, even a number of years ago that they were. I remember one student, for example, who was sponsored by his entire village in Africa, sponsored by his entire village, and how he came here, received an education, went back to Africa. I view that as a valuable contact, and my contact with him as being valuable.

I look at so many other of the foreign students that I've seen throughout the years, and I know how, at times, Madam Speaker, they wondered how welcome they were. I remember when there was talk of differential fees when I was President of UMSU. I remember the feeling that they had at that time, Madam Speaker, not always articulated publicly, but privately, when they wondered how welcome they were.

I want to say clearly for the record that foreign students, Madam Speaker, students from throughout the world, as far as I'm concerned, are welcome here under the same conditions that we treat Canadian students . . .

A MEMBER: Then let them pay their way.

MR. S. ASHTON: . . . no discrimination in terms of fees, I would hope no discrimination in terms of treatment. I want to send that clear message over and above the cacophony from members opposite, that we on this side clearly welcome the input of foreign students in Manitoba.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Kirkfield Park.

MRS. G. HAMMOND: Yes, thank you, Madam Speaker. I'm happy to be speaking on this resolution.

I'm supporting the resolution, and I strongly resent the way the Member for Thompson started off in this

debate. During the French language debate, they threw out the word "bigot." During this debate, they're throwing out the word "racist." That seems to be the only argument they have, because they think we'll back away because of it. Not on your life! This is not a racist resolution. This is a resolution that is based on the economy of our province, and is based on helping people in Manitoba.

Madam Speaker, I'm not going to plan to dwell on the low level that member started out on, but I want to say that what might have been past history, he did not have to bring up in this Legislature today. But that didn't stop him, because every time . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please.

All members who want -(Interjection)- Order please. Order! All members who wish to participate in this debate will have an opportunity.

The Member for Kirkfield Park has the floor.

MRS. G. HAMMOND: Madam Speaker, Manitoba is a have-not province. This government is constantly looking to the Federal Government for additional transfer payments. The credit rating in this province has been reduced twice, and they may ask - the government - what that has to do with increasing foreign students' payment of tuition fees.

It is a fact that in this province, people are hurting; in the rural community, they are hurting badly. If it will help one rural student get a bigger share of the pot by increasing tuitions for foreign students, that alone should help the government members look at this resolution in a way that it is strictly on a monetary fashion that we are looking at it. We do not want to outlaw foreign students from this country.

When our students go down to the United States, they pay extra. When my son went to the States, we paid a big portion of the tuition fees. We didn't pay the same as the students who lived in North Dakota where he went to school. Of course, we didn't. We didn't expect to pay the same; we expected to pay more. And when the dollar dropped, we paid more and more. So this is a two-way street. I don't know what the member refers to as foreign students, but my son was a foreign student when he went to the States. I don't think anyone would have considered that to be anything wrong. I expect to pay more. I'm not paying taxes in the States. I'm paying taxes in Manitoba; I'm paying taxes in Canada. I have two children who have gone to universities in both Manitoba and in the Province of Ontario. They do not pay differential fees. I would not want them to pay differential fees, nor do I want a Canadian student to pay a differential fee in the Province of Manitoba. I feel that we should be able to freely go between province and get education.

What we are talking here is about foreign students paying more of a fair share certainly than they have been. I've got an article here that is from the Department of Secretary of State, 1985. It says, "Who are the foreign students?" It shows that the majority of foreign students come from relatively few countries and fully 45 percent come from Asia. It says, "Foreign students are not representative of the international community. Moreover,

evidence presented by Simons and Page, 1984 documents, that students come overwhelmingly from more well-to-do countries. Over one-half, 54.2 percent, of the foreign post-secondary students in Canada come from 50 high-income countries, while one-tenth come from 40 of the poorest countries. In fact, less than 3 percent of foreign university students come from 25 of the least developed countries. Nonetheless, the high proportion of foreign students coming to Canada from the high-income countries and the very low proportion coming from the low-income countries does raise the question, are we giving help to those who most need it or indeed to those who most deserve it?"

