



Second Session - Thirty-Fifth Legislature
of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(HANSARD)**

40 Elizabeth II

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

LIB - Liberal; ND - New Democrat; PC - Progressive Conservative

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	LIB
ASHTON, Steve	Thompson	ND
BARRETT, Becky	Wellington	ND
CARR, James	Crescentwood	LIB
CARSTAIRS, Sharon	River Heights	LIB
CERILLI, Marianne	Radisson	ND
CHEEMA, Gulzar	The Maples	LIB
CHOMIAK, Dave	Kildonan	ND
CONNERY, Edward	Portage la Prairie	PC
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	ND
DOER, Gary	Concordia	ND
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	LIB
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Clif	Interlake	ND
EVANS, Leonard S.	Brandon East	ND
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	ND
GAUDRY, Neil	St. Boniface	LIB
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
HARPER, Elijah	Rupertsland	ND
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	ND
LAMOUREUX, Kevin	Inkster	LIB
LATHLIN, Oscar	The Pas	ND
LAURENDEAU, Marcel	St. Norbert	PC
MALOWAY, Jim	Elmwood	ND
MANNES, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	ND
McALPINE, Gerry	Sturgeon Creek	PC
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold, Hon.	Rossmere	PC
ORCHARD, Donald, Hon.	Pembina	PC
PENNER, Jack	Emerson	PC
PLOHMAN, John	Dauphin	ND
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	ND
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	ND
STEFANSON, Eric, Hon.	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	ND
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	ND
WOWCHUK, Rosann	Swan River	ND

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, June 18, 1991

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Mrs. Louise Dacquay (Chairman of Committees): The Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

I move, seconded by the honourable member for La Verendrye (Mr. Sveinson), that the report of the committee be received.

Motion agreed to.

TABLING OF REPORTS

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I would like to table a compendium of tax comparison statistics for across Canada.

INTRODUCTION OF BILLS

Bill 73—The Rural Development Bonds Act

Hon. James Downey (Minister of Rural Development): Mr. Speaker, I move, seconded by the Minister of Finance (Mr. Manness), that Bill 73, The Rural Development Bonds Act; Loi sur les obligations de développement rural, be introduced and that the same be now received and read a first time.

The honourable Administrator of the Government of Manitoba, having been advised of the contents of this bill, recommends it to the House.

I would like to table the message.

Motion agreed to.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, may I direct the attention of honourable members to the gallery, where we have with us this afternoon from the Riverheights School forty-five Grade 9 students, and they are under the direction of Judy Pilling. This

school is located in the constituency of the honourable Minister of Justice (Mr. McCrae).

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

ORAL QUESTION PERIOD

Manitoba Public Insurance Corporation Don Penny Appointment

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, Manitobans have had the message very clearly from the provincial government that this is one of the toughest places in North America to drink and drive. That is certainly a message that all members of this House support, and all members of this Chamber have supported action, initiatives and amendments to establish a very high standard dealing with drinking and driving in our legal system.

One of the hallmarks of that system is, of course, immediate consequences. It appeared to us to be rather a number of contradictions yesterday, when on the one hand we have immediate consequences for people charged with drinking and driving and we have contradictory action from the provincial government dealing with those people who are appointed to boards, a rather wait-and-see kind of attitude with those members.

Yesterday, the Premier (Mr. Filmon) in this Chamber stated he was not aware that Mr. Penny was facing charges for drinking and driving.

My question is to the Minister of Justice and Attorney General, the lead minister in Manitoba's efforts on drinking and driving. Why did he not inform cabinet at the June 5 meeting of the charges pending for Mr. Penny when the Order-in-Council was before the cabinet of the day dealing with the three-year term for Mr. Penny as chair of the Manitoba Public Insurance Corporation?

* (1335)

Hon. James McCrae (Minister of Justice and Attorney General): Mr. Speaker, there was no way that I could inform cabinet, because I was not aware.

I would appreciate it very much if the Leader of the Opposition would correct the record as I find it

in today's Winnipeg Sun, whereby the Leader of the Opposition very casually and cavalierly makes the allegation that I was.

Manitoba Public Insurance Corporation Don Penny Appointment

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, the Premier -(interjection)- Well, I will take the minister at his word.

Mr. Speaker, the Premier yesterday -(interjection)- Well, if the Premier thinks this is a defensible action where people charged with drinking and driving are extended for three years, I would ask the Premier, given the fact that the government had stated that this program is effectively delivering the message that drinking and driving in Manitoba is wrong, and drivers who ignore that basic rule will suffer immediate consequences, quote, unquote, from the Minister of Justice and Attorney General, March 26, 1990, and on May 11, 1989, if families of this province are to be protected, this message of drinking and driving that will not be tolerated must be unequivocal, does the Premier feel that the minister responsible for the Manitoba Public Insurance Corporation acted in a consistent manner in refusing to accept the resignation of the actual chair of Manitoba Public Insurance Corporation after the charges were laid while the Order-in-Council was being proposed to cabinet?

Hon. Gary Filmon (Premier): Mr. Speaker, I note that the member for Concordia refuses to apologize to the Minister of Justice for his misstatement. Once again we see him cavalierly throwing around information that is incorrect, putting it on the record to a reporter and then being confronted with the right answer, is reluctant to withdraw his allegation and to apologize for having done so. That is regrettable, but it speaks to the level of integrity that we are dealing with opposite.

The fact of the matter is that Mr. Penny, the chairman of the Manitoba Public Insurance Corporation, was given the right that he has, as a citizen in a democracy, in a free and democratic country, to have his case heard by the court. Having done that, he immediately, upon being found guilty, resigned, and his resignation was accepted immediately thereafter. That is the democratic system and the system of law in which we operate. He operated according to the letter of the law. He was presumed innocent until judged guilty, and he was dealt with immediately thereafter.

Mr. Doer: Mr. Speaker, we have a double standard going on in the Chamber of the Province of Manitoba—

Mr. Speaker: Order, please.

Mr. Filmon: The double standard is . . . develops things and not apologize.

Mr. Doer: The double standard is the Premier having a system where a person can be charged with drinking and driving and gets a three-year extension, and then the Premier tells the people of Manitoba he had no choice, he had to appoint the person for three years. That is the double standard.

Mr. Speaker, we suspend licences. We impound cars. All of this is done prior to a person having their case adjudicated in court. In the case of Mr. Penny, the individual offered his resignation. It was the government that refused to take it until it went to court.

Does the Premier not think that is sending a double message to Manitobans about his government's standards on drinking and driving?

* (1340)

Mr. Filmon: Mr. Speaker, Mr. Penny's licence was immediately suspended as the law calls for. There was no double standard. He was dealt with absolutely as the law provided. The minister, I am given to understand, told him in his discussion that, should he be found guilty, he would be removed as president, as chairman of MPIC. That was done. There is no double standard. Mr. Penny was dealt with in accordance with the law, in accordance with standard procedure and in accordance with our democratic society.

Health Care System - National Minister's Position

Ms. Judy Wasylycia-Lels (St. Johns): Mr. Speaker, over the past several days, the Minister of Health has been touting his Urban Hospital Council with its numerous working groups as a major vehicle for health care reform. We know that this is a behind-closed-doors approach that is not acceptable in this post-Meech era. It is a process that does not involve caregivers, nor is it open to the public.

Last night the secrecy that is the style of this minister continued with the Minister of Health refusing to tell the committee what position he is taking tomorrow to the federal-provincial Ministers

of Health meeting. Health care reform and the future of medicare belong on the public agenda. They are too important to be shrouded in secrecy.

I want to ask the minister if today he will agree to tell us what issues he is taking to that very critical meeting tomorrow? What position is he taking on behalf of the people of Manitoba?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, without the advantage of television cameras, that issue was discussed last evening and will be discussed again this afternoon. I look forward to my honourable friend's suggestions.

Bill C-20 Minister's Presentation

Ms. Judy Wasylycia-Lels (St. Johns): Mr. Speaker, last night it was revealed that the minister is leaving for a federal-provincial ministers' meeting of Health, and he does not even know about the federal legislation before the House of Commons now designed to preserve national standards in the face of a reduced—

Mr. Speaker: Order, please. This is not a time for debate. The honourable member for St. Johns, kindly put your question, please.

Ms. Wasylycia-Lels: Mr. Speaker, I would be prepared to share that legislation with the minister.

I want to ask him if he will familiarize himself with this legislation before he leaves tomorrow, and if he will commit himself to make a presentation to the committee dealing with Bill C-20 when it occurs this fall?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, this important federal-provincial meeting is a supper meeting with the Minister of Health at his request when social services ministers are meeting the next day. Some of them have joint responsibility of health and social development, so we are having a supper meeting.

I suspect, with the limited time that is available, we will not discuss a great number of detailed agenda items. We will get an understanding of where this federal minister might wish to take the health care system. That is important to Canadians. That is important to Manitobans. I indicated I would share those thoughts with my honourable friend Thursday upon my return.

Ms. Wasylycia-Lels: Manitobans can get no comfort in knowing this government is fighting to preserve medicare.

Health Care System Ward Closures

Ms. Judy Wasylycia-Lels (St. Johns): Mr. Speaker, on a third question to the minister. Information on hospital ward closures continues to dribble out. More and more information is coming forward.

I would like to ask the Minister of Health if he will stop this trickling out of information as has happened over the past number of days on deinsurance and give us the full list of wards to be closed beyond the usual closed date in the summer?

* (1345)

Hon. Donald Orchard (Minister of Health): Mr. Speaker, that is a hypothetical situation, another rumour my honourable friend is bringing forward. Should any of the hospitals make the decision as Seven Oaks made the decision, I will provide as much information as I have to the House.

Mr. Speaker, let us not forget that the issue of the decision within Seven Oaks Hospital was a win-win for the patients and the taxpayer, something my honourable friend refuses to acknowledge and admit and consists in her fearmongering attacks on the Urban Hospital Council and those professional members of that council, much to her discredit, much to her lack of knowledge of the health care system.

Communications Officers Specialists

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, my question is to the Premier.

The Minister of Labour (Mr. Praznik) said today that the reason why they had to hire additional communicators was because they did not have specialists.

Would the Premier like to tell us today which departments laid off their specialists, kept their generalists, in order that the government would then have to hire new specialists?

Hon. Gary Filmon (Premier): Mr. Speaker, the question that the member asks has to do with a very large reduction in staffing that has taken place in the

communication section and also a restructuring, so as to see the work that was formerly done under the New Democrats by about 200 people now being done by just something over 50 people.

In order to do that, Mr. Speaker, we had to have an entirely different structure. Instead of a whole army of generalists who were out there in every single department following after the minister's coattails and all of those things, polishing apples as the member for Concordia (Mr. Doer) said when he was president of the MGEA, we now have units of people who service a group of departments, a centralized structure in which there are people who are writers, primarily speech writers, as a specialist. There are people who are publication writers, who look after the monthly magazines and reports that come out of every department, and others who deal with purchase of media and other specialized functions.

In every case, we are dealing with people who are specialists in a particular area who, together, form a unit that serves a group of departments, a much more efficient structure in our judgment, a better management structure, and that is what we have replaced this overall group of about 200 generalists with, networks of specialists serving departments.

Mrs. Carstairs: Mr. Speaker, on June 11, 1991, I specifically asked a question to the Minister of Agriculture (Mr. Findlay) in Estimates about the communicators of that particular department and their transfer because I was concerned, and I think he, too, was concerned, that we still have specialists in Agriculture intimately knowledgeable about farming and rural life so that they could continue to write press releases which were relevant to rural and farming communities. He explained very carefully that they had in fact been transferred.

Now, would the First Minister tell us today which departments did not do what the Minister of Agriculture obviously did, which was to ensure that there were specialists who were going to be in this new co-ordinated department?

Mr. Filmon: Mr. Speaker, the groupings in a management network serve a group of departments, so amongst this grouping of people, that includes specialists for speech writing and other writing, specialists for doing the publications. The group that serves Agriculture will include people who are knowledgeable about agriculture. Very simply, these people will be able to serve Agriculture

and the other departments of similar and like function with the range of services that they need, as a network of people who are experts in these particular areas.

They will have not only expertise in writing, not only expertise in publication, not only expertise in media areas, but they will have people who are knowledgeable about agriculture so that indeed they can contribute to the needs of the department with their communications function. It is very straightforward. The same thing is true that the people who might be serving, for instance, Industry, Trade and Tourism will have some expertise in those areas as part of the qualifications that they need to provide that service.

* (1350)

Layoff Justification

Mrs. Sharon Carstairs (Leader of the Second Opposition): With a final supplementary to the Premier: If indeed they had a pool of 200 talented people, why is it now necessary to find new people outside of those 200, because those 200 also had the expertise needed in every single communications field? Why is it necessary to have laid them all off and now to have opened up the competition for new people and not rehire those presently with those skills?

Hon. Gary Filmon (Premier): Mr. Speaker, the member does not seem to be aware that we have reduced considerably the number of people involved from, as I said, back a number of years ago when we took office, some 200 people down to something between 50 and 60 people. In the most recent reductions, all of the people who were laid off were given the opportunity to go on a redeployment list. We did not go after new people. In fact, all of the people on the redeployment list were given the first opportunity. In fact, they were given a notice that was sent to them, I believe, about seven days ahead of the time that this matter was publicized.

It is called: Advance Notice of Career Opportunities. The following vacant positions are now available to persons on the redeployment list.

Those people on the redeployment list were given first opportunity. Indeed, in the particular circumstances that we are speaking of, with respect to communication, 12 employees who were in communications positions previously remain currently on the redeployment list. The remainder

have already been reassigned or have selected a severance package.

The government representatives met with the union on May 30 to discuss the procedure to be used to fill the new positions in the consolidated communications unit. Those on the redeployment list all received advanced notice of the new positions. Notices were couriered to employees' homes—

Mr. Speaker: Order, please. I would remind the honourable First Minister that answers to questions should be as brief as possible.

Bill 38 Amendments

Ms. Marianne CerlIII (Radlsson): Mr. Speaker, the committee hearings on Bill 38 will continue tonight. We have some concerns about those hearings. The Minister of Natural Resources' (Mr. Enns) refusal to take seriously the public hearing process on Bill 38 is reminiscent of the Mulroney government's attitude to the Meech Lake Accord when the Prime Minister said that no "r" would be undotted and no "t" would be uncrossed.

I would ask the Premier of the province, what will he do to assure the House and the people of Manitoba that the democratic process will be respected and amendments will be allowed and considered for Bill 38?

Hon. Gary Filmon (Premier): Mr. Speaker, we are one of the few jurisdictions in North America that has a public hearing process mandatory as part of the passage of any legislation in this province, so after second reading, we have the public hearings that are taking place now.

I can assure her, as a newcomer, it is her democratic right to put forth amendments at that committee. Those amendments will indeed be put forth. If they are judged by the Chair of the committee to be in order, they will then be dealt with, discussed openly, completely and democratically. A vote will take place, and the majority on that committee will decide whether or not those amendments are passed. That is the way the democratic process works. I invite her as a newcomer to participate in democracy. Instead of spouting off Karl Marx's theory, participate in the democracy, put forth the amendments and then vote on them.

Ms. CerlIII: Mr. Speaker, I was there last Thursday night. I invite the Premier to join us tonight.

Ducks Unlimited Headquarters Infrastructure Costs

Ms. Marianne CerlIII (Radlsson): Mr. Speaker, it appears from the Ducks Unlimited contract with this government that there will be extra costs incurred with this project. When this issue was raised on Thursday evening, the municipal councillor for the area said those costs would be covered by Harry, the Minister of Natural Resources.

I would ask the Minister of Natural Resources if he could indicate to the House the costs of the additional roads and infrastructures that taxpayers of Manitoba will be paying for the Oak Hammock Marsh project.

Hon. Harry Enns (Minister of Natural Resources): Mr. Speaker, let me with some urgency assure the honourable member that any additional costs will not be met by Harry. My budget will not allow that.

The councillor representing the unanimous opinion of the R.M. of Rockwood indicated that there had been some discussion with respect to road improvement to a provincial road that is currently servicing the some 85,000 visitors to the marsh. I assume that that, in conjunction with the normal programming of the Department of Highways and Transportation, will take place.

Ms. CerlIII: Mr. Speaker, I think the words of the councillor presenting at the hearings were that Harry would take care of it.

Oak Hammock Marsh Interpretive Centre Costs

Ms. Marianne CerlIII (Radlsson): My final supplementary for the same minister is: What is the total amount of taxpayers' money going to the interpretive complex at Oak Hammock Marsh?

* (1355)

Hon. Harry Enns (Minister of Natural Resources): Mr. Speaker, the total one-time-only grant from the provincial government through the Department of Natural Resources is a one-time \$250,000 capital grant. There is a schedule for additional payments contained in the contract, ranging from \$150,000 to \$175,000, which are in fact part of the first year's operating costs, our share of the interpretive centre. I indicated to the

honourable member that I would be pleased to table the information with respect to the federal government through its Western Diversification program grants. I do not have that full information with me, but I will certainly have it for her and other committee members when the committee meets this evening.

Bill 70 Legal Opinion Request

Mr. Steve Ashton (Thompson): Mr. Speaker, the more that people in Manitoba get to see Bill 70, the more concern and confusion there is in regard to some of the very Draconian provisions in this bill.

The Finance minister says this does not cover the private sector, and yet sections of this act could clearly be extended to private sector workers, particularly those in the private sector dealing with the public sector.

I want to ask the Finance minister, since he says he has a legal opinion to that effect, will he table that legal opinion and will he go further and bring in amendments or support amendments that we will bring in to ensure that this very Draconian act does not in fact apply to private sector workers? Would he put effect to his words saying that will not be the case?

Hon. Clayton Manness (Government House Leader): Mr. Speaker, I missed the last part of the question. I would deal with the first part on tabling. I think it was a request to table a legal opinion. I am sending a letter today to Susan Hart-Kulbaba and providing a legal opinion.

I am reminded by the Minister of Justice (Mr. McCrae) that generally we do not like to make public legal opinions. That is generally the case, indeed was the case in the former government. Let me say, Mr. Speaker, in this case, seeing I am sending it outside of the building, I will do so, and I will table that tomorrow.

One-Year Freeze

Mr. Steve Ashton (Thompson): Mr. Speaker, the second part of my question was as to whether the minister would bring in amendments to make it very clear, because this bill was not something that could be judged by the words of this government, since we have seen they have broken that in terms of collective bargaining—if the minister wishes to answer that?

I also have a subsequent question. There is a great deal of confusion, Mr. Speaker, amongst individuals who are bargaining for contracts for what would have been the second and third year of upcoming contracts. There is no clear word from this government, and I want to ask this First Minister: Is this a one-year freeze? Are these people negotiating these contracts able now to bargain for upcoming years, and if not, what message does the Finance minister have to the many thousands of Manitobans who are waiting for a clear message from this government about the extent of this legislation?

* (1400)

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I do not believe that anybody could make a message any clearer than we did with respect to Bill 70. We clearly indicated that there was a one-year freeze in effect. We also clearly indicated that those groups that would like to begin to negotiate in the collective bargaining sense, a period of time beyond the one-year freeze, that they were right and free to do so. That is the process that we envisage.

In the sense of the Manitoba Government Employees' Association, we would think that, starting this fall, September or later, negotiations would again be addressed towards the 1991-92 fiscal year. We would think that, under negotiations, that would occur.

Mr. Ashton: Mr. Speaker, the act says very clearly that this act can be in place until December 31, 1992, and says very clearly that regulations can be enacted and any contract up to that point.

I want to ask the minister again to get it very clear and on the record. Is he saying that there will be no extension of this freeze beyond the current one year? If that is the case, why does he not remove the open-ended clauses in Bill 70 that would allow him to do that?

Mr. Manness: Mr. Speaker, I will clearly indicate for the record that with respect to any individual group—and to use the member's example, or I will use my example, the MGEA—the application of Bill 70 will be for one 12-month period, as it will for any group that is designated within the bill right now or that may be designated in due course. The application is for 12 months to any one group, one time.

Racism Investigation Telephone Messages

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, my question is for the MTS minister.

The Ku Klux Klan remains alive and well and continues to spread its hate propaganda throughout the province. The KKK in Manitoba has again changed the message on its answering machine, and I would like to table a transcript of the message that they have on the answering machine.

My question to the minister is: What action can he take to end this kind of material being available at the end of telephones?

Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act): Mr. Speaker, it is indeed regrettable that individuals put this kind of message on a telephone machine. We have checked the telephone tariff, and there is no legal basis upon which we can do anything.

We have asked for legal advice within the Telephone System and outside the Telephone System, and the message is clear. There is no law being violated by the actions that this person is undertaking, although we regret very much that these actions are happening.

Racism Investigation Telephone Messages

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, my question is for the Minister of Justice.

On May 13, the Minister of Justice told this House that the minister for MTS would be providing him with a report about the whole issue. Has the Minister of Justice received the report? If so, can he tell us what actions will come about as a result?

Hon. James McCrae (Minister of Justice and Attorney General): The messages to which the honourable member refers and the nature of those messages is repugnant to this particular government. We have reviewed the messages with a view to determining what rights we, as a government, or the Manitoba Telephone System have with regard to trying to curtail this kind of activity. The messages themselves, we have been advised, are not of the nature that we are able to keep off the telephone lines.

Mr. Lamoureux: We are concerned that the government's actions have been very lacking. On numerous occasions, we have brought up the whole

question of racism on the telephone and so forth, and the government has failed to take actions.

I would ask the Minister of Justice if he would review the message to see if Section 318 of the Criminal Code applying to hate propaganda would apply in this particular instance?

Mr. McCrae: Indeed, reread Section 318, Mr. Speaker, as the honourable member has asked, but it really is strange to me that the Liberal Party represented by this honourable member would talk about a government showing a lack of progress in trying to do something about these kinds of messages. This is the same party that stands on their hind legs every time they get a chance to talk about the rights of individuals and the rights of freedom of expression, and it is not all that long ago, the rights of impaired drivers in this province to do the damage that they do.

I am telling you, we get mixed messages from that party every time they get to their feet. It is very, very hard to understand where the Liberal Party is coming from on any issue.

Feed Analysis Lab Privatization

Mr. John Plohman (Dauphin): Mr. Speaker, the Minister of Agriculture and this government have embarked upon a selective privatization scheme, it seems, to privatize government operations not based on the cost savings to the taxpayer but on those areas where their friends in the private sector can make the most lucrative profits. They privatized the AI Centre which was making a profit. They have identified the feed lab and the drug centre for privatization, even though they cost the taxpayers virtually nothing and provide a tremendous service to the scientific and, most of all, the farm community. -(interjection)- They may make a profit. We will determine that in Estimates yet.

Could the minister advise this House why he said yesterday in Estimates that the private sector could do a better job and offer a more efficient service than the government feed analysis lab currently in operation when he knows very well that it is one of the most efficient and accurate labs, if not the most efficient in western Canada?

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, the feed lab, the soils lab, the drug lab and the semen distribution centre have all been put up for privatization by this government, because we

have had a continuous lobby from the users of those services, the farmers, that they would like to see them in the hands of a private supplier of the services. They see it as an unnecessary use of taxpayers' money to subsidize the operation.

The member used the word profitable. We went over it in Estimates yesterday. The most optimistic scenario with the feed lab would show they will be getting 76 percent recovery, not including the cost for management, for space, for utilities or for overhead, so clearly, the figure is something less than that.

