

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 23 April, 1985.

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. J. Walding: 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

MR. SPEAKER: Prior to Oral Questions, may I direct the attention of honourable members to the gallery.

We have an alderman from the City of Regina, Mr. Stan Oxelgren.

There are 15 students of Grade 9 standing from the Vincent Massey High School. They are under the direction of Mr. McLaughlin, Mr. Graham and Miss Shamray. The school is in the constituency of the Honourable Member for Brandon West.

There are 25 students of Grade 5 standing from the Souris School under the direction of Mr. Wallmann and Miss Christiansen. The school is in the constituency of the Honourable Member for Arthur.

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

ORAL QUESTIONS

Evans Report - Medicare in Manitoba - police investigation

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: My question is for the Minister of Municipal Affairs. In view of the fact that a police investigation has now been conducted into the so-called leaked report on "Medicare in Manitoba - 1971 to the Present" and it has clearly indicated that the report was leaked and not stolen, I wonder will the Minister of Municipal Affairs now withdraw his allegation and apologize to the Member for Pembina for the accusations he made.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. A. ANSTETT: Thank you, Mr. Speaker. I am not privy to any police report to date. I understand the Minister of Health has one; I will ask him to share it with me and review it. I understand from him, however, although I have not seen the report, that there is nothing in it whatsoever to confirm that this report was in any way leaked. I still stand by the statement I made two weeks ago, that the Member for Pembina was in possession of stolen property. I believed that to have been the case then; I still believe that to be the case.

MR. G. FILMON: Mr. Speaker, in view of the fact that the police clearly say that, at very most, it was a case

of political espionage, that they believe that the report was not stolen; and in view of the fact that the Minister of Municipal Affairs demanded that the police investigate, and their investigation has shown that it was not stolen, will he not have the courage to apologize to the Member for Pembina?

MR. SPEAKER: Order please, order please. Order please.

The Honourable Minister of Municipal Affairs.

HON. A. ANSTETT: Thank you, Mr. Speaker.

I believe that it would be more appropriate for the Minister of Health to answer the question on the police report.

But with respect to any question of an apology, Mr. Speaker, I think I should advise the Leader of the Opposition that I have some difficulty saying that theft is okay if it's for purposes of political espionage, but in all other cases, stealing is a criminal offence.

Mr. Speaker, we have come to a serious impasse on the structure of democracy in this province if stealing for purposes of political espionage is now endorsed by members opposite.

MR. SPEAKER: Order please, order please.

The Honourable Leader of the Opposition.

MR. G. FILMON: Mr. Speaker, in case the Government House Leader has difficulty hearing, the police said it was not stolen - it was not stolen - and in view of the fact that this Minister doesn't have the courage to stand up and admit that he's wrong and to apologize for an obvious error, I ask the Premier, will he not turn to his Government House Leader and ask him to apologize because he's obviously in error. It's been investigated by the police and it's been thrown out.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please, order please.

The Honourable Minister of Health.

HON. L. DESJARDINS: Mr. Speaker, at no time did the police say it wasn't stolen. The police said there's nothing further they could do. The police said that it could have been taken internally either by the staff of the building, cleaning staff or people that are visiting there could have taken the document.

They said that they had no way of proving it unless we had a test on all the employees, which we weren't about to do. The situation is, the only accusation that was made was that the member had a stolen document. The police said that it was the document in question; there was no doubt about that. They confirmed it. They had no idea where it went.

Since then, on a number of occasions, people have tried to break in. The secretary was there — (Interjection) — Oh, you don't like that? The only thing that we've said is that it is a pretty sad day if you're

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going to encourage this kind of thing, that everything is fair in love and war and politics and we don't subscribe to that.

SOME HONOURABLE MEMBERS: Hear, hear!

MR. SPEAKER: Order please.
The Honourable Leader of the Opposition.

MR. G. FILMON: I appeal to the Premier, in view of the fact that the police have clearly indicated that, in their view, they have no evidence that it was stolen. They've investigated; they received the report; my colleague from Pembina co-operated; gave them the report. Have your Minister apologize. I ask the Premier, have your Minister apologize.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please, order please. Order please.
If members can restrain their enthusiasm, perhaps we can proceed with question period.
The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, I'm looking forward to looking at the police report that reference has been made to by the Leader of the Opposition. We hear it said, just as there was by the Member for Pembina a week ago, it was first slipped under the door; secondly, it mysteriously appeared on his desk and, thirdly, it appeared through channels. I think the Honourable Member for Pembina has some explanation to make to this House.

Mr. Speaker, we've heard a few moments ago from the Leader of the Opposition that it clearly indicated that it was theft. I've heard from the Minister of Health, who has had privy to the report, that there is no such statement within the police report. Mr. Speaker, I will look forward to looking at that report.

Mr. Speaker, I am saddened by a comment made in this House but a few moments ago that political espionage, which involves a deliberate planned effort to obtain leaked documents, is fine and dandy. I have never before heard a statement in any Parliament or any Legislature that deliberate political espionage is honourable.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please.
The Honourable Leader of the Opposition.

MR. G. FILMON: Mr. Speaker, the Premier obviously has difficulty hearing and persists in trying to twist the truth. — (Interjection) — Absolutely not. I said that we have nothing to do with it, it was a leaked document . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please, order please. Order please.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please, order please. Order please.

May I remind all honourable members that question period is a time for gathering information and not for making arguments nor for asking or for making repetitive representations.

If the Honourable Leader of the Opposition has a question seeking information, would he pose it?

The Honourable Leader of the Opposition.

MR. G. FILMON: Mr. Speaker, my question to the Premier is, will he stop attempting to foster doubt and deal in innuendo, and instead deal with the matter at hand, investigate the report and have the Minister apologize for an obvious untruth?

MR. SPEAKER: Order please.

The question is clearly out of order. Would the honourable member wish to ask a question to seek information and not to make an argument?

Manitoba Economic Conference - government input

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please.
The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Speaker, my question is to the Minister of Industry and Technology. I would ask the Minister of Industry and Technology if the Provincial Government has any financial input to the Manitoba Economic Conference which is being sponsored by the Canadian Trend Report?

MR. SPEAKER: The Honourable Minister of Culture.

HON. E. KOSTYRA: Thank you, Mr. Speaker.
Yes, the Government of Manitoba is involved with Canadian Trend and a number of other public and private institutions in the formation of that conference.

MR. F. JOHNSTON: Mr. Speaker, could I ask the same Minister, because they have put financial support behind this conference, I would ask him how much money, and also, did they have anything to do with the structuring of the program and the brochure that was presented to the people?

HON. E. KOSTYRA: Thank you, Mr. Speaker.
In terms of any potential cost to the province, I believe it will be little if any. It depends on the amount of participants that pay the registration fee and we're expecting that there'll be little if any cost to the province which respect to the cost of the conference in terms of the people that are participating and the agenda

that was done in co-operation with the various participants.

MR. F. JOHNSTON: Mr. Speaker, the agenda that's put out has a heading, "The Decade Ahead" and part way down it says "Exciting developments to take place in the economy of Manitoba include . . ." "One of those inclusions is the construction of the National Interest Institute of Manufacturing and Technology, which it is expected to attract some three million people to private investments and private services to industry across the nation. Is the government now confirming that this institute will be in Manitoba?"

MR. SPEAKER: The Honourable Minister of Culture.

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

No, I can't confirm that that institute will be in the Province of Manitoba. What I can confirm is that we have been working and having ongoing discussions with the Federal Government trying to convince them that they ought to live up to the mandate to have that centre here in the Province of Manitoba under the same kind of mandate that the member opposite worked on for a number of years in terms of having that national centre for manufacturing and technology located here in the Province of Manitoba. We are continuing those discussions and I would that the Federal Government will, indeed, confirm in the near future that that centre will be here in the Province of Manitoba.

MR. F. JOHNSTON: Mr. Speaker, I would ask the Minister that by sending out all of these brochures inviting the people to attend this conference, does he not regard it as misleading to put what appears to be a fact in this brochure and the Minister now tells the House that he's not positive?

HON. E. KOSTYRA: I tried to find what the question was in that statement, Mr. Speaker. The purpose of this conference is to work with people in the private sector to look at opportunities that may be available in the Province of Manitoba with respect to the increased economic activity that's taking place in the province through the Limestone Development, through other developments in the province, to ensure that we can get maximum participation by the private sector and maximum benefits to the people of the province by virtue of the major activities that are taking place in our province.

Charter of Rights - court challenges

MR. SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Mr. Speaker, I have a question for the Attorney-General. Could the Attorney-General indicate what, if there is any, process exists at Legal Aid in order to preclear or authorize or disapprove arguments that might be made in court challenging certain actions on the basis of challenges under The Charter of Rights Act?

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: I thank the member for that question.

Actually, there is an issue there that arose recently with the finding by a judge of the Court of Queen's Bench that certain sections of The Highway Traffic Act were invalid because of the Charter. I believe it's Section 97 of our Queen's Bench Act, indeed, requires that when constitutional validity is raised as an issue that the Attorney-General be advised. This was not the case in that instance. I'm advising the Chief Justice of the Court of Queen's Bench of the duty that falls under the act to advise the Attorney-General and the Attorney-General of Canada so that representations may be made when constitutional validity is raised.

Additionally, in order to make that point abundantly clear and that that situation has not changed because of the Charter, which is after all a constitutional instrument, I am considering recommending a statutory amendment similar to the one recently passed in Saskatchewan and Alberta, which would require specifically that when any Charter issue is raised advance notice be given by the presiding judge or by the chief judge or by the senior associate chief judge to the Attorney-General so that representations might be made.

MR. G. MERCIER: Mr. Speaker, my question to the Attorney-General was not related in any way to the answer. Perhaps I was unclear.

I was concerned with challenges in court based on the Charter of Rights, which are funded by the taxpayer through Legal Aid. My question relates specifically to the challenge by Mr. Prober with respect to the jury question that he suggests six Natives should be on every jury, with respect to his Native client.

I'm asking the Attorney-General what process there is in Legal Aid to approve or disapprove such absurd challenges to laws based on the Charter of Rights?

MR. SPEAKER: Order please. I would ask both members to restrict questions and answers to the matters dealing with Legal Aid and not to impinge on a matter which might be before the courts at the moment.

The Honourable Attorney-General.

HON. R. PENNER: Thank you very much for that advice, Mr. Speaker, and I certainly agree with the point that you're making. Therefore, I won't comment as to whether or not the particular issue is or is not absurd. I have no way of knowing that, of course. That is for a judge to decide and, ultimately, an appellate judge.

It would, in my view, be a serious perversion of the Legal Aid system, indeed turn it into a political instrument, if Legal Aid certificates being warranted, on the basis of the statute and the financial eligibility criteria, Legal Aid was then to tell lawyers in private practice how they should represent their clients. I can't imagine a more horrendous suggestion than that. This clearly would be a perversion of the independence both of the bar and of the bench, in suggesting of that kind of political Legal Aid system.

I would in no way accept such a suggestion.

MR. G. MERCIER: Mr. Speaker, in view of the fact that Legal Aid, certainly in the past in many instances,

required lawyers to submit legal opinions for review on the validity of an issue which they wished to raise in court; in view of the fact that there are almost limitless challenges which lawyers may make under the Charter of Rights, only a small minority of which may be reasonable, to be funded by the taxpayer; in view of the funding difficulties Legal Aid is having at the present time, would the Attorney-General not consider some method of pre-clearing or authorizing or improving the types of arguments that could and will be made in court and protect the taxpayer in some small way?

HON. R. PENNER: I believe that the taxpayer is very well protected by the Legal Aid system that we have in force in the Province of Manitoba. With respect to certificates which are requested for appeals, in certain circumstances because appeal certificates are a matter of discretion, lawyers requesting an appeal certificate to the Supreme Court are required to get an opinion from outside the system, that is, from another lawyer or lawyers in the private bar as to the merits in those particular instances.

But with respect to the primary certificates which are given as a matter of right, if the statutory conditions and the financial eligibility criteria are met, then it would not be proper to attempt to fix conditions or to screen the application because, Mr. Speaker, that would then turn the Legal Aid Board into the court of first instance. It would have to judge, by argument, pro and con, as to whether or not the proposed defence is a valid defence, is a tenable defence, and that is just an impossible system. I can't believe that a former Attorney-General would even suggest such a process.

Community Services, Thompson - decision delay re children

MR. SPEAKER: The Honourable Member for Rhineland.

MR. A. BROWN: Thank you, Mr. Speaker. My question is to the Minister of Community Services. Can the Minister tell this House why a 19-month delay occurred by Community Services of Thompson regarding a decision related to a 10-year-old and a 12-year-old child.

MR. SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: Mr. Speaker, I asked the region in Thompson to review the situation and let me know why such had occurred and what action should be taken to deal with it. They have met, Mr. Speaker, with the Awasis Agency and, again, this case spanned prior to when the agency was mandated and after. There was some confusion and delay associated with that. Our main concern is that the procedures we have in place which we think are designed to prevent this are, in fact, applied.

In terms of the longer-term management in such cases, the department has completed a needs assessment which will develop a service information system. We're looking at the best way to operationalize that via computer that will be central and will enable

us to track and monitor cases to see that they do follow the time frame and meet the standards required by the legislation.

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

The judge who heard the case was very disturbed about the disregard Community Services displayed and, in his opinion, they did not work in the best interests of the children. Will the Minister make certain after her investigation and give us the assurance that this type of situation is not going to occur again?

HON. M. SMITH: Mr. Speaker, I think I've answered the main question there. There is some responsibility resting with the courts who have on occasion adjourned hearings and thereby contributed to the delay. I think it's a shared responsibility, but I'll certainly do everything on our department's part to ensure that we do, in fact, process these cases as speedily as we possibly can.

HERizons Magazine - Archbishop Exner's opposition to

MR. SPEAKER: The Honourable Member for Elmwood.

MR. R. DOERN: Mr. Speaker, I'd like to direct a question to the First Minister and ask him whether he can confirm that he has received a letter from Archbishop Exner with copies to the Honourable Minister of Cultural Affairs and the Minister of Education expressing his opposition and concern about the magazine HERizons?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, I have not seen such a letter, but I'll accept the question as notice.

HERizons Magazine - Advertising in

MR. R. DOERN: Mr. Speaker, I'd also like to ask the Minister of Labour, given the fact that the St. James School Board has voted against allowing HERizons Magazine in their division, and given the fact that many citizens have expressed concern about this publication, is the Minister reviewing his department's policy of advertising in this publication?

MR. SPEAKER: The Honourable Minister of Labour.
Order please.

HON. A. MACKLING: Mr. Speaker, I'm not aware of the extent, if any, of advertising by my department, but I assume that such advertising is handled in a routine manner. I certainly haven't looked at it.

To comment about what the school board has done in respect to that matter is out of my jurisdiction.

HERizons Magazine - Referred to Education Manitoba

MR. R. DOERN: Mr. Speaker, a final question. I'd like to ask the Minister of Cultural Affairs, given that his deskmate, the Minister of Education, stated that his

department erred in suggesting that HERizons Magazine was looked at, examined, classified by her department as suitable for junior or senior high students, were these publications, in fact, referred to the Department of Education or was this a fabrication?

MR. SPEAKER: The Honourable Minister of Culture.

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

I believe I've already answered that question, but I'm pleased to answer it again. I did indicate that the suggestion or the interpretation of the letter that went out from staff to school divisions with respect to the implication that those publications were approved was incorrect.

I believe, Mr. Speaker, that I also apologized to the House and to the school divisions that that took place and it that it shouldn't have taken place and there was no suggestion that those publications were being approved. What was the case, that they were a list of publications that were available to the school divisions through school libraries and also public libraries, if they so chose, and if they did, that there would be a subsidy provided for the costs of subscription.

This is part of a larger program, Mr. Speaker, a Federal-Provincial Agreement on cultural industries and cultural enterprises in the province and this is one portion of a program. The overall portion is a book and periodicals program, and I might add, for the member opposite's information, that the one book that he wrote and had published is under that program also; and indeed, some school divisions may have even bought some copies of his book under that program.

MACC - renting of properties

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Thank you, Mr. Speaker.

I have a question for the Minister of Agriculture. The Manitoba Agricultural Credit Corporation has a number of properties that they've offered for lease to the farm community by tender. Will the Minister of Agriculture provide us in this Assembly with all the tenders that have been put forward for the lease of those properties?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, I'll take the question as notice, but I would think the discussion on the whole matter of Manitoba Agricultural Credit Corporation and their properties could best be handled in our Estimates when they come up before the House.

MR. J. DOWNEY: Mr. Speaker, I've been receiving numerous calls where farmers have made application or have tendered for properties, and they are of the opinion that they are the highest tender and they're not being received. Will the Minister of Agriculture tell the public what his policy is? Is it his policy to accept the highest tender on those lease properties or someone else that he decides should have that properties, other than the highest tenders?

HON. B. URUSKI: Mr. Speaker, there are instances where I believe the corporation has had loans where

there has been a quitclaim and there's been a rescheduling and resettlement of debts where the corporation may entertain a lease with the previous owner of the properties; but I'll take the specifics as notice. Each case is viewed by the corporation on its own merits, in terms of who has bid.

In most cases, where properties have in fact been turned over to the corporation, some time ago and there's been no recent relationship with the previous owner on that property, those would, I believe, go to the highest bidder.

MR. J. DOWNEY: Mr. Speaker, a final quick question. Several days ago I asked a series of questions which his colleague, the Minister of Housing, took as notice. I am anxious to receive the answers. I wonder if the Minister of Agriculture could provide the answers to the questions that I've asked.

HON. B. URUSKI: Mr. Speaker, I've asked the corporation to outline, as precisely as possible, the procedures that they have used in terms of the tenders, but with respect to providing the names of all the tenderers, I don't believe that's been a corporation policy; but I've asked them to review that so that, in fact, that information could be available when our Estimates come before committee.

Interest Rate Relief Program - billing and collecting repayable portion

MR. SPEAKER: The Honourable Member for Pembina.

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

My question is for the Minister responsible for the Manitoba Development Corporation. During the debate on Supplementary Supply, it was indicated that Manitoba Development Corporation will be undertaking the billing and collection of the repayable portion of the Interest Rate Relief Program funding to farmers, businessmen and homeowners.

My question to the Minister responsible for the Manitoba Development Corporation is, how many notices have been sent out for the collection of the repayable portion of that interest rate relief assistance?

MR. SPEAKER: The Honourable Minister of Culture.

HON. E. KOSTYRA: Thank you, Mr. Speaker. I'll take that question as notice and provide the information once I have it.

Dip-netting - closing of season

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. S. USKIW: Mr. Speaker, the other day the Member for La Verendrye asked a question with respect to dip-netting in the Whiteshell. The answer is that, because of the limited number of pickerel in that whole area, it was decided not to permit dip-netting this season, in that pickerel were being caught along with the other species.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. R. BANMAN: Thank you, Mr. Speaker.

Is the Minister saying that it was a control problem and really that there is a lack of staff to enforce the current requirements which require you to throw any pickerel or jack back when you're dip-netting mullets?

HON. S. USKIW: Mr. Speaker, the member assumes that there is an over-abundance of staffing to police all of the fishing sites in the Whiteshell. I can assure him that there never has been and likely never will be.

MR. R. BANMAN: Mr. Speaker, I wonder if the Minister could tell us then if the department has advised him that there has been over-fishing in the Whiteshell of walleye.

HON. S. USKIW: I'm not sure that I got the gist of that question, Mr. Speaker.