Now there is a question here of students coming into this country, foreign students who could well afford to pay more. But is Manitoba the source of giving the subsidy to the ones that can't? We would all love to have the luxury to do everything, Madam Speaker, and we have said this time and time again, and the Minister of Finance is saying it constantly these days. So what all of a sudden is the big argument? Why then would we be asking Manitoba taxpayers to pay the full burden of supporting foreign students?

Madam Speaker, we do not wish to keep foreign students out of this province and, as has been shown, differential fees have not been the major problem in the other provinces. So why can't Manitoba get on the bandwagon? Why are they always one out of step with the rest of either the world or the rest of Canada? It doesn't seem to make any sense.

There was a further study and I'd like to quote this, "In recognizing the role of the Federal Government in this issue, the Ontario Commission on the Future Development of the Universities of Ontario recommends that the Government of Ontario ask the Government of Canada to assume, as part of its responsibility for external affairs and foreign aid, the differential portion of the tuition fees of the foreign visa students up to a maximum of 5 percent of total enrolment in Ontario Universities at an estimated cost of \$25 million annually.

Now this, Madam Speaker, may well be a solution since foreign students are here to enhance the country, possibly this is an area that the Federal Government should be giving help. I don't think anyone may have quarrel with that, but it's just something that you could put out as a suggestion that possibly then, when it's a question of need, someone would get a bursary to come into Manitoba or they could choose the university of their choice, wherever they would like to come. But the taxpayers of Manitoba would not be stuck with the total cost.

When the Member for Roblin-Russell brought up about rural students, this is an area where they could use more help, and especially today. Why couldn't that differential, if it's not used for the universities, why could that fee not go to help needy rural Manitoba students, who must come into the city or must move around, other than the ones that are within travelling distance? And there's not many of those. I'm talking about Northern Manitoba where the Member for Thompson lives, where they all have to travel out of the area to come to school.

Why wouldn't we use some of the money to help those students go to university? Because really what we're talking about here is our own people in Manitoba. Now if Manitoba was a rich province, this resolution

wouldn't even have come to the floor, but we are not a rich province, not by any stretch of the imagination. So what we have here is Manitoba subsidizing foreign students from the USA, from Britain, from Asian countries, who may not even need the subsidy, but because of the largesse from the Member for Thompson, who says, sure, everyone can come here and our taxpayers can afford to pay the lot, they cannot, Madam Speaker.

I want to get back to the rural students too, because one of the things that this government did in the Budget, they added the payroll tax which cut back on jobs, and the kinds of jobs that will be cut back are the kinds of jobs that university students need to keep them in school. So this government, in essence, is hitting rural Manitoba and all our students doubly. There is no rationale for not agreeing with this resolution.

We are not asking the government or suggesting that the universities keep out foreign students. We are just asking that they pay more of their fair share, so the people of Manitoba, who are going broke by this government's overwhelming spending, and just as some examples - we bring them up all the time but it doesn't hurt to mention them again. We have increased fees, telephone rates applying for 11.5 percent; hydro rates up 9.7 percent; Crown corporation losses, MTX, \$27 million; Manfor, \$31 million; MPIC, \$60 million; Workers Compensation, \$84 million and climbing.

Madam Speaker, we are talking about a province that is steadily going down the drain by this government and yet the Member for Thompson, he stands up and says it doesn't matter, we want to encourage everybody to come in at the same rate; let's not help the people of Manitoba. Instead we'll have everyone come in and pay the same rate. It is not fair to the people of Manitoba, Madam Speaker.

So I would ask that the members opposite just take a good look at what they're suggesting. They're suggesting that Manitoba taxpayers who are already the highest taxpayers in the country, or the second highest in some, the highest ratepayers in the City of Winnipeg, continue to pay more, with not a thought of ever a saving to these taxpayers; not a thought about the universities that it might help them out in their cause; not a thought to putting those funds to help rural students go to school, rural and northern students, I might add. No extra thought has gone into this except, boy, these guys must be racist if they're bringing up that resolution and, believe me, I resent what he has said, I resent the implication. What I want to say here is that this is strictly a monetary resolution, nothing more. There are other ways of getting support for foreign students at our universities.