Mr. Speaker, the farm community has lobbied for this. They believe the service can be supplied the same in this province as in other provinces. I can guarantee you, the farmers will continue to get the services in all four of those areas and probably done at a better process in terms of the farmers being happier with the service at the end of the day. Many farmers are going outside the province for those services today because they see that there are better services outside than inside.

Mr. Plohman: The minister continues to mislead this House, because yesterday, and again he repeated, he did not provide the information that in 1991 it was 90 percent-plus in terms of cost recovery. This minister refused to provide this to the House.

I ask this minister: In view of the fact that less than a year ago the minister took part in honouring the staff of the feed analysis lab—and I have his news release and even a picture that he took with the staff just 10 months ago, Mr. Speaker, along with the Association of Official Analytical Chemists who selected the government lab for outstanding achievement and service to producers and professionalism—why is this minister now privatizing this same lab and firing and transferring those same people that he took part in honouring only 10 months ago?

Mr. Findlay: Mr. Speaker, the staff were recognized as doing a technically good service by their peers across the country. We are in the process of moving the delivery of that unit into other hands. It may well be exactly the same staff who will be delivering the service and administered by other hands. I expect that will be the case.

Staffing

Mr. John Plohman (Dauphin): Why does the minister not tell the truth in this House? He knows very well—

Point of Order

Mr. Speaker: Order, please. I would ask the honourable member for Dauphin to withdraw that remark.

Mr. Plohman: I will withdraw that, Mr. Speaker.

Mr. Speaker: I would like to thank the honourable member for Dauphin.

* * *

Mr. Plohman: How can this minister say that it could very well be the same staff when he knows he has already transferred one of those staff and fired one of those effective August 19? Come straighten with this House—

Mr. Speaker: Order, please. The question is put.

*(1410)

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, the department is in a process right now of receiving proposals—(interjection)—I am really disappointed that that member, after all the discussion we had yesterday—and he used that 90 percent figure yesterday. It was not verified by any information staff, and they said we will get the information for him today. He still wants to mislead the House by using those figures.

Mr. Speaker, the staff of the Department of Agriculture is going through a process of trying to be able to find—

Mr. Speaker: Order, please.

Point of Order

Mr. Steve Ashton (Opposition House Leader): I am wondering if we might have some order from members from the seat, particularly the government House leader who has been yelling comments across the way which might be considered unparliamentary by some. Certainly, given his own comments to some of our members from his seat, I would ask that you call him to order.

Mr. Speaker: Order, please.

Trucking Industry Impact of Deregulation

Mr. Daryl Reid (Transcona): Mr. Speaker, since the federal Conservative government introduced deregulation and free trade, the trucking industry has been in a fight for survival in this province and in Canada in general. Recently, it was reported that only one or two of Canada's national trucking companies are likely to survive the federal government's policy of deregulating the industry.

What steps is the Minister of Highways and Transportation taking to address the concerns of the trucking industry of this province and, more specifically, the plight of the owner-operators?

Hon. Albert Driedger (Minister of Highways and Transportation): Mr. Speaker, let me first of all indicate to the member that it was the previous Minister of Highways and Transportation who signed the Memorandum of Understanding to go along with deregulation. That member over there is the one who signed the agreement. The federal legislation allowed for five years to deregulate. Manitoba is the only province that is using the full five years possible to deregulate, and further to that, we also have established a committee to look after—the chairman of the Motor Transport Board is heading a committee looking after the owner-operator situation.

Mr. Speaker, I would also like to indicate that this province has shown leadership toward the owner-operators far more than any other province has, and as a result, we have not had the demonstrations in this province that other provinces have had.

Mr. Reid: Considering that the owner-operators are now responsible for nearly 60 percent of the trucking traffic and that the special task force the minister talks about, studying trucking, received in March of this year a report from the owner-operators titled, *The Ethical and Responsible Trucking Code*, what steps is this minister taking to ensure that the owner-operators of this industry are protected by regulations under law?

Mr. Driedger: Mr. Speaker, the federal government has undertaken eight studies to deal with owner-operators. My chairman has undertaken a study for the owner-operators and is presently, I believe this week, in Ontario, meeting with the federal counterparts in terms of bringing forward the concerns that they established for the

owner-operators for not only Manitoba but all of Canada.

Mr. Reid: When will this Minister of Highways and Transportation have his department undertake a comprehensive impact study of the effects of deregulation on this province as was provided in the original agreement, or is he afraid to find out that the federal Tory policy is a dismal failure?

Mr. Driedger: Mr. Speaker, I have some difficulty with the question, the way it was put, because we have followed along the same terms of the reference that basically was established by the previous administration. That legislation is over January 1 of 1993. At that time, the legislation makes for a provision to have it reviewed and see what next step should be taken. Once the legislation has expired, that is where the provision is for a study to be undertaken.

Crown Corporations Council Conawapa Dam Project Review

Mr. James Carr (Crescentwood): Mr. Speaker, the government of Manitoba approved the Conawapa dam project because Manitoba Hydro convinced them of our own need for that power by the year 2000. The same argument was used by Manitoba Hydro before the Public Utilities Board, and the same argument was used and accepted by the Crown Corporations Council.

I quote from the council's report: council accepts the PUB's conclusion that the export sale is not the primary factor requiring the building of the Conawapa Generating Station. Rather, the future power needs of Manitobans is the principal factor.

My question is to the minister responsible for the Crown Corporations Council. Since the council gave its blessing to Conawapa based on information already badly out of date, will the minister ask the council to try it again, this time with the more current information at its disposal?

Hon. Clayton Manness (Minister responsible for the administration of The Crown Corporations Accountability Act): Mr. Speaker, let us put some facts on the record. As the Minister of Energy and Mines (Mr. Neufeld) said in the House a week and a half ago, certainly the government and the Crown Corporations Council will be watching the final forecasted load demand growths that are going to be, I understand, coming forward some time in the summer months. After those numbers have come

forward, then obviously everybody will be in a better position to respond, including the Crown Corporations Council.

Standing Committee Review

Mr. James Carr (Crescentwood): Mr. Speaker, the Crown Corporations Council was established on June 5, 1989, and has not once appeared in front of a legislative committee so that members of this House would have an opportunity to question them. In particular, they have the mandate to review Manitoba Hydro's capital plans, yet no one from this Legislature has had a chance to question them on a very thinly researched document that affects \$6 billion of expenditure by Manitobans. When will the Crown Corporations Council be called to account in front of a committee of this House?

Hon. Clayton Manness (Minister responsible for the administration of The Crown Corporations Accountability Act): Mr. Speaker, two points, I committed to the member about 10 days ago that the Crown Corporations Council would be called before a standing committee of this House during this session. I was hoping that could occur towards the middle of June. It looks like now we will have to defer that until the beginning of July.

Furthermore, at no time—when the member makes comment as to the report, he calls it thinly worded I believe, Mr. Speaker. It never was the mandate that Crown Corporations Council go into the same depth of analysis as indeed the Public Utilities Board did. The Crown Corporations Council was in attendance during the representation of Hydro on the capital plan to the Public Utilities Board. That was the process put into place, and it has been followed. It never was the intention that Crown Corporations Council should go through the same detailed analysis as the Public Utilities Board.

Mr. Speaker: Time for Oral Questions has expired.

Committee Change

Mr. Edward Helwer (Gimli): Mr. Speaker, I would like to make some changes to a committee.

I move, seconded by the member for St. Vital (Mrs. Render), that the composition of the Standing Committee on Public Utilities and Natural Resources be amended as follows: the member for Lac du Bonnet (Mr. Praznik) for the member for Ste. Rose du Lac (Mr. Cummings).

Mr. Speaker: Agreed? Agreed and so ordered.

ORDERS OF THE DAY

Hon. Clayton Manness (Government House Leader): Mr. Speaker, I move, seconded by the Minister of Justice—before I do, I would ask the members whether or not there is a disposition to waive private members' hour?

Mr. Speaker: Is it the will of the House to waive private members' hour? Is there leave?

An Honourable Member: No.

Mr. Speaker: No, leave is denied.

Mr. Manness: Mr. Speaker, I know I do not have to ask for leave of the House, but I wonder if they might give me leave that we can dispose of Bill 5.

An Honourable Member: No.

Mr. Manness: Well, the minister is not going to speak to it. He is just going to refer it to committee. I wonder if there is a—we will wait then, Mr. Speaker, tomorrow for bill day.

Mr. Speaker, I would then, seconded by the Minister of Justice and Attorney General (Mr. McCrae), move that Mr. Speaker do now leave the Chair and the House resolve itself into committee to consider of the Supply to be granted to Her Majesty.

Motion agreed to, and the House resolved itself into a committee to consider of the Supply to be granted to Her Majesty with the honourable member for St. Norbert (Mr. Laurendeau) in the Chair for the Department of Health; and the honourable member for Seine River (Mrs. Dacquay) in the Chair for the Department of Agriculture.

* (1420)

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY—HEALTH

The Acting Chairman (Mr. Jack Reimer): Will the Committee of Supply please come to order. This afternoon this section of the Committee of Supply meeting in Room 255 will resume consideration of the Estimates of the Department of Health.

When the committee last sat, it had been considering item 1.(c) Program Evaluation and Comprehensive Audit Secretariat: (1) Salaries on page 83 of the Estimates book and on page 24 of the Supplementary Information book. Shall this item pass?

Mr. Gulzar Cheema (The Maples): Mr. Acting Chairperson, as we left last night, I was raising the

issue raised by the member from St. Johns (Ms. Wasylycia-Leis) regarding the ministers' meeting which is tomorrow—a supper meeting.

As I said, basically, the first question is: Are you going to have national standards? Secondly, how are you going to fund the programs to support those national standards?

I would like the minister to give us some ideas about his government's policy, given that I think it was last year when the western Premiers met and were thinking of taking over some of the social programs. Does the minister agree with that kind of statement to taking over the health care needs of each and every province?

Hon. Donald Orchard (Minister of Health): Mr. Acting Chairman, we already have that responsibility.

Mr. Cheema: Mr. Acting Chairperson, I am not simply talking about responsibility. I am talking about the financial aspect, the total financial funding of health care system. Is the minister saying they are willing to take that responsibility?

Mr. Orchard: Mr. Acting Chairman, that was not my honourable friend's original question. He said: Are we going to take responsibility for the provision of health care?

That is exactly what we do. What we have is an arrangement with the federal government whereby their contribution financially towards carrying out that provincial responsibility of program delivery has been diminishing. That is an issue that has concerned all of us and continues to concern all of us.

Mr. Cheema: Mr. Acting Chairperson, when I was asking the issue of responsibility, I meant financial responsibility. Is the ministers willing to specify again: Is the province willing to take the full responsibility for health care?

Mr. Orchard: Mr. Acting Chairman, of course not. We have always said that the federal government has a legitimate role as the national government in an assurance of the fundamental principles, Canada Health Act, to help provinces in the delivery of same. With few exceptions, the provinces do not have the financial capacity to carry the system on their own.

Mr. Cheema: Mr. Acting Chairperson, that makes my point because when the minister is saying that it is not their policy to take the financial responsibility

for health care, and then the federal government as of 1975, as most of the governments have done it that way—they have tried to shrink from the responsibility, and with the present formal structure, it is going to be very difficult eventually to maintain national health standards.

I am asking the Minister of Health (Mr. Orchard) what kind of special plans he has for tomorrow's meeting and how he is going to convince the federal Minister of Health that the government of Manitoba is serious. If the federal government wants to reinforce the Canada Health Act in the present form and wants to maintain the health standards from coast to coast and make sure that the poorer provinces can afford that kind of system, is the minister willing to table his plan of action here today?

Mr. Orchard: I am sorry, I think I understand my honourable friend's question as to the funding of the health care system given that there has been a 15-year trend of declining involvement by the federal government. That has been exacerbated by decisions to extend a capping and a freeze. Naturally, we are concerned about that. Those decisions are ones made unilaterally by the federal government, have been subject of discussion for over two years, and will continue to be subject of discussion.

What I want to indicate to my honourable friend from St. Johns (Ms. Wasylycia-Leis), as I started to indicate, this is not a meeting at which it is anticipated, at least by myself, because I am certainly not made aware of the agenda that this would be the case. This is a meeting of attempting to meet a new Minister of Health. It is, in my estimation, an extension from the federal government of a demonstration of good will, that they want to get on with resolving issues around health care.

Without pointing fingers, I think that is a most refreshing invitation from the federal minister, to invite provincial, territorial counterparts to a supper meeting to discuss, in general terms, some of the challenges facing all governments, provincial, territorial and federal, in terms of funding our health care system.

* (1440)

In terms of coming to decision making, I think that would be highly unlikely at this meeting because it is a supper meeting, duration of several hours. We do not have staff there; we do not have a formal

agenda in terms of issues to be discussed. I think that, if what I sense from discussions I have had with others on the topic, we may well be dealing with a minister who is open to listen, to listening to suggestions, reasoned discussions and positive and constructive criticism from the provincial governments.

If that is the case, then I think the opportunity might exist—notice how I say, might exist—of resolving some of the funding issues that are swirling around health care right now, with commentary ranging from A to Z as to their impact on the system, but clearly, the net effect being that the federal government, by its actions of the last several budgets, commenced under the previous administration—not now to this current federal administration but commenced under the Trudeau years—is intent on transferring financial responsibility, in part, to the provinces. It is the question of whether “in part” becomes “whole” that I think all provinces are wishing to seek as much information as we can get from the federal government as to what their future goals and directions are.

Mr. Cheema: Mr. Acting Chairperson, so it is fair to say that this is going to be just a very formal get-together just for a couple of hours over supper, eight to 10 ministers at a meeting. Some of the ministers there are very new. I do not see a major, really, point of publicizing such a meeting when the minister's staff is not going to be there, they do not have a formal agenda.

The minister is new, and the record of the new minister is not very good on health care. He has made few statements in terms of some of the services, patients should be paying for some of the services. I think all those things do not really reflect that this minister is going to be different than the other ones. Simply having a supper hour meeting is not going to solve the health care of this country. I think there have to be definite plans, and we will still see what the minister has to say when he comes back on Thursday, but as far as the history of the federal government is concerned, I do not think anything is going to change. I want the minister to know that we are concerned, that there has to be—if the federal government is going to have a national standard, then how are they going to fund? Those things have to be resolved. Whether there are other formulas, something has to be done. I think, as the minister said, as of 1975, things started declining

and the government gave up the power to negotiate, but still kept their promise to maintain the health standard. You cannot have both ways and not pay for your services, as the federal government was supposed to pay, and they are shrinking from the responsibility.

I think, in a way, they have done everything possible to dismantle some of the very important social services in this country. Health services is one of them. I am hopeful, even though it does not look very good, that there could be a positive outcome from this meeting.

Ms. Judy Wasylycia-Lels (St. Johns): Mr. Acting Chairperson, I would like to pursue this issue as well. Further to last night, I am growing increasingly concerned by the minister's evasiveness around this meeting and the secrecy and the stonewalling that seem to persist into this area that we have seen in all other issues before us since the start of these Estimates. I am afraid that the only kind of conclusion we can make from all of this evasiveness and secrecy and stonewalling is one of complicity with the federal government on this agenda of disentanglement, dismantling medicare and erosion of our long-standing medicare system.

I do not know why the minister cannot be a little more straightforward with us on the question of this very critical meeting that is happening tomorrow. It does not matter if it is one hour or two hours or four hours, it is a meeting expressly called by the federal Minister of Health to deal with the issue of federal financing and alternatives to the decision made by the federal government to get out of medicare financing altogether.

That has been stated over and over again. It was spelled out in a telex to this Minister of Health (Mr. Orchard) from the federal Minister of Health, Benoit Bouchard, in the second week of May, when Benoit Bouchard specifically said, I look forward to your collaboration on issues of federal-provincial territorial concern in the health and social services sector.

That was repeated in a letter to our Minister of Health from the Honourable Benoit Bouchard on May 31, where he clearly says, it would help me to have the benefit of your views on the pressures which bear upon the financing and operation of the Canadian health system.

There is nothing vague about this meeting. It is called specifically to deal with an issue. It is a timely

meeting. We have no quarrels with the need for this kind of meeting. We have been calling for federal-provincial action on these matters for a long time, and I think it is incumbent upon this minister to tell the people of Manitoba what his plans are, what his strategies are, what the issues are for him, what position he is taking to that meeting as a result of the explicit request from the Honourable Benoit Bouchard for this government and this minister's position and strategies vis-a-vis financing and operation of the Canadian health care system.

I would ask the minister again if he would be so decent as to share with us the issues he is taking to that meeting, so we can have the necessary open dialogue that is so critical for the future of medicare.

Mr. Orchard: Mr. Acting Chairman, I realize from time to time my honourable friend in the New Democratic Party has to, in her exaggerated rhetoric, try to create an issue where one does not exist

You know, reflect if you will upon the more recent statements of my honourable friend the member for The Maples (Mr. Cheema) where he indicated quite clearly that a supper meeting may not be an opportunity to solve all the problems of the health care system. I think that demonstrates a better understanding of the challenges than the rhetorical outburst of my honourable friend from St. Johns (Ms. Wasylycia-Leis), who talks about stonewalling, hidden agenda, all of the vernacular that I have listened to for 14 years coming from the NDP.

The NDP thrives on the fear campaign of the people, and they try to make the case that only the NDP can save social programs, that only the NDP cares about people. I have pointed out to my honourable friend on many occasions, and I am going to point out to my honourable friend today, and I know she does not like listening to this, because she was part of the problem—not part of the solution, but part of the problem.

* (1450)

We would not be arguing in Manitoba about declining federal government contribution to health and higher education if we had \$470 million of additional interest that we are paying on Howard Pawley's and the member for St. Johns' debt while in government six and a half short years, driven by \$500 million dollar deficits and larger year in and year out.

That \$470 million that we are paying in interest to investors in Zurich, in Japan and New York and elsewhere would fund our health care system, our education system, our roads, every other program of government, but we do not have it because of the wrong-headed approach of the NDP, emulated by their cohorts in Ontario, who are going into a \$9 billion deficit to harness future generations and strap their ability to manage the system by paying money to interest rather than program costs.

Now, we would not have even the need for a meeting with the federal government if the NDP had not squandered our financial future in six and a half short years, compliments of this individual as a part of the Howard Pawley government. Given that background, and we have a similar background in the legacy at the federal government level, because we are paying more in interest costs than ever before in the federal government, which is taking away their ability to provide provinces with program money, because when you spend beyond your means in government, it catches up to you.

Ask the people of any country in Central and South America. Ask the people of the Baltic States if they can spend their way and deficit finance their way to prosperity. Of course, you cannot.

That has left us with a problem of managing the health care system. It is exacerbated by the fact that the federal government has capped their contributions to health care. We have indicated consistently, clearly, contrary to my honourable friend and her wild rhetoric, which serves the purposes of fearmongering a la NDP, but not resolution of problems, that we are committed to retaining Canada's social safety net, and we are objecting to the federal government's, Ottawa's practice of offloading program costs to the provinces. We believe that is a threat not only to the social safety net programs, including health care, but a threat to national unity, a far greater threat to national unity, if I can offer my humble personal opinion, than Quebec separation.

Unless you have an economic ability of the country to afford the programs you are delivering, unless you have a private sector generating the tax wealth to afford what you are delivering and what the expectations of people are—you cannot forever go to the money markets and borrow your way to prosperity as the NDP seem to believe you can do—you have a problem, and it is driven by the

economic chaos given to Canada by Trudeau and given to Manitoba by Howard Pawley and the NDP.

We are working and managing our way through that in a very effective way, not with any help whatsoever from the NDP and their fearmongering, but I do not expect them to change. Is that a clear enough position for my honourable friend?

Ms. Wasylycia-Lels: Mr. Acting Chairperson, I would certainly rather be raising the concerns of the future of medicare than sitting idly by as the Minister of Health is doing and has been doing for the past several years, while the information has been brought to our attention that federal cash transfer payments are declining to the point where they will disappear around the turn of the century. These are not NDP figures. These are statistics, data, recognized by the minister's own Leader, the Premier of this province.

The Minister of Finance (Mr. Manness) made very straightforward, clear statements in the budget speech and the Speech from the Throne about the critical situation that Manitoba and other provinces are facing as a result of the fact that Ottawa and federal financing will no longer be the case in a few short years.

Mr. Acting Chairperson, we would expect, if that rhetoric means anything, if those statements mean anything, to see some action to back them up. The Minister of Health (Mr. Orchard) refuses to give us any specifics in terms of this government's plan to fight Ottawa, to oppose the federal cutbacks and to defend medicare.

We want more than rhetoric, yes, Mr. Acting Chairperson. I do not think it is too much to ask for some specific position or issues that the minister is taking to his meeting tomorrow. That is a reasonable request. I also believe, we believe, that the people of Manitoba should be kept informed as to the government's thinking on this issue, so that they can participate in the debate, so that there can be a full and open dialogue around such a critical issue.

Mr. Acting Chairperson, the Speech from the Throne and the budget speech all talked about action. None of those steps have been taken. They talked about consulting with concerned individuals and health care organizations in the province of Manitoba. There has been no such consultation, no meeting, no public hearing process. Those documents also called and outlined action

being taken by this government in the form of court challenges. There have been no court challenges. There have been no legal cases made.

Now we have learned that the Minister of Health is not even aware that Bill C-20 has been before the House of Commons. It is being debated today, has been debated over the past number of days and will be heading to committee stage this fall. I would have hoped that the minister knew about Bill C-20 by now. I would have hoped that he had prepared a case in terms of Bill C-20. I would have hoped he had received some legal advice from his colleague, the Minister of Justice (Mr. McCrae), about the constitutionality of Bill C-20 or the provisions within that legislation which deal specifically with the ability of the federal government to apply conditions to preserve health care standards.

I want to ask the Minister of Health if he would like a copy of Bill C-20, if he has not yet received one, and if he can tell us if he will be able to get some legal interpretation, even if it is some preliminary comments from his colleague the Minister of Justice about the constitutionality of Bill C-20.

Mr. Orchard: Mr. Acting Chairman, let me deal with the legislation my honourable friend just learned about today.

Ms. Wasylycia-Lels: You just learned about it today.

Mr. Orchard: We have just been informed about it today. That is correct. I have not seen a copy of the bill. I have not been able to seek legal opinion, as my honourable friend suggests. That process will take place. So let my honourable friend not question the sincerity of this government in dealing with that issue in whatever manner that we can.

Let me just try to bring my honourable friend back down to earth in terms of where this government comes from in our relationship with the federal government. I want to refer my honourable friend to an excerpt from Manitoba Budget 1991, page 7, Federal Actions. Here is a direct statement of the budget that I want my honourable friend to consider: "Federal transfers and spending policies have added to pressure on provincial finances. We reject the dishonesty inherent in the federal approach to health and higher education financing—repeated, unilateral reductions to transfers, with federal cash payments virtually eliminated by the end of the decade, accompanied by loud proclamations of a

federal commitment to post-secondary education, and to national standards for medicare."

I want my honourable friend to consider this next statement: The true test of a federal commitment to national standards is willingness to pay a fair share of the cost.

That is why I welcome the opportunity of legislation mandating if this indeed is what is part and parcel of the federal legislation national standards, because in mandating national standards we have an opportunity to revisit the issue of how they are going to be financed and the legitimate role of the federal government in assuring that they are financable by all provincial and territorial governments to the Province of Manitoba. In other words, to use a vernacular, I think my honourable friend understands methods simply to the federal government is if you want national standards put your money where your mouth is.