MR. R. BANMAN: Mr. Speaker, the Minister, in replying to my question, said that the quantities of pickerel were down in the Whiteshell. Is that due to over-fishing or is there another problem?

HON. S. USKIW: Mr. Speaker, I'm not sure why we have a problem with respect to the numbers of pickerel in the Whiteshell area. I suspect that information could be made available in the course of our Estimates discussion this afternoon; but the message is that we want to protect that species because that indeed is the species that the sports fishermen, the anglers like to go after during the course of the season. Indiscriminate dip netting at this time of the year would reduce that opportunity for our summer fishermen.

Manfor layoff - Impact on Moose Lake Loggers

MR. SPEAKER: The Honourable Member for Swan River.

MR. D. GOURLAY: Thank you, Mr. Speaker.

I direct a question to the Minister of Northern Affairs. In view of the impending shutdown of Manfor at The Pas, what implications will this have, if any, on the contractors and/or loggers associated with Moose Lake Loggers?

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. H. HARAPIAK: Thank you, Mr. Speaker. Both the corporation - Moose Lake Loggers will also be laid off for a three-month period because of the shutdown at Manfor.

Annual Reports, Crown corps.- Tabling of

MR. D. GOURLAY: A further question to the same Minister. I wonder when the Minister will be able to

table the Annual Reports for Moose Lake Loggers and Channel Area Loggers, as well as the Communities Economic Development Fund.

HON. H. HARAPIAK: Mr. Speaker, the annual reports of those three corporations will be ready approximately April 30th.

Flood Assistance Program - Bellsite-Birch River area

MR. D. GOURLAY: I direct a question to the Minister of Agriculture and ask the Minister if he has made any decision to extend the flood disaster area in the Birch River-Lenswood communities?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, we did - in fact the Premier requested the Minister of Agriculture for Canada to reconsider their commitment to extend the boundaries, not only of the Birch River-Lenswood, but all of the areas in Manitoba that were designated as being eligible to receive some flood compensation because there were requests from producers in those areas to extend the boundaries from all areas.

That request was submitted formally to the Minister of Agriculture through my offices following the meeting with the Minister of Agriculture. We have just received the response and they are not prepared to consider any extension of the boundaries.

MR. D. GOURLAY: I wonder if the Minister of Agriculture could clarify whose responsibility was it to designate the disaster areas in the first place. Was it the Federal Government or the province?

HON. B. URUSKI: Mr. Speaker, the original program, as the honourable member will appreciate, we attempted for a year and a half to provide assistance to those areas that were severely flooded over the last number of years and there was no concurrence from the Federal Government until we were advised that there was consideration being given by the Federal Government to provide assistance for northeastern Saskatchewan in June or July of 1984. At that point in time, Sir, we telexed the Federal Government of the day asking them if they were prepared now to provide assistance for areas within the Province of Manitoba since they were considering areas in our neighbouring Province of Saskatchewan.

Since that time, Sir, we did finally get an agreement signed between Manitoba and Ottawa. The actual boundaries initially were established in consultation with the municipal councils and our staff and negotiated with the Federal Government.

Grand Valley Park, Brandon - Construction of water slide

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. S. USKIW: Yes, Mr. Speaker, yesterday, the Leader of the Opposition asked a question with respect

to Grand Valley water slide or Grand Valley Park as to whether or not we had consulted with archeologists. I would like to advise him that discussions were carried on with the staff of the Department of Cultural Affairs and Historical Resources, but not directly with archeologists.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

HON. A. ANSTETT: Yes, Mr. Speaker, before I move a motion for the House to resolve itself into Committee of Supply, I had discussed with the Opposition House Leader the Estimates order and I wish to advise the House of the next two departments, both in the House and in committee.

We have announced that following Health and Urban Affairs in the House section of the Committee of Supply will be Finance, Agriculture, and Education. I announced today that following Education will be Community Services and then Crown Investments.

We're currently considering Natural Resources in the committee room, Sir. Following Natural Resources in the committee room will be Municipal Affairs and then, Sir, after Municipal Affairs, the Department of the Attorney-General and Consumer and Corporate Affairs, and following that, Business Development and Tourism.

So, that's the order, Sir, to date for both the committee and the House. We have maintained some flexibility, Sir, depending on the time it takes for any particular department to modify that list if necessary to accommodate critics and Ministers.

In addition, Sir, I wish to advise that the Standing Committee on Public Utilities and Natural Resources which did not complete its deliberations this morning on the Manitoba Public Insurance Corporation Report will meet again this Thursday at 10:00 a.m. to continue those deliberations. If they finish that report at that time, Sir, I would anticipate that we would consider the Report of the Manitoba Telephone System starting next Tuesday in the same committee. I will confirm that, Sir, after Thursday's committee meeting and after consultation with the Opposition House Leader.

Sir, if there are no questions on those items with regard to Business and if I have leave to request that we dispense with Private Members' Hour today, I would ask for that leave. If it's granted, I would then move us into Supply.

MR. SPEAKER: Does the honourable member have leave?

Leave has not been granted.

HON. A. ANSTETT: Thank you, Mr. Speaker.

Mr. Speaker, I move, seconded by the Minister of Health, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of Supply to consider of the Supply to be granted to Her Majesty.

MOTION presented.

MR. SPEAKER: Are you ready for the question?

MATTER OF GRIEVANCE

MR. SPEAKER: The Honourable Member for Rhineland.

MR. A. BROWN: Mr. Speaker, I wish to speak on a grievance.

I wish to express my disappointment in the length of time that it has taken this government to commit themselves to the support required to ensure that the sugar beet industry will survive in Manitoba.

Mr. Speaker, yesterday during question period the First Minister said that this was a responsibility of the Federal Government and to a large extent it has been the responsibility of the Federal Government. However, we are under different circumstances at the present time, where we are having a great amount of subsidized sugar entering Manitoba from the United States, subsidized by the United States, and we are in a different position than we have ever been before.

Mr. Speaker, it is necessary for all levels of government to work together in order to resolve this situation. There is no time anymore to try to figure out who is responsible. We must all work together to resolve this situation.

Mr. Speaker, it is urgent that the support come forward immediately if we are to preserve the 100-plus full-time and the 150-plus part-time jobs at the factory in Fort Garry plus the hundreds of full-time and part-time jobs provided by their producers.

Mr. Speaker, I was just handed a petition signed by all the workers at the plant in Fort Garry requesting that this government take action immediately in order to preserve their jobs.

I appreciate the support the Provincial Government is giving to the producers in trying to attain a national sugar policy for Canada so that this annual problem of sugar price can be resolved once and for all. This national sugar policy, hopefully, will provide a stable sugar price for Canada, avoid the wide fluctuations in price that we now experience and give the industry protection against the dumping of surplus sugar on our market - surplus sugar that is subsidized by the United States for export purposes.

Mr. Speaker, 85 percent of sugar is traded on the world market; 15 percent of world sugar production, at the present time, has no place to go because of a surplus. The 85 percent is trading at a world price of around 20 cents per pound. All major countries trade in the 85 percent market of world sugar produced. Canada is the only major country without a sugar policy trading in the 15 percent surplus sugar. This is why we have the widely fluctuating sugar prices in Canada.

When there is a world surplus of sugar, we have low prices. When sugar is scarce, we have to pay outrageously high prices because we have not protected ourselves by making long-term sugar contracts at world price. When the price of sugar is up, there is justification for price increases and we see this continuously. Every time the price of sugar increases, the price of soft drinks, the price of cake mixes, the price of candy bars, everything that contains sugar goes up and there is justification for this at that time. The prices, when they do go up, go up very high.

As a matter of fact, in 1975 and in 1980, because there was a low supply of sugar and because there

was no surplus sugar around, the price went as high as 80 cents a pound. Now, that is a far cry from the world trading price of sugar which traditionally has been running anywhere between 16 and 23 cents a pound. The thing about this is that when the price again comes down to the 15 cent level where we are at the present time, the price of the bars, cake mixes and everything else, don't ever come down again.

The consumer is still, right now, in spite of the fact that we have now for four years had extremely low prices, the consumer is still paying the high level price for one-half the sugar he/she requires because one-half the intake of sugar per person is purchased through cake mixes, soft drinks and other products which you purchase that contain sugar.

The Federal Government previously had a stabilization formula covering sugar beets when prices were low. This was necessary because Canada does not purchase sugar through the world market. The 85 percent of the sugar I mentioned earlier, the stabilization price had to be negotiated every year to determine the level of support, if any. When the sugar price was high, there was no support, of course. Canada has never had a stable sugar price. We have either unreasonably low prices or outrageously high prices. This policy has not affected the sugar cane processors because they put their margin of profit on sugar process at regardless the price.

The sugar beet producers in Canada, however, have not been able to compete when prices are extremely low. Surplus sugar sells for prices that bear no relationship to the cost of production. All the sugar in the European Common Market is produced from sugar beets. Brazil, Poland and Russia produce sugar from sugar beets.

This sugar, to a large extent, determines the price on the world market and the Canadian sugar beet producer can compete very well with that price received by the sugar beet producers in other countries. All these reasons, Mr. Speaker, make it essential that Canada have its own sugar policy and no longer be the dumping ground for surplus sugar at a time when there is a surplus.

Mr. Speaker, the urgency of an immediate decision by this government is that the sugar beets are difficult to grow and land conditions, in most cases, are right, right now. In some cases, we have already waited too long and the moisture level is such that it's lower and you will have to wait a rain before you'll be able to plant the sugar beets. But if the decision is made right now, then we can possibly start planting, providing that we can reach agreement with Manitoba Sugar. This has to be done first. Alberta is negotiating with them right now, and hopefully we can reach agreement with Manitoba Sugar so that we can start planting no later than the end of this week.

Much research has been done in the production of sugar beets, Mr. Speaker. When we first started off with sugar beets, we had a multi-germ plant and probably from one seed you would get about 10 seedlings and these all had to be separated and it took an awful lot of hand labour. Now we have a mono-germ seed and you only get one plant per seed which is a tremendous improvement over what we had previously.

Herbicides have also been improved so that we can now control weeds in the sugar beet industry, but there's

a tremendously high cost involved in the growing of sugar beets because these chemicals and the seed is running at \$20 a lb. It's tremendously expensive to produce an acre of sugar beets; and because of the high cost of fertilizer and the availability of labour at the present time, many growers are turning back to labour and providing much needed work for many people who are very dependent upon the sugar beet industry.

I've had many people coming forward who have small holdings of land, who have a large garden, a couple of cows, a couple of chickens, a couple of hogs and they are self-sufficient in every respect except that they have absolutely no cash income and the cash income that they are looking forward to is the income that they get from working in sugar beets. Some families will, over a period of about four weeks or so, earn up to \$5,000 working in this particular industry. Mr. Speaker, if they do not have that type of industry, if they do not have that income from the sugar beets, then they will have to be put on the payroll of the government and the welfare.

Mr. Speaker, any subsidy and stabilization required by the grower, came from the Federal Government and the Federal Government is attempting to go out of stabilization programs and this has created a problem for the sugar beet industry. A new twist to the production of sugar in Canada has developed because of the ridiculously low-priced subsidized sugar which is being imported into Canada from the United States.

This American sugar has made it impossible for even the company to remain competitive in price and assurance is needed that action will be taken by governments for remedying this particular situation immediately because the sugar beet industry cannot flourish in Manitoba under the present situation.

The Alberta Government has offered to help the Federal Government by offering a guarantee of up to \$10 per tonne of sugar beets. Similar action must be forthcoming immediately from the Manitoba Provincial Government. Mr. Speaker, there is no time left to enter into long discussions with the Federal Government as to whose responsibility it is to preserve this industry. A decision has to be made now.

Hopefully, a long-term solution to the problem can be found by October and none of the money allocated toward a guarantee will be needed. We sincerely hope that this government will help the producers in persuading the Federal Government to adopt a sugar policy in Canada.

Meanwhile, a decision has to be made and I trust that the NDP Government of Manitoba will do all they can to preserve this important industry in Canada.

MR. SPEAKER: The Honourable Minister of Agriculture.

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

I want to thank the honourable member for allowing me at least some time. As he's well aware, we're meeting with the sugar beet producers very shortly, along with the Premier, to discuss this situation.

Mr. Speaker, I guess the question really has to be in this House, whose side are the Conservatives on? Are they on the side of the farmers? Are they on the

side of the company? Are they on the side of the Federal Government? Clearly, that party is letting the farmers hang. They are allowing the workers and the farmers of this province dangle out there by their very nonsensical position on this issue. If it was a Liberal Government in Ottawa, you'd have heard screams in this House saying, help the producers. Why is the Federal Government reneging on their long-standing commitment to the farmers of this province? Mr. Speaker, that's what you'd have heard.

Now we have a new era of federal-provincial relations. The Federal Government is calling on the provinces to bail them out. For 40 years the Government of Canada had a policy of saying that we shall have a domestic sugar beet industry. Mr. Speaker, from the years in which The Agricultural Stabilization Act was passed, in 1958-1970, out of those years, 12 years, The Agricultural Stabilization Act paid support to Manitoba sugar beet producers.

In 1985, Mr. Speaker, there's been a change in federal policy. They no longer consider the sugar beet industry in this country as a vital industry. That's really what the position of the Federal Government is. Mr. Speaker, they did not have to put any money on the table to assist sugar beet producers, Sir. All they had to tell sugar beet producers in this country was that The Agricultural Stabilization Act shall apply. There was no need to make any announcement that money had to be put on the table, Mr. Speaker, why they did that, because they were reneging on their long-term commitment to the sugar industry.

We don't know, Sir, even today, even if the province considered putting up this financial support, whether or not the sugar beet industry will continue beyond next year. Even the producer groups, Sir, have said it is no sense putting in money on a short-term basis because if we don't know that there's a long-term commitment, it is not going to do us any good.

Mr. Speaker, this problem has been dumped on the Province of Manitoba. The Federal Government knew in November of 1984, Sir, that there was a problem. How long did it take them to act? Mr. Speaker, November, December, January, February, March, till the middle of April, 5 months it took them to make up their mind what they're going to do and they led the producers of this province down the road. They don't care about the West, Mr. Speaker. They really have written off the West, Mr. Speaker. They've written off the sugar beet industry.

SOME HONOURABLE MEMBERS: Oh, oh!

HON. B. URUSKI: Mr. Speaker . . .

MR. SPEAKER: Order please.

HON. B. URUSKI: Mr. Speaker . . .

MR. SPEAKER: Order please.

The Honourable Minister.

HON. B. URUSKI: Mr. Speaker, the Honourable Member for Rhineland said that it's taken a long time for the Province of Manitoba to commit itself to support. Mr. Speaker, where has he been? In fact, he was in

my office at around 11:00 o'clock last - what was it? - Thursday night when we first knew of the federal proposal, Mr. Speaker. Mr. Speaker, those words of the Member for Rhineland are very shallow in terms of the sugar beet industry, very shallow indeed.

What they don't want to admit is that their own colleagues federally have sold them down the drain. That's what they don't want to admit. Mr. Speaker, the Member for Fort Garry rose in his place yesterday and said, will you provide the sugar beet industry with some loans to carry them through. Mr. Speaker, if he's speaking on behalf of the sugar beet industry, we'll certainly, and I'm sure my colleague, the Minister of Industry, Trade and Commerce, will look at that question. But Mr. Speaker, that's not what's on the table. Right now, the sugar beet growers don't have a contract. They don't have a contract and they don't know and we don't know. We will find out. The Premier is asking the sugar beet company to place their cards on the table because even if we decided, Sir, to put financial support to the producers, we don't know what the company will do. Will they, in fact, reverse the contract that they wanted to reverse and they put it to the Federal Government saying we want to reverse the terms of the contract, put the producers even further behind on this issue in terms of their financial position? We don't even know, Sir, that even if we put this money on the table the company will still say it's not enough. What do we have from the honourable members saying it's not enough, you've got to get some more support.

Mr. Speaker, we proposed several alternatives to the Federal Government in which way they could put the sugar beet industry and the producers of Manitoba, Quebec and Alberta on a more equal footing with their company, Sir. It would not cost the taxpayers of this province one penny, not one penny if they followed our solution. Sir, they would not give us a commitment that they were, in fact, prepared to put into place a long-term sugar policy in this country.

Obviously, Sir, if they're not prepared to do that, what are they really saying to the sugar beet producers of Manitoba? You're going down the drain. We're not about to stick with you, Mr. Speaker. — (Interjection) — Oh, what are you saying to me? The honourable members, no. They wouldn't support us on equalization payments, Mr. Speaker. They wouldn't support us on the research centre, Mr. Speaker. They wouldn't support us with Gimli and in Churchill, and now they're saying what are you going to do? Bail out our friends in the Federal Government. Make them look good in terms of their deficit.

MR. SPEAKER: Order please, order please.

The Honourable Member for Turtle Mountain on a point of order.

MR. B. RANSOM: Yes, Mr. Speaker, I'm sure that the Honourable Minister of Agriculture wouldn't want to have left the impression that members on this side did not assist the government in getting additional equalization payments.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, it's very clear that it took the Minister of Finance a lot of pulling and dragging

to get the members onside on this question. In fact, their leader accused this government of playing politics on that very issue but it took our Minister of Finance some finessing to embarrass you to come onside. That's what it really took to get you onside, Mr. Speaker, and we're still short \$22 million on that issue as well. It doesn't bother them, Mr. Speaker. I don't know whether it does. I hope it does as Manitobans, but for the Conservative opposition in this House to get up and say we in Manitoba should bail the Federal Government out after 40 years of a federal policy, Mr. Speaker, I find that shameful that they would allow Manitobans to be whipsawed by their colleagues in Ottawa. That's what I find very shameful by the conduct of the honourable members opposite. Especially the Honourable Member for Rhineland, when his own producers, his own constituents said, what we need is a long-term commitment to this industry. That's what they need.

Mr. Speaker, we are standing behind the producers of this province. Mr. Speaker, without that long-term commitment from the Federal Government there is really no sense continuing on as the president of the sugar beet producers said. If we don't have a long-term commitment, what is the sense of continuing on beyond this year. Even the Honourable Member for Rhineland knows that's been the case. Why doesn't he get up in this House and answer us and tell us on behalf of his colleagues in Ottawa. All they had to do was say The Agricultural Stabilization Act will be in place for the producers of this country and it's done. No, Mr. Speaker, no, they wouldn't do that. They said we'll only put up \$8 million and it's up to you guys to bail us out. That's really the tack that they've taken after 40 years of support for the sugar industry, Sir.

Mr. Speaker, did I hear the Honourable Member for Sturgeon Creek correctly? Didn't meet with the growers? Mr. Speaker, I met with the growers long before this problem was raised in this House, months. They knew in November that there was a problem. Mr. Speaker, the Honourable Member for Sturgeon Creek should really wake up to the nonsense that his federal colleagues are pulling on the Province of Manitoba and the Province of Quebec in this country. The Province of Alberta bailed out the Federal Government.

In fact, Mr. Speaker, I will put on the record, when I raised this question last November - I want it on the record - in Regina when we were signing the drought agreement about the problems that we foresaw in the sugar beet industry. The Minister of Agriculture from Alberta indicated to us, to the Federal Minister and myself that we should hang tough because the company is going to try and whipsaw the producers against the Federal Government and provinces. Mr. Speaker, he said we had to stand together in this issue and fight the company so that producers would get a fair deal. Mr. Speaker, who was the first to break ranks? It was the Government of Alberta.