MADAM SPEAKER: The Honourable Minister of Education.

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

I suppose if one were to take the statements of members opposite at face value and follow along the logic that was presented by the Member for Roblin-Russell and now the Member for Kirkfield Park, we could I think satisfactorily conclude that the logic itself was faulty, and therefore the resolution perhaps needs to be reworked significantly. I found it rather intriguing

that the Member for Kirkfield Park would talk about the government being out of step on this issue.

Madam Speaker, the members opposite have indicated to us many times that the government is out of step not only with respect to the question of whether there is any need or benefit to having deferential tuition fees, but they've indicated they were out of step when it comes to something as principle and as sound as pay equity. They said we're out of step when it comes to improved Workplace Safety and Health legislation. They've talked about us being out of step when we talk about affirmative action. Anything that is progressive, Madam Speaker, is out of step. If we're being progressive at all, then clearly we're going in the wrong direction. The Member for Kirkfield Park would rather us take a step back rather than a step forward.

Madam Speaker, fortunately, the Province of Manitoba and our universities have long retained the idea that there is significant advantages to having foreign students, to having students from the international community at our institutions. Madam Speaker, the boards of governors, the faculties, the student associations, all have supported the maintenance of the current fee and tuition fee structure. They've done so for a lot of very solid reasons.-
(Interjection)-

Madam Speaker, the Member for Roblin-Russell is chirping from his seat about we haven't consulted parents. Madam Speaker, the Member for Roblin-Russell would have us believe that the only motivation for introducing this resolution is one of finance. Well, Madam Speaker, then I think it falls on his shoulders to prove, to indicate, in any definitive way that what he's proposing would have any significant financial advantage to the university, never mind the question of what significant advantage there is to the province, both in educational terms and financial terms, to having foreign students at our universities. Madam Speaker, it's a rather simplistic suggestion that the Member for Roblin-Russell and I believe some of his colleagues are going to make about the costs of having foreign students at our universities.

Madam Speaker, there is . . .

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

MR. J. DOWNEY: Madam Speaker, I have a question. I wonder if the Minister of Education would submit to a question.

HON. J. STORIE: I would be more than happy to answer a question from the Member for Arthur if I have any time remaining. I always look forward to his enlightened questions.

Madam Speaker, the point that I was making is that there is no obvious benefit as the Member for Roblin-Russell would have people believe in having foreign students pay increased tuition.

First, Madam Speaker, the Member for Roblin-Russell should realize that over the past three years the number of foreign students attending institutions in the province has declined by almost 20 percent. The second point that has been made by my colleague, the Member for Thompson, is that the suggestion, the ludicrous

suggestion, Madam Speaker, that a reduction in the number of foreign students would mean any lower operating costs for the universities, any lower faculty costs, is not as clear-cut as members opposite would have us believe.

Madam Speaker, the Member for Arthur suggests somehow that this is a squandering of taxpayers' money. I've simply indicated to him that there in fact may be no financial benefit to the universities whatsoever. Whatever benefit they might gain if there is some to be had, might be off-set, Madam Speaker, by the fact that there are fewer dollars coming to the universities through the current tuition fee structure.

Madam Speaker, the fact of the matter is that the university community and successive NDP Governments have supported the idea of a universal tuition fee for foreign students and Manitoba students because of what we believe are significant benefits to, not only the individuals who attend our universities, but to society as a whole. Madam Speaker, it's not only the Government of Manitoba, the NDP Government feels that way. The university community feels the same way and they feel that because they believe the presence of foreign students adds a measure of enrichment to that community generally. Madam Speaker, the university community recognizes that the interchange and the exchange of ideas that is possible because of the presence of foreign students at our universities adds significantly to the intellectual climate of our universities.

Madam Speaker, my colleague indicated that there is significant economic spinoff benefit by having foreign students here. Some \$15 million is an estimated figure. Madam Speaker, I want to make a more personal point for the information of the Member for Arthur and that is that what the Member for Thompson was talking about in terms of direct economic links between countries who have shared educational opportunities, educational experiences is also very real.