* (1500)

I want to go on and quote to my honourable friend from page 8 of the 1991 Manitoba budget speech, and I will only quote one line: "We will continue to fight for fair treatment from the federal government with every means at our disposal."

Now I realize that my honourable friend does not consider that to be a commitment to hard negotiations with the federal government, but I cannot help my honourable friend with the understanding of what those words mean. I can simply indicate to my honourable friend that this government will do more to preserve medicare in the Province of Manitoba than previous administrations, and I say that unequivocally. I say it because we have a number of tools at our disposal for understanding, for developing policy and for managing the health care system that, either through unavailability, strict unavailability, or through error and omission, were not available to previous administration.

In other words, some of them are new policy creations of this government. Those will allow us to use the natural wealth of experience and intelligence that is within the health care system, from CEOs on down, to come to grips with how do we preserve the status and improve the status of the health of Manitobans within the context of the Canada Health Act with its governing principles, and we will achieve that. It is not going to be an easy road; it was not even alluded to being an easy road

if my honourable friend wants to refer back to some of the opening remarks of her predecessors as Ministers of Health—there was just one Minister of Health while she was there. We have an opportunity in Manitoba to make the system work.

I think we approach federal government with as reasoned approach on the health care system as any provincial minister can, and we intend to do that. If my honourable friend wants me to read again the commitment out of the Manitoba budget 1991, I will, but I think that would be a waste of her time, my time and the committee's time. That is a solid commitment that will be exercised by this government from the Premier (Mr. Filmon) on down.

Ms. Wasylycia-Lels: Mr. Acting Chairperson, no, the minister does not need to read it again. I have read that, and I have read all sections in the Speech from the Throne and the budget speeches of the last couple of years pertaining to this issue. I took particular note of that fairly strong statement and the action that has been proposed and promised by this government in the Speech from the Throne and the budget. I simply want to know when we will see that commitment to action being followed up. Let me start by asking, when will this minister call a meeting or begin a consultation process or put in place a public hearing process for receiving the input of concerned Manitobans and organizations, particularly in the health care field, as to their advice and recommendations for the question of financing of health care and preserving medicare and the national standards of the Canada Health Act?

Mr. Orchard: Mr. Acting Chairman, with all due respect to my honourable friend, those discussions started almost immediately from May of 1988, have been fundamental in terms of implied or otherwise to every single committee and study that this government has initiated. All of them deal with the issue of medicare, its service delivery, its affordability, its effectiveness, its accessibility. All of them deal with it in whole or in part. Those are the very same committees that my honourable friend says are nothing but study, study, study and no consultation.

Now, when we have undertaken that, not at the behest of any opposition party, but because we believed that it was the right thing to do, to involve Manitobans from as broad a spectrum of participation in the health care system and as citizens, we believed that it was the right thing to do. We have done it. We are continuing to do it, and will

not stop. We will not change our course of action because all of a sudden the member for St. Johns believes that she has this wonderful idea of consulting with Manitobans. That is exactly what we have been doing.

If I refer her back to her comments, Tuesday of last week, Thursday of last week, yesterday afternoon, yesterday evening, most of her comments have said: All you do is study; all you do is consult; you never take action. Now she is saying, well, you know, maybe you should study, maybe you should call a committee, maybe you should hold hearings. That is exactly what has been going on for two and a half years formally, six months planning prior to the two and a half years, that my honourable friend has consistently criticized at every opportunity, these Estimates, previous Estimates and, I suppose, future Estimates.

Ms. Wasylycia-Lels: Gee, I think the minister again has not listened to my question. It was not my idea about consultation, a special consultation process around the issue of medicare and future financing of health care and preservation of national standards. This was this minister's Leader's idea. This was this government's idea, as outlined specifically in the last Speech from the Throne. A specific commitment was made to set up a consultation process to receive Manitobans' input on the issue of the future of medicare and the current crisis we find ourselves in as a result of federal cutbacks.

That is all I am asking. When will there be a follow-up to that stated commitment to the promise outlined by this government's Speech from the Throne?

Mr. Orchard: There is already.

Ms. Wasylycia-Lels: I can see that this government is clearly not committed to keeping its own promise of opening up this important issue to the public, putting it on the public agenda and receiving some feedback and response from Manitobans to this government's strategies vis-a-vis the health care crisis.

Let me ask the minister, since—I find it quite astounding that, with the 17 staff whom we are dealing with in terms of the line we are on right now, Program Evaluation and Comprehensive Audit Secretariat, 13 staff under the previous line, Executive Support, a total of 30 staff, not to mention the Communications branch we are coming to in

Finance and Administration, and Human Resource Management, and the list goes on and on, there was not one person responsible for keeping an eye on developments at the federal level vis-a-vis the health care act, vis-a-vis medicare and the critical issues we are facing around financing, that there is not one individual in his department who had made himself or herself familiar with the federal government's plans and knew about Bill C-20, the provisions of Bill C-20 and the intentions of this government with respect to enforcing national medicare principles through some form of legislative provisions.

I would like the minister, of course, to account for that, and while he is doing so, perhaps he can tell us if he has any preliminary thoughts on the fact that this legislation intends to withhold federal payments other than payments for health care from provinces and territories which do not respect the principles of the Canada health care act once the cash portion of the EPF runs out. In other words, all grants, subsidies, assistance from the federal government to the provinces and territories will be tied to this whole question of commitment and enforcement around the national medicare principles.

Does the minister have any preliminary thoughts about this provision which, indeed, is under active consideration across this country and becoming a very controversial subject matter?

Mr. Orchard: Mr. Acting Chairman, as I indicated to my honourable friend in a previous question to this legislation, (a) we will be receiving analysis from the appropriate departments of government as to its implications, its constitutionality, its financial implications on government; (b) I indicated to my honourable friend that the message is rather direct and rather simple, to the federal government: If you want to assure standards, put your money where your mouth is. That is a fairly understandable message for the federal government.

* (1510)

Ms. Wasylycia-Lels: I will look forward very much to the minister's analysis of Bill C-20 and the legal interpretations that he will be, I understand, getting in terms of this legislation.

I will ask him, since he has expressed considerable support for some effort on the part of the federal government to tie federal dollars to the preservation of national health care standards, if this minister will make a commitment today to represent

his government at the committee hearings on Bill C-20 when they are held this fall?

Mr. Orchard: Mr. Acting Chairman, that decision will be made in due course by government.

Ms. Wasylycia-Lels: I would simply ask the minister if he is willing to follow his own advice about putting his money where his mouth is and if he feels strongly enough about this issue, will he commit now to making a strong representation to the standing committee dealing with Bill C-20?

Mr. Orchard: That is an issue at which the government will present the province's position in due course.

Ms. Wasylycia-Lels: I would ask the minister, while he is studying this issue, if he will reconsider his cavalier approach to the very serious study by the National Council of Welfare, which was just released this spring, entitled *Funding Health and Higher Education, Danger Looming*, and specifically look at the statements by this council with respect to the promise and commitment on the part of the federal Minister of Finance for legislation dealing with the preservation of national medicare standards and refer him specifically to pages 22 and 23. I would like to quote for the minister and ask him for his comments:

The National Council of Welfare cannot imagine provinces and Territories letting this proposal go unchallenged. The delivery of health care services is within provincial jurisdiction under the Constitution. It is only the federal spending power that allowed federal involvement in this area and it is difficult to imagine how Ottawa could continue to maintain its presence once the money for medicare dries up. In any event it is obvious that the final word on the proposed legislation will come from the Supreme Court of Canada, rather than from Parliament. We would much prefer to see the federal government reconsider its course of action and make such legislation unnecessary by negotiating new fiscal arrangements with the provinces and the Territories.

I would like to ask the minister, based on those statements and this very serious credible report by the National Council of Welfare, if he is prepared to go to the meeting of federal-provincial Ministers of Health tomorrow and put on the table action other than the legislative proposals that we have before us for a renegotiated transfer payment system.

Mr. Orchard: Mr. Acting Chairman, page 24 of that report contains recommendation No. 1: Federal government should continue to play a significant role in both health care and post-secondary education. Carry that one step further—financial participation.

Ms. Wasylycia-Lels: It says financial.

Mr. Orchard: Significant financial role, yes. Financial participation, not through intimidation, but through co-operation. Not through the games that from time to time New Democrats might play, but through co-operation.

I also want to tell my honourable friend that recommendation No. 2 says, any changes in the financing of health and higher education should result from federal-provincial negotiations rather than being imposed by Ottawa. Now, second paragraph of that recommendation No. 2 says, the National Council of Welfare believes the changes should be negotiated between the federal and provincial governments and that the participants at the negotiating session should include Ministers of Health and Education as well as Ministers of Finance.

On the area of health care, in case my honourable friend would like to perpetuate NDP mythology that we do not do anything. For the first time in the history of the country of Canada, Finance ministers and Health ministers sat down in New Brunswick, in Moncton, New Brunswick, to discuss this very issue, not last month, but two years ago, because of the leadership taken by provincial Ministers of Health to try and bring this issue of financing to the national level.

I want to take my honourable friend through another document, because my honourable friend is famous for documents, and if I might be pardoned just for a minute to have a little discussion.

I thank the committee for their indulgence. Mr. Acting Chairman, Recommendation No. 2 is very important, at least I believe it is very important. Maybe my honourable friend would be able to provide her philosophical position to it. There is another report that has been out since October 1990, *The Future of Canada's Health Care System*, and the rhetorical question is: the end of federal funding? It is a report for the Canadian Health Coalition.

One of the things that they point out in this report, which I want individuals to contemplate and

contemplate rather seriously, because if I sense the focus of where the NDP want to take this debate in Manitoba is they want to say only they can protect health care funding and all other political parties do not care. Well, Recommendation No. 2 from the report that my honourable friend is quoting from is very meaningful because in 1974-75, the method of funding health care changed and changed significantly.

I want to read from the report, *The Future of Canada's Health Care System*. It talks about new arrangements in funding, the arrangements which we are currently wrestling with as provincial governments, established in 1974-75. One of the difficulties identified in these new arrangements is third—because there were two others that they identified but third, and this is the one I want my honourable friend to contemplate. The new arrangements were enshrined in a federal act of Parliament rather than in a federal-provincial agreement. Now note the difference. This study today, spring of 1991, says: The National Council on Welfare believe that changes should be negotiated between the federal and provincial governments and that the participants of the negotiating session should include Ministers of Health and Finance.

This criticism in October 1990 says that in 1975 we give away the ship, because the new arrangements were enshrined in a federal act of Parliament rather than a federal-provincial agreement, and here is the point they make which is the point we are having difficulty with. A federal act can be amended at the will of the national government, federal-provincial agreements must be negotiated. This change eliminated a great deal of provincial control over the federal contribution. That is 1975. Do you know who negotiated that fundamental change that is now wreaking the kind of havoc my honourable friend projects? It was none other than Premier Schreyer in Manitoba, Premier Blakeney in Saskatchewan, Premier Barrett in British Columbia.

Now I make that point because my honourable friend the New Democrat today is saying that politically Conservatives are going to destroy health care because they do not care. I make the argument, if that is where we are going to take this debate into political blame, I make the argument that Mr. Schreyer, Mr. Blakeney, Mr. Barrett destroyed medicare funding in 1975 knowingly, willingly,

deliberately. As indicated in October 1990, in *The Future of Canada's Health Care System*—the end of federal funding? one of the authors being Tim Sale, not me saying it.

* (1520)

Now, is that where my honourable friend wants to admit fault, bare her soul and confess, or do you want to get on with how we deal with the issue with the federal government, which is where I am coming from?

I do not know what our chances of success are because this problem goes back 16 years to 1975. It has gone through a Trudeau administration that reduced the transfer payments to the provincial governments. It has gone through a Mulroney government. I would suspect, horror of horrors, that if Audrey McLaughlin were the Prime Minister, the same system would be in place because Audrey McLaughlin does not have the magic money tree that Bob Rae thinks he has.

So there is where the fundamental underpinning of the issue is. My honourable friend wants to make this a narrowed partisan political debate without acknowledging the role of three NDP Premiers in western Canada who gave away the ship in 1975. You cannot have it both ways. You cannot make it a political argument today, blaming Conservative governments today and not accept full and unequivocal blame in 1975. You cannot have it both ways.

My honourable friend the member for Flin Flon (Mr. Storie) says, that is not true, that is not true. Read the report and you will find it reinforced on page 25 of the most recent report in a recommendation that it ought to be a negotiated agreement, not legislation which can be unilaterally changed, as it was given to us in 1975 by Premier Schreyer.

So, Mr. Acting Chairman, we intend—and I will read to my honourable friend, and maybe it would help if I read the statements from the Finance minister's last budget because we have some new New Democrats here. I will not do that though.

Ms. Wasylycia-Lels: Let me try to respond to a couple of the minister's points. First of all, he says this is not a political issue. The NDP is trying to make it political and partisan. Mr. Acting Chairperson, the situation that we find ourselves in is a result of the Mulroney Conservative government's decision to freeze the federal cash

transfer payments for health care. That is unrefuted. That is clearly even admitted to by this minister's Tory colleagues in Ottawa. They admitted by saying, we now have a problem and we need some sort of legislation to tie the national standards and to preserve the national standards.

So, Mr. Acting Chairperson, let us not try to muddy the waters on this issue. We have a problem here that is a result of the Mulroney Conservatives in Ottawa. Certainly the situation began to unfold and there were problems going back many years before that—the Liberals certainly are not free from any guilt or responsibility in this matter. By no means are we suggesting that the arrangements agreed to back in 1975-76 were perfect. We agree that they were not perfect, that it may have been better to have a federal-provincial agreement and not an act of Parliament.

Mr. Acting Chairperson, let me read from the same document that the minister is using to indicate what kind of provisions people like Ed Schreyer were able to negotiate at that time and contrast that with the ability of this government to get anything from the Mulroney Conservatives in Ottawa.

The arrangements back in '75-76 guaranteed a number of goals: No. 1, that the federal government should continue to pay a substantial share of program costs. Mr. Acting Chairperson, there is a big difference between that and the present situation where the federal government is pulling out of the field entirely and not maintaining any share of the costs for health care. Another goal, federal payments should be calculated independently of provincial program expenditures. Thirdly, there should be greater equality in per capita terms among the provinces with regard to the amount of federal funds they receive under the program. Fourthly, the arrangements with these major programs should be placed on a more permanent footing. Finally, there should be provisions for continuing federal participation with the provinces in the consideration and development of policies of national significance in the fields of the health and post-secondary education.

Mr. Acting Chairman, those objectives achieved back in 1975-76, with the participation of people like Ed Schreyer, were certainly a far greater improvement than the kind of action we are seeing from this government which is, to date, zero—nil. No strategy, no plans, no action except for the Minister of Finance (Mr. Manness) who, since that

infamous meeting of federal-provincial Ministers of Health and Ministers of Finance, that the minister refers to of two years ago in Moncton, New Brunswick, has resulted in this Minister of Finance participating in two well-known meetings of western Ministers of Finance that led to the proposals for disentanglement on one occasion and on the other occasion for a further transfer of tax points as a solution to this serious problem we find ourselves in as a result of federal cutbacks.

Let the record be clear where we are at with respect to this issue, the origins of the problem before us and the record of inaction of this government. All we are asking for in these Estimates is for some translation of the words and rhetoric of this government into action. It talks about—this minister talks about—preserving, believing in national standards. He says he is not interested in user fees although the record certainly does not back that up especially of recent days and weeks and months.

He talks about—he tries to portray himself as a defender of medicare, yet there is not a shred of evidence to give us, to show, to give the people of Manitoba any sign, that this government is actively pursuing those goals.

Mr. Acting Chairperson, I would simply ask one more time, if the minister is prepared to give us some of those action plans and in that context. Since the minister was reading from the National Council of Welfare and citing recommendations 1 and 2, I would ask the Minister of Health (Mr. Orchard) if he is prepared to accept recommendations 3 and 4. Three being the recommendation for new arrangements negotiated for financing health and higher education focusing on federal cash payments. Finally, recommendation 4 calling for federal funding for health which should be distinct from funding for post-secondary education and that federal legislation should stipulate that the cash received by the provinces for health and higher education is spent as intended.

I am wondering if the minister could give us his comments on those two recommendations and his overall strategy he is taking to the meeting tomorrow.

Mr. Orchard: Mr. Acting Chairman, in that long rhetorical, inflammatory—oh, I cannot think of words to describe what I just heard but, nevertheless, in the flourish that we just went through. I sense a little

bit of a confession from my honourable friend, and I just want to pursue that modest confession because, you know, it is kind of good for the soul.

The words my honourable friend used were the Mulroney freeze. Would my honourable friend concede that the Mulroney freeze was only—

An Honourable Member: What else could you call it?

Mr. Orchard: Well, that is what it is. He has frozen it. There is no question. Would my honourable friend care to even further clarify for those listening that that freeze was possible to be unilaterally imposed by the federal government regardless of political affiliation, because of the action of Premiers Schreyer, Blakeney and Barrett, by giving away the negotiated agreement which means two parties must agree and replacing it with legislation to allow the unilateral Mulroney freeze? Would my honourable friend concede that further point?

Hon. Clayton Manness (Minister of Finance): Mr. Acting Chairman, I am not intending to in any way pre-empt this inspiring debate. I am enjoying every moment of it and wish I could spend all afternoon listening to it, but I think I have to make some response to the member because she, of course, has drawn into the discussion the Minister of Finance, and although she did not use his name in vain, no doubt in some respects she may have liked to.

Let me say straightforwardly that, if I had my druthers, the Minister of Finance would not be messing around with health issues at all, certainly not the financing of health; but the reality is that when it comes to budgetary time and it comes to the very important decisions that we have to make, indeed as we have been elected to govern, an awful lot of that time is directed towards health and the financing of health. That comes as no surprise to the member.

What this Minister of Finance never wants to find himself doing is something that Hubert Kitchen, my colleague the Minister of Finance from Newfoundland, has been forced to do in this last budget.

* (1530)

(Mr. Marcel Laurendeau, Deputy Chairman, in the Chair)

I have said this on the record many times, but it bears repeating, and that is being forced by some

outside influence, i.e., namely lenders of money, particularly of New York, saying that we are not going to give you money. Because you see, when that happens—Hubert Kitchen did not have the opportunity to turn to Ontario, or Alberta, or B.C. and ask them to lend him money. He had no alternative whatsoever other than to reduce the expenditures very significantly within his budget.

Unfortunately, after all the hacking and slashing, to use some people's words, occurred in all the various departments of government, there was nowhere else to turn but to health and, of course, you have heard the Minister of Health (Mr. Orchard) and you have heard our Premier (Mr. Filmon) indicate that manifested itself in the reduction of 300 hospital beds and several other decisions.

I never want to find myself in that position by having to make that announcement.

Now, the member can say, well, go after Ottawa for more money. I think here government tried that with only partial success, or no success, at a time when there were even more federal revenues, or before the cost pressures were up, in a federal sense had built a high level.

So that sounds like great rhetoric—I mean that sounds like the easy approach, but when you are in government, as the member well knows—I am talking to the member for St. Johns (Ms. Wasylycia-Leis)—you are not, of course, always afforded the opportunity just to make rhetoric, you have to make hard decisions.

Consequently, although that maybe an option, it is not a very meaningful one. So we, as Ministers of Finance, then said, well, what can we do from the financial side to try and bring this whole health and this wonderful system that we have and putting into question the standards and whether or not they are holding, or whether they are not holding—we will set that aside—but given that we from sea to sea to sea would like to have similar standards across the country, what can we do as Ministers of Finance to try and work towards that end?

We talked about a certain number of issues. First of all, can we co-ordinate health care in a better fashion across Canada? Can we demand, secondly, that the federal government take some leadership role with the provision of health care other than just saying that we are going to impose standards and you as provinces had better work with them, because to this point in time, the federal

government has not taken a leadership role? Thirdly, is there a sharing of certain information—and the Ministers of Health, I know, have talked about this—that can be brought to bear so that there can be some savings effected, and fourthly, within the whole structural area and financing area, is there some better way, not in health but in the whole area, so that governments can be seen to have greater responsibility for certain activity?

That was the general statement. Now the member for St. Johns (Ms. Wasylycia-Leis) likes to take that general statement, and say, aha, what that means is in health that you want to basically be responsible for all the financing for health care and you are going to take tax points over to do that. Certainly not, that is not the case at all. In reality, when you look at all the social areas and you look at all the financial commitments within the social fields and you realize all the shared costing, it begs the question: Is the taxpayer and ultimately the service requirer, the person needing of services, being well serviced when you have all of this duplication of responsibility? Some would say, no, there could be better servicing indeed if there were clearer lines of responsibility. That is what the Ministers of Finance are discussing, clearly.

Do they have a predisposition toward some end? Definitely not, but what we do know is that the way we are headed, unless somebody can guarantee the generation of significant larger amounts of revenues to government, and right today nobody can guarantee that, I dare say not even a socialist government, then health care as we know it is under some threat, mainly as a result of the incredible cost of servicing the debt from years previous.

Mr. Deputy Chairman, I only put those few remarks on the record to try and say that Ministers of Finance have been drawn into this out of necessity, not out of their own wish to be involved in the whole health care financing issue. Thank you.

Ms. Wasylycia-Leis: Mr. Deputy Chairperson, I appreciate the comments of the Minister of Finance at this point in the debate. It is certainly helpful if we start from the premise of accepting we have a serious problem and then considering the options, rather than pursuing the Minister of Health's (Mr. Orchard) approach, which is to look for casting blame somewhere else and to target the authors and drafters of the Canada Health Act as the source

of the problem and not the present federal government in Ottawa.

I appreciate the fact that the minister says in terms of the current economic climate and fiscal capacity of governments across this country that there are some particularly difficult decisions that have to be made. I hope, though, that his reference to Newfoundland is not an ominous warning, that it is not a veiled threat of things to come here in Manitoba. I certainly—and I am sure there are many people who clearly recognize health care to be very much a basic, fundamental right and one that can be addressed in terms of overall spending priorities of a government. We have heard from the Ministers of Finance different proposals, but they all have to do with disentanglement or further transfer of tax points. My question, and I will pose this to either the Minister of Finance or the Minister of Health (Mr. Orchard), is: We have heard nothing in terms of some of the other options being considered, and I make reference to both the National Council on Welfare report, the Canadian Health Coalition report that the minister has referred to, and ask the minister if any consideration has been given to the option of convincing the federal government to split the current EPF system into separate blocks for health and higher education using the actual current provincial spending as the basis for the split.

Mr. Orchard: With apologies to my honourable friend, if you can get the words exactly the same, you can repeat the question.

Ms. Wasylycia-Leis: The question was straightforward. We have heard the options from the Minister of Finance, and they have to do with proposals that we find unacceptable, disentanglement and the further transfer of tax points. There are other options. One option that has been presented time and time again by many organizations and individuals in this field is for an option to convince the federal government to split the current EPF system into separate blocks for health and higher education using the actual current provincial spending as the basis for the split. That is mentioned in both the report that the minister has before him from the Canadian Health Coalition and National Council on Welfare, and I am wondering if that option is on the table. Is it being considered? Is it being developed? Is it perhaps being presented to his federal counterpart in Ottawa?

Mr. Orchard: Mr. Deputy Chairman, I am not making that presentation to my federal counterpart in Ottawa tomorrow.