Now is it because they've got a sweetheart deal in terms of the energy agreement? Is that the reason that they are prepared to put money out front to their producers after they got the sweetheart deal on the energy agreement, Mr. Speaker? Obviously, they're in a much better position to put money forward than we were. We couldn't compete against them when it came to the canola industry, Mr. Speaker. Did we hear

honourable members say anything about the canola industry in Saskatchewan, in Manitoba when the industry had to shut down? No. We heard very little from the honourable members. — (Interjection) — We heard very little from honourable members on that issue. The canola industry — (Interjection) — Mr. Speaker, we have, in fact, asked the Federal Government for a commitment to the sugar beet industry in this country. It is a reneging of their long-term policy, clearly, and we stand by that. Until there is a commitment of the Federal Government that there will be a sugar beet policy by October - and I heard the honourable member saying, well, there should be one by October - I hope. Mr. Speaker, I spoke to the Minister responsible for the Wheat Board on Friday and I asked him to confirm in writing that there would be a policy. Sir, he would not. He would not commit himself that there would be a policy in place by October.

We gave them two options, Sir. If they're worried about the GATT agreement, in order to place a levy on the sugar cane coming in for processing into this country, placing a levy to protect their own industry, that could be done. They said they were worried about that. We said there is another alternative, if you want an alternative. You could place an excise tax on all the sugar that is consumed in this country domestically. You don't have to deal with what's coming in from outside, Sir.

If they placed that excise tax on domestic consumption, it would place the producers and the company on much more equal footing because there would be no advantage on behalf of the company to take more income from the producers, as they have proposed, but the Federal Government has refused to get involved, to really tell the company what the rules of the game are. They're saying, it's your baby; we don't want to get involved. Mr. Speaker, that is a second reneging of the responsibility to the producers of this country because they refuse to tell the companies that they're prepared to commit themselves to a sugar policy and prepared to put the producers of this country on a much more equitable footing between them and their companies, because there would be no greater advantage for those companies to whipsaw the producers . . .

A MEMBER: Cancel your advertising and give the sugar beet . . .

HON. B. URUSKI: Oh, Mr. Speaker, the honourable members, all they are, are really mouths of the Federal Government, wanting the Federal Government to be bailed out by the provinces. That's really what they are trying to do and they are leading their own constituents down the garden path on this whole issue.

MR. SPEAKER: Has the honourable member completed his remarks?

HON. B. URUSKI: Yes.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. C. BIRT: Thank you, Mr. Speaker. I listened with great interest to the position being enunciated by the

Minister and it's one of no policy for the people of Manitoba.

Before he leaves the Chamber, maybe he'd like to hear some comments about the Member for Fort Garry who has a concern about a vital industry in the City of Winnipeg.

You wanted to know where our party stood on the position of this issue. Well, we stand for all Manitobans, Mr. Speaker, on this issue, because this is a large industry and employs a fair number of people within this province. If this industry dies this year, all the farmers will be out of luck; but the people in Winnipeg will be out of luck as well. There will be no work for the truck drivers to haul the sugar beets to market; there will be no work for the mechanics to repair the trucks; there will be no additional employment created in the plant. None of those will be taking place this year if the industry is allowed to die.

The intriguing thing is that the Minister said, "I brought this problem to the attention of the Federal Government last year and nothing was done." I listened to the Minister; I listened to the First Minister yesterday and they say, we told you about it - but what had they done in the meantime? Nothing, absolutely nothing. They've tried to shelve this problem onto someone else's responsibility. Yes, there is a federal role, but there is a provincial role. The provincial role here is the concern of Manitobans keeping a livelihood alive and making sure that all of Manitoba is enjoying a good and prosperous life, not a narrow, sectarian interest that seemed to promote the people from across the way.

No one holds a party membership in that part of the province, but we have a vital group of people who are going to lose their livelihood — (Interjection) — No, they're not, they're leaving. Why are you trying to drum up membership on the streets? Because you're in trouble.

It's interesting. Here is a government that was prepared to pay \$40 million to \$50 million to attract a thousand jobs to this province. They aren't prepared to spend \$3 million to help the producers grow the sugar or to ensure that the jobs stay in this province. This government talks about co-operative federal-provincial relations, yet when they talk to the Federal Government they can't get anything. In fact, it wasn't until one of our members from this side of the House went to Ottawa that we started getting some action with the Federal Government. That's not apologizing for a Federal Government; that is getting action.

It's action that the Minister of Agriculture was not capable of doing, nor does he want to do it, nor does the First Minister care about this industry because he just wants to dump on someone else.

It's intriguing also to note that this is obviously a complex, long-range problem that needs co-operation on all levels by all people, whether they be growers, the producing company, the province or the Federal Government. But do we have any leadership in that particular area, from the government opposite? The answer is no.

In fact, one is reminded of the little story, if you've got nothing to say, shout loud. Well, the way the Minister was screaming, you know they've got nothing in the cupboard, nor do they have anything planned; nor do they care about Manitobans or preserving the fabric of this community that allows us to grow and prosper,

because if we lose this industry I don't know what else we're going to do to attract replacement because it's very expensive and it can't be done easily.

Another intriguing thing is that there was co-operation requested in getting funding for the Fort Garry Women's Resource Centre. But it's interesting, the honourable members across the way dragged their feet in trying to match funding for it and only recently was the Minister able to get approval for it. Yet they do a big advertising campaign about wife abuse, but they're not prepared to fund it.

Here we have a program that is vital to the economy of the Province of Manitoba. They're not prepared to commit money; they're not prepared to commit leadership; they don't care about the ordinary Manitoban, and here, if you look at where the employees come from, a petition that was sent to the First Minister, a petition to the Government of Manitoba: "We, the undersigned, being employees of the Manitoba Sugar Company, request that every possible action be taken to ensure the continuation of the beet sugar industry in Manitoba and Canada. This province cannot tolerate the loss of revenues generated by the beet sugar industry, nor do we wish to lose the source of livelihood which, until recently, has been secure and satisfying."

This is not a leaked document. I'm prepared to table it for the honourable member's education. This was sent to the Honourable Howard Pawley and it's an original document and it has six pages with about 100 names on it; and if you look at their addresses, they come from all parts of the City of Winnipeg and all parts of the province.

If the government is not concerned about those people, then please call the election so we can retire you and get on with the important aspect of government.

QUESTION put, MOTION 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 River East in the Chair for the Department of Health, and the Honourable Member for Burrows in the Chair for the Department of Natural Resources.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY - NATURAL RESOURCES

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

We are considering Item No. 7.(a)(1) Forestry Administration, Salaries; 7.(a)(2) Other Expenditures; 7.(a)(3) Grant Assistance - the Honourable Minister.

HON. S. USKIW: Well, Mr. Chairman, yesterday we had some introductory remarks from both sides with respect to Forestry and with respect to whether or not we are replenishing forests in an adequate fashion. I think we had some reasonable debate on that point.

There was one thing that I wanted to mention but I didn't yesterday with respect to reforestation projects and that is Manfor and Abitibi do contribute by way of their agreements towards reforestation at the rate of \$1.75 per cubic metre for Manfor towards

reforestation projects and \$2.30 per cubic metre, a part of Abitibi, in their agreement with the province. That's a moving figure. It's related to price of newsprint and whatever. The market place in other words, so it's a moving figure.

To date, we have not assessed a levy on all of the other users of our forests in Manitoba and, therefore, there is a large group of people that have not yet contributed to forest renewal. I should mention that we are giving consideration to including all people that extract from the forest resource a method of contributing back to forest renewal by way of some levy or fee that might be imposed. We haven't firmed that up yet but I just want to mention that is a direction that we likely will be taking.

MR. CHAIRMAN: The Member for Emerson.

MR. A. DRIEDGER: I thank the Minister for those comments.

A question comes to mind like the figures that he used with Manfor and Abitibi, does that come back into the department and is that then being used for reforestation?

HON. S. USKIW: Well, as I understand it, we collect the revenue and then we commit it back to reforestation projects. That's on the Abitibi one.

MR. A. DRIEDGER: How about on Manfor? My concern that I want to raise with the Minister, I certainly have no difficulty with the fact that quota holders, for example, that are not contributing at the present time from the torch reforestation, that some kind of a levy maybe be worked out on those lines. I'd want to be very concerned that these kind of funds would then be used specifically for reforestation and that it would be not be channelled off as government is sometimes prone to do and seems to be wanting to do with Hydro to channel funds off into the common coffers or other funds. I think if — (Interjection) — these levies . . .

HON. S. USKIW: Day care centres for forest workers.

MR. A. DRIEDGER: I wouldn't be surprised if that was probably one of the things that was being looked at. I'd feel very concerned that any of these monies that were raised through potential fees against operators that that all went back in there.

That raises the other question that I wanted to pose to the Minister is related to the Manfor operation. The time when I was up there, we were talking to some of the operators and some of the truckers and they're hauling for one heck of a long distance already. Are we running into a problem? Have we taken stock of this situation, in terms of how fast we are depleting our forest resource around Manfor? Is there a concern? If so, what are we looking at in terms of correcting that?

HON. S. USKIW: Mr. Chairman, I'm advised that the harvesting of wood in that area is within the area designated for Manfor so it's not gone beyond the original expectation - to date, at least it hasn't.

MR. A. DRIEDGER: On these agreements that have been worked out between Manfor and Abitibi, there is

a differential in the price right now. What length are these agreements? Are these renegotiated from time to time or is this a 10- or 15-year program?

HON. S. USKIW: There's only one agreement and that's with Abitibi and that's a 20-year agreement and it's renewable every five years. I don't recall when it commenced - 1979 - so 1999 is the first renewal date for that agreement.

MR. A. DRIEDGER: What is the arrangement then with Manfor? The Minister has indicated there is an agreement with Abitibi, a 20-year agreement, renewable every five years.

HON. S. USKIW: With respect to Manfor, the \$1.75 that is shown is an in-house figure. They are implementing the program and they are assessing themselves \$1.75 toward the reforestation projects at the Manfor area; so it's not money collected and then rebated. It stays within the corporation for that purpose.

MR. A. DRIEDGER: Do they do their own administration or does the department have people that monitor this to make sure that the program is effective, as planned, that the funds are actually being spent for reforestation?

HON. S. USKIW: Mr. Chairman, the department has to concur in the program and we monitor it on an ongoing basis, so that we're apprised of what is happening in that area with respect to that agreement.

MR. A. DRIEDGER: Just so it's a little clearer in my mind, we have nursery stations at The Pas. Do they work in conjunction with Manfor, in terms of the reforestation program? Do they buy the seedlings from the government? How is this program working? If the Minister could maybe just give us a little bit of insight into the matter, then we can understand it better.

HON. S. USKIW: Well, Mr. Chairman, the nursery at The Pas is specifically designed and designated for support to Manfor, the reforestation in the Manfor area.

MR. A. DRIEDGER: So the government has the nursery there and raises the seedlings and gives them to Manfor or do they sell them to Manfor?

HON. S. USKIW: Yes, the Manfor Corporation produces the seed. The greenhouse, which is our operation, grows the seedlings and then the Manfor people then do the planting. Our input as a department is merely the greenhouse operation.

MR. A. DRIEDGER: Fine, then I want to get closer to home, in my area where I think probably the southeast area is the most pressurized in terms of requirements for quotas and everybody wants to get into the act there, even more so, I believe, than in the rest of the province.

We have a program in place right now, I believe, the planting program that is taking place in the southeast every spring. I wonder if I could maybe get some information as to the extent - I know it's going on every spring. Is this being escalated as well? Have we tied

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that into the federal-provincial agreement in terms of escalating that program or is it a certain amount of seedlings that are planted each year?

HON. S. USKIW: Yes, there is an escalation in replanting activity in the area. It is part and parcel of the federal-provincial agreement, Mr. Chairman.

MR. A. DRIEDGER: Can the Minister roughly indicate for the southeast region the amount of seedlings that are planted? The employment factor is a big factor out there because a lot of people get employment from this. Roughly how many people do we employ in the field and how many seedlings will we be planting roughly in a year? Just to have an idea.

HON. S. USKIW: Yes, we employ about 180 people and plant about 2 million seedlings.

MR. A. DRIEDGER: Every year?

HON. S. USKIW: Well, that's the latest. That's to be increased as we move along. The employment period is rather seasonal, however, it's a short period of about a month or six weeks.

MR. A. DRIEDGER: We have a major unemployment problem, I think more so in the southeast and other parts of the province as well, but this is one where a lot of people look forward to generating additional income during that period of time. I just had a few phone calls where most everybody would like to really gain employment through that aspect of it.

What is the normal procedure that is taking place in terms of employing people? The calls I get are not from the people that have been hired; the calls I get are from people who have not been hired. This is getting into a little bit of a more personal thing, but individuals that have tried for three years to get on seemingly cannot qualify, people that are unemployed and in need of the employment and that is why, the question that I basically want to pose to the Minister, what is the procedure in terms of hiring? Are the local individuals who have responsibility there, do they pick at their own will who they hire or is there a system in place?

HON. S. USKIW: Mr. Chairman, the member might have overlooked the fact that there is an agreement with the MGEA so that past employees are the first ones to be recalled; and it's only when we go beyond that list that we then advertise for additional . . . And the additional ones are taken on on a first come, first served basis.

MR. A. DRIEDGER: The Minister is saying, people who have been then employed under the tree planting program in the past years are the ones that get priority and then, if additional staff is needed, it's done on a first come, first served basis. Fine.

MR. CHAIRMAN: 7.(a)(1)—pass; 7.(a)(2)—pass; 7.(a)(3)—pass.

7.(b)(1) Forestry Inventory: Salaries; 7.(b)(2) Other Expenditures - the Member for Emerson.

MR. A. DRIEDGER: I just want to pursue this a little further here, in terms of, at the present time under

Wildlife, we have a five-year report which sort of brings us up to date, that has been started to give us a gauge as to what is happening with our wildlife resources. Do we have a similar situation where we establish which way our funds are going with forestry or how do we actually establish inventory? Could the Minister maybe elaborate on that?

HON. S. USKIW: Mr. Chairman, 1986 will be the year when we will receive the five-year report on forestry. It's a year down the road, a similar process, as the member is alluding to.

MR. A. DRIEDGER: Every five years a report comes down indicating . . . Has this process taken place a few times already or is it just really . . .

HON. S. USKIW: Mr. Chairman, this is the first five-year renewal that we are going to witness, a year from now.

MR. A. DRIEDGER: So we will be using this report when it comes down. The inventory report has the base. What happens then, five years from now we'll be able to establish which way our trends are going or do we have an idea that we are running into difficulty with our forest products?

HON. S. USKIW: Mr. Chairman, I would have to assume that the '86 report will be fairly comprehensive. I would imagine it's more than just a base report, but rather a report on what actually is happening, on an ongoing basis. I believe it is a report that, I believe, statutorily is required to be tabled. I think it's a statutory provision.

MR. A. DRIEDGER: Just coming back to inventory of the southeast for a minute. Quota holders are allowed to cut so many cubic yards - some spruce, some poplar or whatever the case may be.

HON. S. USKIW: Currently metres.

MR. A. DRIEDGER: Metres, okay, whichever way you want to deal with that. Of course, there's no increase in this. Has there been an decrease in the allowable cut across the board or are we concerned that we have a reasonable amount of timber resource available over a period of years?

HON. S. USKIW: Yes, there was a minor decrease as a result of the wind problems that we've had in the area and some forest harvesting that took place as a result. There was a fire too, and drought and wind.

MR. A. DRIEDGER: From the time that I got elected, Mr. Chairman, I've always had pressure from individuals in the area, some who were the parents, I guess sold their quota and the young fellows want to get back into the business. We've been going through the windmill with that a few times already. Is there still a fair amount of pressure in that regard? Has the department become aware that there's still a lot of pressure in that direction where additional operators want to get into the industry?

HON. S. USKIW: Well, Mr. Chairman, logically, in a regulated industry you will always have that problem

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because you are artificially restricting the number of people in the industry. That in itself dictates that there will be lineups, if you like, or backlogs, a demand for quota - not an intensive demand but there is evidence of that.

MR. A. DRIEDGER: At the present time, it is my understanding that if an operator wants to sell out his quota, he is allowed to do so. The market dictates the price and the system seems to have worked reasonably well over a period of time. Is the Minister contemplating any changes in that procedure?

HON. S. USKIW: No, Mr. Chairman.

MR. A. DRIEDGER: Just a comment. It's funny how within one government, we have a Minister of Agriculture who has grave concerns about any value on quota in the cattle industry and other industries and in the forest industry, we don't seem to have that kind of a concern. That is why I'm glad the Minister feels that system will be ongoing and is a reasonably good system. Maybe he could talk with his Minister of Agriculture and just tell him how successfully it's working and that possibly there are other areas where this could be done.

HON. S. USKIW: Mr. Chairman, I thought the member was going to suggest that I be as consistent in this respect as all previous Ministers were or governments were with respect to the inconsistency of quota values as between various departments. We are consistently inconsistent and I think we've been that way now for decades. All governments have and I suppose that's where the . . .

MR. A. DRIEDGER: Well, Mr. Chairman, I can appreciate that kind of comment but . . .

HON. S. USKIW: It's consistent here. It's inconsistent elsewhere.

MR. A. DRIEDGER: Just because things have been going one way for a long time doesn't mean that there isn't room for improvement and one would anticipate that this would be the kind of Minister who would probably make sure that if there are corrections to be made that he would make them.

MR. CHAIRMAN: The Member for Arthur.

MR. J. DOWNEY: Mr. Chairman, I'll defer to my colleague for Kirkfield Park who has a question on Dutch Elm.

What part of the Forestry are you on, Mr. Chairman? Which part of the Forestry are you on?

MR. CHAIRMAN: We are now considering item 7.(b)(1) and 7.(b)(2).

MR. J. DOWNEY: Okay, I'll wait till we get into the . . .

MR. CHAIRMAN: The Member for Roblin-Russell.

MR. W. MCKENZIE: Thank you, Mr. Chairman. I wonder can the Minister give me any advice regarding Duck

Mountain, the inventory of the Duck Mountain Provincial Park forestry?

MR. CHAIRMAN: Mr. Minister.

HON. S. USKIW: I wonder if the member wants some specific information on the inventory. We have done the inventory.

MR. W. MCKENZIE: Well, like the amount of lumber that was taken out last year, Sam.

HON. S. USKIW: Mr. Chairman, we can dig that up. In the meantime, we should carry on with the discussion.

MR. W. MCKENZIE: Okay, fine.

MR. CHAIRMAN: 7.(b)(1)—pass; 7.(b)(2)—pass.
7.(c)(1) Timber Management and Development: Salaries; 7.(c)(2) Other Expenditures - the Member for Emerson.

MR. A. DRIEDGER: Just a question, this Timber Management and Development. This would be part of the group that works with the federal-provincial agreement. Am I correct on that?

MR. CHAIRMAN: Mr. Minister.

HON. S. USKIW: No, Mr. Chairman. The federal-provincial agreement is merely the Forest Renewal Program.

MR. W. MCKENZIE: I see.

MR. CHAIRMAN: The Member for Roblin-Russell.

MR. W. MCKENZIE: Thank you, Mr. Chairman. I understand that their plans are under way for a forest centre in the Duck Mountains at Singush Lake. I wonder can the Minister give the committee a breakdown of the plans for the development of this forest centre as to buildings or the structures that's involved and the staff.