Recently I had the good fortune, Madam Speaker, of attending the official opening of Manitoba's trade office in Hong Kong. At a reception that was sponsored by the Provincial Government, approximately 40 percent of the people who attended that reception were graduates of university institutions who had family who were currently attending institutions in Manitoba or had some other connection with universities in Manitoba.

Madam Speaker, it was only a few days ago that the CBC did a little report on the economic links between, in this case Hong Kong and Canada, and the tremendous economic benefit that comes about as a result of those contacts; and those contacts come about largely because of the interchange of ideas and students between Canada and other parts of the world.

Madam Speaker, I believe that the position that boards of governors and students and faculty and our government have taken with respect to differential fees makes a lot of sense for a lot of different reasons. But I want to point out as well, Madam Speaker, that's there's another kind of - not a fallacy, but it's something that seems to be overlooked by members opposite in terms of what the real benefits of having foreign students are.

Madam Speaker, the Member for Arthur keeps talking about subsidizing them. I've tried to point out to the Member for Arthur that that in fact is not at all clear,

that there are significant benefits to having those students here, but he doesn't want to listen to that. The fact of the matter is, Madam Speaker, that students who attend our universities from other countries represent rich and poor countries, they represent rich and poor families, they represent the whole spectrum of human experience, Madam Speaker, and that in itself is worthwhile.

I want to remind members opposite of one other point, and that is that the students who attend from other countries no longer attend in a vast, lost environment. The fact is, Madam Speaker, that the students from Hong Kong come to Manitoba which has a 20,000 person community in Manitoba. Foreign students are friends and relatives and people from their homeland and they represent, Madam Speaker, I think a very unique representation of the multicultural nature of Manitoba.

Madam Speaker, to the extent that there is support from the people of Manitoba to foreign students, it is justified, more than justified by the contribution that it makes to the larger community, by the contribution that it makes to the individual homelands of the people who make up Manitoba. We need to welcome those people here with open arms, not only because, I think, in a very selfish way they contribute to our economy and the intellectual life of our province, but because, Madam Speaker, it's a symbol of the fact that Manitoba itself is a mosaic. Manitoba is a United Nations among the provinces of Canada.

Madam Speaker, the Member for Riel is chirping from his seat to tell the feds that we don't need their money. Madam Speaker, we do need the federal participation in post-secondary education. I would remind the Member for Riel that the Federal Government supports an immigration policy and a foreign student policy which they recognize, as the Member for Riel doesn't, that in fact they add to the strength of this nation, as our foreign students add to the strength of our institutions and the strength of the intellectual community generally.

So, Madam Speaker, I'm not sure what motivates this resolution. If it is a concern, a financial concern, then I think the member who introduced the resolution had better go back and do some additional thinking about how that financial cost is to be measured.

Madam Speaker, the Member for Roblin-Russell certainly did not contact, in any constructive way, many of the organizations, many of the individuals who are more directly involved with the university and the functioning of the universities. Madam Speaker, it is clear that if he did contact such individuals, he certainly wasn't listening to the collective wisdom of those groups and individuals over the past many years, in which the policy of our universities has been to maintain a universal tuition fee to ensure that the students from many parts of this world have access to our institutions.

The Member for Roblin-Russell is trying to indicate from his seat that somehow he has contacted these people. Madam Speaker, it's unfortunate if that, in fact, is accurate because it's quite obvious that he hasn't learned anything from that contact. His remarks on the record indicate quite clearly that nowhere have his ideas reflected the information that he gained from such a meeting or that such a meeting should have provided him.

So, Madam Speaker, I want to say that the New Democratic Party, the Government of Manitoba and I, as Minister of Education, support the universities in their efforts to maintain universal tuition fees. Madam Speaker, I believe that to the extent that the universities have, over many years, decided that universal tuition fees are the appropriate course, it remains the appropriate course for the foreseeable future.

MADAM SPEAKER: The hour being 6:00 p.m., I'm interrupting the member, who has one minute remaining.

The hour being 6:00 p.m., I'm leaving the Chair, with the understanding that the House will reconvene at 8:00 p.m. in committee.