Ms. Wasylycia-Lels: My question is: Generally, is this an option under consideration by this government? Are there other options than the suggestions of Ministers of Finance for disentanglement and further transfer of tax points being considered?

* (1540)

Mr. Orchard: Mr. Deputy Chairman, I suspect my honourable friend ought to, on the financial end, deal specifically with the Minister of Finance (Mr. Manness), who has been most recently at a federal ministers' meeting, including with the federal Finance minister, because surely the words of the Minister of Finance today must give my honourable friend some sense of the issue. Do you think the Newfoundland government—and under the circumstances, that would have happened to the Newfoundland government regardless of whether it was Liberal, Progressive Conservative or New Democrat because, when the money market says you are not going to be able to borrow any more, you cannot. They do not attach political stripes to their lending decisions. Well, normally they do not.

The issues around Finance are very serious ones, and they are far greater than the simple quick-fix, let-us-fight-with-Ottawa solution that my honourable friend suggests. That is the exact point that my colleague the Finance minister attempted to make.

Now, no one has proved to me that separating EPF payments into dedicated health and dedicated higher education is going to solve the problem. You have it identified that, at year 1999, if you follow some of the projections, you are down to \$100,000 of cash transfer payments, and \$62,000 of that \$100,000 is for health and \$38,000 is for education. I mean, so what? You still only have \$100,000 to spend. I do not see, I am not convinced that that is an effort that leaves us with a solution to the problem. I do not see the benefit to that suggestion. I have no difficulty with the first three recommendations. Those had been the issues we had brought to the federal government, to federal-provincial Finance ministers' meetings. I am not convinced of the value of recommendation No. 4.

My honourable friend says other solutions. Well, I want to take my honourable friend—I know she is

going to get terribly, terribly upset, but I remind her she tabled this report in the House last fall, the October '90 funding Canada's Health Care Future.

There were four very direct questions that were posed. I want to take my honourable friend through to some of the issues that were suggested in here. The first two questions I will not deal with because we have dealt with them before.

Point of Order

Ms. Wasylycia-Lels: I believe we have dealt with all these points over and over again from the minister's perspective. He has taken up valuable time in Estimates last year, and I do not think we need to take up the time of the committee with exactly the same description and comments that he has put on the record last year. I think it would just be helpful for the minister to indicate a straightforward answer to my question and that is: Any other options in terms of federal financing being considered?

Mr. Deputy Chairman: The honourable member for St. Johns did not have a point of order.

* * *

Mr. Orchard: Mr. Deputy Chairman, my honourable friend ought to be very cautious about reminding me of repeating myself. I could play back a tape to the same kind of rhetorical questioning last year from my honourable friend; unless you are squeaky clean and have never repeated an issue or question, do not make that kind of accusation of anyone. I suggest my honourable friend cannot do it.

My honourable friend wants to know what other issues we are undertaking. In last fall's report, The Future of Canada's Health Care System, the third question was more difficult to answer than the first two, and to understand why this is so, consider the problems in health care management cited by the OECD in a recent report.

First of all, the distribution of illnesses unrelated to the ability to pay. Well, that is a fundamental truth. That is why a number of initiatives that we have undertaken, including the Centre for Health Policy and Evaluation, are trying to understand the equal access to the health care system and how we can assure that happens.

The other problem that is identified is the concentration of expenditure at any one time, in

brackets, on a small proportion of the population with high medical care needs. That is exactly the issue that my honourable friend from The Maples (Mr. Cheema) and I got into the discussion of late last evening in terms of the Law Reform Commission initiative to study patient-directive ability, the living will concept, because really, that second problem deals with that issue. I am giving to my honourable friend a course of action that we are taking within the health care system, within Manitoba's ability to deal with the issues, to try and come around a resolution of that issue.

Another problem: The portion of the population over 65 requires many times the level of service consumed by the remainder of the population; OECD averages six times. Again, that is a problem that we have in Manitoba.

One of the areas we are trying to understand in Manitoba, so my honourable friend understands how we are coming around this fundamental issue of what drives system costs, is there is indications that the Centre for Health Policy and Evaluation has given us that as the number of physicians' billing grows that the number of visits for seniors to physicians' office grows. There is a difficult time establishing a correlation between the number of visits and medical necessity. I think that is a pretty fundamental question to understand. That is action on the third identified problem.

Fourth problem they identify: Consumer dependence on decisions of medical care providers who frequently have a financial stake in the outcome of the decision. Again, a very, very important decision.

What they are saying here is that those who order the services also deliver the services, and under the fee-for-service compensation method of physicians, in essence, if that was within the Legislature, I suspect someone might draw attention to conflict of interest, but in the medical profession, that is the accepted practice.

It has the potential for difficulties, and I have dealt with the tonsilectomy one. Again, the Centre for Health Policy and Evaluation is attempting to provide us with reasoned information, research data, to come to grips with this issue. As well, Mr. Deputy Chairman, this issue is being dealt with when we get our study completed with the Manitoba Medical Association on the factors driving the

volume of services billed by physicians in Manitoba—again, action on point No. 4.

The fifth observation they make is benefit and cost-sharing structures which frequently establish incentives for the provision of costly institutional rather than ambulatory services, very definitely a problem in the western health care system. What are we doing to resolve it? Not-for-admission surgery procedures, outpatient services, the St. Boniface free-standing outpatient clinic study, to do exactly the move from costly institutional to ambulatory services.

The Health Sciences Centre has just recently completed a renovation on ambulatory care to do just that. Other community hospitals are attempting that—again, action towards resolution of a problem identified. That is five out of five.

Lack of cost consciousness on the part of the consumers is problem No. 6. Mr. Deputy Chairman, every speech I have made, I have tried to point out that we spend \$1.75 billion, and it is on little over a million people. We have the most generously funded public health care system in the world. No one funds more on a per capita basis than we do.

Statistics, which I have used, and my honourable friend has seen them because I have shared them with her, point out that, in the western industrialized nations, we have the second highest spending, but we do not have the highest life expectancy as one indicator of health status, quality of outcome in the health care expenditures.

Japan spends amongst the lowest and has a longer lifestyle, and that has changed from post-World War II until now dramatically, where the average life of a male Japanese post-World War II was about 56-57 and now approaches the highest, is the highest, in the world of eight industrialized nations, not because they spent money on health care, again, action in terms of raising the level of cost consciousness on the part of the consumer.

Problem No. 7: Often perverse reimbursement and delivery mechanisms which create few incentives for cost-effective provision of services. This issue is being come around in terms of creative solution by, among other organizations, the Urban Hospital Council, which my honourable friend has criticized since Day One, that we ought not to have those individuals with knowledge dealing around resolutions of perversive reimbursement delivery

mechanisms within the health care system—again, action on problem No. 8

Premature implementation of expensive new technologies without proper evaluation of their full cost and benefits, again, we are attempting to establish protocols for the use of CAT scans and MRI imaging so that we do not fall victim to this—action on problem identification No. 9. These are all new actions nonexistent as of May 1988, when we inherited government.

* (1550)

Problem 10: In some countries, not Canada, tax structures provide incentives for overinsuring. We do not have that problem, but an inability in much of the health care area to assume properly, to assess properly, the outcomes of medical interventions—again, action on that problem through the Centre for Health Policy and Evaluation.

Now, I pose to my honourable friend this very fundamental question. My honourable friend sincerely believes that the answer to all of our health care problems is injecting more money into the system. Well, I pose the simple question to my honourable friend: If that is the solution, why, after 20 years of doing exactly that, of having the most generously funded public health care system in the world, the second most health care system anywhere in the world on per capita spending, do we still have problems if money is the solution?

Clearly, seeking answers to these identified problems is part—and a great part—of the answer, because no matter how much money you provide to the modern health care system, it will be consumed. So you have to start asking yourself the fundamental question: Are we getting efficient, effective results from that spending and are we improving the health status of Manitobans in that spending?

We are asking all of those questions. We have initiatives and mechanisms in place, underway, mature, new and otherwise with delivered results on every one of those issues with the exception of the one that does not apply to Manitoba in Canada. That is action around the problem of health care financing.

Now, I realize my honourable friend will say, well, that does not matter because we did not think of that as New Democrats of undertaking solutions to those nine out of 10 problems. I think it is fundamentally important and, I want to tell my honourable friend, it

increases this government's credibility in approaching the federal government.

We are not merely going there saying to them, just give us more money and stick your nose out of our business. We are saying we are dealing with the identified management problems in the system with the objective of improving the health status of Manitobans, improving quality outcome and quality of care, and, sirs and madams, collectively around the federal cabinet table, we would like you to continue providing financial support so we can carry on with those initiatives. But we are not merely coming to them saying, give us more. That was tried in a famous play.

Mr. Cheema: Thank you, Mr. Deputy Chairman. Finally, my turn has come. I am dealing with two very, very politically smart people from both sides of the House. It is very interesting to listen to their points of view and both of them have a very good way of convincing.

Certainly, I think it is a very important issue but it is very complex. As I said the other day in my opening remarks, it is very complex and it is going to take a lot of will power and a lot of innovative ideas and everybody has to work together to solve this problem. It will not be solved as said at a supper meeting.

I want to go to a special question on this line. I think we can proceed. Can the minister tell us now—this is the second time, in 1989 and 1990 they made the announcement in the throne speech about the breast cancer screening program and one of the identifications, one of the objectives, under this line is to establish such a program. Can the minister give us some ideas where is that program now and what progress so far they have made?

Mr. Orchard: Mr. Deputy Chairman, as my honourable friend knows, we received a report on breast cancer screening approximately a year ago. It had a number of recommendations, and we have taken and circulated that report to a number of interested Manitobans and established a working group to plan government's implementation of the breast cancer screening program.

Mr. Cheema: Mr. Deputy Chairperson, when we were discussing it last time, we had the same reply, and that time the issue was that there was some hesitancy on the part of the working group that there may be some evidence to suggest that program may not be effective. That was the reason given to us,

and I think if the minister has read the recent publication by the Manitoba Medical Association, and that clearly indicates that this is one of the—you know, statistics are very clear on breast cancer. It can be effective; it is a very cost-effective program. The B.C. program as of 1988 has been very effective. I just want the minister to give us a definite plan when this program will come into effect so that they can fulfill their promise they made two years ago.

Mr. Orchard: Mr. Deputy Chairperson, there is an evaluation apparently, I do not know if it is preliminary or final, that we have had some discussion with in terms of evaluation of the B.C. program. It has offered to us some cautions in terms of our implementation.

I shared with both members of the committee last December, I guess it was, or November, some information that had come to the attention of Dr. Roos at the Centre for Health Policy and Evaluation that some very current analysis indicated that there—I am being very cautious in my words because this is data that I am told indicates that the use of mammography through the X-ray method in fact may well have increased the incidence of breast cancer amongst those individuals screened.

Needless to say, given the general enthusiasm by all involved in terms of the screening program and the enthusiasm that we showed for it when we made the announcement, that is indeed a piece of information which causes us to move cautiously. We are seeking further analysis around that study, to see whether in fact those results are indeed not an aberration, because if they are reality I think my honourable friend would have some concern about bringing in a program that at least one recent study—and you have to appreciate and I do not know how to put this any better, because you are damned if you do and damned if you don't.

If you rush ahead and bring in that technology having that caution at your disposal and we do have the knowledge of that caution, and you bring in a program in which you undertake screening of a number of women in Manitoba, of the target ages, 50 to 69, and then you increase the incidence of cancer, that brings in the question of why did you do it and how are you liable.

On the other hand, if it is not accurate, we are damned because we have in some ways delayed the implementation of the program while seeking

clarification around that issue. To bring clarity to the issue I want to point to my honourable friend, point No. 8, that I read out. Premature implementation of expensive new technologies without proper evaluation of their full costs and benefits. That is a criticism of the Western health care system. This screening program is new technology and that first analysis that has come to the attention of Dr. Roos at the centre indicates that this new technology in one study may well increase the incidence of breast cancer amongst those screened rather than serve the purpose that all of us believed in and wanted to achieve, of early detection, hence a better chance of successful intervention and cure.

* (1600)

Mr. Cheema: Mr. Deputy Chairperson, I think the minister did repeat those comments during the last debate and before that too, especially in the last Health Estimates debate.

It was my understanding that, as the minister has said, there was one or two reports, and they were considering those reports very carefully. Just to say that this program is new, that simply may not be totally correct. I will give some statistics. The B.C. program was started in 1988, and about 16,554 screenings were provided, and they were able to find 64 women with breast cancer. That program, they said if you expand it, it would be worthwhile and it will be inexpensive in the long run and the cost benefits will outweigh the initial expenditure.

I think the minister or somebody from his office should read the last health report from the MMA. This publication is quoting the minister and I will read the report. It says the report supports routine screening, that in 1989 the report was prepared and submitted to the Minister of Health, and they recommended that the mammography for Manitoba women between the age of 50 and 69 should be started, and it was supported by the Technical Advisory Committee on Breast Cancer.

I think the minister should probably move faster now than what they have done in the past and, when everything is clear there, of course, he is saying we should be cautious, but how long are you going to be cautious? Mr. Deputy Chairperson, I think there should now be a definite plan when the program is going to be initiated and how the government will fulfill their obligation. Why do they not have a proper press release and make sure the people know what they are doing?—because once you make a major

promise and if you do not carry it out, I do not think it is sending a good message to the people of Manitoba.

Mr. Orchard: Mr. Deputy Chairman, I am going to defer detailed answer until we get to the Women's Health Directorate because that, I believe, is where we will have the most current and up-to-date information.

My honourable friend seems to have completely glossed over, he says that the program is very beneficial, and the advocates of the program are convinced of that. Does it not cause my honourable friend—and detach yourself from a political role—but as a medical practitioner, does it not cause you some concern that the first analysis, because this is a new program, breast cancer screening has not been a medical technology that has been available for 25 years so that we have the ability to analyze, but the Rooses have obtained preliminary information which indicates that there may be up to a 5 percent increase in the incidence of breast cancer amongst those screened rather than those who are not screened.

Early detection is a very, very laudable goal, so that is why we want to have a screening program in Manitoba, but if you detect earlier and cause more, have you helped improve the health status? That gets me right around and—again, one of the problems we have is the premature implementation of expensive new technologies without proper evaluation of their full cost and benefits. This is no different.

Every hospital of any size in Manitoba wants a CAT scan because everybody says you are not a first rate hospital unless you have one. Nobody has protocols, and there is little outcome analysis to prove that 450 percent increase in imaging costs to the Province of Manitoba over six short years has improved the health status of Manitobans. Yet those who sell the technologies and those who use the technologies will convince every single person who will listen that we absolutely have to have it. That may not be so.

Surely my honourable friend would want to assure that you are not increasing the incidence of a disease in terms of trying a preventative program, that you would want to be achieving the objectives of the goal. That is what I want to try to do. I want to tell you that I am relying upon an expert

committee. That is not a political decision as has been accused to be from time to time.

I cannot even name to you, other than my director of the Women's Directorate, those individuals who are on the committee because they are chosen for their expertise in the field not because they know the minister or they know the government, et cetera. That committee is dealing very seriously with the issue and will provide government with appropriate advice and direction.

Mr. Cheema: Mr. Deputy Chairperson, I do not disagree with that statement. I mean, that has been for the last year. What I simply asked him was a basic question. When can we have a final report and final program? That is the question here, because during the last Estimates the minister said it was almost in the final stages.

The second argument the minister has given, I think he got carried away. You cannot just compare the other testing with mammography. It is not a good parallel. The mammography, and you are comparing—every hospital wants to have the CT scans and those things. I do not think it is very appropriate to compare those things.

We are talking about a very specific program which will deal with a specific population and which, according to the most information that we have on hand and you have on hand, is indicating that program could be effective, would save some lives. It will be cost beneficial in the long run.

Even though you have indicated you have one or two reports, you have said the issue is new. It was not there so we do not have enough medical evidence to prove or disprove that. So even with one report I do not think we can really compare this whole program with something else and say well, everybody is asking for more and more treatment and more and more equipment in each and every hospital. I am asking a specific question. I do not think it is very right to compare both things. It is simply not logical.

Mr. Orchard: With all due respect to my honourable friend, it is exactly logical because it is new technology which has not gone through efficacy trials. That includes mammography machines, that includes CAT scans, that includes MRIs, and it is a very appropriate analysis.

It is the same technological drive. Once you put one of these pieces of technology in place it shall be used. It shall not necessarily be used for the best

medical outcome reasons, but it shall be used because it is there. That has happened. That is why our imaging budget has risen 450 percent in six years. That is why we are developing protocols for access to CAT scanning and MRI imaging so we do not have those budgets, because an X-ray is \$50, a CAT scan is \$250 and an MRI is \$650. Do you want every Manitoban to have their yearly MRI just to be sure? Of course, you do not. You have to have protocol for use.

Mr. Cheema: Mr. Deputy Chairperson, I think the minister is completely distorting the facts. I never said that you have to have MRI scanning and CT scanning for each and every patient. What I am asking is for a simple specific population who would need the mammography where the mammography has been indicated. They made a promise twice in the throne speech and took great pride. I am simply asking when can we have a final program. The minister has indicated that we will have it soon.

Can he share with us through his centre for evaluation the study that he is indicating that points against the use of mammography?

Mr. Orchard: Mr. Deputy Chairman, I will seek as to whether there is any additional information to that which I gave my honourable friend at the last committee.

* (1610)

Mr. Cheema: Mr. Deputy Chairperson, has the minister's office obtained any copy of the experience program from B.C. for the mammography?

Mr. Orchard: My office has not, but we are going to check to see whether the Women's Health Directorate has.

Mr. Cheema: Mr. Deputy Chairperson, has the minister had any input from the MMA and the MARN and MONA and other organizations about this issue? They are expecting the minister to make a statement shortly to have this program.

Mr. Orchard: Mr. Deputy Chairman, I will share the membership of the committee with my honourable friend, but I think he will find the membership quite representative of the health care community.

Mr. Cheema: Mr. Deputy Chairperson, my final question on the issue. When can we finally expect, is there any time frame—a month, two months, three months, four months—to have this final program put in place, if we are going to have it or not?

Mr. Orchard: Mr. Deputy Chairman, at the risk of avoiding answering, I cannot answer because I do not know. I will answer that question when I have my director of the Women's Health Directorate here.

Ms. Wasylycia-Lels: If I could just get further clarification of this issue since the breast cancer screening program has been touted as a major initiative of this government. It appeared in the very first Speech from the Throne after the election of the present government. In the Estimates speech not of last year, but of September 1989, the minister stated that the breast cancer screening program was in the final stages of completion. Now we learn, two years later, that this matter is still being studied.

I would like to know specifically how it is being studied. I may have missed this when I left the room, but what committee is reviewing the final report pertaining to the breast cancer screening program that the minister said was completed two years ago?

Mr. Orchard: The implementation committee.

Ms. Wasylycia-Lels: Could the minister tell us who is on the implementation committee?

Mr. Orchard: Mr. Deputy Chairman, I indicated to my honourable friend the member for The Maples (Mr. Cheema) that I would provide that information when my director of the Women's Health Directorate is here and I have that information available.

Ms. Wasylycia-Lels: Could the minister help us understand why something this important in terms of the health of women of the province of Manitoba, and supposedly something high on the agenda of this present Conservative government, has been stalled for so long?

I am sorry if I am raising and repeating questions that have been asked already, but it is so often matters pertaining to women's health get put at the bottom of the political agenda. Once again, we see something very important to the health and life of women in the province is being delayed and stalled, and now we have a committee studying the study of a report. What is the explanation and the reason for that kind of lengthy, unacceptable delay?

Mr. Orchard: Mr. Deputy Chairman, I am going to control my urge to give my honourable friend a tongue-lashing because, again, she uses the simple rhetorical response of a New Democrat that, because this is a women's health program, we are delaying the implementation of it.

Why does my honourable friend not mature and understand the issues before she makes those kinds of outlandish, silly, foolish and unfounded statements? I really find them offensive. I find the individual, in making them, to be offensive to women—unnecessary, just unfounded, but of course, fits the rhetoric and nothing else of the NDP.

I have explained to my honourable friend the member for The Maples (Mr. Cheema) the implementation process through the implementation committee, committee of individuals with a rather wide representation within the health care field. They are providing government recommendations as to how we might implement. They are also considering, as I understand it—and I will provide further information to my honourable friend when the Women's Health Directorate is being discussed.

They are also, I understand, reviewing the B.C. experience, which is helpful in terms of planning. They are also studying the same information that I gave to my honourable friend last year, last December, in which the indication was that a study on the effectiveness of mammography was being questioned by one analytical study of which the preliminary indication was that the mammography program increased the incidence of cancer, amongst women screened, by 5 percent.

If that is accurate, and that can be verified, what we would be doing by implementing the breast cancer screening program, as urged by my honourable friend and others, we would be increasing the risk of breast cancer amongst those women. That is not the purpose of the program.

Maybe my honourable friend believes we ought not to be considering those kind of research findings, but I believe we ought to. That is what the implementation committee in part is considering and developing plans of action for government, so I hope my honourable friend might reconsider her intemperate remarks that she made in terms of unnecessary delay, et cetera.

Ms. Wasylycia-Lels: The minister does not give us one iota of evidence, one basis of fact, one understanding of why it has taken three years to deal with this issue and come forward with a conclusion and a program to meet the needs of the women of the province of Manitoba.

There may be issues to be studied. No one has denied it. There may be concerns that have to be

addressed, but there is no way in the world it needs to take three years. I do not think the minister has yet given us an answer for that kind of a delay.

Mr. Orchard: Mr. Deputy Chairman, I have, but my honourable friend simply does not want to accept the fact that we have had an implementation committee struck with the mandate of providing guidance to the province, and that committee has not reported.

I do not stand over members of the committee with a bullwhip saying, work, work, work, give me your recommendation. They work to bring the program to the Province of Manitoba with recommendations for implementation as soon as they can.

Is my honourable friend taking offense with the committee and the implementation committee? Is my honourable friend saying that we should move without consultation? That is not what she said on other issues. Before, she said we consult too much. Now, if we make a decision unilaterally, would that make her happy? It will not make me happy, because we have set a process in place, and we are following that process.

I simply want my honourable friend to, at least—I do not expect her to comment because my honourable friend never puts any position of the New Democratic Party on the record—to reflect. Would you like me to introduce a program which may put at risk women accessing that program?

If the answer is yes, then I suppose I could unilaterally decide today, implement it. It does not matter whether we cause disease amongst the women of Manitoba. I do not think my honourable friend is saying that. I am not saying that. I hope my honourable friend might reflect on her intemperance.

Ms. Wasylycia-Lels: Mr. Deputy Chairperson, I only take offence at this minister's predilection to study everything to death, to set up committees to study reports that have been set up to consider recommendations, and I only take offence at his disregard of the health needs of the women of this province.

Mr. Deputy Chairman: Item 1.(c)(1) Salaries \$769,400. Shall the item pass? The item is accordingly passed.

An Honourable Member: No.

Mr. Deputy Chairman: Oh, sorry about that.

Mr. Cheema: Mr. Deputy Chairperson, can we go to another topic on the same—one of the objectives of the planning is to have the minister's representative on the Nursing Education Council.

Can the minister tell us, what is the committee for this Nursing Education Council? What is the membership and what are the objectives set by the minister's office for the Nursing Education Council?