HON. S. USKIW: Mr. Chairman, that is not a government operation. That is the Forestry Association that is launching that program, with support from the department, but it in essence is an association venture.

MR. W. MCKENZIE: Thank you.

MR. CHAIRMAN: 7.(c)(1)—pass; 7.(c)(2)—pass. 7.(d)(1) Silviculture: Salaries; 7.(d)(2) Other Expenditures - the Member for Emerson.

MR. A. DRIEDGER: Just for clarification, is this where the planting program is under?

HON. S. USKIW: Partially, Mr. Chairman. We will find that in three areas. This is only one of the areas. Also under Northern Development Agreement, there's a component there and there's a component in the Jobs Fund as well.

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MR. A. DRIEDGER: Could the Minister maybe clarify the Jobs Fund aspect of it? Where do we find that? — (Interjection) — Well, okay, the Minister indicates that the Planting and Pruning Program is split up three ways. One is under this category, one is under the Northern Development Agreement and part of it is under the Jobs Fund. Has money been taken from this department and transferred over to the Jobs Fund for the purpose of planting and pruning or how do we work this game about hiding those funds? Well, I shouldn't say hiding maybe. We always have difficulty establishing exactly how much monies is gone out of each department into that Jobs Fund aspect of it.

HON. S. USKIW: Mr. Chairman, I'm advised that all of the money is new money. There's not been a shift of money. The Jobs fund money is new. It's an additional amount.

MR. A. DRIEDGER: The monies that have gone into the Jobs Fund for the purposes of planting and pruning, that is new money that hasn't come into this category here at all? The department still administers the aspect of the work undertaken. Do we have any amount that would be affiliated to Jobs Fund for the purpose of Natural Resources of the planting and pruning?

HON. S. USKIW: Mr. Chairman, there are \$6 million in the Jobs Fund component for this purpose of which 3 million is part of the agreement and 3 million is in the sectoral.

MR. A. DRIEDGER: \$6 million that are related to work to be undertaken in the Department of Natural Resources, am I correct on that?

HON. S. USKIW: I wonder if the member would repeat that question.

MR. A. DRIEDGER: The Minister is mentioning \$6 million. Is that the component from the Jobs Fund that would be directed into the Department of Natural Resources for planting and pruning? Is that a total of \$6 million just for that aspect of it?

HON. S. USKIW: The member will note on Page 139 under the Jobs Fund designation, there's a recovery from Canada of \$350,000 at the bottom line of 1.(a). That is the federal share of that particular portion. We don't have the complete breakdown like where the federal people share in that.

MR. A. DRIEDGER: Mr. Chairman, what I'm trying to establish is we have here the Estimates under Forestry and Natural Resources the amount of monies that are going to be expended for various things. Then, the Minister tells me that through the Jobs Fund there is an additional \$6 million that will be spent within the Department of Natural Resources which we don't really have an idea where it's at or what it's being used for. We assume it is being used for replanting and pruning and things of this nature, right?

My argument and concern that I have, Mr. Chairman, is that it does not really give us a true picture of what is happening. It bothers me a little bit that we have

sort of a \$6 million portion hidden away somewhere that is actually being utilized within the same department. It doesn't show it here. It'll be showing under Jobs Fund. I wonder why that approach is being used. Why would they not at least put it in here to effect the kind of work undertaken within that department?

HON. S. USKIW: Well, Mr. Chairman, I can enumerate for the member the various components of the 6 million. It's 6,092,000; under ERDA (a) Forest Renewal, we have 744,000; under Forest Management, 280; under Nursery Development and Technology Transfer, we have 1.2 in Capital, 870 in current for a total of 2.73 million; and in the Information and Administration, \$6,000.00.

In the sectoral part we have Forest Renewal, 1,073,500, Forest Management 1,276,900, Nursery Development 508,600, Public Information Administration 130,000, for a total of \$6,092,000.00.

MR. A. DRIEDGER: That's fine. I appreciate the information. I still come back to the question of why is this approach being used? Why would it not at least be within these Estimates under Natural Resources a category that would show us exactly what's happening there because, as I indicated before, we don't get a true picture because there's actually going to be more monies spent in this department than is indicated right here because of the agreements. I have no argument with the agreement. It's just the way that it is being handled in terms of us viewing it.

HON. S. USKIW: Well, Mr. Chairman, the components in the regular sections are ongoing components. The enhancement of the program is found under the Jobs Fund and that's where the money was found for the enhancement.

MR. A. DRIEDGER: I can only assume then that part of the reason why we use this approach is that under the Jobs Fund we'll be having green signs all over the forests indicating this is a Jobs Fund Project and it gives the opportunity for the Minister and his government to keep on advertising as they so much love to do in all in the little things and the things that they do. I can only assume that is one of the reasons why we are using this kind of an approach.

MR. CHAIRMAN: 7.(d)(1)—pass; 7.(d)(2)—pass.
7.(e)(1) Forest Protection, Salaries; 7.(e)(2) Other Expenditures.

HON. S. USKIW: Mr. Chairman, before we get on to that, if the Member for Roblin would look up the Annual Report on Page 57, he would find the information that he was seeking.

MR. CHAIRMAN: 7.(e)(1) Forest Protection, Salaries; 7.(e)(2) Other Expenditures - the Member for Emerson.

HON. S. USKIW: This is where Dutch Elm Disease can be dealt with too.

MR. A. DRIEDGER: Yes, Mr. Chairman, I understand that this is the area where we're dealing with Dutch

Elm Disease. I think many Manitobans, including people in the city have a very major concern. We discussed this last year to some degree as to whether our program of trying to control the Dutch Elm Disease is really being effective and are there alternatives.

At one point in the stage, Mr. Chairman, I was to the point where I would have been prepared to recommend that we almost cease and desist with a program of trying to control it because it seems we're losing the battle; but I have since been informed that it's a matter of maybe trying to slow down the process of the Dutch Elm Disease. Ultimately I don't think we'll be the winners in this thing. It's a matter of how fast can we possibly replant, especially when we look at the City of Winnipeg and my colleagues will probably want to touch on that.

The criticisms that I raised last year is that what we've done in our control program is we've sent people out into rural areas, as well as city, where they checked to see which trees are diseased, but the main effort has always been in controlled areas, in people's yards and stuff of that nature, whereas when we consider that the river banks, the uncontrolled areas, that there's virtually no effort made in that regard at all and it just seems like such a futile effort. People find it hard to understand when we promote the idea of having a control program in place and we do it only in their yards; it's a very emotional thing for some people when our inspectors come in and say, this tree is diseased and has to be removed and 100 yards closer to the river where maybe the property isn't owned and is sort of in the raw, that virtually no effort is made in controlling it there.

So I just wonder if the Minister can maybe indicate the direction that he and his department are planning to go on this thing and what he views as happening within the next five years, let's say.

HON. S. USKIW: Mr. Chairman, the current program is what probably will continue indefinitely into the future and that is an urban control program, cities, towns, villages, but apart from that I believe we have to admit that we've already lost the battle. There's no way in which we are able to stop the spread of Dutch Elm Disease throughout the province. It's just a matter of time till all of our elms have been destroyed, I would imagine.

What we are doing with the urban control program is prolonging the life of elm trees in that controlled area. In the City of Winnipeg we've reduced the mortality rate to less than 1 percent per year, which means that we will have elm trees in Winnipeg for many many many decades, perhaps another 100 years; but eventually they too will succumb; at least that's the prognosis. So it's a holding action in order to give the urban communities an opportunity to plant other species and to give them a chance to develop and to become the replacement trees for the elm trees that are going to be destroyed eventually.

I think that's about as much as we can do. The disease has become rampant throughout the province and essentially we have abandoned all of the rural areas except those in the designated buffer zones.

MR. A. DRIEDGER: I agree with the approach that's being taken. I don't know what else can be done. But

what concerns me, Mr. Chairman, is the fact that to what extent is the department now promoting, let's say, the reseeded or replanting of trees that will not be affected by this kind of a disease. It's a long process. Possibly we should be looking at having our nurseries promoting extensively the fact that there's going to be a heavy drain or a lot of requirement for trees, to replant the ones that are being moved out.

In conjunction with that I want to raise that concern, that the government had a nursery in the Birds Hill area which I understand was ornamental trees or trees that could be used for that kind of purpose and here the government sees fit to close it down at a time when there's going to be much more requirement and pressure on that kind of industry than ever before.

If they ever chose a bad time to close it down, I think now was the time. The Minister indicates it's under Parks and we'll deal with it then, but my gosh, here we have a tragedy that's taking place among our Dutch Elms; we're looking at doing major replanting throughout the cities, towns and villages and the Minister sees fit to shut down the one major nursery that has ornamental trees that would probably be a big factor in terms of replanting.

HON. S. USKIW: Mr. Chairman, I'm very intrigued by the notion that the Member for Emerson would want us to become the main tree nursery in Manitoba for all public needs and to the detriment of all the private sector people that are hopefully trying to squeak out an income or a living from that very industry.

I don't think it's inconsistent because I believe that the private sector is able to provide the service and fulfill the need at a price perhaps cheaper than what we could provide if we did it ourselves, in any event. The logic of closing down the Birds Hill Nursery is that we are able to provide for our needs much cheaper by simply buying the stock that we need on a regular basis. But if the member insists and he wants to be dogmatic and wants to get rid of the private sector, well we'll give it a second thought, Mr. Chairman.

MR. A. DRIEDGER: Mr. Chairman, the Minister's exceedingly slippery with these kind of things and is very capable of playing with words. I just raised some of the concerns that maybe the time was not appropriate. I never indicated that we should do away with the private sector because we certainly believe more in that than this government does and I find his approach actually almost like a breath of fresh air, that this government should start looking at promoting the private sector, for a government that has always wanted to have their hands on everything and control everything, they're now promoting the private aspect of it. For that, I compliment him.

I wonder if all his colleagues feel the same way in that respect, but I'm happy that at least one member of their party does.

MR. CHAIRMAN: The Member for Portage.

MR. L. HYDE: Mr. Chairman, I'm concerned about Dutch Elm Disease Program and my first question is to the Minister, what specie of tree is your department specifically ready to take place over the elm tree? What are they proposing?

HON. S. USKIW: We will be introducing a species to the members in the next week or so. During Manitoba Forestry Week you're going to get an elm tree. — (Interjection) — No, it'll be a Japanese Elm.

MR. L. HYDE: Japanese! Well, that'll be different. You're going to have the forest and the trees in the Chamber once again, are you?

Is the program spreading beyond the border of the rivers and streams today? Is it broadening farther away from the shorelines of our . . .

HON. S. USKIW: I presume the member wants to know the scope of our control program. In essence, we have a buffer zone around participating urban centres, towns, villages and cities, beyond which we are not involved at all in a program; we have abandoned the rest of the province. It's a hopeless case and we were not able to deal with the spread of the disease. We are trying to buy enough time so that urban centres may be able to restock or replant and allow some period of growth so that these new trees will be replacing the ones that we'll be eventually eliminating from those urban areas.

It's a simultaneous thing — it gives some time for the communities to plant their new young trees and, hopefully, by four or five decades, we will have an ample supply of new growth that will slowly take over from the ones that are going to be eliminated.

I gave a figure with respect to Winnipeg a moment ago, and that is that to date we have succeeded in reducing the mortality rate to less than 1 percent a year in Winnipeg. We hope we can continue that kind of performance which, in essence, will give us almost 100 years of time to do something about new varieties and new growth.

MR. L. HYDE: Mr. Minister, the City of Portage la Prairie, I believe will be in the program, as well.

HON. S. USKIW: Yes.

MR. L. HYDE: Thank you.

MR. CHAIRMAN: The Member for Kirkfield Park.

MRS. G. HAMMOND: Mr. Chairman, in 1982, when the agreement was signed with the City of Winnipeg, the Dutch Elm Agreement, the grant was \$350,000.00. What is the grant this year?

HON. S. USKIW: \$350,000.00.

MRS. G. HAMMOND: That hasn't improved then in the last three years.

The Minister has indicated that the loss is less than 1 percent a year in the City of Winnipeg, and yet the city seems to be alarmed at the numbers of elms that are being diseased and are dying, and have put into the tune of something like \$700,000, and are looking for extra funding to help. What is the discrepancy here between the province and the city?

HON. S. USKIW: Well, Mr. Chairman, I'm not aware that there's any major disagreement as to the loss ratio

for a year between the City of Winnipeg and the Province of Manitoba, but I believe the city is pushing for a more aggressive campaign notwithstanding, but I don't believe there's a disagreement on the size of the problem, if you like, or the scope of the problem.

MRS. G. HAMMOND: Is there any chance then that the department will be putting in any more money to match the city's funding on this program, because, notwithstanding what the Minister has just said, they seem to be feeling that this is going to be extremely accelerated and that the trees are going to be disappearing at a much faster rate.

HON. S. USKIW: Mr. Chairman, we do have a formula that applies provincially, and I guess to enhance the city's portion would mean that we would, either have to enhance the contributing to all of Manitoba municipalities to be consistent, or we would have then a discriminatory situation in favour of the City of Winnipeg.

The province does share in grants to all of the controlled communities to the extent of 50 percent of the total, and the total, of course, is arrived at on a dollar per capita basis. If you look at Winnipeg, our input is \$350,000, which implies 700,000 population in essence. In other words, we have equity between Winnipeg and non-Winnipeg areas with the present program.

To do what the City of Winnipeg wants would create an inequity, so we would either have to upgrade the program for all of Manitoba or stay where we are.

MRS. G. HAMMOND: Is it possible that the city is correct, that it is going much faster than what the province is perceiving as far as the death of the elms and the spreading of the disease?

HON. S. USKIW: The information I have is that that is not correct.

MRS. G. HAMMOND: Last year they had a volunteer program, it was announced by the province, I guess, and the city, it was called Elm Guard. Is that an ongoing program?

HON. S. USKIW: That's our program, it was promoted by the department, yes.

MRS. G. HAMMOND: Is it continuing this year?

HON. S. USKIW: In fact it's expanding, Mr. Chairman.

MR. CHAIRMAN: The Member for Arthur.

MR. J. DOWNEY: Mr. Chairman, I just have a couple of questions dealing with this. The Dutch Elm Disease Program, they were concentrating on the City of Winnipeg, there was some work in Selkirk . . .

HON. S. USKIW: Towns, villages.

MR. J. DOWNEY: Yes. Is that program still in effect?

HON. S. USKIW: Yes, Mr. Chairman, throughout the province of Manitoba it is, 39 communities in total are involved.

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MR. J. DOWNEY: Mr. Chairman, the other one that I'm interested in, has there been any money put into the breeding of trees, the resistance of . . . Maybe this is a little repetitive, but I didn't hear whether there had been any money spent on it, and has there been any amount?

HON. S. USKIW: Mr. Chairman, what we are essentially doing is promoting other species, and I mentioned a moment ago that we will be introducing the Japanese Elm next week when we declare Forestry Week.

MR. J. DOWNEY: I was aware the Siberian Elm has been one of the replacement trees - I believe it was the Siberian Elm, was it not? - that was resistant. There was one that was introduced about five years ago - not a Siberian, it was another name. I'm just wondering how it is performing in the resistance.

HON. S. USKIW: Two points. First of all, it's the federal research people that are working on the aspect that the member is expressing an interest in. We, of course, are beneficiaries from that effort, but the only resistant species that we are aware of is the Japanese Elm.

MR. J. DOWNEY: The trees on the grounds of the Legislature have been inoculated annually. Is that program still being carried out in the main city areas, is the inoculation program still being carried out?

HON. S. USKIW: Yes.

MR. J. DOWNEY: Is the cost still somewhat prohibitive to expand that program to other areas? That's one of the main problems.

HON. S. USKIW: Mr. Chairman, I would imagine that if Minister of Finance were to be advised that we were to launch into a program to protect most of our elm trees through that effort, that he would have to go overseas many more times for more capital.

MR. J. DOWNEY: I think, Mr. Chairman, there is a need to protect them on the grounds of the Legislature and I thought that there had been an announcement several years ago of a tree that has already been developed and there should be some results on that program, and I guess there isn't anything available to tell us today that it's successful or that it isn't. Okay, thank you.

MR. CHAIRMAN: The Member for Elmwood.

MR. R. DOERN: Mr. Chairman, since I represent "Elm" wood, I'm very interested in this question. I just wanted to ask the Minister one or two historical points and then a couple of current questions.

This Dutch Elm Disease that is rampant in Manitoba, is this something new or has this been going on for the past 100 years?

HON. S. USKIW: Mr. Chairman, I believe Dutch Elm Disease has been in North America for a long long time but has been spreading northward from the U.S. and westward from Ontario for a good number of years,

but has created our problem here only in the last 10 or 15 years.

MR. R. DOERN: Is the Minister telling us that in different regions of the United States and Canada, that in effect elm trees have been completely obliterated and burned down and cut down, that they're just totally 100 percent diseased?

HON. S. USKIW: Yes, for those areas that didn't launch programs, they suffered a very quick demise, if you like, of the elm tree in their communities. It pretty well looked like almost a bombed-out area in many of them, especially when they were left standing, tall, dry and leafless, if you like, for years and years. We, because of our control program, are going to spare us from that kind of spectacle. Hopefully, our program is going to work for a good number of years so that there will be a gradual reduction of elm trees in Winnipeg over the next 100 years to .0, I suppose, but it won't be noticeable, or hopefully not noticeable.

MR. R. DOERN: The Minister is telling us that he's going to introduce a new Japanese - is it an elm tree - a Japanese Elm tree? What guarantees are there that there won't be either some Japanese beetle or germ or insect that comes along with it, or that some hardy Canadian type doesn't start attacking or eating this? I mean, what guarantees do you have that this tree won't be wiped out in a similar way from another insect?

HON. S. USKIW: Mr. Chairman, against nature there are no guarantees, whether it's animal, human or plant life. The cycles of nature are such that we cannot commit to guarantees.

MR. R. DOERN: You're prepared to stand up to the Conservatives, but not Mother Nature.

HON. S. USKIW: Right.

MR. R. DOERN: The other question, Mr. Chairman, is, I recall the program, I think, starting on inoculating the trees on the Legislative Building grounds in the mid to late Seventies, and I'm just wondering how long that program has been in effect and what the costs are. I'm sure it's \$100 a tree per year or whatever it is, but I mean obviously the Minister and the government is correct in spending money to preserve the trees here, which is a focal point, and I think the Minister has already said it would be too exorbitant to do on a general basis. But how long has that program been in effect and how much does it cost approximately, to care for the trees on the basis of one tree per annum?

HON. S. USKIW: Mr. Chairman, I would hazard a guess that it's somewhere in the order of \$200 a tree. Government Services is responsible for the program on this site, so I really don't have the figure within the scope of this department, but certainly it's obtainable.

MR. R. DOERN: And that's been over a 10-year period now?

HON. S. USKIW: Several years or more than that, yes, Mr. Chairman.

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MR. CHAIRMAN: The Member for Portage la Prairie.

MR. L. HYDE: Mr. Chairman, I have one question for the Minister. What are the characteristics of this new tree that you're going to start in our province? It no doubt is a shade tree now, but if I want to plant that tree in my yard, should I allow a lot of area, or what do I have to do?

A MEMBER: Well, the instructions will come with it.

HON. S. USKIW: My information is that it will emulate the elm tree fairly well, branchy, leafy, shady, and needs a lot of space, ultimately it will need a fair amount of space. I want to make one more comment, Mr. Chairman.