Mr. Orchard: Mr. Deputy Chairman, I will provide my honourable friend with the terms of reference of the Nursing Education committee and its membership.

Mr. Cheema: Mr. Deputy Chairperson, can the minister tell us what are the main objectives to set up this Nursing Education Council?

Mr. Orchard: Mr. Deputy Chairman, I think that will be evident in the terms of reference which I have indicated I will provide to my honourable friend.

* (1620)

Mr. Cheema: Mr. Deputy Chairperson, I am asking for a single statement from the Minister of Health. What are the main objectives, by his ministry, to set up a council which has been very widely publicized and which has said, we are doing this thing because we want to meet the demands and we want to look at nursing education, and various organizations have expressed their intention to participate? I understand some of them are participating in Nursing Education programs. What is the minister's own government's policy on this education issue facing this profession?

Mr. Orchard: I think my honourable friend stated it fairly well in his preamble to his question.

Mr. Cheema: Mr. Deputy Chairperson, I think the minister has certainly changed from a 10-minute speech to 10 seconds. He is not giving any room to us for any questions here.

I will give him a chance once again. Can the minister then provide us with at least a list of what his main objectives are? What is one of the main objectives to set up this council, and what is the minimum qualification the minister's office would like to have for this particular profession, to enter, to practise or to work in the hospitals?

Mr. Orchard: Mr. Deputy Chairman, my honourable friend might be aware that, oh, maybe eight or nine years ago, there was a report called, B.N., Entry to Practice, Year 2000. Not that I want to get into a provocation of the member for St. Johns

(Ms. Wasylycia-Leis), the previous government did nothing with that report but rather avoided the issue. Hence, no decisions were made as to where the educational system for nursing would evolve.

Having regard to the changing health care system, there is clearly a need for, in a number of acute care circumstances, more highly-trained nursing professionals and an emerging role in the community as we move toward a community-based health care system with almost two extremes developing: Your acute care hospitals operating as very intensive, illness, surgical, curative care delivery centres, and probably at the end of this decade, very sophisticated community support services with the nursing professionals being substantive and front-line service deliverers.

That brought us around to the question of what ought to be the educational standards. That issue was not resolved. We, through some substantial discussion—and I have to tell my honourable friend that this whole issue was delayed one full year and that was my fault. I had, prior to December of last year, the intention of getting the committee up and rolling as I have this summer, but I have to confess to my honourable friend my encounter with the tree at home threw me right off schedule, and this was one of the issues that I never got on track in the time frame that I wished to.

Subsequent to that, we have established the Ministerial Council on Nursing Education and it has a substantial membership. I believe there are 20—oh, the membership is here. I will not run the risk of offending the member for St. Johns (Ms. Wasylycia-Leis) by reading this, but there are a number of individuals from various nursing professionals, as well as terms of reference. As indicated, I will provide a copy of this to my honourable friend, and I will even provide one to the member for St. Johns. We have extra copies already.

Mr. Cheema: Mr. Deputy Chairperson, can the Minister of Health tell us if there are any issues they are going to look—basically, what they are going to look at? The minimum basic qualifications for this profession in Manitoba through regulations, is that a part of this education council's agenda?

Mr. Orchard: The terms of reference in Phase I are to review Manitoba's needs and requirements for registered nurses, and within that, the objective would be to identify the current projected role of

registered nurses in Manitoba's health care system, identify the required competencies for registered nurses by their articulated roles and determine the current projected numbers of registered nurses by area of practice required in Manitoba. Projections should be done on the basis of a 10-year and 20-year scenario.

I think my honourable friend can understand there is some potential and inherent risk in accuracy of making those kinds of projections and to approximate the current projected cost of nursing services.

There is also a second part, a review of the existing nursing education programs. I could go through those with my honourable friend—and to access proposals for collaborative undergraduate baccalaureate nursing education programs.

This third area was the area at which we asked the Health Sciences Centre last year to defer the commencement of their baccalaureate program, which was a collaborative program between the University of Manitoba Faculty of Nursing and the Health Sciences Centre School of Nursing.

The interim report that I have received from the Nursing Education Council was to deal as quickly as possible with the issue of the collaborative program at the Health Sciences Centre, and they have provided me with advice on that and have indicated they believe that program has an appropriate role and fit in the health care system of Manitoba. It is expected that we will be proceeding with that program—not we as government, but the Health Sciences Centre, the University of Manitoba—this fall.

Mr. Cheema: Mr. Deputy Chairperson, can the minister tell us, are they going to look at expanding the role for this profession in terms of nurse practitioners, and also when are they going to look at the issue of physician extenders? Is that a part of this council's agenda?

Mr. Orchard: No, Mr. Deputy Chairman.

Mr. Cheema: Mr. Deputy Chairman, can the minister tell us how many individuals from this profession are part of the urban hospital working group?

Mr. Orchard: I cannot give that indication because I do not know how many, for instance, nursing staff there are on the various committees.

Mr. Cheema: Mr. Deputy Chairman, can the minister ask his staff to provide that in the next sitting, how many professionals from this particular area are on the committees on the working group for the urban hospitals?

Mr. Orchard: We will attempt to provide that information.

Mr. Cheema: Can the minister give us a list for the health demonstration projects under this branch?

Mr. Orchard: Centralized Day Surgery Unit, Brandon General Hospital; Community-Based Crisis Management Service for Mentally Ill Adults, Salvation Army; Review of Diagnostic Services, Cadham Provincial Laboratory; Urinary Incontinence Program, Health Sciences Centre; Provincial Home Parenteral Nutrition Program, Health Sciences Centre and St. Boniface Hospital; Palliative Care Supports, Johnson Memorial Hospital, Gimli; Immigrant/Refugee Health Outreach, Planned Parenthood; Cost Containment in Adult Medical Intensive Care Units, Health Sciences Centre; Occupational Therapy Transitional Care program, Health Sciences Centre; Discharge Planning Model, St. Boniface Hospital; Admission and Discharge Program, Health Sciences Centre; Analysis of Provincial Hospital Separation Abstracts using Diagnostic Related Groups, University of Manitoba, Dr. Roos; Analysis of the Necessity of Sputum Cytological Examination, St. Boniface Hospital; Psychoeducational Program for Families of Schizophrenics, University of Manitoba.

One project is anticipated to conclude during October 1991, that being the Shortened Hospital Stay for Low Birth Weight Infants, Health Sciences Centre, St. Boniface General Hospital and Family Services of Winnipeg Incorporated.

Mr. Cheema: Can the minister tell us what is the cost for all these programs, and can we have the final report on any of these programs?

Mr. Orchard: The total demonstration projects were \$1.7 million in cost, and I will attempt to provide my honourable friend with whatever analysis we have.

* (1630)

Mr. Cheema: Mr. Deputy Chairperson, that brings me to the next issue of the Immigrant-Refugee Health Outreach Program, the Planned Parenthood. The minister was unable to solve that problem. He said he is going to ask for the working group to come

and meet with him, and then we will have some ideas. It is more than five or six weeks now. Can the minister give us an update about his meeting with this group who was managing this program? The second question is: How much money is this program costing out of this \$1.7 million?

Mr. Orchard: I will have to give details of how much money the program cost out of the \$1.7 million. Let me give you the status of the program. The program is one which has specific goals but is not the only program in terms of language services that are available in Winnipeg. What we have agreed to, with my Multicultural Health Advisory council, is that they undertake a review of this program, in context with others that are available, to assure that we do not have any gap or overlap.

I cannot tell my honourable friend right now how long that particular review will take, but what we have done with the Planned Parenthood is indicate to them that, pending the receipt of that, and if it is as positive as observers would indicate, we would have the ability to then make the reasoned case for inclusion of the program in funding. If it is not successful in terms of its analysis, then we will provide funding until a decision is made and curtail funding.

(Mr. Gerry McAlpine, Acting Chairman, in the Chair)

Until we have that information—and for instance, one of the things that is being investigated to try to determine the program's status in relation to other programs available is that—oh, I am stuck on the centre—the International Centre also has a language service, translator service.

I hear that there are some wrinkles in the delivery of that program. One wants to make sure that we are funding a program which is not duplicated elsewhere in the system. If in fact it is available elsewhere in the system, I want to make sure that I am recommending the funding of the one that is the best. That is where we have engaged the discussion, the analytical ability, of the Multicultural Health Advisory Committee.

Mr. Cheema: Mr. Acting Chairperson, can the minister tell me again, when did he meet with the group? Has he met with the group, the group from this Planned Parenthood, Immigrant-Refugee Health Program? He promised outside the Legislature that he would meet with them at the earliest possible time. Initially, there was some

problem because one of the persons was sick, so he was not—the meeting was cancelled. Has the minister met with the group?

Mr. Orchard: That evening, I met with individuals who availed themselves of the service. Subsequent to that, there have been a number of discussions at senior officials' level, including a meeting on the topic with the Multicultural Health Advisory Committee. One of the members of the Multicultural Health Advisory Committee is an officer of Planned Parenthood and was at that meeting.

Mr. Cheema: Mr. Acting Chairperson, the minister had made a few comments that he wants to study, that there are maybe other programs who are doing the same services, so we do not have duplication of services. That is the comment he has made recently. Can he name a few of the other programs who are providing the same kind of services?

Mr. Orchard: Well, I mentioned the International Centre's program is one that is available to newcomers.

Mr. Cheema: Mr. Acting Chairperson, the minister is saying the International Centre provides the package of health care services?

Mr. Orchard: I am not saying that. I am saying that it is one program which also provides translator services.

Mr. Cheema: Is the minister saying that the translator services were the only component in this program which was the essential part, and which the minister is going to base his major decision on whether this program would get the funding or not?

This is a very comprehensive program. It goes beyond the language barrier; it goes with the cultural values. In fact this program is saving tax dollars. Can the minister maybe—I may have understood the minister wrong—I want to give him an opportunity to clarify or explain to me why this program, out of the 17 or 18 demonstration projects to the \$1.7 million, why this was the only program which was chosen to have all the interrogation, or maybe with my lack of words from my English language, why this program was put basically on trial.

I am not entirely blaming the minister. Somebody has given him the wrong advice, because if you visit any clinic and somebody has to interpret the whole thing, and you go through all this, every other cultural aspects of health care, it will end up costing you the same kind of money in one week. It will cost

you more than walk-in clinics and all this revolving-door syndrome where you go to a clinic and then if you are having a minor ache and they do not understand your language and culture, you end up getting 50 tests. I do not think the minister has made valid arguments so far to discontinue this program, and I would like to ask him why this program was specifically being investigated when there are 17 other projects at \$1.7 million.

Mr. Orchard: Mr. Acting Chairman, let me repeat my answer that I gave to my honourable friend in the House, that I gave to individuals who were here, that I gave to people I met with. Come budgetary time, we did not have the reasoned basis on which to extend the funding, because this was demonstration funding, in part, funded by the province. Other sources of funding have been curtailed. I have a Multicultural Health Advisory Committee which is going to provide advice. They gave me sufficient indication from their first analysis of the issue that although they could not conclude definitively that the province ought to fund, there were enough reasons that we ought not to allow the program to die pending their analysis.

Now, that is not me; that is the Multicultural Health Advisory Committee. They are undertaking the investigation of the program, and I would suspect that the kind of circumstances my honourable friend has just put on the record will be affirmed or otherwise, with that investigation and recommendation made appropriate to the government.

It has not been singled out, as my honourable friend talks about. It was simply a process of not having sufficient information to justify inclusion in base-line program funding. We intend to make that decision, yea or nay, as soon as we have advice and information from the Multicultural Health Advisory Committee.

* (1640)

Mr. Cheema: Mr. Acting Chairperson, can the minister share with us some information—there must be a presentation made by the multicultural task force on this specific issue—so that I can have a look and make my own judgment on why they would revise a program if they have been advocating everyone likes this program, saving cost, saving taxpayers many dollars. Why they would reconsider their decision, to me, it does not make any sense whatsoever.

The program should have been ongoing from Day One because all those individuals are going to use the health care services. It does not matter which program they go to. They will go to a clinic. They will go to a hospital. They will use the services, so basically, why not use the most cost-effective way of delivering the health care?

I just want the minister to tell us if there is any communication he had from this multicultural task force, so that we can make at least some judgment and we can question them, why they are recommending to cut this program. If they are doing it, I am not sure about that. I do not know what they are saying. The minister is saying that they are going to have a look at this special project.

Mr. Orchard: Mr. Acting Chairman, before my honourable friend misunderstands, the Multicultural Health Advisory Committee did not recommend to cut the program, as my honourable friend just stated. No one advised to cut the program.

The issue was whether we continue input into base funding; \$160,000 was the request for continuation of a pilot project, pilot project at the time of that budgetary decision making, when our last year's support was some \$47,000. Although that seems like just an insignificant amount of money, my department is faced with those \$160,000 requests probably every hour of the day. Simply acceding to every one of them would double the health care budget.

What we attempt to do is make decisions based on evaluation of outcome, just exactly the process my honourable friend, for the first two Estimates processes, urged us to do, asked specifically: Have you got the ability to analyze the outcome of that program? Did it meet its needs? How do you know?

When Estimates process came up this year, I could not answer those questions, neither could my staff when we had Treasury Board. Therefore, we did not include \$160,000, an increase of \$113,000 over ending grant funding, not continued program support, but ended pilot project grant funding.

Now, because there was no evidence to cut the program, as my honourable friend said, no recommendation to cut the program, as my honourable friend says, there likewise was no analysis to say fund the program. I am seeking the information on which I can make that decision. To assist me in making that decision is the Multicultural

Health Advisory Committee. They have not recommended to cut the program. Their first analysis, when I posed the question to them subsequent to the meeting I had with individuals who are recipients of the service, was that they could not provide the detailed answer of government; but they believed that there is sufficient merit to the program that they undertake a wider review and understanding of the issues involved in that program including other translation and service provision levels that can be accessed by newcomers to Manitoba and the relative value of each.

I am sure my honourable friend can see the circumstance develop that should the International Centre's program need more money, they will make the case and you will be there advocating. Should another group decide to set up yet another translation referral service, my honourable friend will be there urging government because of "need to fund the program," as my honourable friend is urging me to fund the Planned Parenthood program. How many others of the community health clinics will likewise make a proposal?

We believe that there is an opportunity to develop a central, focused program, so does the Multicultural Health Advisory Committee. That is the nature of their investigation and their report and recommendation to government. Based on that, government will make the decision as to whether to include and end the uncertainty that has hovered over this program for over two years, and either say, yes, it goes, or no, it does not. When we make that decision, I would expect that if it is yes, my honourable friend will jump up in the House and congratulate the government for a progressive and wonderful decision. If it is no, my honourable friend will proceed on questions as to why not, and if it is no, I will justify the reason. No decision has been made yea or nay, but the decision has been made that until we have the information from the Health Advisory Committee to make that informed decision, the program continues.

(Mr. Deputy Chairman in the Chair)

Mr. Cheema: Mr. Deputy Chairperson, can the minister give us a time frame when he expects that this committee will give him some recommendation, either yes or no or maybe or never?

Mr. Orchard: I am hoping that we have that information within several months.

Mr. Cheema: Mr. Deputy Chairperson, the minister is saying that a project like this with \$160,000 in services will need several months of total evaluation, several months to evaluate one program. Is this minister's committee going to spend several months to evaluate a program which has been in existence for two years, has been functioning well? It is not a political program. It is a good program and the Minister of Health knows that it is a good program. Somebody just gave him the wrong advice to put a hold, and the minister understands the whole program. If there was some other minister, I would expect him to not understand the issue. He understands the whole issue. He understands that this is very cost effective, very cost beneficial, and it is very good to save tax dollars.

I do not know where he got the advice, why he made the wrong decision—if we do not want to use the word cut—to put this program on hold. It is really amazing that we have to wait a few more months to have some decision from the minister's office, whether he is directly responsible or not, but certainly he should give direction to his multicultural advisory board to make a decision quickly, make sure that at least those people can get services and eventually save you tax dollars. It makes great sense.

Mr. Orchard: Mr. Deputy Chairman, if that is the case then that is the advice that the Multicultural Health Advisory Committee will give me. But my honourable friend must surely want the process of analysis undertaken by the Multicultural Health Advisory Committee to be one in which they have integrity in the process. It is not my time line that I am following, it is theirs.

So, you know, my honourable friend should just wait with a certain amount of patience because the program is carrying on with its services today. If the Multicultural Health Advisory Committee indicates that it ought to, then I will approach Treasury Board with the information that I did not have last time that I was there, and when you do not have information you are unable to get positive decisions. That used to be consistent with the urgings of my honourable friend the member for Maples (Mr. Cheema) when he asked in Estimates process, how are you evaluating, how do you know whether you are receiving value for the tax dollars? I am simply following his advice.

* (1650)

Mr. Cheema: Mr. Deputy Chairperson, this minister is very smart in his answers. I know that, he can answer the question the way he wants it, but that is beside the point.

Can he tell me how many other issues this multicultural task force is going to have a look at because this seems to be very busy? They have to have several months to make a final decision on this very expensive program.

Mr. Orchard: Mr. Deputy Chairman, you have to appreciate that these individuals are all volunteers and they all have very busy and active professional and career roles, so that the time they provide in terms of developing advice, to the government and to myself, is all volunteer time. Certainly I would like to have the issue recommended to me within a couple of weeks, but the council has made the case that they want to assure that they have approached the issue with integrity so that within the multicultural community their recommendation will have credibility. You know there are varying opinions on health issues within the multicultural community and so they want to try and provide some consistency.

Mr. Cheema: Mr. Deputy Chairperson, can the minister tell us, out of the other demonstration projects, how many projects are on hold and how many have had the final reports, and can he give us some idea when we can expect the final reports?

Mr. Orchard: I am sorry, I was talking to my colleague and I missed the question.

Mr. Cheema: Mr. Deputy Chairperson, can the minister tell us how many other demonstration projects are on hold out of this \$1.7 million and, if they have completed any reports, can we have the copies of those reports?

Mr. Orchard: I am told all the reports are in except the Low Birth Weight one that I indicated is tentatively scheduled for October '91.

Mr. Cheema: Mr. Deputy Chairperson, can the minister tell us what is the procedure for someone to apply for this particular program? Are there any specific guidelines, or is there a specific budget every year at \$1.7 million that each and every project would have a capping of the funding provided under this program?

Mr. Orchard: These are demonstration projects. If they have achieved their goals, then future budgets will reflect that in terms of expansion of the program. Mr. Deputy Chairman, these were one-time demonstration projects, each standing on its own

merit. The process now is through the Health Services Development Fund with the contractual arrangements that we have discussed over the last several days.

Mr. Cheema: Mr. Deputy Chairman, the minister is saying that this will be ultimately replaced by the Manitoba Development Services Fund.

Mr. Orchard: The Manitoba Health Services Development Fund has already replaced the funding mechanism here.

Mr. Cheema: That is it.

Ms. Wasylycia-Lels: Yes, just on the Immigrant-Refugee Health program of Planned Parenthood, I am curious, given the minister's response, since it is my understanding that this project has been evaluated on a number of occasions, I am wondering if the minister could explain why previous evaluations are not being taken into account now and if he could table previous evaluations of this project.

Mr. Orchard: I do not know whether we have previous evaluations. I will check for my honourable friend.

Ms. Wasylycia-Lels: Mr. Deputy Chairperson, the organization clearly stated that, at the time when the controversy erupted around its future, serious evaluation was done, and it is our understanding that the program has been evaluated as a most successful one, as unique in Manitoba. As my colleague the member for The Maples (Mr. Cheema) says, it is very cost effective.

Mr. Orchard: Those are exactly the issues that the Multicultural Health Advisory Committee will investigate and provide advice to government on.

Ms. Wasylycia-Lels: The minister is saying that previous evaluations do not count, and we are going to study it all over again.

Mr. Orchard: Mr. Deputy Chairman, what I am saying is that the Multicultural Health Advisory Committee will no doubt reference those studies but will provide government with recommendation which is, I think, fairly broadly based in terms of its perspective and analysis because of the makeup of the Multicultural Health Advisory Council, and provide government with recommendations as to whether this program, in context of others that can provide some similar services to assure us that we are providing a unique program without parallel, without duplication and effectively delivering care

services—that report or that recommendation, yea or nay, I expect the Multicultural Health Advisory Committee to bring to government.

Ms. Wasylycia-Lels: Planned Parenthood has received a letter from this minister's deputy minister, I believe, indicating that the program should proceed, that staff should not be laid off. There is the expectation on the part of Planned Parenthood that funds will follow shortly, and indeed, if anything other than that was the case, this government has put this organization in a very difficult position of having to bear the costs for the continuation of this program when in fact the go-ahead was received from this minister's department. Is that a reasonable expectation on the part of Planned Parenthood, that approval for funds is in the works and that they will be hearing very soon about a specific grant for the continuation of this program?

Mr. Orchard: The understanding that has been shared with Planned Parenthood is that we will not leave the program in limbo after a report from the Multicultural Health Advisory Committee. At that stage in the game I will have a decision as to whether, yes, we will fund the program or, no, we shall not. Until that point in time and, when I am adequately prepared to make that decision, we have indicated that the program ought to continue with the clear, implied funding to carry those staff and their function until we make a definitive decision, yes or no, as I have explained to my honourable friend the member for The Maples 10 minutes ago.

Ms. Wasylycia-Lels: So they are in funded limbo. Is that correct?

Mr. Orchard: As compared to a definitive decision, as of March 31, that no, government would not fund them, yes, and I think that they and all of those who indicate benefit from the program are glad that the circumstance is as it is rather than an answer of no, as of March 31.

Ms. Wasylycia-Lels: Mr. Deputy Chairperson, I was very surprised and interested to hear the minister say that this program was, in fact, in competition, perhaps, with services provided through the International Centre. Everything we have heard about the program is that it is unique, provides a service that is not being provided by other organizations. I am wondering if the minister is giving us some indication that he and his colleagues in government are moving toward the concentration of immigrant-refugee outreach services from a

variety of perspectives and areas, if he is considering the concentration of such services at the International Centre?

Mr. Orchard: No, Mr. Deputy Chairman.

Ms. Wasylycia-Lels: Mr. Deputy Chairperson, can the minister, based on the previous evaluations done on this program, tell us specifically where there might be some duplication of services?

Mr. Orchard: Mr. Deputy Chairman, that is exactly the analysis around the issue that the Multicultural Health Advisory Committee is dealing with and providing recommendations to government.

Ms. Wasylycia-Lels: Mr. Deputy Chairperson, will this committee or this minister ask the opinion of all of those facilities and, indeed, branches of government that have relied upon the Immigrant-Refugee Health Program for advice, for service, for cross-cultural awareness programming? It is indeed known that hundreds if not thousands of referrals have been made and that this program has ensured that that kind of training and advice is provided.

Mr. Orchard: Mr. Deputy Chairman, is my honourable friend suggesting that we widen the consultation and study the issue more?

Mr. Deputy Chairman: The hour being five o'clock, and time for private members' hour, committee rise.

* (1420)

SUPPLY—AGRICULTURE

Madam Chairman (Louise Dacquay): Order, please. Will the Committee of Supply please come to order. This section of the Committee of Supply is dealing with the Department of Agriculture.

We are on page 15, item 4. Agricultural Development and Marketing Division (b) Animal Industry Branch: (1) Salaries \$1,300,100. Shall the item pass?

Mr. John Plohman (Dauphin): Madam Chairperson, I thought we would wait for the minister's staff.