MR. L. HYDE: What height will that tree eventually grow?

HON. S. USKIW: The nurseries do market these in Manitoba, so they have all the data on them and if the member wishes to pursue it with his local nursery, I think he might be able to get satisfaction more fully than he will here today.

MR. R. DOERN: Sam, call it the "Samakazi" tree.

MR. CHAIRMAN: 7.(e)(1)—pass - the Member for Roblin-Russell.

MR. W. MCKENZIE: Mr. Chairman, all it shows in that report - and I scanned it - is western or northwestern. I just wanted a breakdown of the Duck Mountains, if it's feasible.

HON. S. USKIW: Okay, Mr. Chairman, that's fair enough. We'll break it down for the member and give it to him.

MR. CHAIRMAN: 7.(e)(1)—pass; 7.(e)(2)—pass; 7.(f)(1) Regional Management: Salaries—pass; 7.(f)(2) Other Expenditures—pass.

7.(g)(1) Northern Development Agreement - Provincial - Forest Renewal: Salaries; 7.(g)(2) Other Expenditures - the Member for Emerson.

MR. A. DRIEDGER: Yes, I just wondered if the Minister would clarify the Northern Development Agreement. Is that part and parcel of an agreement where this is only one segment of that?

HON. S. USKIW: Mr. Chairman, the Northern Development Agreement encompasses a number of departments of government, but as it relates to this department it has only to do with Forest Renewal. So this is what I alluded to earlier, that we had Forest Renewal in three areas in which Northern Development was one of them. The member will note here a \$2 million expenditure in that regard.

MR. A. DRIEDGER: Well, maybe just for our clarification under the Northern Development Program, there is Program 4 which says Resource Development, is the category we come under where there is \$25 million I

think over five years and it refers to Forestry, Fisheries, Wildlife and Agriculture. Is that the program that we're looking at underneath here? So that program would terminate in 1987?

HON. S. USKIW: Just a correction, this is the Forestry part of that program. Fisheries will have some component; Wildlife will have a component; this is the Forestry component.

MR. A. DRIEDGER: And this would continue for another - it was signed in '82, the agreement, and would terminate in '87?

HON. S. USKIW: Another two years. Mr. Chairman, this particular portion is the provincial component in any event and will continue even after the agreement is complete.

MR. A. DRIEDGER: Okay, this is the provincial part of it, it has nothing to do with the federal-provincial agreement. This is a separate Northern Agreement that is taking place and this one element is the Forestry end of it and the Minister's indicating that after '87 it will continue?

HON. S. USKIW: This portion, yes.

MR. A. DRIEDGER: This portion will continue longer than '87.

HON. S. USKIW: As a provincial operation.

MR. CHAIRMAN: The Member for Swan River.

MR. D. GOURLAY: The Minister indicated that this is part of the Northern Development Agreement and for the Forestry part of it, the feds do not participate with any dollars in this portion.

HON. S. USKIW: Not in this one, no.

MR. D. GOURLAY: Do they participate in any part of the province, with resources development?

HON. S. USKIW: They may fund forest-related projects, Mr. Chairman, but this is the only Forestry component.

MR. D. GOURLAY: The agreement was for a five-year period, but the Minister has indicated that this doesn't necessarily end the program as far as the province is concerned. It'll be an ongoing program for a number of . . .

HON. S. USKIW: Mr. Chairman, I'm advised by the staff here that perhaps the item ought to be pursued under Northern Affairs for the broader question that he's posing, under the Northern Development Agreement.

MR. D. GOURLAY: Yes, I appreciate that. I was just wondering why this is under the Northern Development Agreement when it's financed 100 percent by the province.

HON. S. USKIW: Within the scope of the agreement, we've rolled in some of our ongoing programs, so this is part of that.

MR. CHAIRMAN: 7.(g)(1) - the Member for Swan River.

MR. D. GOURLAY: Just for clarification, when we get to Fisheries, will there be a similar program there with respect to the agreement?

HON. S. USKIW: Mr. Chairman, there likely will be. We'll have the Fisheries people with us this evening.

MR. CHAIRMAN: 7.(g)(1) - the Member for Rupertsland.

MR. E. HARPER: When we get to Fisheries, could we have a copy of the Fisheries regulations?

HON. S. USKIW: Regulations? Sure.

MR. CHAIRMAN: 7.(g)(1)—pass; 7.(g)(2)—pass.

Resolution No. 124: Resolved that there be granted to Her Majesty a sum not exceeding \$7,763,100 for Natural Resources, Forestry, for the fiscal year ending the 31st day of March, 1986—pass.

The time being 4:30 p.m., we are interrupting the proceedings of this committee for Private Members' Hour. The committee shall resume its deliberations about 8:00 p.m.

SUPPLY - HEALTH

MR. CHAIRMAN, P. EYLER: The Minister has some answers to give from questions raised previously.
Mr. Minister.

HON. L. DESJARDINS: While staff is getting ready, I'd like to answer some of the questions that I was left with last night that I took as notice.

First of all, re the Public Health nurse vacancy in Killarney, this position became vacant on January 18, 1985, when the incumbent resigned. The vacancy has been bulletined; a selection board has been held and the successful candidate received a letter of offer dated April 17th. The expected start date is mid-May. The successful candidate is a new Bachelor of Nursing graduate from the School of Nursing and is not available until mid-May, hence the apparent delay in filling the position.

During the period that the position was vacant, the area was serviced as follows by a public health nurse on a term basis from March 7, 1985 till the position will be filled on a permanent basis by the Regional Continuing Care Co-ordinator two days each week.

Appropriation 21, 4.(c), that is the explanation that was requested for the increase in salaries for the Children's Psychiatric Services. I am told that is the correct amount, 86,000; and given the information also that two medical officer positions were underfilled in '84-85. That confirmed what I believed. We do not automatically get the full funding for that, especially in this case when it had been difficult to staff the position. That represented \$51,500 of the total and the balance of 34 reflects such normal increases associated with annual increments, lower staff turnover and qualification pay for the doctor.

In addition, I'm told that salaries had been inflated so that funds could be transferred from Salaries to Expenditure, in order to meet sessional fees arrangements while this position wasn't filled.

I've got bad news for my honourable friend here, he'll be a bit disappointed. Appropriation 21, 4(c), under what agreement are recoveries made for Children's Psychiatric Services and how much did we receive last year? I'm told the recoveries are made under Vocational Reallocation for Disabled Persons Agreement. The claims for fiscal year 1983-84 was submitted in '84-85, and we actually received the amount of \$497,270; and in '84-85, it's \$457,100.00.

The Adult Forensic Services, the Headingley Correctional Institute, the actual cases in '83-84 were 774. The estimated in 1984-85 was 894. That was a variance of 120 or 15.5 percent. It is increase in ability to meet the needs, more consultation hours. The psychiatrist attending Headingley is seeing now between eight and nine inmates visitation. More psychiatric assessments are being recommended by counsellors and other medical personnel attending the facility. The type of inmate, violent, alcohol, drug abuser is a determining factor, of course, in the requirement for psychiatric assessment.

Other Expenditures, 21, 4.(a)(2). Now, that's that 4.6 increase. During the course of the year, transfers that are approved by Treasury Board are absorbed as part of the adjusted vote for that year. However, since the 4.6 was transferred to the Manitoba Health Services Commission, it is not reflected in the reconciliation statement as this represents a transfer within Manitoba Health. The reconciliation statement reflects transfers between different main appropriations. That's re the Eden Mental Health Centre. We talk about the 4.6 that's not enough had been transferred a year before.

I think that's it. I know that there's still the one on that article in French that should be happening fairly soon. Of course, some of the other answers will be answered now that we're in the Commission when we get to Medicare and so on.

I owe an answer to the Member for Turtle Mountain re the Alcoholism Foundation staff. They didn't have any explanation the last time we talked to them; they knew nothing about this in their checking.

Mr. Chairman, we are now going to start the Manitoba Health Services Commission. I would like to inform the committee that it would be my intention to follow the line-by-line as we have printed here, except that we would intend to do Medical Programs before Hospital Programs and Personal Care Homes. In other words, it would go this way: Administration, Pharmacare Programs, Ambulance Program, Air Ambulance Program, Northern Patient Transportation, then Medical Program and Hospital Personnel, just to make sure that I will be able to present to committee, as I've been doing over the years, the five-year Capital Program and give more time for the members of the Committee to be able to digest it and study it.

MR. CHAIRMAN: The Member for Pembina.

MR. D. ORCHARD: Mr. Chairman, before we get on to the order of the Estimates, the Minister indicates that, under the Salaries in 4.(c)(1), the two positions

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were underfilled last year. Now, does underfilled mean that when they budgeted Salaries in fiscal'84-85 that they had no intention of filling those positions for the entire 12-month period, hence only budgeted for, say, six months of salary? Is what he means by underfilled?

HON. L. DESJARDINS: I think my friend means that as an example. He said six months, I think it's the principle. When I say, yes, I don't mean it was budgeted for six months, but the answer is it wasn't budgeted for the full year.

MR. D. ORCHARD: Mr. Chairman, the Minister further indicated that salaries were inflated to cover off contract services from psychiatrists which would appear in Other Expenditures.

HON. L. DESJARDINS: Not contract, sessional.

MR. D. ORCHARD: Sessional fees. Now the question being, those sessional fees are not paid to salaried employees under 4.(c)(1) surely, they must be to outside psychiatrists. Is that correct?

HON. L. DESJARDINS: Yes.

MR. D. ORCHARD: Okay, the Minister indicates that's correct.

Why would the department take that convoluted a route to put extra sessional fees in? Why simply wouldn't they have put in Other Expenditures, Sessional Fees? If that's what it's going to go for, then surely it would serve to better present the Estimates to state that Other Expenditures, including sessional fees, are going to be somewhat higher by - I think the Minister indicated, some \$30,000 or a portion of the \$30,000.00. It makes for a clearer presentation of Estimates. It begs the question as to whether there are other areas that we haven't discussed in the administration of the department where salaries are overinflated so the money can be siphoned off to do other things which should appear in Other Expenditures.

HON. L. DESJARDINS: Mr. Chairman, why it was done like that, it was done by the officers at the Commission. I am told that there is more flexibility. I am satisfied and I'm sure, and I think that the members of this committee would be satisfied, that nothing is trying to be hidden here. It is a situation that we have trouble in recruiting the psychiatrists. This is our first option, the first thing that we'd like to do, first choice. If that isn't done, it has the flexibility, we have to hire people to replace them and have the work done, psychiatrists like my honourable friend said that are practising on their own and they're paid on a sessional fee. That would be more expensive than if we had somebody on salary all year, and it's that flexibility that we want. But, having our choice, we would certainly much prefer to fill the position.

MR. D. ORCHARD: So then is what the Minister saying that, under Other Expenditures, and I believe he indicates now - I haven't got my notes from last night and he can correct me if I'm wrong - I believe that he has most of the positions filled under 4.(c)(1), the 20 staff positions . . .

HON. L. DESJARDINS: They're all filled up.

MR. D. ORCHARD: . . . if my memory serves me correct. No, he's got one vacancy in 4.(c)(1), the line we're talking about.

Now if I also recall correctly, the Minister is indicating that, still within Other Expenditures, even through there is only one vacancy, you have sessional fees budgeted. The Minister seemed to indicate in his last answer that you budget salaries and if you don't hire a psychiatrist, then you use the salary budget for sessional fees when you don't have the psychiatrist on staff.

HON. L. DESJARDINS: Right.

MR. D. ORCHARD: Now, is it a fair assumption that sessional fees disappear from Other Expenditures if you achieve the hiring of the full complement of whatever number of psychiatrists would be part of that 20 manpower staffing complement in 4.(c)? Does the Minister follow what I'm getting at?

HON. L. DESJARDINS: Normally that would be right, unless of course there's an increase in demand, we have a chance to recruit somebody else or unless we lose a psychiatrist, a position that's filled now. I think we've discussed that, that is a possibility under a different area, but again in Brandon they were going to lose the medical director there. That is a possibility. It's just the flexibility and if the money is not needed, it won't be spent.

MR. D. ORCHARD: Mr. Chairman, I don't believe the medical director in Brandon . . .

HON. L. DESJARDINS: No, no, I give that as an example, that you can lose somebody.

MR. D. ORCHARD: Yes. Mr. Chairman, the Minister indicated that the recoverable from Canada last year was some \$497,000.00. The Estimates last year showed no such anticipated recovery.

HON. L. DESJARDINS: It was the year before - paid last year.

MR. D. ORCHARD: Okay. Then how does the government budget their recovery, their recoverable? Is it on the amount of service that is being provided in terms of criminal offences? Is that basically the method of recovery and would this not be much an anticipated figure, if that's the case, and indeed the Minister may recover more than the 457 or, if services offered are less, he may recover less than the 457? It's tied to the amount of service in the formula whereby services are provided basically, if I understand it, for psychiatric services on offences which involve federal statute.

HON. L. DESJARDINS: Yes, Mr. Chairman, it is budgeted - it's an educated guess, I guess, and the situation is on services rendered. So we could collect more, we could collect less, depending on the service that is given, and it's only on their rehabilitation program.

MR. D. ORCHARD: It's only under which?

HON. L. DESJARDINS: Rehabilitation program.

MR. D. ORCHARD: Reapplication?

HON. L. DESJARDINS: Rehabilitation.

MR. D. ORCHARD: Mr. Chairman, the Minister has indicated that he wishes to undertake a given course in considering the Manitoba Health Services Commission.

Last night, I believe he indicated that after we passed the Manitoba Health Services Commission, then the Minister would be tabling the Capital . . .

HON. L. DESJARDINS: No.

MR. D. ORCHARD: No, are you going to table the Capital when we hit the hospital program, is that the understanding?

HON. L. DESJARDINS: Well, I'm flexible on this; I'm easy. What I meant last night, if I didn't make that quite clear, that I would try to do it, that we would not be . . . I didn't think that we would be dealing with the Hospitals and the Personal Care Homes until next week probably or late this - well, it doesn't give me much time. I understand that there has been tentative arrangements not to have Estimates on Friday. On Thursday night we'll be doing Sports, so that leaves tonight, sometime tomorrow, a limited time tomorrow and Thursday afternoon. Fine, if we're ready, if we finish everything else, I would have to do it after. We'd keep the Minister's Salary open and then I would provide the members of the committee and then all the members of the House with the five-year Capital.

But if it is, as I believe it will be, that we'll be dealing with that, we'll be into next week, especially as I've suggested that we look at Medicare now. If we get that far before we do Hospitals and Personal Care Homes, then early next week. It will either be sometime Thursday afternoon or Monday morning, as of now anyway, I would propose to release the document or table the five-year program.

If my friend would sooner finish everything before we do it, fine, but I thought this way would give the members a chance to discuss it during the Estimates, while we're covering Hospitals and especially Personal Care Homes.

MR. D. ORCHARD: So that I understand what the Minister is saying, when we finish Administration, Pharmacare, Ambulance Program, Air Ambulance, Northern Patient Transport, then are you going to rearrange Medical Program and bring it in front of the Hospital and the Personal Care Home Programs? When we have finished the Medical Program in this new order and when we start discussing the Hospital Program and the Personal Care Home Program, is that when the Minister is going to tackle his Capital Estimates?

HON. L. DESJARDINS: Yes, I think it makes good sense to table this and provide the members of the committee with that information before we deal with Hospital and

Personal Care Homes. Now if my honourable friend has any other suggestions, I'd be glad to listen to him. Is that satisfactory?

MR. D. ORCHARD: Mr. Chairman, that will probably speed up debate considerably.

Mr. Chairman, when we're on the Administration line of the Manitoba Health Services Committee . . .

HON. L. DESJARDINS: I wonder if my honourable friend would allow me to interrupt him to tell him that I'm sending him the information re the staff. It'll be a detailed page and the other one is just dealing - on the Administration, there are 389.5 regular employees, there are 7 on term, and vacancies as of April 1st was 29.5; Laboratory and X-ray Service Division was 292.5, regular, 13 term, for a total of 305.5, and vacancies as of April 1st was 3; so the total is 682, 20 on term, for a total of 702 and 32.5 vacancies, so I'll send both these sheets to my honourable friend so he can have it before he starts.

MR. D. ORCHARD: Mr. Chairman, the Minister indicates that there is a total of 32.5 vacant positions. Is recruiting ongoing or is this more or less a maintained vacancy rate, because if I follow from '84-85 to the '85-86 Estimates, it would appear as if the 31 vacancies in Administration and Lab and X-ray seem to be fairly constant. Is that a vacancy rate that is not normal to go below and recruitment efforts, if successful, generally coincide with further resignations or shifts to other positions by staff and personnel in Administration and Lab and X-ray?

HON. L. DESJARDINS: Mr. Chairman, this is one of the areas where we try to go along as much as possible with the guidelines that we had of not filling all the positions, not so much as my honourable friend will see under Lab and X-rays. I think there were only three positions unfilled, but under the Administration, and as I stated the other day, that guideline has been lifted and of the 32.5, and at this time we are in the process of filling 25 of them; we should have 25 out of the 32 filled.

MR. D. ORCHARD: Mr. Chairman, on the Administration budget, obviously with those 32 vacancies as of last year, the budgeted figure of \$14,978,000 probably was not achieved. That expenditure was probably not attained. Can the Minister indicate what the actual was, or an approximation of what the actual was for last year?

Secondly, can the Minister indicate what portion of this year's budget of \$15,388,300 is Salary costs versus Other Expenditures within the Administration of the MHSC?

HON. L. DESJARDINS: Mr. Chairman, no, we did not spend all the money last year. The closest information that I can get at this time is that we have a surplus of approximately \$350,000 now. We could get the exact amount if my honourable friend would need that.

Now the salaries - was that for this year, what we're budgeting this for - for this year? The salaries with the employee benefits and including the Commissioner's

remuneration, the pension payment on behalf of retired employees, the total is \$11,170,800, an increase of \$289,900 over last year for all these categories that I mentioned, and everything associated with salaries.

MR. D. ORCHARD: Mr. Chairman, can the Minister indicate, and he probably doesn't have that today, but by the time we finish the Health Services Commission, can the Minister indicate the numbers of positions of the 702 positions that are part of the Administration? Can the Minister provide me with information as to how many of these positions are in the salary range above \$40,000, out of the Administration and the Lab and X-ray Services?

HON. L. DESJARDINS: Well, both. In other words, the total list on this sheet that I give them on this side, it's broken down as it is here. In other words, beside Executive 12, there's a number there over 40 in the first column, and on the other side also.

MR. D. ORCHARD: Mr. Chairman, I just want to search out - and I'm trying to find it. Mr. Chairman, the Minister presumably receives advice from the Commission and indeed directs the Commission, and the Administration in the Commission, as to the funding guidelines that MHSC are going to be faced with in any given fiscal year and as a result on January 7, 1985, the Minister sent out a letter to all chairmen of hospitals, personal care homes and health centres with copies to the chairmen of the Manitoba Health Services Commission, the Nursing Home Association of Manitoba, Manitoba health organizations and the administrators of all those same hospitals, personal care homes and health centres.

HON. L. DESJARDINS: Mr. Chairman, on a point of order, if I may. Could we cover that under hospitals? That's definitely where it should be. This is just the Administration of the Commission itself. If we could deal with this principle of the instruction to hospitals and other institutions, we would do it under Hospitalization and Personal Care Homes, please.

MR. D. ORCHARD: Well, Mr. Chairman, I have some difficulty in complying with the Minister on that request because this is an administrative decision that the Administration of the Manitoba Health Services Commission have from the government budgetary guidelines which they must marry into all of the budgets that we're going to discuss in each and every item. Now if the Minister wants to rehash this every time, that's fine.

I believe that the funding guidelines are an administrative decision and if discussed in Administration would serve the purpose of covering off all of the salary discussions that we will get into over the next number of days when we reach the various lines under Health Services Commission. That's why I would think it would be an appropriate time this afternoon to discuss it as an administrative decision coming from the Minister of Health, no doubt in consultation with his Deputy Minister and executive director of the MHSC.

HON. L. DESJARDINS: Mr. Chairman, it is rather unusual, it isn't done like that, but that might be an

improvement. I think I understand that my honourable friend wants to look at this as to the relationship, the communication and how the policies are established between the Commission and the department. If that is going to shorten the time that we will spend in the Estimates instead of having it repetitious, I have no objection.

MR. D. ORCHARD: Well, Mr. Chairman, the discussion we have here today will be applicable to many of the areas we are going to discuss later on.

Now, Mr. Chairman, in the Minister's letter he indicates that there will be revenue problems with the Province of Manitoba and, specifically, he's mentioning that the provincial revenue is expected to grow by 25 million or .8 percent. He alludes to and transfers part of the blame on to Ottawa in terms of the equalization payment discussion, and he also makes reference to the established programs financing.

Now, Mr. Chairman, the guidelines that were given to the various people to whom this letter went, all chairmen of hospital boards, personal care homes, other health institutions and the administrators of those same organizations, the chairmen of MHSC, MHO and the Manitoba Nursing Home Association basically indicates that funding is not going to be available. There is the allegation, which is used by not only this Minister but practically every Minister who is funding outside agencies, that the reason they can't increase the budget is because of the Federal Government.

The Minister was forthright in his letter in asking of these institutions two questions: What actions would your facility recommend to government if they were required to fund supply cost increases in 1985-86 from the existing budget base; and secondly, what actions would your facility recommend to government if they were required to fund salary and supply cost increases in 1985-86 from the existing budget base?

The Minister further says that I wish to apprise government of all the facts before such actions are taken in finalizing the Estimate review process for '85-86.

Presumably the Minister received some reply to these questions and presumably, those replies appeared in the final product of the Health Services Commission's Estimates. Now my question to the Minister: It's my understanding that there is to be a settlement with MONA and with the various facilities which I am led to believe as well as some fringe benefits which I am not familiar with at this time, but there will be a 2 percent increase in salary this year through the institutions, 3 percent next year and a COLA agreement in the third year - a Cost of Living Allowance in the third year - for a three-year agreement.

My question to the Minister is: has he made allowance for a 2 percent salary increase in the funding, and has Administration made that allowance in the funding setup through the MHSC? I think, if I recall correctly, the Minister the other night when he was talking about salary increases indicated that 1 percent to the staff, particularly the nursing and medical staff, a 1 percent increase would represent, I believe, \$15 million if my memory serves me correct. So that would mean there would be, with this 2 percent increase and an unknown at this time amount of fringe benefits which

will have attached costs, can the Minister indicate if that kind of a salary increase was budgeted in preparation of the MHSC line in Estimates of \$994,678,200.00?

HON. L. DESJARDINS: Mr. Chairman, first of all, yes, the letter as quoted by my honourable friend was sent on January 7th, signed by myself to the institution. I didn't blame anybody, I said it the way it was and that was a fact at that time, it was exactly what we did and this is the way it reads: "The main reason for such minimal growth is Ottawa's plan to reduce our equalization payments by \$72 million, from \$480 million this year to \$408 million next year, and there has been a change since then." Now, that is a letter that I wrote on the 7th.

It was very difficult waiting to find out what was happening, and every day I was getting calls from the Commission, when can we give the institution information, they'd like to have some information as soon as possible? And this is the first letter that went.

Now, since then there have been some changes. There have been some changes in Ottawa, as we know. We received part of that money. We didn't lose the whole \$72 million, and I would like to at this time inform the committee that another letter was sent by the Commission on April 22, 1985, which is the last one, and I think it's important enough that I should read it. It says, "Re: 1985-86 Budget Funding Policies. In a January 7, 1985 letter from the Honourable L. Desjardins, the facilities were told of the extremely constraint revenue situation faced by the Government of Manitoba for the 1985-86 fiscal year. The following statements, or parts therefore, were extracted from Mr. Desjardins's letter and are again drawn to your attention. The government's revenue is expected to grow by under \$25 million or 0.8 percent.

"Over the past three years Manitoba's spending, which include several recession fighting and economic rebuilding initiatives, has been held at a significantly lower rate. This, however, did not compromise the Health system. Last year, for example, when government spending was limited to a 3 percent increase, health facilities were given considerably more than that. In view of our present fiscal outlook we simply cannot continue to finance health at the same rate of increase as has prevailed in the past."

I think I made the point that if we kept that on in the next 10 years, what we did just this last 10 years, that just the Commission would more than triple what we have now for all Health.

"In view of this economic situation the following policies will be reflected in the 1985-86 approved budget:

"1. Salary rates - collective agreements currently in effect will be funded in accordance with the HMSC policy previously announced. For purposes of the 1985-86 initial rate recommendations, no funding adjustment will be made for economic increases for non-union staff and for union contracts not yet ratified, that is MONA, or otherwise completed. The funding decision on these contracts will be announced as negotiations proceed. Health facilities are asked to withhold decisions on non-union, economic increase until Manitoba Health Services Commission funding policy is clarified. The

Commission's approval of policy on staff reduction remains in effect as specified in our letter of February 15, 1983."

There is no doubt that this hasn't been provided and we will go for more funds. At the time we had no idea what this would be and this had been a custom on and off for a number of years, because you have the exact bargaining there, it's not collective bargaining any more. You're just telling him what you have to pay them.

"2. Medical Remuneration - medical service finance on a fee for service basis will be funded in accordance with the recent Manitoba Medical Association settlement.

"3. Supply Costs and Other Expenses - although a 4 percent increase has been provided in the Commission's 1985-86 approved Estimates, it has been the Commission's practice to set aside 2 percent of the increase to provide for selected cost categories for supply items such as the increased employee benefits in oncology, dialysis, burn unit, pacemakers, TPN, and special prosthetic supplies where special justification can be made to increase in excess of 2 percent. The 2 percent increase will therefore be provided for all other supplies and expenses.

"4. Offset Income - an increase of 2 percent will be added to all income recovery such as cafeteria, etc.

"5. Equipment Depreciation - funding will be provided for equipment depreciation for the 1985-86 fiscal year.

"6. Reallocation of Funding - funding identified is a separate line within the globe such as medical remuneration, administrative salaries, new and expanding programs and services programs funded in the line by line basis may not be reallocated to finance other services without prior approval of the Commission.

"7. Manitoba Health Organization Incorporated Fees - all fees charged by the Manitoba Health Organization will be reflected on the line item within the globe. It will be subject to a subsequent review pending receipt of the Manitoba Health Organization's 1985 Budget.

We ask for your co-operation that we may meet the financial objectives set out by the province for the 1985-86 fiscal year. Yours very truly, Frank DeCock, Chief Budget Officer."

MR. CHAIRMAN: The Member for Turtle Mountain.

MR. B. RANSOM: Mr. Chairman, I'm afraid I don't have all my voice with me today. I want to ask a few questions. What was the date on the letter the Minister just read and will he provide it to us?

HON. L. DESJARDINS: The last letter from the Commission, the one I just finished reading was dated April 22nd, that was sent yesterday from the Commission.

MR. B. RANSOM: The revenue assumptions outlined in the letter of January 7th, were those the assumptions that were used in developing the Estimates that are before us?

HON. L. DESJARDINS: I would feel a little more confident if the Minister of Finance was in the House at this time. The understanding that I had is that is the

way it was presented. I know that we waited and we were delayed on that, and if I remember correctly, the assumption was made that we would receive the full \$72 million. It was budgeted as if we had all the \$72 million budget, and if we did it would be a fact that it would be reflected in the added revenue that we would have to make up. That is my understanding.

Of course, when this, without the direction, was there and some of the things were not determined, like the MONA contract and so on, the Commission would have to authorize - well in this case the MHO - who are negotiating for the institution. So that would have been taken care of. Of course, there was a misunderstanding in certain quarters and it was always the intention, I think it was put in the base, any contract that had been ratified before, that was put in the base so it was increased before that percentage increase was allowed.

MR. B. RANSOM: Mr. Chairman, I think the assumption, the understanding, that administrators and board members and such people to whom this letter of January 7th was addressed, that they would assume the government was not going to get the \$72 million in equalization, that indeed there was going to be a cut in equalization. What the Minister is now telling me, if I understand him correctly, was that the government was quietly going ahead and assuming that there would not be a cut of \$72 million despite then what was outlined in this letter to all the chairmen of hospitals, personal care homes, health centres.

HON. L. DESJARDINS: This would be correct, if the assumption that, while this letter was going on all the estimate issues had been determined, but it wasn't the case. It was only after that, it was during time, it was a question of wait, wait and I guess we were waiting for the Department of Finance to give us the news to see what would be coming from Ottawa and, of course, the Commission was waiting for us and the institution was waiting for the Commission to give them guidelines. So, therefore, we had to give them guidelines, these were the first guidelines. It is not the first time that we modified these guidelines and I don't imagine it will be the last time. They had to get down to business and prepare their estimates.

We wrote the first letter, if you remember right, we asked them if they could live with a certain amount. We've got their comments, their response, and that has been changed, and it's possible that this will be changed again, in the periods that I've been here, either on this side or in opposition. I remember the time wanting to make a bet with the former Minister that there was no way that they were going to live with only a certain increase. I guess this is the way that you prepare the budget and so on, but there is always something unforeseen, and I would expect that this is the case. Again if something happens that would cut or would endanger the people's lives and patients and so on, we certainly would take steps to correct that, we would not allow that.

MR. B. RANSOM: Mr. Chairman, my calculations show that the Health Department Estimates will be up in the current fiscal year \$53,919,000 over the last fiscal year. The Revenue Estimates tabled in the House by the

Minister of Finance show that established programs' financing from the Federal Government will be up this year \$57,400,000.00. How can the Minister of Health, in view of the letter that he wrote in January, what he said about EPF at that time, and in view of what's now come before us, that indeed there's going to be \$57,400,000 more dollars in EPF this year when total Health and Education spending is only up \$61,546,000? How can the Minister justify putting those kinds of constraints on the health care system when he's getting that kind of an increase from the Federal Government?

HON. L. DESJARDINS: Mr. Chairman, I don't think that I can ever be accused of passing the buck, but I think that this is something that would be better discussed with the Department of Finance. We have to go along with the Department of Finance and the staff will be here to give him that information, I haven't got the staff. I'm not revealing something unknown, I think that we all know how we proceed around the Cabinet table when a decision is made, we get a direction from Finance, we fight for our department and then we go ahead and we have to go along with it. I'm ready to be questioned and to try to give the information as much as I have, but I know that I won't be able to answer it as fully as the Minister of Finance. I've had no dealing with Ottawa on this at all, for instance, all the information I must get from the Department of Finance.

MR. B. RANSOM: Mr. Chairman, does the Minister of Health not inquire into the amount of funds that are coming by way of Established Programs Funding and the amount of money that's coming in, to know whether indeed he is getting a fair share, his department and the health care system in Manitoba are getting a fair share of the amount of revenue that's coming from the Federal Government? After all, I think that while we may agree that the division between money designated for Health and Education is somewhat arbitrary, a division that was made on behalf of the Federal government, we do agree that the Established Programs Financing funds are basically directed towards Health and Education, and so I would ask the Minister if he doesn't make himself aware of the amount of money that's coming so that he would be able to protect the interests of the health care system in Manitoba.

HON. L. DESJARDINS: Mr. Chairman, yes I do, but one must remember that that money is in the Consolidated Fund; I don't see that money, the Commission doesn't see that amount at all. And, if my honourable friend remembers that when they were in government, when we left the cost-sharing method of funding this, that for the first years there was much more money coming in. If you earmarked that as the share coming from Ottawa, you would see a big, in fact not keeping up, but a reduction from the share of the Provincial Government of the Day.

And my friend, I think it's a good assumption if you feel that they have been paying their fair share and if you're saying, well look, if you're going to get that much money look at the increase you're going to have. But these last few years there's no doubt that we have been paying more and more of the share. We're not blaming

the past government, I think it was obvious, I think that's what the then Minister of Health was saying, Monique Begin, was saying that Manitoba, in fact she went too far, she was saying that they were withholding that money from health illegally and then she had to back down; and I think Justice Hall also said, no, there's nothing legal about that. I think she meant that morally, or whatever she wanted to call it - the same as my honourable friend is saying now, I guess - is that money that they were receiving from Ottawa wasn't spent in Health.

It's not a question of blaming any government but the Federal Government, no matter what colour. It was started under the Federal Liberal Government who felt that they wanted to save this program and they were talking big about changing and bringing an act, and so on, but never wanted to talk about the financing at all which doesn't make sense. How can you review and talk about the program when you say we can't talk about the financing of it? And, repeatedly, the request was made, certainly by Manitoba, in fact only by Manitoba at one time. I think that most of the provinces were quite happy to see this go into Consolidated Fund and use the part that they want. I don't think they wanted to put as much of the share.

Now we said, at all times, even in the Schreyer years when this was changed, we went along with the change reluctantly and we suggested that it was a partnership, it was funded by the two levels of government, and that we should keep on sharing the cost. That is not the case at this time. So it might be if we're just looking at this money to say what you're getting for that, or the increase that you had, but we're looking at the cost and every time you open a personal care home or a hospital and so on, the operating costs will go up and up all the time. And then I don't think you can go only on one year.

As I say, it took a long time before we found out what it is. I'd be very surprised, quite candidly, I'll tell you that I'd be very surprised if I didn't have to go, on a number of occasions, for a Special Warrant in this case. I say that very clearly, but we must try to give guidance and I get my guidance from - this is what I meant a while back - from the Department of Finance who is guiding all the departments in trying to have a uniform approach, an approach that's the same from all the departments. In fact, the Minister of Finance met with the workers in the health field and with the institutions and so on himself. This is what we're saying. I think that, in fact, we're spending more, proportionately a smaller pool than we've had before, than the former government did spend, there's no doubt about that at all. But I have to go along with the Cabinet, it might be that I didn't argue long enough and loud enough. I'm accused by my colleagues of having received the lion's share compared to certainly other departments in the three years. I don't think it is a question of me arguing, I think it is the question of the priority that our government places on the question of health. We spend much more in Health, and a higher percentage of increase over the years than we did in other departments.

MR. B. RANSOM: Mr. Chairman, I think what the Minister has just outlined for us is that his government

proceeds to set their spending priorities in essentially the same fashion that the previous government proceeded to set their spending priorities. When his colleagues, when they were in opposition, accused the previous government of diverting funds to build highways, they were grandstanding, that's all. They were trying to make a point with the public that was not valid.

Today we have a situation where before us the total spending increase of the Department of Education and the Department of Health comes to 61.546 million, and the government is going to get \$57.4 million more in EPF payments this coming year. That means that of all the spending in Health and Education this year, 93.3 percent will be covered by an increase in Established Programs Financing.

Now that's a far cry from the 50-50 funding that I think I hear members opposite talk about occasionally. I am not especially condemning the Minister or the government for establishing their priorities, I hope they will be as consistent and understanding of us, when we are in government and they're back over on this side, because what's happening is not what they're telling the public.

This is what I fault the Minister for, Mr. Chairman, is the letter that went out in January that would lead the public, would lead all these administrators to believe that the reason that the government can't give them any more money this year is because they're being cut back - they're not getting money through equalization; they're not getting money through EPF.

Now when the facts finally come out and you see that 93.3 percent of all the spending increases in Education and Health will be covered this year by increases in EPF, then I think that's unfair. I don't think that the Minister should engage in this kind of thing. If his colleague, the Minister of Finance, who is an expert at distorting figures, wants to practice this kind of game, then fine, he can answer for it. But I don't think this is the kind of thing that the Minister of Health really wants to be engaged in, he shouldn't be engaged in.

I would like to ask him about another statement that he made in his letter and I'll quote this, read it into the record. It says: "Even without the cuts, federal equalization support would fall over 200 million short of the amount required to bring Manitoba's resource capacity to the overall provincial average."

I would just like to ask the Minister what that paragraph means. What were the administrators in the health care institutions to draw from that statement?

HON. L. DESJARDINS: Mr. Chairman, the situation, as I said, was a uniform or at least the same approach in all departments. Some of them had to deal with schools, some others had to be for the hospitals and so on and the information was compiled and provided from the Department of Finance. I'm sure that was exactly the way that my friend operated when they were on this side of the House.

You take information that . . .

MR. B. RANSOM: No.

HON. L. DESJARDINS: You did not? My friend said, no, that you did not get any information, rely on any information . . .

MR. B. RANSOM: I didn't write the letters for the Minister of Health.

HON. L. DESJARDINS: No, I'm not saying that. I'm saying - of course, and I accept full responsibility - but I am saying that we accept as a given some of the information that is compiled. If that isn't done, I don't know how you can function as a government, because there is no way that you're going to double-check everything that is said.

That information was compiled by the Department of Finance. This is the information that was given, I would imagine, and I believe I'm right - I stand to be corrected - the same information, the same approach that was given to the school board and so on as this information that was given here. If you ask me, where did I get that information? There's only one answer, I got that information from the Department of Finance who have the facilities, who have the dealings with Ottawa and so on.

Now what we said, what I think we said, and I think it is a known fact, I think it is right, and I don't know why my friend should be that touchy on it. It is different parties, different priorities. It is certainly not hidden at any meetings of Ministers of Health that I attend, it is not hidden by the provinces, they have different priorities. I think that certainly, when you look at Alberta and B.C. and Ontario, the priorities are not the same. I remember Alberta, it's obvious they would like to go back to the old system to prevent the statements that were made. I don't think I am talking out of school, but I am saying that the statements were made that we could not afford this universality in there, and that some change should be done and maybe they'll be proven right.

We choose to say, fine, we might make changes, we must motivate the people differently. We must get the people not to have the same expectancies as they had before, and resist this pressure and try to work together to have a program. Now that was said.

Now, as I say, over the years, we were hitting wrong all the time. When the Schreyer Government left office there was a change in the formula. The formula then, it was understood, and that's the point - I guess my honourable friend is being consistent, because I think he was saying that we are doing the same thing. They said at the time, that money was not earmarked for Health and Education, it was going for the Consolidated Fund, and it was block funding. There was a change of policy, and it was up to the government to set up their policy.

I'm certainly not against that principle at all. If my friend is saying that we set the policy the same way and we feel fine that this is the money that is available and these are the programs that we have, I agree with him. But I think there has been a difference in priorities, I still say that. Although my honourable friend is saying that the extra money we have from Ottawa pays for most of the increase, but I think you'd have to start, not just at the increase, you would have to start the whole thing.

It is no secret that in 1978, the first year in office of the Conservative Government, they received much more money than had they still been for the first year. That was eventually to be reduced, than what they would

have if they'd been on the cost sharing. That showed, and I still have this calculation that I made at the time where, looking at the money, if you said, all right, this money is earmarked - the same as my friend is saying now, out of this money for special programs and so on, this is capital aid, this is for Health, and this is for Education - you will see that there was an actual reduction for at least one or two years during the years between 1977 and '78 and I'm sure I can dig that up.