Madam Chairman: Will the minister's staff please enter the Chamber?

Mr. Plohman: Could the minister provide any updated information on the undertakings that he made here yesterday—I realize it was late last night when we completed the discussions—whether he

has any updated information on the individual cases that I raised with him, as well as the revenue share profit proportion of the feed analysis lab that I referred to in Question Period a moment ago?

Hon. Glen Findlay (Minister of Agriculture): Madam Chairperson, I hope the member pays attention to the figures I am going to give him.

Revenue received for the period ended March 31, 1991, \$170,416—that is total revenue. Expenses consisting of salaries, courier, operating supplies, repairs and maintenance and per diems for part-time staff total \$189,421. Other costs: buildings rental, employee benefits, another \$88,000; and the indirect costs such as overhead \$45,200. For a net loss in the operation where revenue is \$170,000, net loss is \$152,000, for a recovery, and I want the member to pay careful attention to this, of 52 percent—very consistent with our expectation last night.

I would like the member to apologize.

Mr. Plohman: Madam Chairperson, I am not going to apologize to the minister. I want to ask him some questions. He has given some information here that has shown a lot of additional costs added into the figures he gave us last night when he talked about percentage recoveries, and so obviously has changed the criteria for determining, in his mind, what percentage of profit, or percentage of cost, recovery is. We have to explore that a little bit because obviously the minister will want to be consistent if these are realistic figures that would apply to all operations he undertakes to privatize or to consider for privatization.

The minister said that there is \$180—was it \$185,954 or 183,000?—\$185,954 I thought I heard him say was the cost for the operation, and then he talked about \$88,000 and indirect costs and then another number of some \$44,000, I believe. Can he explain exactly how those amounts were determined and what goes into the \$185,000 besides salaries, and then what exactly makes up the \$88,000 and the other figures he gave, and whether this is an accepted accounting procedure in terms of attributing costs to any operations within the department?

Mr. Findlay: Madam Chairperson, the member obviously was not paying attention last night, and he obviously was not paying attention again this afternoon. We told him yesterday when we gave the figure that it did not include cost for space,

overhead, utilities or management. I have just given him those costs. He asked what is the makeup of the \$189,000 and, again, I will repeat for the record, it consists of salaries, courier, operating supplies, repairs and maintenance and per diems for part-time staff.

Other costs for the \$88,000 consists of building rental space and employee benefits at 15 percent—pretty standard. Indirect costs associated with management of some \$45,000 puts us in a net negative position of \$152,000 on the lab or, as I repeat, a net recovery of some 52 percent.

Mr. Plohman: Can the minister indicate where he gets the \$45,000 for management? Whose salary does that pay?

Mr. Findlay: It consists of the portion of time for three individuals, the chief of the poultry section and the feed analysis lab secretarial support and a director of administration in the branch. It was a portion of three people administratively.

Mr. Plohman: Is the minister saying that these people will become part time once this operation is privatized or will he still be paying their salaries?

Mr. Findlay: Madam Chairperson, the individuals involved, the chief of the poultry section and the director of the Animal Industry Branch, will obviously be spending more of their time directly serving the industry.

Mr. Plohman: Madam Chair, what the minister is saying is that these people's salary will continue to be paid by his department, so he is not incurring the savings. Yet he is incurring costs towards this operation of the feed lab, attributing them to that management, even though he is not going to save those costs. So there is no real saving there, and I do not think it is proper procedure to allocate those costs. We will see if he does that in other areas, in any event.

He said he is concerned about service, and these would have more opportunity to service the industry. Let us take a look at the service of the feed lab. Does the feed lab not play an element of extension service in terms of its operation to save money for producers? Does the minister not feel that part of the services of his department, the functions of his department, the goals of his department are to provide that extension service to producers throughout Manitoba?

Mr. Findlay: Certainly the business of doing the analysis and getting the results does supply

information. It can be used for extension purposes. It is used by the various specialists and the ag reps, but clearly our desire is to maintain the lab, no question about that. The lab will be maintained, so that the generation of the information to be used by the extension service, by the same people who will still be here, the chief of the poultry section and director of Animal Industry, as an example, the information will still be generated for their use.

* (1430)

So the generation of the information is not going to stop, just that, administrative—they will not be connected with government any more. The member tries to indicate that suddenly the services will disappear. They will not. Maybe more of the service delivery will occur in Manitoba than is presently the case, and maybe more people will use the service than is presently the case. So there will be more information generated for farmers, to be used by farmers.

Mr. Plohman: Madam Chair, the minister knows very well that if this is privatized, he is going to have to pay for this service. So there is again going to be a cost to government, if his expert specialists are going to have access to this information to share and offer advice to the producers out there. Will the minister admit that? How does he feel that this service and this information is going to be made available to his specialist? Gratis, by a private sector operator?

Mr. Findlay: Well, just as now, the information is generated for the producer, and he can go to any specialist to help analyze the information, get recommendations on the information. The information is the producer's to use, and we will supply him with the additional technical assistance in terms of using that data to help make rations or whatever he wants to do with it.

Mr. Plohman: The minister has a number of other labs in his department: plant pathology, I believe, veterinarian services lab, dairy lab, soils lab—of course that one has been designated—the dairy lab. Can the minister—we are under this section, and we can discuss the whole administration marketing division with some flexibility—provide the cost recovery for each of those services provided by his department? Because he selected some with reasonably high cost recoveries, and we have argued over what should be eligible and allowable

for determining costs but, in any event, there is a significant fee charged.

For example, what fee is charged in veterinarian services lab? What fee is charged by the plant pathology lab for sample analysis? What fees are charged for the veterinarian services lab when farmers come forward, and for the dairy industry, in terms of the samples that are taken and analyzed, the information provided? What are the costs? What are the user fees, if we want to call them that, since we have a significant fee in the feed lab? What is the comparable cost for the analysis in the other labs? What is the overall percentage cost recovery, using the same criteria as the minister did, or leaving off his extenuated cost, his management attribution, his space cost and so on? If he is going to add those in for feed lab, add them in for this, or else remove them, so we are talking apples and apples.

Mr. Findlay: Madam Chairperson, for the soil testing lab, total revenue for 1990-91, \$227,420; total expenses, \$409,919, made up of staff salaries, benefits, supplies and services, space, utilities and administration, for a net loss position of \$182,499.

He mentions the dairy lab. There are no fees charged, it is for food safety, it is regulatory, samples are taken for monitoring food safety; so it is not a service that is supplied.

For the vet lab—we are sorting out the figures here now.

An Honourable Member: Plant pathology?

Mr. Findlay: We will get that for you in a minute, too.

Madam Chairman: Item 4.(b) Animal Industry Branch.

Mr. Plohman: Madam Chairman, we are waiting for answers. The minister is just getting them from his staff. Does the Chair want me to backlog him with a number of questions while they are searching for these? I know I am not supposed to ask you.

Mr. Findlay: Madam Chairman, for the vet lab, the total revenue received in '90-91 was \$365,261. Total budget costs \$1,286,000. That is all costs included.

Mr. Plohman: Madam Chair, while the minister is getting the figures for the plant pathology lab, which is also used by farmers I understand, this figure is rather startling. In this case, the vet services lab, almost \$1 million in net costs. Is the minister talking

about all costs here in the \$1,286,000 or is he just talking about staff and the kind of thing that we got, or is this the total cost including space attribution and management, overhead?

Mr. Findlay: Madam Chairperson, in addition to those budgetary costs there will be space costs, administration costs, indirect costs, overhead costs.

* (1440)

Mr. Plohan: Madam Chair, I would just implore the minister to use the same criteria in all cases so we know what we are comparing here. This could well be over \$2 million in costs, or \$1.5 million, \$1.75 million, whatever. The costs are obviously much higher. The revenue is very low in comparison. Yet the minister has picked on a lab that has very small cost to the taxpayers compared to this for privatization because they can do it, give a better service.

What is the situation with the vet lab and the others in terms of the minister's priorities in this area? If he is interested in saving taxpayers dollars, why would he choose one where there is very little cost to the taxpayers, relatively speaking, compared to one where there is a significant amount of dollars that the minister could have saved?

Mr. Findlay: Madam Chairperson, on the plant pathology services, our budgetary costs are \$151,000, not including space and those other overhead costs, and the revenue received from that service is about \$2,000.

In both the plant pathology and the vet lab, what we are dealing with here is protection of health, particularly of humans, in the long run. Governments tend to want to invest in terms of protecting health of humans with regard to disease control and, for that reason, we are staying in those services.

Those services that are direct-service delivery to producers, like the drug lab, the semen lab, the soil lab and the feed lab, have been indicated as departments or services that we can privatize; but those services that involve direct protection of public health, like the plant pathology lab and the veterinary lab, we are retaining under government direction.

Mr. Plohan: Madam Chair, the minister chooses to generalize and say, government's choose to stay in certain services where it affects health, where the health of plants, humans and animals could be at risk, but not when it involves other services. He is

generalizing there. His government has chosen to do that at this particular time. Other governments have said all of those services are important. That is why we are in the business in Manitoba. Other governments have; the minister cannot deny it. Whether it was a government of a different stripe, also a government of the same political stripe, maintained those services over the years.

So the minister knows that it is basically a decision that he has made, chosen to differentiate between the two, but he cannot say then that he is basing it on the cost to the taxpayers. If he were, he would be looking at trying to get some cost recovery. I do not know even if it affects health of some living organism, why and how he can justify recovery of only 1 percent for plant pathology and a very small—and then that is just based on budgetary costs. Yet he is making that the major issue with regard to the feed lab.

The minister is not being very consistent here in terms of his approach. Is it the cost that he is worried about or is it more a matter of philosophy insofar as giving away?—or, if he wants to call it selling, I prefer to think that the private sector very often gets a heck of a good deal when they purchase.

We will explore the semen distribution centre later on to find out what kind of a deal they got. How can the minister justify getting rid of a service that is deemed to be award-winning in his own press release, an excellent service, one of the best in western Canada, certainly one of the most advanced, with equipment being used and then pay this much on the other side with taxpayers' dollars toward these services, a very small cost recovery? I am using his criteria, his thinking. He is the one who said the cost recovery was not there in those other areas. If he is then going to be consistent, he should be able to answer why that is not important in this area.

Mr. Findlay: Madam Chairperson, I have already told the member that the criteria started with those services that are related to public health versus those services related to direct service delivery. In direct service delivery, we think that the user should be paying, and right now government is subsidizing those services in the present arrangement.

Put it into the hands of the private sector, and they may be able to bring in some efficiencies, give the user of those services a greater sense of

satisfaction in getting the services they want. We will bring the business back to Manitoba that we have been losing, particularly in the soils lab and the feed lab. Producers are now choosing to get their services done outside the province to a greater degree than we would like to see. There is that spin-off that will come back to us, and clearly a saving to the taxpayer of subsidizing those services is very important.

If we used your logic, we would be into running drug stores, you would be into running equipment dealers, you would be into running fertilizer dealers, always saying that we are there to deliver a service subsidized by taxpayers' expense. I will not dispute the fact that starting up a feed lab or a soil lab or a drug lab or a semen distribution centre has some merit in the initial stages to get the service up and running.

Once the service is up and running and you prove that you can deliver the services, then it is time to turn it over to the private sector and let them continue to deliver the services. Those cases, we believe, in all instances, that can and will be done, and I say the spin-off benefit will be that it will attract more business by Manitobans to be done in Manitoba.

Mr. Plozman: Why would not the minister at least wait until the private sector has established itself in Manitoba and proven it can do the job before he would do away with the public sector facility which is doing such an excellent job? Why would he not wait and run them parallel for a while, in competition, if he wants?

The minister likes to talk about competition, the competitive marketplace. Why not? He could have it on the basis of cost recovery. We argued the other day about the costs. The minister has jacked the rates up to \$26 for a forage test. Naturally, the farmers are not going to go to that lab if they have to pay \$26 if they can get it for \$12 somewhere else. The minister, in his own policies, has ensured that the clientele would drop. So farmers would say well, gee, we are paying too much there and we have to go somewhere else.

Why would he not lower the cost to the producers so they could increase the volume? Why would he not ensure that the services there being offered through the department, with the integration of all the services that brings to the farmer, which is so important to the producers, to the public out

there—rather than doing away with it and leaving the producers to whatever happens to be available after that?

Mr. Findlay: Well, Madam Chairperson, the comparative forage analysis costs, I gave them to him yesterday—Saskatchewan \$28, Alberta \$25 and ours \$26. We are still losing business to the West. In the soils areas and soil testing, we are probably doing about half of the samples here in the province of Manitoba. Some of them are going west. Some of them are going to the United States.

* (1450)

We have attempted to work through the various dealers to convince them to use the Manitoba lab, but they have been convinced by one means or another that the type of service done in the American labs in particular, is more responsive to their needs and they would prefer to use that service. So we have lost some of the business, and we think that the various proposals that are coming forward to take it over will be innovative proposals in terms of attracting Manitoba farmers, in particular fertilizer dealers, to use the services that will be supplied in the province in the future.

The member says, why do we not set up a private sector? Well, we cannot set up a private sector competitor in any of those areas. A private sector has to decide themselves to come and do it. It is very difficult for a private sector to compete with subsidized government services. It is just not reasonable to expect a private sector to come in here when they have to compete with subsidized services. It is just not going to happen.

Mr. Plozman: The minister does not make sense there. I am not saying he should set them up. The fact is, if there was a lucrative business there—no, they have had an opportunity. Obviously they do not want to come in to compete in this province because they are not here. They are not doing the same kind of work that the government lab is doing—far superior, far more advanced technologically.

The fact is that they have had their chance to compete, and they have not done it. He says, well, they cannot do it if they have to compete with a subsidized service. Why can the labs in the States offer lower prices for the same technology testing?

The minister is fond of referring to Saskatchewan and Alberta. I did some checking. Saskatchewan and Alberta do not use the NIR system. They have

it, but they do not use it except for research. They do not use it for the broad spectrum of business as Manitoba does. That was quite important because that is the efficient test, the dry test with the infrared testing. That is what, in the hands of a private sector operator, will be a gold mine for him. The minister wants to give it away to the private sector.

Our real competitors right now are the American labs. The minister should quit talking about Saskatchewan and Alberta. That is where the business is going. He is now going to give away this technology to a private sector operator in this province.

Now I say to the minister, when he is considering the costs here and he has other labs that he is operating which are far more costly to the taxpayer, how can he rationalize this in terms of the service that is made available to the producers? The minister has to admit that this is a valuable service to save money for producers. It is so important to know what kind of feed. They put the wrong ingredients in the feed, they are going to pay a lot of money for something that is not needed. So it has to be impartial. It has to be professional. How is he going to ensure that takes place? What if it is bought by a feed distributing company? Are they not going to try and ensure possibly—is there going to be incentive for them to perhaps not give the same kind of impartial accurate results as the government lab is doing? Everyone respects it for that purpose.

How can the minister assure himself that there is not going to be a conflict of interest there? It is to their advantage to ensure that there are certain ingredients, expensive ingredients for the feed mix that is required, and the soil testing. If there is just a slight error in the amount for nitrogen, can you imagine the amount of additional fertilizer that the farmer is going to pay based on that?

How is he going to provide the safeguards to ensure that the producer, the clients, are protected under this system? That is one of the reasons we got this service here. It is not just ideological or just because we wanted it to start up. We felt it was important for Manitoba, for the producers to have this service. It is part of our extension services that we offer.

The minister does not charge for the ag rep. He does not say that when the agricultural representative sits down and talks with a farmer,

charge him \$50 an hour to talk with him. -(interjection)-

Well, I want to say to the minister, let us be consistent here. The minister will have his opportunity to say how much he charges, whether all of the services through the Department of Agriculture, extension services, are fully cost recoverable. In this case they have to be; in that case they are not. We know they are not. It is a service that is offered because we want the best for our producers so they can compete in the international marketplace. The minister is throwing some of those services away.

Mr. Findlay: Madam Chairperson, the member uses some pretty strong language that does not represent being anywhere near parallel to the truth.

The member throws out all kinds of innuendo about the private sector. He tries to say we are throwing away this service, we are going to give away technology. I wish the member would reflect on those kinds of strong statements that do not represent factual statements at all. -(interjection)-

If you just shoot in the dark with a shotgun often enough you might come up with a little hit here and there. The truth is that the technology is public information. There is nothing unique about the NIR. Sold by the private sector, the technology is published in scientific journals. There is nothing given away by that. NIR is here, and we are using it. In the process of finding somebody else to administer the delivery of the services, do you think we are stupid enough to not have the NIR in the negotiations? We are just going to throw it into the garbage? Maybe that is what you might do, but it is not what we would do. We are continuing to deliver the service.

The member says that there is impartiality and accuracy associated with government doing something. Obviously, that member has not been out talking with the public that buys these services. They are going outside of the province to the private sector in the United States. -(interjection)- Madam Chairperson, that member had his chance to ask the question. I would like him to give me the courtesy of answering it, because he has created innuendo on farmers, on people in the private sector and on government.

Madam Chairperson, the member has created all kinds of innuendo saying that farmers do not know how to make the right choice when they ask for

services; they do not understand that government is perfect and they give all the right answers. If the member ever went out and talked to farmers, he would find out that they made choices because they have a greater sense of confidence when somebody from the private sector does the analysis. They do not trust government is one of the strongest statements you will hear out there. If he would ever go out and talk to people, he would find that out. -(interjection)- Well, I especially heard it up in Swan River.

In Saskatchewan, they are delivering the service of total cost recovery for the fee of \$28 that I gave him earlier. We are not getting total recovery in our process. They have the NIR spectrophotometer. They do not have a technician right now to run it, but they are getting cost recovery in the delivery of the service at \$28. So I am rather disappointed that the member tries to create innuendo that the services are going to be discontinued, that the farmer does not know what he is doing when he makes a decision, and that somehow the private sector is all corrupt and they do not give the correct and honest answers. I think that is all wrong, and I would probably appreciate it if he would have the courtesy to withdraw those kind of comments.

* (1500)

Mr. Plohman: Madam Chairperson, my innuendo—and if any allegations are being made, however superficial or under the surface they might be, they are made at this minister in terms of his decision making, his rationale for his decision, not the others. I am saying that we have—not the producers, the producer knows exactly what is best for him or her. The reason they do that is because the minister has jacked the price up so it is no longer competitive.

He has the technology to offer the services at a much lower rate and he has chosen not to. That is unfortunate because he would not have lost the confidence, in some instances, or just because they cannot get a competitive price of many farmers and private industry to use this lab extensively if, in fact, the prices were competitive.

That is what I am saying to the minister. He should look at what he is doing. He has a one-track mind as to what the public wants and what the solutions are. That is privatizing. It has to be better if it is privatized. It is absolutely ridiculous. There are many times when the producers, individuals in

society, have a lot more trust in something scientific that is sponsored by government. We are not just talking about bureaucrats that the minister talked about, they do not trust, or politicians that people do not trust. We are talking about the scientific community, and I think the public has a great deal of confidence in public research and in the public scientific community financed by the public.

I do not think there is any dispute over that, and I think the minister should withdraw his statements that somehow they do not have confidence in that service, in public research and the public scientific community. It is wrong. It is not true, but they do know exactly what they are doing when they have to pay twice as much. You are darn right they know. That is why they go elsewhere, and the minister has priced himself out of a competitive situation with this service. That is our contention.

Why does the minister persist in doing that and then try to make the case that he has to privatize it to bring the clientele back? Why not just ensure that he is meeting the needs of the clientele, and still coming out with almost full cost recovery, if not full cost recovery on this service?

Mr. Findlay: Madam Chairperson, it is always interesting to go back in history and see how the philosophy of that member actually played out when he had a chance to be involved in those decisions. In the period 1980-81 to '87-88, the years that they were in government, the recovery they got in 1981 was 13 percent. They got it all the way up to 30 percent by '87-88. At the same time, the number of samples that were being analyzed, he kept the price down obviously because the recovery was very low, had to keep the price down. I think there is a pretty good analogy there. The number of samples being done went from 6,119 down to 4,413, so his philosophy backfired.

Mr. Plohman: A ridiculous statement coming from a doctor of agriculture. Come on now, you know very well that the technology being used in '81 did not involve the NIR system. They could not do the tests for the same price. It was a wet chemical process; it is not the same thing at all. The fact is that it was in 1988 that this new piece of equipment was purchased.

So the minister should talk about the figures after that, as well. He should also take into consideration, when he talks about these figures, that the government was moving towards cost

recovery. Sure, early in '81—if he wants to use those figures he can say the Lyon government was negligent in cost recovery. Why did they leave the NDP government in 1981 with 13 per cent recovery? This minister, he can look at that side of it, too. It does not fit as good there, but he says it fits perfectly for the NDP in terms of their philosophy. I am saying that it was the NDP government that was moving towards cost recovery, that recognized the importance of cost recovery, at the same time maintaining the competitive service and a high quality of impartial service, professional service, to the farmers of Manitoba.

I challenge the minister to make any statement and make it stick, and provide the proof that the farmers of Manitoba have in any way gone away from using this lab because they are not satisfied with the quality and the professionalism of the results that they get from that lab. Is it not a fact that there was a drop-off, perhaps a large drop-off, because the Manitoba Crop Insurance Corporation got involved as a result of the agreement with the major testing, and in many cases farmers could get their results through the Crop Insurance Corporation's testing, since they are having to do that anyway, analyze the feed through the feed analysis lab, one of the major clients since 1988, after this agreement was put in place. Is that not one of the reasons for the drop-off of farmers, in addition to the minister's high costs?

Mr. Findlay: Madam Chairperson, the member tries to allege that farmers would get their results from the Crop Insurance Corporation. The vast majority of samples were not necessarily forage samples that farmers were getting analyzed. Sure there was some livestock breeders who had some forage samples done, but the poultry industry, the hog industry, the feed industry, which developed and put together rations, are some of the large users of the system. It was not livestock, cattle operators who were large users. They got some information from the Crop Insurance Corporation the last two or three years. That is right, but they did not detract from the opportunity of samples coming to the lab.

Mr. Plohman: The minister, yesterday, Madam Chairperson, said that there was going to be no interruption of the service. He said that the layoffs that took place in this section, cuts in staff, according to the budget, totalling in Salaries some \$358,000, those in the feed lab were not going to be touched

until a buyer had been found and the service could be transferred to the private sector.

Why did the minister provide that inaccurate information?

Mr. Findlay: Well, Madam Chairperson, the staff have been given their layoff notices as of August 19 but also have been told that in the event that the services are not transferred to another administrative unit that their services will be retained beyond August 19. So on that basis we will continue to deliver the service, and the staff have been informed of that.

Mr. Plohman: Madam Chairperson, is the minister saying now that all of the staff in the feed analysis lab have received their layoff notices effective August 19?

Mr. Findlay: Yes.

Mr. Plohman: Would the minister either provide a list—or if he wants to do it verbally, that is fine, it just takes a little bit longer—of the names and positions of the staff in the feed lab that have received their layoff notices effective August 19?

* (1510)

Mr. Findlay: Madam Chairperson, the individuals' names and their duties: Ezzat Ibrahim, feed lab specialist; Linda Duffy, lab tech, and she has been reassigned; Stan Ho, lab tech; and two part-time people, Laureen Wonnick, working in the feed lab and Daniel Bockru, also working in the feed lab. Those last two shared a position.

Mr. Plohman: Did the half-time people, as well as all the other people—I believe the minister said there were six, did he not, earlier? I only have five here. Did he say there were six people laid off?

Mr. Findlay: Madam Chairperson, I gave you five names and I said the last two shared a position and on top of that there are two vacancies.

Mr. Plohman: Yes, Madam Chair, the two vacancies, so there were six then. That would be four positions. Did the minister say that one was not laid off?

Mr. Findlay: I said that Linda Duffy has been reassigned as the lab tech in the dairy lab.

Mr. Plohman: Madam Chair, I cannot understand how the minister could have advised this House that no action was being taken with regard to these employees when yesterday—and now he says that they have all been given their layoff notice of August 19. Secondly, the minister made statements both in

Question Period and to the committee yesterday that there is a good chance that this lab could continue to operate with the same people involved. Why is he laying them off if he wants to keep that team intact?

Mr. Findlay: Madam Chairperson, there is Civil Service procedure that has to be followed. As I said earlier, although they have received their layoff notices, the intention is, as much as possible, to have them transferred with the unit if the new administrative unit wants them, and if the transfer is not completed by August 19, they have been informed that their services will be continued to be requested.

We are working with part-time people now. We may have to work with additional part-time people but our intention is to continue to deliver the service uninterrupted and to explore the opportunities of them being able to continue to be the people who work in the unit.

Mr. Plohman: Madam Chair, the minister is only talking two months here, until August 19. He must be well down the road if that is his criteria for giving layoff notices. He must be well down the road for having a buyer on this.

What criteria has he established to protect the public interest insofar as this service?

Mr. Findlay: Madam Chairperson, since the budget was announced and the intentions became known, there have been about 12 proposals come in of people having considerable interest in the feed and soil lab as a unit. Those proposals are continuing to be analyzed and explored with the opportunity of determining who it shall be.

Mr. Plohman: Can the minister indicate how many of those proposals are from Manitoba companies? How many of them are Canadian and how many are from the States?

Mr. Findlay: Madam Chairperson, of the proposals we have, there is one from outside Manitoba in Canada and one from outside of Canada.

Mr. Plohman: The minister mentions the feed and soil lab as a unit. Twelve proposals were all for both labs? Is that the intention of the minister, to privatize these operations as a unit?

Mr. Findlay: Madam Chairperson, all of the proposals are looking at the joint feed and soil test labs, some more actively interested in the joint than

others, but they are all interested in the joint situation.

Mr. Plohman: I take it, Madam Chair, that is the minister's preference, too. If that is what the private sector is interested in, then he is interested in pursuing that.

Mr. Findlay: Yes, I think because the instrumentation and the technology and all that, reagents and all the equipment, are pretty similar in both cases, it would be obviously the right way to go in terms of economically or trying to deliver the services of the two at the least cost, that you would run them together.

Mr. Plohman: The minister has brought up an interesting point here. If we are going to see the two combined, perhaps run by one company; perhaps without naming names, of course, due to confidentiality, the minister could indicate what kind of cross section of entrepreneurs, companies, has he seen come forward in terms of their existing operations.

Mr. Findlay: Madam Chairperson, the member indicated some concern about confidentiality, and I have some concern as to saying too much because the different proposals are in competition with each other. Clearly, we will be taking into consideration the ability of the people in terms of their expertise to deliver the service and to build up a company that is not only going to serve the interests of Manitoba producers, the feed industry in Manitoba, and the various fertilizer dealers in Manitoba; but also they have the capacity to attract business from outside the province. That means having the technology and the ability to do that. I think, suffice to say that there is a good cross section of interest. Some of it is unique interest, and I think I better leave it at that.

Mr. Plohman: Did the minister say whether criterion for consideration of a candidate is going to be in addition to price and service? Is it also going to include the company that has been active in this field, or is that not an important criterion?

* (1520)

Mr. Findlay: We will certainly be looking at price and service, but ability to deliver the service will be a criterion, and we are looking for a Manitoba-based company.

Mr. Plohman: How is the minister going to ensure that the company—when the minister talked about confidentiality being of some concern to him, he did not make it a strong concern. He earlier

paraphrased my concerns as innuendo against the private sector, and I would call his concerns about privacy confidentiality innuendo against the private sector, if you want to make extreme statements.

We are in the job of protecting the public interest and so we have to be concerned. It does not mean that we are undermining or running down the private sector when we make those kinds of statements, the same way I said the concerns I had were that there would be an incentive not to necessarily always produce the most accurate results, as I believe there is in the public lab that is in place now. There is no incentive to not ensure that the scientific integrity of the testing results is absolutely accurate. Do not say I am not to ensure that, but in the private sector with a company that might be in the feed business and fertilizer business as well as in doing the soil testing, feed for one producer could indeed have a great deal of financial benefit if there were a requirement for an enormous amount of a certain chemical or fertilizer requirement and for certain ingredients in the feed that he might be selling.

So the minister has to protect the public interest against that, and he has to be seen to be doing that when he considers privatizing these important operations. I want to ask the minister, does he not see that as a major concern and what safeguards is he going to put in place to ensure that does not happen?

Mr. Findlay: Madam Chairperson, what you find if the public sector is delivering a service, they have to keep their clients satisfied that they are getting the right results. The minute that the customer believes that somehow the results are being construed differently, or manipulated differently, they will lose the business. So it is in their own best interests to do it right, correct and by the book, and the procedures exist in the published literature as to how to do the procedures. If any farmer wants to cross reference he can send it to another lab, and he finds out that somehow the lab here was not doing the correct procedures, or giving the right results, the word spreads quickly. It is a great equalizer, public opinion.

Clearly if the operators of the lab are members of the Manitoba Institute of Agrologists, which is certainly a distinct possibility, there is a code of ethics, distinct code of ethics, on how to deal with the public. It is under an act, they are subject to prosecution if they are manipulating results, not giving the true facts to the public.

So that is how the system runs and the laws are in place in that respect.

Mr. Plohman: Well, Madam Chair, would the minister not admit that subtle variations could very easily be accomplished, slight misreadings, or whatever the case may be, to make quite a significant difference in the final analysis, and it would be very difficult to prove or to prosecute?

Mr. Findlay: The opportunity that is in front of us here is a good economic opportunity for whomever is going to supply the service. It may well be supplied in rural Manitoba. There is a rural development element to it. The member is trying to cast aspersions on people who might deliver that service. I think it is highly inappropriate.

Let me give an example of the opposite situation. Maybe he has forgotten this one. All throughout the period that he was in government, there was a lawsuit hanging over the head of his administration that they never, never dealt with. It was a lawsuit brought on by milk producers of this province, because they did not have confidence in the government lab.

They sued the government, because they did not believe that the results coming out of that lab were justified. They had sent samples elsewhere to verify the lab. They had people in to inspect the process and made a decision to carry out a lawsuit. We solved that situation. We reached an accommodation, a settlement, and those services are now supplied by the private sector, and everybody is satisfied. That is some history that has happened.

Mr. Plohman: The minister has brought up an interesting topic. I guess it would fit under this area as well as any other area. He said this is an excellent economic opportunity. Yes, I am afraid it is too good an opportunity, and it is providing an opportunity for a lucrative profit where the farmers of Manitoba will be paying. That is right. I thought that was one of the criteria that the minister used. I think it is quite evident here today in determining what he was going to privatize.

So he identified those that were lucrative opportunities for the private sector. That is one of the concerns that we have, that it is mainly based on how much profit a private-sector company can make in this area, as opposed to the importance and integrity of impartial and professional service. The minister said there are all kinds of protections on

that. Now I say to him that there are all kinds of subtle things that can be done that cannot be prosecuted. Interpretation—two scientists probably could disagree very easily, even on interpretation.

I say to the minister, he has his head in the cloud if he is saying that that potential is not very real insofar as what could happen after privatization takes place. I am not casting aspersions generally on companies, as the minister tries to say. I am raising concerns within this, and I am not even going to apologize for raising these questions, very real concerns to protect the public interests.

* (1530)

If the minister wants to be completely truthful with himself, he will acknowledge that that is a very important criteria. He may to a lesser degree consider it important, I to a greater degree, but any intelligent person would recognize that as an important consideration when turning over a service such as this to the private sector.

The minister talks about the milk board suing the government. I would like to ask the minister, because he says he has settled this now, what kind of a settlement he has worked out there and also, how long since Mr. Chuck McNaughton, who was the senior staffperson during the time that this took place, this disagreement and lack of confidence by the board—by the producers of Manitoba as the minister puts it—when was he put back into this minister's department in charge of important areas of this department? When was he brought back in this department, keeping in mind that he was the person, civil servant, ultimately responsible at the time that the allegations of wrongdoing or of misinformation took place and this lack of confidence that the minister talks about developed?

Mr. Findlay: Madam Chairperson, the member says that two scientists might disagree. I do not know if there is anything unusual about that, whether they work for government or they work in the private sector. It would be quite unusual if all scientists did agree. -(interjection)- The member makes allegations that somehow the public will not sort out those people who might be misleading them in terms of the kind of information they give.

I guess it is obvious he has never really lived in the private sector, never had to deal with the private sector, has no understanding of how those issues do get sorted out by people. Whether we have one

delivery of service or more than one delivery of a service in the province of Manitoba, we have a free country and a free relationship with another country and people can get comparative analysis done. Pretty good cross-check and if you lose the confidence of your client you are going to lose the business, not only in the short term but for a very long period of time. The same principles apply to running a drugstore or a hardware or an equipment dealership or whatever it is. You have to maintain the confidence of the public and they have various ways and means of determining whether you are doing it right or wrong or you are gouging them.

The member often likes to use the words "making great profits," as if there is something wrong with that. That is what drives the system in this country, has driven it, has developed and built this country and is what many mid-European countries desperately want to get oriented to as to how to run a market-driven economy, a profit-related economy. That is what they want and this member would like to destroy people who attempt to do that.

The member raises Chuck McNaughton coming back here. He was away for a period of time. We will find out the exact date, but we believe it was sometime in 1987. We will get the exact date of when he came back to the Department of Agriculture, and he might remember that he was in government in 1987. We believe it was in that span of time.

Mr. Plohman: Well, on that, maybe the minister could, while he is researching that, provide the details as to when he returned, what position he returned to and what position he is in now and what positions he has held since he returned.

Insofar as my understanding of the private sector, I know that the vast majority of the private sector are honest, hard-working people, and I do not cast aspersions, as I said, on all people when I make questions, as a matter of fact, no people in particular. Talk about protecting the public interest, and integrity is sorted out by the public quite often when there are opportunities and alternatives. Insofar as the opportunities for alternatives in this area, you would have to go out of the province. It is clear now that in most areas there is not competition except out of the province, and they have done that with this minister, because they did not have confidence in the prices he is charging, so that is why they have gone out of this province.

Insofar as great profits, there is nothing wrong with making great profits as long as it is not at the expense of the farmers, who cannot afford to contribute to large profits as they are to fertilizer companies and chemical companies already, at great expense to themselves, because they can barely afford to continue to operate in many cases in this province, in this country, with low prices, and the minister knows that.

That is the angle that I am coming from. I want to protect their interests. I consider that the primary interest, and I think the minister should have that as his primary concern and therefore should have some empathy with the points I am making with him this afternoon on this important issue.

I want to ask the minister if he has—he talked about the feed and soil lab together. Have all of those employees—and how many are there, again, positions and names—in the soils lab been given notices of layoff for August 19 as they have in the feed lab?

Mr. Findlay: The employees of the soils lab are under the employ of the University of Manitoba, not under the government of Manitoba. They are on term positions and they have been given a three-month extension, which would take them to the end of September, is what we believe. By university contract, they are required to give six-weeks notice, but they are university employees.

Mr. Plohman: The minister forgot to mention the number of employees, the positions and names.

Mr. Findlay: Madam Chairperson, we do not have the names of the individuals, but we believe there were six individuals involved. If the member really wants the names, we can get them for him.

Mr. Plohman: Does this privatization of the soils lab then come under his department, because he said they are employees of the university? The savings that this minister says will accrue to the taxpayers, will they accrue through his department or is this a savings in some other appropriation?

Mr. Findlay: Madam Chairperson, we gave the University of Manitoba a soil test grant of \$230,600 in the past. In terms of the net loss that I gave the member earlier of \$182,500 on the soil test lab, about half of those losses would be the university's and about half ours.

(Mr. Bob Rose, Acting Chairman, in the Chair)

* (1540)

Mr. Plohman: Mr. Acting Chairman, can the minister clarify then that he is reducing this grant to the University of Manitoba, a soils test grant, or eliminating it this year? Has it been eliminated or reduced to what level?

Mr. Findlay: Madam Chairman—

An Honourable Member: Mr. Acting Chairman.

Mr. Findlay: Yes, I am sorry, Mr. Acting Chairman. We are called equality.

This \$230,600 that we gave as a grant, when the privatization is complete we will obviously not be giving that grant, there will be a saving of \$230,600 for the government of Manitoba. As I said earlier the services will continue to be delivered until such time as privatization occurs. When that happens the grant that we are paying will not be paid any further and it will be a saving to the government.

Mr. Plohman: The minister said the saving to government will be how many dollars? What is the share for the government?

Mr. Findlay: \$230,600.

Mr. Plohman: That is the amount of the grant. That is not the amount of the saving. The saving is in the losses. The minister said that the total losses will be shared half by the university and half by the government.

Mr. Findlay: Mr. Acting Chairman, the revenues received from the soil test analysis are received by government. We give back a grant to the university of about equivalent dollars, and on top of that there are expenditures totalling, in '90-91, roughly \$400,000. About half of those expenses are incurred by university and about half of those expenses are incurred by government. So we will save on those expenses, as well as on the grant.

Mr. Plohman: Could the minister indicate, just in summing up this first section—I know we varied a little bit into Soils and Crops. We might have a couple of questions there later on, and in Veterinary Services. I am prepared to pass it over to the Leader of the Liberal Party (Mrs. Carstairs), with an undertaking from the minister that he could provide a little more detailed information than he provided verbally earlier on the costs, and cost recovery of the various labs under his jurisdiction, the veterinarian services lab, the soils lab, the plant pathology lab, the feed lab, the dairy lab, and the recoveries, basing the costs on the same criteria for all of them. The minister has some which are

budgetary costs and some that include capital costs and overhead, and so on. If he could provide that in brief form for 1990-91, and perhaps '89-90, for the past two years, I would appreciate that from the minister.

Mr. Findlay: Mr. Acting Chairman, yes, we will supply that information.

Mrs. Sharon Carstairs (Leader of the Second Opposition): I would like to go back to a whole bunch of issues that we seem to have passed. First of all, Mr. Acting Chairperson, I would like to deal with the whole meat packing industry in the province of Manitoba.

Can the minister tell us what is being done right now by the department to encourage the reopening of a killing plant in Brandon? I understand that there are some farmers who have indicated that they might be interested in opening this. Has the government participated in that discussion at this point in time? Have they had any discussion with Burns as to the future that they see with respect to the plant in Brandon?

Mr. Findlay: When we are talking about the meat packing industry as it relates to cattle, certainly not too long ago, a little over a year ago, we have four plants that were killing in the province here. We had Western Beef out at Beausejour and Burns in Winnipeg and Burns in Brandon and East-West Packers. With the forced closure of East-West Packers and the voluntary closure of Burns, we are down to two relatively small plants, Burns in Winnipeg and Western Beef at Beausejour.

I do not have the figures in front of me, but the kill in the Winnipeg plant here, I understand, has gone up a fair bit. Western Beef is killing more and more animals, certainly, still not enough to anywhere near satisfy what we would like to see happening in the province of Manitoba.

There have been some discussions along the way with Burns and the Department of Industry, Trade and Tourism. I have been involved to some extent. I cannot report that those discussions have moved forward with any great degree of success at this point in time. Burns is still, as anybody else in the meat packing industry, concerned about the viability of the industry in Canada as a whole.

Clearly, the actions of the Alberta government have not helped that process, the subsidies that have gone in not only to the Cargill plant, but others in the province of Alberta, as far as we are

understanding, are still going on to some relatively unacceptable level.

* (1550)

The numbers here are Western Beef, 250 head per week; Burns, 850 head per week. Burns were around 400 when they closed the Brandon plant, so technically they have doubled. The Red Meat Forum has put together a proposal to do a fairly intense analysis of the red meats industry, beef and pork, to determine opportunities not only on the production side, but on the processing side to see if there are niche markets that can be explored, attract people who are interested in investment or developing economic opportunities for the red meat sector here in the province of Manitoba.

They have received funding from Western Diversification, the Department of Agriculture and the Department of Industry, Trade and Tourism. It is a very significant analysis that, hopefully, will help identify opportunities for the private sector or attract new private sector investment, create markets that they may well want to look at. So the meat packing industry and the cattle industry here in Manitoba is not as healthy as we would like to see it. I guess I would say that, as I see it, we are probably going to need some outside investor to come in and see an opportunity and make the investment to make it happen. Burns is very unhappy with what has happened in Alberta, and they say, as long as Alberta is doing what they are doing they are not likely to want to try and compete with a subsidized plant, to have a plant in Manitoba to compete with a subsidized plant in the province of Alberta.

Mrs. Carstairs: Mr. Acting Chairman, the minister did not indicate if he had any discussions with, apparently, a group of farmers who have indicated that they might want to take over the Burns operation in Brandon. Has that been brought to the department or is that just discussions taking place among individual farmers themselves?

Mr. Findlay: Those discussions would be involving staff from Industry, Trade and Tourism at this time.

Mrs. Carstairs: Mr. Acting Chairperson, Manitoba has, of course, continued to lead the exodus of feeder cattle outside of the province. Can the minister tell us what the department is looking to in order to cut down and curtail some of that? It was hoped that the Livestock Development Program would address some of that issue, but now that that

has been cancelled, what other initiatives is the minister looking at?

Mr. Findlay: Certainly the exodus of feeder cattle is bad news in terms of our being able to get further value added out of those animals in terms of feeding them here and seeing them processed here. I guess the biggest mission that I have been on now for about two years is talking with Alberta to attempt to level the playing field in terms of the involvement of government in the industry, the cattle industry or the hog industry, or just in other subsidies to the grain sector. The hog people and the cattle people that I have talked to, what they want is a level playing field. When you come right down to it, they prefer that government is as far away as possible in terms of throwing subsidies which distort the marketplace and put the wrong signals that farmers have to make decisions with.

We have a big job ahead of us in terms of getting Alberta to get out of all the programs they have been in, but so far this year they have announced the 9 percent money would no longer be available. Fertilizer subsidies will end, I believe, at the end of July, and the fuel subsidy has been reduced fairly considerably in this particular budget.

In terms of getting them to back off the Crow offset program that they have in place is what the cattle industry would like here in the province of Manitoba. At this point in time we have not made any progress on that. Clearly, it will be an item of discussion at the ministers' meeting in two weeks from now in Alberta.

I think the government of Alberta is also somewhat like us; they are starting to realize there is not a never-ending flow of tax dollars that they can spend on all kinds of program initiatives. I think there is a greater sense of reality out there now that money is not as free as it used to be and that they have to be careful in some of the things they do. Hopefully, in that, some common sense will prevail and they will back off some of the things that they have done in the past which the subsidization creates—an unlevel playing field. It hurts us over in Manitoba.

Certainly, the Livestock Development Program, it would be nice to be able to continue to do that. But again, in terms of trying to reduce our expenditures in some areas so we can put greater expenditures in other areas, the decisions are not easy.

In terms of other activities here in the province of Manitoba, Manitoba Pool now has a program of being able to supply money for the purchase of feeder cattle. It is a program that started up last fall and there has been a fair bit of uptake in it in the first year and the Pool is satisfied with the uptake. It not only keeps cattle here for feeding but it stimulates economic activity through their auction marts which is good for them.

We are looking at a vendor security proposal here in the province of Manitoba as well as looking at feeder associations that exist elsewhere. Feeder association is the government's support. It is a process of producers getting together as a unit and then going to borrow the money to buy their feeder cattle at a preferred interest rate.

Mrs. Carstairs: While the level playing field is obviously essential if we are going to be viable in competition, it would appear that, at least in 1990, Saskatchewan and Alberta were accepting 40 percent fewer of our feeders than they were in previous years and thereby sending them south of the border.

Can the minister say if that is causing any problems because of different regulations established by U.S. Food and Drug as opposed to what we have established in Canada?

Mr. Findlay: Mr. Acting Chairman, I am not aware of any problems of our cattle moving south, whether they are talking feeders or short-keep feeders or finished animals.

The beef trade has changed quite a bit in the last three or four years. You used to see a lot of feeders go out to Alberta, get fed, the slaughtering plants were there. I was talking with an individual in the meat industry about two weeks ago and he said it is amazing how many finished animals are leaving Alberta for slaughter in the United States. It is amazing how many calves are leaving Alberta to go south for finishing. Even though they have the industry there for processing and they have all these programs in place, there is grave concern out there as to why both the unfinished and the finished animal is leaving Alberta and going south.

Here in the province of Manitoba we have had a considerable increase in the movement of calves in the fall and short-keep feeders during the rest of the year into the United States. There seems to be a deficit down there in terms of their ability to finish animals. When you talk to the person who is selling

that animal here in the province of Manitoba, whether you are talking calf or short-keep feeder, the price he is getting is very, very good. Economically, it is very good for him to sell at the kind of money he is getting today.

It looks to me, and I am in the business too, and I say that the best money in the cattle industry right now is in the cow-calf or cow-calf and short-keep feeder. There is not as much economic opportunity in the finishing aspect, although the jobs are created by that process, the jobs created by processing. But for the farmer himself, in terms of what is best returned to him, maximizing return for input costs and risk, the best return is selling that calf or that short-keep feeder right now and there is a willing buyer all over the place.

* (1600)

We have said for some time that the future of the cattle industry is north-south trade. That is developing at a very rapid pace in all classes of cattle. If we did not have the United States, we would not have a market for our spent cows, our older cows. That is where the majority of them are going.

The trade is developing. I am not aware there are any barriers that are harassing producers in moving cattle in the United States at all.

Mrs. Carstairs: Mr. Acting Chairperson, I do not really want to get into a free trade debate, because who needs it at this particular point in time.

I would like to know if the minister has done any evaluation within the department to find out if the reason why more and more seem to be going to the south is that there are in fact lower wage rates being paid in processing plants south of the border in comparison to what we are paying north of the border?

Mr. Findlay: Mr. Acting Chairman, certainly the issue of lower wages being paid in the processing plants is an issue. The processing plants that have talked to me here, and while we are talking the hog industry in which we have four of them—four killing plants and a couple of processing plants in the province of Manitoba—they constantly raise that issue.

We do not have a level playing field in terms of competition south because we are paying higher wage rates. That is a fact of life in Canada. We have had an increasing number of hogs going south, too, in the last year. Producers are making the

choice that they would sooner sell for a better dollar south of the line than to sell through the marketing board for Manitoba processing. They have told me that they can net out, and they have in the past netted out, an additional eight dollars a pig, the price they get in Sioux Falls, South Dakota, versus the price they get here.

That is subject to a lot of change. Prices on the two sides of the border can move against them. Clearly, the principle of countervailing live hogs at the border is going to slow that down. It seems that the processing plants in the United States can offer a better price to our producers for a number of reasons and labour rates clearly will be one of them.