Now nobody ever faulted - well, I shouldn't say, nobody, the Federal Minister of Health did at the time - the statement that I made at the time, while I still had my job as the Health critic, is I made the point that they were not spending all the money that they were getting, in fact, that their share, if you still could earmark, as my honourable friend is trying to do today, earmark that money from Ottawa as so much for Health and so much for Education, and there was an actual reduction. I don't think anybody can tell us that we're actually reducing it.

That is probably where the statement was made somewhere in the media or maybe in this House. I don't remember having made the statement, but maybe I did, that the situation that the people who were there had a different priority and were building more roads. I think that's what the statement was.

So I accept that, fine, we have to set up our priorities the same as they did with the way the formula is now, but I do not agree that our formula is the same because we set it up of the same criteria the same way.

MR. B. RANSOM: Mr. Chairman, since the Minister brings up what happened in the previous administration, I would like to put some further information on the record then for the benefit of the Minister and the members opposite having to do with increases in spending and increases in revenue from the established programs financing. I would point out to the members opposite that in 1981-82, there was a 23 percent increase in health funding . . .

HON. L. DESJARDINS: What year?

MR. B. RANSOM: In '81-82 a 23 percent increase in health funding, and over a 24 percent increase in education funding at the same time as the government was getting almost no increase in either equalization or established programs financing. In the year ending March 31, 1982, the government got \$405 million in equalization; they got \$404 million the year before. They got \$288 million in established programs financing; they got \$285 million the year before. So what we are looking at, the combination of those two, was an increase of \$4 million. So the government is getting a lot more than that this year, a lot more than that by way of increase, even when you consider the fact that they are falling \$22 million short of what they got last year in equalization.

So at that time we were funding big increases in health and education when we weren't getting any additional support from the Federal Government. This year the government is getting a lot of increased support from the Federal Government and the funding increases aren't there. Maybe that is the priority that the Minister and his government have established, but surely they

shouldn't go out and try and tell all these institutions that it is because the Federal Government isn't funding, because the Federal Government has been paying for it, and this year are paying substantially more, and of all the increases they are going to pay 93.3 percent.

But what I wanted to ask the Minister about, and I didn't get an answer from him, was with respect to the paragraph that I read into the record. I wanted to know what the Minister thought, what he wanted the people to whom this letter was addressed to draw from that statement. What did he mean?

HON. L. DESJARDINS: It's my understanding, with the information that I had, that there were two provinces that suffered, were penalized more than the other provinces; that was Quebec and Manitoba. As it states here, when we are talking about the all-provincial average, this is where we slipped. The information that we were all given by the Department of Finance is that's exactly it. Even without the cuts, the federal equalization support would fall over \$200 million short of the amount required to bring Manitoba's resource capacity to the all-provincial average. That is the information that we had. I don't remember if that exact amount was accepted but on a number of occasions, certainly, the principal - as I say, I can't verify the amount - was accepted by all those, including the present Minister of Health at the time. That was always recognized and accepted and admitted to.

MR. B. RANSOM: Mr. Chairman, I would like to ask the Minister: Did an all-province average formula for sharing of revenues ever exist?

HON. L. DESJARDINS: Would you remind repeating that?

MR. B. RANSOM: I am asking the Minister, Mr. Chairman, whether or not an all-province average for the sharing of revenues ever existed within the framework of Canada? Because this statement says that the federal equalization support would fall over \$200 million short of the amount required to bring Manitoba's resource capacity to the all-provincial average. I am asking the Minister whether the all-provincial average referred to in this letter ever existed as a means of revenue-sharing in Canada?

HON. L. DESJARDINS: Mr. Chairman, I must accept the responsibility for this letter - my name is on it - but what I have been trying to tell the members of this committee that this information in this letter, as well as letters to the other institutions, was prepared - the intent and the message that was going to go out by the members of the Cabinet, led by the Minister of Finance. I am saying that I haven't got the stat here and that's where it should be discussed.

MR. B. RANSOM: Mr. Chairman, I suppose maybe it's a bit of an overstatement to say that I am shocked by that revelation. I guess there was a time when I would have been shocked by it.

Here is a situation where the Minister of Health has written to all of these people and told them something, and the something that he has told them is basically

that they are not going to get any more money this year because the feds have been cutting back. Furthermore, he says even if they do give the \$72 million to keep equalization where it was, we are still going to be \$200 million short of this all-provincial average. The Minister can't tell me whether that all-provincial average ever existed, and I gather that none of his staff sitting in front of him can tell him whether that all-provincial average ever existed.

Did he not get any calls? Is there no one out there who receives this letter that wouldn't phone the Minister, phone his staff, and say what is going on? The answer evidently is no, because they trust the Minister and they trust the Commission. Everybody out there has - and it's just that kind of a gut feeling that things are tough - (Interjection) - well, maybe the Member for Wolseley doesn't realize that things are tough. She lives out there on a "cloud-cuckoo land" that nobody else particularly understands - but most people out there agree that things are tough. So when their Minister of Health came to them and said we don't have the money; we basically don't have the money because the Federal Government hasn't paid it to us; we are all going to have to tighten our belts; then they pitched in and they have done their best, I am sure, to try and help the Minister out, help the government out, and still maintain the best kind of health care that they can.

But I will tell you they are going to be very upset when they discover the fact that of all the increases that are going to health and education this year, that 93.3 percent is going to be funded by money coming from the Federal Government, and they are going to be very upset when they discover that there never has been a cost-sharing formula such as is referred to in this letter. There has never been an all-province formula that shared revenues on the basis of all the revenues going to the 10 provinces. What there was was an all-province average with certain items taken out of it. The items that were taken out of it had to do with resource revenues, basically oil revenues, going to Saskatchewan and Alberta.

This paragraph that the Minister put his signature to, refers to an average that has never existed by way of cost-sharing equalization within this country. It has never existed. Unfortunately, the Minister of Health has put his signature to that. But instead of this being an accurate statement, it is a gross distortion that if the previous 10-province average had been in place, then this government, by way of equalization, would have received \$264 million less in the first three years than they got under this new formula. That is based on information published by the Department of Finance in Quebec. It has never been refuted by either the Federal Government or by this Minister of Finance. Earlier today when the Minister of Agriculture stood in his seat and talked about not being able to get us on-side with equalization, I'll tell you what it took, Mr. Chairman. It took a lot of debate and correction of the Minister of Finance so that he stopped talking about these hundreds of millions of dollars that the government was allegedly losing.

The Minister of Health will recall, as will most other members, that up until at least into October and December, the Minister of Finance was still trying to tell the public that this province was losing 700 million to 800 million by way of federal cutbacks, changes in

the equalization formula, and when the facts were finally laid out for him, then he resorted to this. He resorted to this instead, and referred to this 10-province average of a \$200 million loss; and that average never existed, and I am sorry to say that the Minister of Health has simply accepted holus-bolus what he has received from the Minister of Finance, and has then passed that on.

I would hope that he would now at least acknowledge to the health care institutions what has happened out there, and that he will say that the funding that you're getting this year, health care institutions, is based on our government's priority and our government's assessment of the overall financial situation, and has nothing to do with the amount of money that we're getting from the Federal Government, because indeed we are getting far more from the Federal Government than we are passing on if there was any kind of equal cost sharing.

MR. CHAIRMAN: Order please, order please. The hour is 4:30, time for Private Members' Hour. I am leaving the Chair and will return at 8:00 p.m. tonight.

Call in the Speaker.

IN SESSION

PRIVATE MEMBERS' HOUR

MR. SPEAKER: The time being 4:30 and Private Members' Hour, Adjourned Debate on Second Readings, Bill No. 20, on the proposed motion of the Honourable Member for River East.

The Honourable Member for La Verendrye.

MR. R. BANMAN: Stand, Mr. Speaker.

MR. SPEAKER: Stand. On the proposed motion of the Honourable Member for River East, Bill No. 30.

The Honourable Member for Lakeside.

MR. H. ENNS: Stand.

MR. SPEAKER: Stand.

PROPOSED RESOLUTIONS

RES. NO. 2 - ABOLITION OF THE SENATE

MR. SPEAKER: Proposed Resolutions, Resolution No. 2. The debate is open. Are you ready for the question?

The Honourable Member for Morris.

MR. C. MANNESS: Thank you very much, Mr. Speaker. It's my pleasure to rise and speak to this resolution.

Firstly, I must indicate to the House, I am a little bit shocked that the New Democratic Party or a member of the government would bring forward this particular resolution, not that the NDP is addressing the - and I'll call it - the problem with the Canadian Senate, but by what they have laid before us as an operative solution.

Mr. Speaker, indeed if you're a western Canadian, you have to be concerned about some aspects of the Senate as it presently exists. So I find it difficult that the Member for Riel would bring forward the resolution

and then offer nothing more than to say that the Senate should be dissolved.

Mr. Speaker, to remove the Senate which I think can be reformed in a manner which is acceptable to most Western Canadians, to indicate that that body should be done away with completely, to me it's anti-Western Canadian. It's certainly anti-Manitoban, and I would go a step further, and I would call it pro-eastern Canadian logic that falls behind that type of suggestion.

Mr. Speaker, for those of us that make up some 4.5 million in prairie total population amongst a total Canadian population numbering somewhere close to 24.5 million, I find it inconceivable that the members opposite would do away with a body that potentially can afford Western Canadians some protection. Let me explain why.

Mr. Speaker, I have had the opportunity of being a member of the Canada West Foundation for a number of years. To those members in the House who might not be familiar with what that institution does, it's basically a research group which is funded by people and businesses across western Canada. Its main — (Interjection) — of course I thought I could expect a comment like that from the Member for Wolseley that has something to do with western Canada concept. Obviously, she doesn't have any inkling as to what the Canada West Foundation has done.

But that organization has basically for a number of years conducted research and surveys as to the thinking of western Canadians on various national issues. Now, Mr. Speaker, the research everywhere has been lauded as being of very high quality, addressing significant issues. Over the past 10 years, it has addressed the Canadian Senate and Senate Reform on numerous occasions.

I haven't taken the time to pull out its findings, but I think it's safe to say that over all those reports that have dwelt in depth with the Senate of Canada, the majority of western Canadians have consistently requested two things: first of all, a reformed Senate, and failing that no Senate at all; but secondly, a Senate that is, I suppose, elected; one that is equal across regions as defined as provinces, and one that is effective. You've probably heard it, Mr. Speaker, referred to in a different type of label, that being the Triple E method.

Mr. Speaker, politicians indeed regardless of their political stripe, those that exist in Manitoba and those that exist elsewhere are fallible. We make mistakes from time to time, and we're not always fair and maybe by the nature of democracy, it would indicate that we can't always be fair. Where does our first responsibility lie? I have to believe that my greatest responsibility lies with my constituents and I honestly believe that most members of the House would subscribe to that theory.

Mr. Speaker, if that's the case and you look at the reality of population in this nation, you realize that eastern Canada has an unproportionate position as far as the pure democratically elected members, in other words, members to the House of Commons and there's nothing we can do about that. That's the reality of the nation.

Mr. Speaker, if you want to bring in an element of fairness and you look over the past 50, or 80, or 100 years of this nation, you realize that Western Canada,

through a long period of time, has not had an opportunity, first of all, to be in government and, secondly, at times when they are in government to have addressed their legitimate concerns.

Mr. Speaker, I marvel at the population statistics that are from time to time presented, particularly by the Member for Brandon East, and I, of course, have been here for three years now . . .

HON. L. EVANS: They are Stats Canada.

MR. C. MANNES: Well, Mr. Speaker, the member says they are Stats Canada figures and I accept that, but they are presented by him, in a sense, in this political forum. Of course, he likes to almost lay claim to them as if he has developed them. But, Mr. Speaker, I find it interesting that the members opposite will talk in glowing terms about the increase in the numbers of people living in Manitoba over the last two or three years, and I accept the figures. As the member indicates, they are Statistics Canada figures.

But, Mr. Speaker, when you realize - and I taunted the members opposite on occasion - that the population of Saskatchewan over 60 years hasn't changed one bit; as a matter of fact, it fell off, as we all know, through a period of time — (Interjection) — that's right. Well, Mr. Speaker, there we have the Member for Springfield - gone down 250,000. I don't believe it's gone down that much, but I think it was slightly over a million and now it's back to 930,000 and to what depth it dropped before it's come back to 960,000 at this time, I don't know.

But the point I am trying to make, when one understands the history associated with population in the Prairies, and one realizes that unless there are fundamental structural changes in the economy, that we will never ever have a major say in the powers and the halls of power within this nation if one vote for one person continues and it should within a democratic society, then most clear-thinking Western Canadians realize that we have a problem. Mr. Speaker, it's because of this that I find that this resolution offers no resolution whatsoever to the problem other than to do away with the Senate.

Now I hear the Member for River East make reference to the U.S. situation. Well, I realize that there is not a uniform location of population through that nation also. But, Mr. Speaker, they are a much more uniform population spread across the United States than there is in Canada and yet they have used a system of Senate, representation by region, which to my view has some real importance and can be used to some degree within our constitutional and political makeup.

Mr. Speaker, political power, I believe, without reference to regions is dangerous. Now the resolution says that democracy - infers, at least, that democracy in Canada has now matured because in one of the "WHEREAS" clauses it says, and I quote, ". . . the Senate of Canada is a product of an earlier period when democracy had not yet matured in Canada." I take that to mean that the author of the resolution believes that democracy has now matured, and I take it by that the author means that there are no political problems associated with the fact that there are 10 provinces within the land, that we have various

economic resources, and the fact that we have various population numbers.

But I believe that if we don't take into view the fact that we have such a different power base, that we have such a different resource base and population base as between provinces, that the future of the nation is one that is of great concern to me. So I say we have to take into account these regional differences. We have to be prepared, or at least attempt to address it through some political institution, and I think a Reform Senate can do it.

Mr. Speaker, right today, in my view, the bonds of this nation are being strained. I think it's the reason why the Alberta Government commissioned a select special committee to look into strengthening Canada's Senate. I am not in any way attempting to hide from the fact that there is a certain degree of alienation within Western Canada. The Member for Wolseley indicated Western Canada concept; well, certainly, that's a reality. For members of this House to run away from that and try and pretend that it doesn't exist, and to bring forward resolutions which would, in effect, do away with some political body that could help address those types of concerns, I think is totally irresponsible.

Mr. Speaker, within Canada today we must address these great differences of how the nation should proceed. To me, that can be best done within the Senate. Today we have major differences beginning to develop within the area of trade policy. I, for one, will be watching very closely how my Progressive Conservative colleagues in Ottawa are going to handle this whole emerging problem dealing with trade. We in Western Canada, our very future, it depends totally on how our goods and services, particularly our goods, are able to find their way into the world market. We are extremely efficient producers in agricultural areas and light manufacturing areas; indeed, for the very same reasons that this Province of Manitoba is heralded particularly by the Minister of Finance and the Premier as being a province that hasn't suffered through this recessionary time.

So, Mr. Speaker, I am very concerned as to whether there will be some relaxation brought in by our new Conservative Federal Government, or will the powers that be want to continue to protect the population centres in the industrial heartland of Eastern Canada? Because to me, if in effect we have closed barriers to trade, naturally we in Western Canada will suffer the most.

Today, Sir, when I buy a combine for my farm it costs \$125,000.00. I would ask the members opposite what the contribution is in that \$125,000 to the Eastern manufacturers, Mr. Speaker, other than if we were able to buy it directly on a north-south trade relationship. Those of us - and the Minister of Agriculture is well aware of this - particularly in agriculture, are well aware of the commitment we are making to the nation. So, Mr. Speaker, it's very real and this is one issue which has contributed greatly to western alienation.

Mr. Speaker, the resolution, as brought forward, in no way attempts to address that major imbalance politically, and the major imbalance between regions, and the major differences as to how we earn our livings between Eastern and Western Canadians; and that's why I condemn the resolution in its present form.

I would commend, Mr. Speaker, this report, the Report of the Alberta Select Special Committee on Upper

House Reform and it's called "Strengthening Canada." As members of this House, we have been presented with this particular article just over the last week, I believe, or week-and-a-half. I haven't had the full time to review it in detail, but I support it. Having skimmed through it and read various parts, I can tell you, I support it.

Mr. Speaker, to quote a couple of sections from it, and I'm quoting now from the overview section on Page 9 as to why the Alberta Government would consider looking at Senate Reform. It said: "The members of the committee are very mindful that an Upper House was an integral component of the agreement which brought about the nation." Now that is totally opposed to the statement by the Member for Riel who says it was a product of an earlier period when democracy had not yet matured in Canada, as if democracy is now so matured that we can do away with the Senate.

To go on, Mr. Speaker: "As originally intended, the Senate of Canada was to be a body that would give 'sober second thought'" - I think one of the members opposite made light of that particular phrase - "to legislation proposed and passed by the House of Commons somewhat removed from the partisan considerations ever present in the Lower House." Mr. Speaker, I wonder if there is a way we could transform the Senate, and reform them into a type of a system that maybe could set aside some of the partisan views that too often are brought into the Lower Chambers. "Of great significance to the Canada of today is that the Upper House was intended to represent the interests of the regions of the country in the Federal legislative process."

A MEMBER: A long time ago.

MR. C. MANNES: Well, Mr. Speaker, the member said it was a long time ago, and the member opposite I think fully realizes that the greatest advocates of that particular section naturally were the Fathers of Confederation who came from Quebec, who wanted that great guarantee - and I don't blame them, Mr. Speaker.

Continuing, on Page 10: "In Alberta, as in other parts of the country, there is a feeling that regardless of the popularity or sensitivity of the new government, fundamental changes to Confederation are required in order to ensure that the Western and Atlantic provinces, in particular, are adequately represented in the federal decision-making process. This belief is common to most Albertans, as well as to other Canadians." And it goes on: "In the last few years, Albertans have experienced feelings of alienation unmatched in past decades of Confederations." And I'll skip over to the last sentence within that paragraph. "Those reactions allowed for the formation of a considerable separatist movement in the province. The frustrations which spawn that movement will need to be satisfied."

Mr. Speaker, in closing, I would ask the members opposite, in their haste to do away with the Senate would realize that with proper reform, maybe somewhat on the basis that has been suggested within this Alberta report, that with proper reform, that political body can be institutionalized to grant to Western Canadians, and

that means, not only us, but members opposite, their rightful place within the Canadian nation. I hope that they would see why it was so unwise to bring forward a resolution that would do away totally with the Senate.

Thank you.

MR. SPEAKER: Are you ready for the question?
The Honourable Member for Arthur.

MR. J. DOWNEY: Mr. Speaker, I'm somewhat surprised that the Member for Radisson is so anxious to speak from his seat, but not to rise to put it on the public record in support of his colleague from Riel. Well, Mr. Speaker, the opportunity would have been there right now.

A MEMBER: Speak when you have your chance.

MR. J. DOWNEY: Mr. Speaker, I will speak when I have my chance, and I will put on the record that I am not afraid to put my thoughts forward as the Member for Radisson is, and has to talk from his seat all the time.

Mr. Speaker, the resolution that we're dealing with, the abolition of the Senate of Canada, I think is one which needs some debate; I think it's one which has caused a certain amount of people in Canada to have the question in their minds as to the purpose of it - what has it accomplished, or what has it not accomplished?

I don't think this resolution though, Mr. Speaker, is dealing directly with, or in a way which is positive. I think it's dealing in a way in which you would be throwing out the baby with the bath water if you were, in fact, to proceed this way. However, I don't believe there are many babies in the Senate. They may be at the other end of their life. — (Interjection) — That's right, there's not much danger.

But, Mr. Speaker, let me go through some of the things that I have seen since I've been involved in politics and how I feel about it. I think that the suggestions of Senate Reform would have been a far more meaningful resolution. The purpose of the resolution that is before us is for the present government in the Province of Manitoba to try to grasp again at a little bit of political favour for them. They think that the majority of the people of Manitoba would support such a move, but I think the majority of the people in Manitoba, if the question were really put, if they had an opportunity to say we would like to see it changed, we would like to see it be made a more meaningful body, to maintain a more even balance in Canada, because I think, if that kind of a question were put to them, that they would support that, rather than the abolition of it.

I say so in the light of things that have happened in the Senate and things that have happened to govern Canada by using the Senate as a vehicle which I did not agree with, and I want to spend a couple of minutes in that area; and that is the use of the Senate to appoint an individual to - and this is criticism of a former Prime Minister of which I am from the same political party - that you use the Senate as a vehicle to appoint a non-elected member, to advance him or her to the Cabinet which I think should have come from an elected seat in the Assembly of the House of Commons.

Mr. Speaker, the particular case that I am referring to was the appointment by the Honourable Joe Clark,

I believe it was a member from Ottawa that received the — (Interjection) — I will get to the next one - that I do not believe that the people of Canada appreciated a Prime Minister advancing someone who was not advanced by the people of Canada to take on a responsibility in a Cabinet, and to administer the affairs of the people of Canada. That, Mr. Speaker, was followed on by Prime Minister Pierre Elliott Trudeau in his appointment of Hazen Argue to the Senate to become responsible for the Canadian Wheat Board; also Senator Bud Olson as well was advanced that way, and I, Mr. Speaker, did not believe that it was the correct way to handle the administration of Canada. I believe that the people of Canada send members of parliament and that the people of Canada send those members so that the Prime Minister can select those people to become Cabinet Ministers to carry out the responsibility. So I objected to that kind of activity. I objected to it very strenuously because what we saw, particularly when we're dealing with the Canadian Wheat Board and the administration by Hazen Argue, Mr. Speaker, it was a disaster. It was a complete disaster.

And if the people of Western Canada would have been asked the question as to whether or not they would like to see a Senate maintained so that a person like Hazen Argue could have been put in to operate the Wheat Board, I'm sure there would have been 90 percent, if not more, said no way, and if that's the way that they're going to use it, then we don't need it. We don't need it, Mr. Speaker.

I say that because there's one other point I want to make and this is a little bit off the topic of the resolution, but I'm comparing the way in which people carry out their responsibilities and I wasn't very happy with the way in which Hazen Argue carried it out and again, he wouldn't have been there if it had been the people of Canada that were selecting him through the normal elective process.

But today we have a current Minister of Canadian Wheat Board and I want to put it on the public record at this time. He was elected by the people of Canada, by the constituents of Portage-Marquette. He was appointed by the Prime Minister to be responsible for the Canadian Wheat Board and, Mr. Speaker, he's doing a very good job. He's doing a very good job for not only the farm community of western Canada, but all the economic community of western Canada, \$450 million injected into western Canada this last weekend has given a lot of people quite a lot of money to put into the community, to spend in small business machine dealerships and to pay off some high interest rate debts or some debts that they've had. Not enough maybe, Mr. Speaker, but it's a tremendous amount of money and I think it is well received and I want it on the public record that I fully support and congratulate him for it. When the Senator was there, Senator Argue, he continued to make excuses as to why they couldn't pass that money out; and he'll go down in history as probably being one of the worst Ministers responsible for that operation. So I want that clearly on the record that I did not support the use of Senate for such a purpose and I don't mind that everyone knows that.

There are a few other points that I want to make and one of them again will make reference to some of the carryings on of the current government in Manitoba. We had a tremendous battle in the last few

months in this province over the language issue and the breakdown within the Legislative Assembly and the elected members. Possibly, Mr. Speaker, not advocating a Senate for Manitoba, even though there was one I guess in the beginning of the structuring of Manitoba, but it would be an opportunity to allow another group of politicians to come forward with recommendations that may have assisted in such a manner or in fact, supported the right side of it, just a good opportunity to take a second look at it.

The comments that were made by my colleague from Morris, I concur with to a certain extent. The need for a regional balance, particularly because of the diversity and the width and the size of Canada, in some cases rep by pop does not work quite as well to give the kind of fairness that I think is required to make Canada work, and again there are several examples that could be made. I do not think it would be wrong to have representation equally from each province, if they were to have two Senators or a certain fixed number from each province, to in fact be elected to that position; that it would in fact provide the kind of a balance that I think we need in this country. We don't have or we wouldn't have so much weight placed on the decision-making by those people in Central Canada and to a lot of degree at certain times, the provinces of the west and the provinces of the far east being ignored when it comes to certain major decisions. I think again there can be room for the use of a Senate in that regard.

Mr. Speaker, I, at this point, have not been convinced by the government to support the resolution to abolish it. They make reference to the fact that democracy has not yet matured in Canada, or had not yet matured in Canada, when the Senate was first established. Well, Mr. Speaker, I don't think there's been any real change in democracy. I think the democratic system as I understand it, basically has operated in a pretty mature way. I think it's the wish and the will of the people that make it so. I would have to question whether or not one could say that democracy has matured under the current government in Manitoba. Some of the things that they have carried on with and some of their activities, I would say that it's going the other way, that democracy is endangered by people of the Socialist belief, not enhanced by them.

So I do not want to leave the public of Manitoba with the impression that these are the great believers in democracy and say that it has matured and that we don't need a second sober thought in our Canadian system.

Mr. Speaker, I will conclude my remarks with that. I think it's important that seeing it is a government resolution, introduced by a member of the government, that they should be prepared if they want to make the case of the abolishment of it, that they in fact get up and speak. So I will sit down and give them the opportunity to do so and challenge them to make the case that is being put forward. Thank you.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Sturgeon Creek.

MR. F. JOHNSON: Thank you, Mr. Speaker. I rise to speak on this resolution because I think probably it has been put together without really any thought which

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is what the NDP have a tendency to do in most cases. I also refer to the April 10th Hansard, Mr. Speaker, where I probably should have asked you, Sir, to make the Member from Springfield withdraw a statement or apologize but we found out today that he doesn't believe in that in this House. So I would say, Sir, that his remarks regarding myself - I don't how he happened to come to the conclusion of this - he said in the House in Hansard on Wednesday, April 10th, "If the Member for Sturgeon Creek, for example, thinks for a moment - the Member for Sturgeon Creek says he would deny - that the very principle of elective office to which I referred is the foundation of democracy . . .," and he carries on. I would ask the member to someday take a look at Hansard and find where I ever made that statement anywhere.

Mr. Speaker, I said from my seat while in this debate regarding the Senate, the member said, ". . . Sir, any suggestion that the Senate is a democratic institution belies everything that every member in this Chamber believes to be fundamental to democracy, and I do not believe that any member in this Chamber would deny that statement." My statement from here was, I would deny that. But I can't find where I said what the Minister said I said, but that is his typical way of debating on any subject. He has to build his case on assumptions or something that he thought somebody would say. — (Interjection) — Mr. Speaker, I'm reading from Hansard right now.

Mr. Speaker, the — (Interjection) — No, I said I deny that. I'm putting it on the record right now, I said I deny that. Mr. Speaker, I deny it, because the Senate originally in Canada was, as far as I'm concerned, thought out and is a part of the democratic system of this country.

Mr. Speaker, the government side of the House being socialist does not believe there should be any body that they should be responsible to at any time. As a matter of fact, the government, through our debates in this House in the last eight or nine months, definitely left the impression with the people of Manitoba that they didn't want to be responsible to them either. You see, the people of Manitoba found out that if 82 percent or 83 percent of the people of this province say something they don't have to be responsible to them. They don't want to have a higher authority of any kind question anything that they may do.

Mr. Speaker, I hear some moaning from the Member for Inkster. He doesn't really have any impression of what he is speaking of; he doesn't really have any idea or the knowledge, in my opinion, of what we really mean by having a group of people who make decisions in this House who have to have a responsibility to somebody else. He doesn't believe in that system in my opinion, Sir.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please.

MR. F. JOHNSTON: Mr. Speaker, maybe I'm doing what I accused the House Leader of doing by assuming something so I will stop doing that, and I will just disregard the chatter that we hear from the Member for Inkster all the time.

But why would we have this resolution so premature. Do you know, Mr. Speaker, we had come from Alberta a group of people that travelled across this country, Sir, and they had hearings about Senate Reform? The Premier of this province wouldn't even attend to give them his impressions, whether he wanted the Senate or he didn't want the Senate. He obviously doesn't, but he wouldn't attend that committee and give his reasons why. He just said, I believe, that it should be just tossed out, there is no sense talking about it. That is typical socialist; that is typical NDP.

Mr. Speaker, in this document that has been brought forward, and all members have received it, they would have found that this committee absolutely believes that the Senate is outdated as it is structured today; they basically believe that they should bring it into the modern times, if you want to put the expression that way. This group, they recommend that there could be some solutions in a bit of a hurry; they know that the complete abolishment and changes can't be made overnight, but they actually give some recommendations of changing the Senate, or some changes that could be made that would make it much better over a short period of time and, in the long run, they recommend what should happen.

They recommend that the Senate should be elected by the people; they recommend that it should have equal representation from each province; they make recommendations that the Senate should have powers, but not such powers that it would disturb the Lower House to any great extent. All of these recommendations are there, and I hear the Member for Inkster again saying, Ah, but he hasn't even looked at the recommendations.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please.

MR. F. JOHNSTON: Well, the Member for Ste. Rose knows even less, you see? The Member for Ste. Rose would discuss the Senate on a one-on-two basis, or a little gathering of four or five people, and he'd say, did you know, in his righteous way, that this happens? You know, quite frankly, many of the times he knows it isn't that way, but that's the way he works, in little groups.

Mr. Speaker, the recommendations of this Reform Committee - I'm like my colleague, the Member for Morris, who has not had the chance to completely read it, but I have read the recommendations - I have read who they heard from. You know, there is little recommendations that say: "In the course of the committee's hearings an overwhelming majority of presenters rejected abolition." They were listening to the people. "Throughout the months of the study the committee considered that, although the report would recommend the final form which the Senate of Canada must take, it may be some years before this substantial change is a reality. The committee recognizes that the Canadians are very eager to change some critical aspects of the Senate." As I said, they recommend some changes that could be done fairly quickly on those critical aspects.

Mr. Speaker, the committee also states here: "The committee very early in its mandate considered and

rejected the possibility of abolition. It was felt that the original purpose for the Senate is sound, even though the Senate's current ability to fulfill its mandate is in question." I can't really find in this document anywhere the statement that the present Senate is fulfilling its original mandate. They say that, and they say without doubt, there should be change made so the Senate can fulfill its original mandate to the benefit of the people of Canada.

But the government members, the NDP members, and even in Ottawa, their federal members just reject any study, anything that anybody might say. They don't refer to the study and find out why the statements are made; they don't find out why the conclusions were come to, yet they are the authority on the Senate because they have just decided that they don't believe in any democratic system that might question anything they may do. Mr. Speaker, it's disappointing, very disappointing that the government presents a resolution such as this.

If the ND Party in Manitoba could present a study such as this saying that the Senate should be abolished, and give all the conclusions so that we could maybe question their conclusions, or examine their conclusions and - God forbid that I ever agree with anything from the NDP - maybe agree with their conclusions, then we would have reason for this resolution. But here we have a province in Western Canada the same as Manitoba is part of Western Canada, who has a concern for Western Canadians and have always stated that the Senate could be a body to make sure that all parts of the country are equally treated, that we would not have a situation where we could be completely controlled by one, two or three provinces without having that second authority there to make sure that we have some protection.

Here they say they should be elected, and they should be elected in equal numbers across the country. But, you know, to have a group of people - oh, by the way, I can see that the Member for Inkster has now opened up the book for the first time.

So, Mr. Speaker, we now have a group of people in Manitoba, the Government of Manitoba at the time, for a very short time, who just take a low political philosophy and dogma and they closed their minds to any type of change whatsoever and they just say throw it out. We don't want to listen to anybody; we don't want to be part of giving our opinion to anybody that is doing a study. We just want to say we are the smart-aleck guys who joke about everything that goes on and we will just toss it out.

Alberta did this study . . .

A MEMBER: How much did it cost them?

MR. F. JOHNSTON: Well, Mr. Speaker, I keep asking how much did it cost them. I can't answer that. Mr. Speaker, I am not a member of the Alberta Legislature. I have been sent a report that was done by the Alberta Legislature on a committee that they put together to go across this province to ask questions of the people and have hearings about the Senate because they are a western province who is interested in the equality of all the provinces of Canada and believe that there are steps that can be taken by changing the Senate to do the proper job.

You know, the members on the other side sit and joke. I heard one say maybe they should put in user fees or something of that nature. You see the typical socialist, when you get talking about something like this or any subject, and he finds himself cornered, he doesn't really know what to do except joke about it. You see, the Minister of Finance is the same way. We now find him laughing all the time in the House which is an absolute sign of the fact that he is cornered. When you don't know what to do and you haven't got any idea of how to get out of it and you have mucked things up, so you use your humour and you laugh about it all the time to try and overcome it.

That is basically what we are finding with this group right now regarding the Senate. They have found that if they went out on the street tomorrow and if they asked the question, should the Senate be changed completely to come into the modern structure of government today where they would be a benefit to the country as a whole, or completely abolish it, you would find that most people would say that it should be structured so that it's a benefit to Canada.

Mr. Speaker, that's what they found out. But, no, they believed it was political to bring a resolution into this House because they thought all of the people wanted to abolish the Senate just because the Senate balked and stopped something that happened in the federal House not too long ago. Political expediency is the only reason why this is here. They were aware that this study had been done and it was coming. They were aware of the fact that the people in this country were wanting to have Senate change, not abolition, but because there happened to be one thing happened a couple of months ago where they could jump on a political expediency bandwagon, that's the reason why we have this resolution, Mr. Speaker. It all boils down again to they don't really want or think and they wouldn't bring themselves to believing that there should be somebody else take a second look at any decisions that they make.

Mr. Speaker, the report suggests they should be democratically elected. I would venture to say, and my colleagues will agree with me on this, that if an NDP Government - and God help us if it ever happened - had ever been elected as the Federal Government of this country, they would have nominated more NDP hacks to the Senate faster than any other body there was. They would never have abolished it; they would have put them all, all those NDPers in their comfortable pews faster than anybody ever would have. I can assure you that this resolution wouldn't be here under that basis, and I can assure you that I would be willing to bet today if the Prime Minister went along to a prominent NDPer and said, would you join the Senate, he would jump in with both feet. There is absolutely no question about it.

A MEMBER: They have already been asked.

MR. F. JOHNSTON: Look! We have seen more political patronage and hacks in this province by the NDP than any other, and I can't see any reason why it would change federally. So, Mr. Speaker, let's not kid ourselves about that.

Mr. Speaker, they know what the people want but this is just try and make it political. They know what

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the people want, but they know that — (Interjection) — oh, we've got the laughing again, you see. They know that the people want change but not abolishment.

MR. SPEAKER: Order please, order please. Order please. The honourable member's time has expired. Are you ready for the question?

The Honourable Member for Inkster.

MR. D. SCOTT: Thank you, Mr. Speaker. If I could commence my comments by expressing some astonishment for some of the commentary and the diatribe we just heard from the Member for Sturgeon Creek in that he accused New Democrats of not wanting to be answerable to a second House - and he says that's right. Well, we don't, Mr. Speaker.

We want to be answerable to our electorate, to the people who elect. The people who elect governments to power are the people who we are supposed to be responsible to, not a Chamber of appointed political hacks who are appointed purely out of political patronage. Very very rarely have we had in the past any appointments to the Senate on a basis of ability rather than a basis of whether they were political bagmen in a certain province, what kind of contributions they have made to the party in the past, that they were members of Parliament who were troublesome, or that they wanted to get rid of so they could put in a new candidate in a new area, so they appoint him to the Senate before they call an election.

That is a sad reflection of the commentary, I fear, of the Conservative Party. I hope it's only the Member for Sturgeon Creek who thinks that members who are elected at large should be responsible to this second Chamber, this Chamber that's very illfully described as a Chamber of sober second thought. I am afraid we do not need the sober second thought of the Member for Sturgeon Creek; were he in an appointed Chamber through political appointments, as the old Legislative Council that was here and done away with in 1890, perhaps he would like to bring that back.

Mr. Speaker, we are talking, or there is a lot of debate about Senate Reform and the requirement for Senate Reform now throughout the country. We've had the Province of Alberta, who tried to keep some of its backbenchers busy, I guess, they don't have enough to do so they set up about eight of them to run around the country talking about the Senate from the perspective of the Government of Alberta. Maybe that's the way Peter Lougheed has of keeping his people occupied, because he certainly doesn't allow them to have a heck of a lot of input in the operation of the Government of Alberta, so he sends them off to study the Senate. — (Interjection) — Some of us would refuse appointments to such a board, I can assure you.

What is even more disturbing is that the Prime Minister, the Conservative Prime Minister of this country, stands up on his feet and grandstands about killing

the Senate, abolishing the Senate, and a couple of days later he appoints more people to the Senate. Now, on top of that, we had what I think was a Senate acting in a responsible way, exercising its powers under the Constitution, to delay the passage of a bill to spend money in a new fiscal year before the Government of Canada had even tabled its estimates so that they would know what they were going to be spending their money on.

Mr. Speaker, I find it incredible that they are to be rapped over the knuckles, threatened with abolition, by a Conservative Prime Minister, because they wanted to hold up the approval of something that they hadn't seen yet - and that I personally think the House of Commons made a mistake in passing - of an interim measure before the tabling of what the government wanted to spend its money on. The opposition here sure as heck would not allow us to complete our Interim Supply and pass Interim Supply before we have tabled our Estimates for the following year, once they have some idea where we want to spend our money on. But the Senate raps severely because it does what it has constitutionally required to do, one could say, at least it has the authority to do, to stop legislation. Then they want the threat of abolishing it. — (Interjection) — No I don't want those hacks and flacks to make the decisions, but personally, I want a major reform of the Senate.

I am not opposed to having a second Chamber, but I am very much opposed to have a second Chamber made up of hacks, flacks, and bagmen of major political parties who appoint people, especially until the age of 75. It used to be for life, at least it's now only 75, but I would suggest that if the Senate is to ever have any respect from the electorate at large, and the Canadian citizens, that the reform has to be there and that House has to be elected by a popular election at large.

Perhaps the worst possible thing that could ever happen is something that Conservatives in this country were advocating a couple of years ago, a House of the Provinces. I think Joe Clark was one of the first people to toss that up. What that would have been, Mr. Speaker, is nothing more than a chamber with a bunch of people appointed by the provinces to take the provincial message in the provincial provincialism to a federal House to try and disrupt the process of elected members of the House of Commons. That would have been the worst possible scenario, to have this so-called House of the Provinces - and I believe Alberta was one of the strong supporters of that a number of years ago, and I'm glad to see that they have changed their tune.

MR. SPEAKER: Order please. When this resolution is next before the House, the honourable member will have 15 minutes remaining.

The time being 5:30 p.m., I am leaving the Chair and the House will reconvene in committee this evening at 8 o'clock.