I have had processors here saying, you know it is tough to compete. Sometimes the transportation costs equalize that difference in wage rate but not always. We are known to have a superior quality product here, whether you are talking leaner beef that we have or the leaner pork or higher quality pork we have. The processor down there likes to get his hands on it because it is a very marketable item at the retail outlet. We would just as soon sell them to process the product rather than done something on the hoof.

Mrs. Carstairs: Was this one of the areas that was determined by government would in fact suffer as a result of a U.S.-Canada free trade deal, that it would make the processing and, therefore, secondary agriculture production less accessible to Canadians in terms of job creation for Canadians; or was this an area which was not anticipated would work out in a negative way for Canadian employee opportunities?

Mr. Findlay: Mr. Acting Chairman, I was trying to recall the figures, but our export trade with the United States has grown in the last two years. In agriculture, our sales have certainly increased. I have used the numbers before. In things like flax and wheat and durum and oats, our sales have doubled over the last two years. Canola has gone up four times, so we are selling raw product here.

In terms of processing, the Can-Oat plant located at Portage is obviously designed to process and sell that product in the United States, the higher fibre dietary food. With regard to the processors I have talked to here in the province of Manitoba, although they raise that issue of higher costs or higher labour, it is still deemed to be a very desirable place to do business. There are certain other factors that are

attractive to them here, land costs. Living costs, by and large, in some cases, are attractive here, the environment here. I have seen figures, and I do not have the back-up information right now, that says that more processing plants are being built in Canada.

We see the amalgamations that have started to happen in the flour industry and in the canola industry, strategic alliances formed which we believe will strengthen the processing happening in Canada, Manitoba and western Canada. When I look at the canola-crushing industry, it is particularly encouraging because we have seven crushing plants in western Canada, two of them in the province of Manitoba. For the last five years, approximately, they have been under incredible economic pressure because of the subsidized oil being exported out of Europe. The subsidization process, also, in the United States has made it very difficult for them to extract enough of the international marketplace for canola oil in order to survive.

There was lots of speculation that plants would be closing in western Canada, and with the amalgamation now with Central Soya Canada, CSP Foods and, I believe, Canada Packers—they bought a facility from Canada Packers—it would look like they have greatly strengthened their ability both in terms of crushing, processing and further processing and, in terms of their marketing ability, to just position themselves to take on the competition. When there are investments and strategic alliances happening involving Canadian processing units, I think that is positive because it will position us to compete better in the future.

I mean we are, in agriculture and in the food-processing sector, very much in the global community. We cannot hide from that competition, and the Free Trade Agreement has maybe made people understand that better, geared them up to be more competitive, be more cost-efficient. Control your costs better and improve the quality of your product. If we can do that within North America, it will position us to do a better job of competing globally at the same time.

It is interesting to talk to some individuals who are very excited by this challenge, this opportunity, that Canada has. In terms of processing, we have water; we have people; we have energy; we have space; we have transportation; we have all the ingredients necessary to make it happen. I would

like to think we have the entrepreneurial skills and the financial ability in Canada to make some of those things happen here.

It seems that we do have to rely on outside expertise in some cases, outside investment and outside entrepreneurial energy to make those things happen in Canada. When I see these strategic alliances that have formed happen, it gives me some sense of confidence that we will see improved processing activity in Canada of a variety of agricultural products which will not only benefit the producers, but will benefit the economies of our provinces and our entire country.

The future is very difficult to predict. It really comes down to having the desire to be competitive, and any country that has that will succeed. When you look at Japan and Germany, it is just incredible what they have done in a 50-year period. From where they were to where they are today, constantly at the top of the heap, an intense desire to compete and produce and meet all the quality guidelines.

I am not saying that we have slipped behind but we certainly, maybe, need to sharpen or hone our competitive forces in this country. I think some of these strategic alliances will help us to do that.

Mrs. Carstairs: One of the most successful countries, of course, has been Germany, and there is no one who has a higher subsidy for their farm population than Germany, so the argument does not entirely hold water. In terms of the actual cattle and hog industry, I would suggest that it has not, to date, been a successful deal as far as they are concerned, as we see more and more of our animals not being processed in Canada and more and more of them being processed south of the border.

The minister, himself, raised the issue of the vendor security program. I was hoping, I must say, and I think so were the cattle producers that such a security program might be a piece of legislation tabled at this session. Obviously, it is not going to be, because we are far too long.

Can the minister indicate if he is aiming for a 1992 legislative agenda for a livestock vendor security program?

* (1610)

Mr. Findlay: Mr. Acting Chairman, yes, we would like to have been able to say we have that ready to go and in position to supplement the bonding and licensing process that presently exists, but the consultation process that we have been in now for

a few months has identified certain people or groups of people that prefer to be excluded entirely and not be involved in participating in any fashion.

We are in a consultative process with producers, dealers, auction marts, to see if we cannot get a consensus from all of the participants that it is right to do and develop the process they can all live with, so that the security can be there, particularly for the producer—I think, also, for anybody who owns cattle at any point in time between the producer and when they are eventually killed. We are trying to evolve a consensus that everybody can be satisfied with, so when we do put something into legislation there is not a disaffected party.

Mrs. Carstairs: I can understand why some of the dealers in particular do not want another layer of bureaucracy, upon which they have it at the present time. The purpose of this program—and it is functioning in other provinces—is not to necessarily do something which the dealers want; it is something that you do something that the producer desperately needs. I can understand why the minister may not want to give out certain names in this particular process, but can the minister tell us if he is indeed committed to this type of process, and if necessary, will introduce the legislation even if all dealers are not on side?

Mr. Findlay: Mr. Acting Chairman, we will continue to attempt to get a relative consensus to the best of our ability, and I say, to the best of our ability. It may end up not being 100 percent when we finally have to make the ultimate decision, but the producers are working with those people who are saying no, trying to convince them of the value of having a system in place. It also has to be reciprocal with other provinces, too, so that, you know, when animals are sold from Manitoba into Ontario or Alberta or Saskatchewan, the producer is still protected at the same time. So not only would you want it to work within the province, you would want it to work in a reciprocal sense with other provinces because that would broaden this protection for producers.

I recall a situation, it must be three or four, maybe five years ago where I think the name was Royal Livestock or something, in Ontario, went into receivership and we had Manitoba cattle down there. You know, the Manitoba farmer out here was really victimized in that process and it happened a long ways away.

Mrs. Carstairs: Mr. Acting Chairperson, the minister also raised the issue of a guaranteed feeder association loan system which is now in place in four provinces, I understand. How close is Manitoba to also joining in that program?

Mr. Findlay: Mr. Acting Chairman, we have been aggressively trying to get one implemented in the province of Manitoba. I would see it as being implemented through MACC. That would appear at this time to be the most desirable delivery vehicle, and our desire is to have it up and running for this fall. I hope we can achieve that guideline, but we are working on it. It looks like what we have proposed will be very good for what the producers want.

Mrs. Carstairs: Can the minister tell us what is the status of the livestock identification inspection program? I know the cattle producers have indicated that they believe that there is an increase in the amount of rustling that is going on. Now, we certainly have a piece of legislation before us which would affect branding regulations in the province and the ability to change them from place to place. Can the minister tell us if in fact there is a, for lack of a better word, beefing up of this program so that it can respond to the needs of the producer?

Mr. Findlay: Mr. Acting Chairman, we have looked at that, and certainly cattle producers have advocated that they would like to see it in place. The probable cost of that, which would have to be recovered through a check-off, would be about \$1 a head, which probably will cause some producers to say they do not need it.

About a year ago, I asked for some figures as to looking at the administrative costs of mandatory branding and the inspection at all sales points. What it would cost administratively to do that versus the cost of the loss of animals through rustling, or stealing, or whatever you want to call it, and really the administrative costs were greater than the rustling you could prevent. So if you take the costs into consideration, I think we would have some significant resistance among producers to do that.

Until we get a good field of producers who are prepared to absorb that cost, it will be very difficult to bring that into being. Certainly, one province, British Columbia, who presently has it, is questioning it on the basis of cost at this time. We think the vendor security and the feeder associations are more highly desirable before the

livestock sector right now than this process of mandatory branding and a random inspection at all sales.

(Madam Chairman in the Chair)

Mrs. Carstairs: Madam Chairperson, can the minister tell us what kind of public education programs he is considering to counter what has obviously been erroneous information by animal rights activists, by rock stars who, of course, indicate that even when they are from Alberta, they do not believe that one should eat one's pet? I think that was the actual k.d. lang expression, or something similar to the same.

What kind of public education programs are we going to be seeing in the province of Manitoba in order to counteract the impact of what is clearly an anti-meat campaign, which I have questions about the health of, but in addition certainly does not add to the health of the industry?

Mr. Findlay: Madam Chairperson, clearly the attitudes of some people in society about the use of animals for research or the use of animals for food is of considerable alarm to the farm community.

I have met with a variety of farm organizations, commodity groups, over the last couple of years, and we have discussed this on different occasions. One of the best protections they can have is to be able to say, when somebody scrutinizes them, this is our code of ethics; these are the practices we follow. If you want to challenge our code of ethics, that is one thing; but I can guarantee you that our members follow the code of ethics.

Every livestock commodity group either has a code of ethics or is developing one right now, so they can demonstrate to the public that they have something they follow that is responsible. Certainly the dairy industry has it. The hog industry has it. The beef industry is developing one. The chicken industry has one. That is the first line of defence, I think, that producers have to do. In any of the organizations I have talked to, they understand that, and they are committed to trying to do that. Naturally, they cannot control all their members, but for the majority they think they can get them to abide by their codes of ethics.

* (1620)

The other one is that, in terms of the public understanding the value of meat in their diets, in terms of disseminating correct and up-to-date nutritional information; that is another angle. It can

be done by the Departments of Agriculture, by the various commodity organizations. Agriculture in the Classroom is something we have just started. We try to educate the public in the school system about the agricultural industry, what it does, why it does it, and how important it is to life in general.

There is no way we are going to stop people in this free society from voicing the opinions that they want to voice. It is freedom we believe in. They may not agree with us, but we will never win the argument by trying to shut them up. We have to be able to win the argument persuasively with the public in terms of the counterinformation that we bring forward.

I read an article in, I guess it was either the Country Guide or the Cattlemen just a few days ago in which some Americans were giving opinions that this issue is not going to go away, and we better protect ourselves by being on top of it in terms of being able to demonstrate to the public, whenever we are asked, that we are doing the right things for the right reasons in terms of how and why we use animals, and then that would be our best defence in the long run.

Mrs. Carstairs: Madam Chairperson, I agree. I do not think you can shut them up, nor is it in a free society the direction that we want to take. I do think we have to counteract their arguments, and I think we have to be able to present material which shows that it is not a cruel activity, which shows that it is in fact a healthy activity in the diet.

Perhaps the most vulnerable are school-aged children, because they tend to hold up the views of someone like k.d. lang or, alternatively, animal rights activists. Ads which show—and certainly I have talked to the Minister of Natural Resources (Mr. Enns) about this—ads which depict the bloodthirsty seal hunter certainly do not help the cause, particularly when young children watch those kinds of advertisements on television.

Is there anything specific which the Department of Agriculture is doing either in co-ordination with the ministry of Education or in a broadly based advertising campaign which would add to the very good, I think, presentations which are being done now on lean beef and lean pork, which encourage people that it is a healthy food and not an unhealthy food and a very important aspect of the diet?

Mr. Findlay: Madam Chairperson, just two items to further expand on what I said earlier. In terms of Ag

in the Classroom, we are working jointly with the Department of Education to put the material together that will be used in that curriculum.

Secondly, we are associated with the Canadian Agricultural Research Council, which has put out a pretty significant piece that details the nutrition of meat, the safety of meat and is being widely distributed to educators, to anybody interested. It is being picked up, and the information out of there is being repeated in various places. We have involvement through CARC and through the Ag in the Classroom program to be sure that the right story is getting out there, the correct story, the correct information that is currently available to us in terms of the nutritional value and the safety of meat and the humane way in which we raise animals and produce that meat.

Mrs. Carstairs: Madam Chairperson, I just have a final question in this area and it has to do with the minister's own opening remarks in which he indicated that hog production in Manitoba was increasing. In fact, the publication of the annual report of Manitoba Pork says that is not the case, that the average weekly marketing for 1990 fell below marketing in 1989 in every single month, and below 1988 in eight of the 12 months. Perhaps the minister would like to correct it, but would he also like to tell us at this time why he thinks that is, in fact, occurring?

Mr. Findlay: Madam Chairperson, yes, I was fully aware of the figures. In a general sense, I was saying that. Through the '80s, we pretty well doubled our production from just under a million to—we peaked about a year and a half ago to just under two million. Yes, in the last year we have dropped off about 200,000 head, but clearly the signals are out there and the hog producers I have talked to say we are well positioned to move forward again in this decade with significant increases in hog production.

Now that we have lifted the black cloud of the countervail question, it has a significant emotional impact on producers that say we are not going to be able to sell these hogs that we are producing, because 70 percent of what we produce in the province of Manitoba is to eat outside the province. Almost half of that, or 35 percent to 40 percent, has certainly been going south, and our exports to the United States of pork have obviously tailed off over the last year and a half while that pork countervail has been in place. We all knew that it should not be

there. We had all the logic on our side, that the method of calculating the countervail was not legitimate by the Americans and the dispute-settling panel clearly told ITC, the International Trade Commission, that their figures were not correct but, until you get the final determination that, yes, the countervail should not be there and it will be coming off, it is a black cloud on the industry.

The way we are set up right now, with a countervail on live and no countervail on pork, I think, is not a bad situation for Manitoba to be in. We have the production, we have the processing, and a countervail on live will tend to keep the hogs here for processing, but we have an open door to sell the processed product in the United States.

We have a willing buyer down there. We have a superior quality product. I have had occasion to talk to a fairly senior individual out of South Dakota, and he said, you know, our processor says that we would love to have more access to your hogs, because they are a superior quality product and, when we process them, we can get a premium at the retail level for what your hogs are, what you are producing in Manitoba.

* (1630)

So the opportunities are clearly there, and I think now, with the countervail out of the way, we are in a position to move forward. We have the technology at the farm level. We have good, effective, efficient producers. We have a good feed industry here in the province of Manitoba, and we have the processing sector here, with four people in the private sector able and willing to compete for those hogs and wanting more hogs than are presently being produced at the farm level in the province of Manitoba. So it is just quite a significant black cloud lifted off us. The past year, where there is some reduction in the number of hogs produced, will be just a blip, and we will be back to close to the \$2 million mark within a year and a half.

Madam Chairman: Item 4.(b).

Ms. Rosann Wowchuk (Swan River): I would like to ask the minister a question about the grading of beef. I realize the standards are set across the country, but there has been some change in the grading of beef, and I want to ask the minister what those changes were and whether his department was consulted on changing the levels of the different types of grades that there would be in beef and why those changes were made in meat inspection?

Mr. Findlay: Are you referring to changes that have occurred or changes that are in discussion about occurring?

Ms. Wowchuk: Both the ones that have changed and the ones that are to be changed. There were some changes that were made just in the past year, were there not, in grading?

Mr. Findlay: Madam Chairperson, I am not just totally positive on the timing of changes, but there were some changes in the grading system three, four, five years ago, and there are some additional changes in the process of discussion right now, but they are not implemented, to my knowledge, at this point. Any changes in grading are a response by the grading sector and by producers saying that the consumer's preference is changing, and the changes in the past have been to more leaner kinds of meat—we are talking of the red meat industry—more lean meat. The farmer wants to be rewarded for doing the best job of matching what he produces with the consumer's maximum preference. That is the whole desire in the grading sector, to be able to reward the farmer for producing what the consumer wants.

In terms of the American market again, they have not responded like that. They still have not responded to the extent that we have in terms of producing a leaner, lower fat, lower cholesterol variety of food product. We have done that in Canada. We want our grading standards to reflect that and reward those producers who have produced those kinds of animals.

Ms. Wowchuk: Madam Chairman, will the standards that are being considered right now to be implemented bring us more in line with the American standards or are they more distinct? We have Grades A, B, and I understand that the American ones are not as clear-cut as ours. Will these changes bring us more in line with the American standards?

Mr. Findlay: Madam Chairperson, clearly in terms of trading patterns as they are developing and where our market will be in the future for meat, it is going to be south, north-south, it is going to be in the United States.

I think it is to our advantage to have reciprocal grading standards so it is easier for us to access that market that they cannot harass us on that issue at the border with regard to grading. The recommendations coming to us is that we need to

harmonize to the best of our ability with that market so we can sell directly into that market with less hassles.

Ms. Wowchuk: So we are bringing ourselves more in line with the Americans. Are we lowering our standards of grading or are the American standards being raised to our level?

Mr. Findlay: Madam Chairperson, the desire in the discussions is to move to a common, high quality, grade standard in both countries and it has to recognize consumer demand for leanness in beef. I cannot say whether it is moving more to ours or more to theirs but moving towards a common grade that recognizes what the consumer wants on both sides of the border. It is highly associated with leanness.

Ms. Wowchuk: We have a recognized standard around the world in beef production. I would hope that we are not lowering our standards, our grades that will be shipped around the world just to satisfy the Americans.

However, the other question I have on this is, the inspectors who do this work, the grading, and I realize these are federal positions, but can the minister comment on whether there was some talk about where the inspectors were going to be located? There was some talk about moving them to Regina. How many grading inspectors are there in Manitoba now, and are those positions staying in Manitoba? Has this been raised with the minister, and does he have any concerns with these positions?

Mr. Findlay: Madam Chairperson, there is, at the federal level, amalgamation occurring between Saskatchewan and Manitoba with regard to beef grading. It is our understanding that the head office will be in Winnipeg, and there may well be positions moving out of Saskatchewan to Winnipeg.

Ms. Wowchuk: I hope that the minister will take a strong voice to Ottawa and keep those positions in Manitoba. We have certainly been the net loser in many other cases in this province.

Just onto another area in livestock, the Leader of the third party raised the livestock inspection program. I have had several constituents raise this matter with me as well, because they are quite concerned that there is no inspection of livestock at points of sale.

The minister had indicated that only British Columbia has this program in place right now. Is

that correct? It is my understanding that there is inspection at all points of sale in Saskatchewan right now, and Manitoba is one of the few that does not have inspections.

Mr. Findlay: Mandatory branding and brand inspection is in place right now in Saskatchewan, Alberta and B.C. I mentioned earlier, B.C. is looking at it, has some concerns about the cost. It is a very costly program.

When we looked at it a year and a half, two years ago, as I said earlier, when I asked for what is the administrative cost of putting this in place and making branding mandatory relative to the actual loss of animals to rustling or stealing; it turned out that the administrative cost was more than what we would prevent happening.

* (1640)

When you look at having to demand that farmers brand everything, which many will resist very strongly, and pay \$1 a head checkoff or something of that order in order to pay for it; there will be a lot of resistance out there. On that basis, we have not moved on it. We have had discussions with cattle producers and their desire, with those parameters in place, is not as strong as it used to be when they thought it could be done for almost no cost. Clearly, it cannot be, because you would have to have a lot of inspectors out there at the various points of sale.

I hate to force farmers to do anything more than they have to do. If they want to brand, they can. If they do not want to, they do not have to. Maybe, in the future, some other method of electronic identification might make this a lot more feasible, and an instrument at a point of sale will be good enough to do the identification instead of somebody sitting there.

Ms. Wowchuk: I would be interested if the minister could share with us what the costs are, particularly in Saskatchewan, of implementing this program. If you would have those figures available, it would be interesting to know what the costs are versus rustling losses.

Mr. Findlay: Madam Chairperson, our analysis would indicate that our cost, using the Saskatchewan system, Saskatchewan model, our costs would be \$560,000—very similar to what Saskatchewan costs are, and they are using a checkoff for full recovery of one dollar a head at this time.

Madam Chairperson, do I understand that we are going to be going until six?

An Honourable Member: That is not known yet.

Mr. Findlay: Okay, would you be prepared to give me a three-minute break?

Madam Chairman: Just for clarification of the committee, I do not have the luxury of making that decision. We have to go out of this committee and call in the Speaker, go back into the House, waive private members' hour, and then come back out. So I would suggest that, indeed, if that is the will, there will be an opportunity for a few minutes right about five o'clock or shortly thereafter.

Mr. Findlay: I cannot wait that long.

Madam Chairman: You cannot wait that long? Is it the will of the committee to take five-minute recess? The committee will reconvene at 4:45 p.m.

* * *

The committee took recess at 4:42 p.m.

After Recess

The committee resumed at 4:49 p.m.

Madam Chairman: Order, please. Would the Committee of Supply please reconvene?

Order. We are on 4.(b) Animal Industry Branch: (1) Salaries \$1,300,100. Shall the item pass?

Mr. Plozman: What was—the Speaker was talking to me here and I did not quite hear. Were you talking about Animal Industry Branch? I have a couple of more questions, Madam Chair.

Yes, this recess, this three minutes is over so quickly, is it not? I wanted to ask the minister what happened to the former chief of the Animal Industry Branch, Frank Baker?

* (1650)

Mr. Findlay: Madam Chairperson, I will answer another question while I am here, too, with regard to Chuck McNaughton, the member asked a while ago. He left the government on July 13, 1984. He resigned as director of Animal Industry at that time. He returned to the Manitoba government on November 1, 1986, as chief of the dairy section, and he is now acting director of the Animal Industry Branch.

With regard to Frank Baker, he was the director of the Animal Industry Branch. He is a veterinarian

and he had been with the Veterinary Services Branch in the field previously. He is now assistant field veterinarian with the vet services branch.

Mr. Plohman: Did I hear the minister correctly say, that he is assistant field veterinarian? From a chief of the Animal Industry Branch to the assistant field veterinarian, is that correct? Is that a major demotion for Mr. Baker? He obviously does not have the responsibility he previously had.

Mr. Findlay: Madam Chairperson, as I said in my first answer, he had been with the veterinary field division previously and he is a veterinarian by trade. It is a job he prefers to do more than the kind of job he was doing before, so he has moved into that position. Frank is not that far from retirement, I believe, too. It was deemed to be a level of activity that he more desired than the position he was in. He was actually director. That was the position he was in. He is a veterinarian, and he is back doing the field work that he was probably happier with.

Mr. Plohman: Madam Chair, the minister said that he was the director of the Animal Industry Branch. Is that correct? Now he is assistant field veterinarian, which the minister says is more to his liking. I would ask the minister about the salary there, and also with regard to the present, I believe he said that Mr. McNaughton is now the acting chief, or is he acting director of the Animal Industry Branch?

Mr. Findlay: Mr. Baker's salary remains unchanged for two years, and yes, Mr. McNaughton is the acting director of the Animal Industry Branch.

Mr. Plohman: So what happened is that Mr. Baker has been red circled at his former salary in his new position. So there was no saving to government in terms of dollars, in terms of that. Actually, it is an additional cost because he must be making more than he should in that position, if he had just been hired to come into that position of assistant field veterinarian. Is that correct? What would be the salary range, upper salary for the assistant field veterinarian?

Mr. Findlay: Madam Chairperson, we do not have the comparative salary situation that he has asked for, but he will probably find, when we get the figures, that it will not be as far apart as he might think it would be.

Mr. Plohman: So the minister is indicating that Mr. Baker has retained his former salary as director of the Animal Industry Branch and the director's salary

is—what is it—in the neighbourhood of \$60,000 or \$65,000? The current acting director, is it the intention of the government to name a permanent director in the near future?

Mr. Findlay: Madam Chairperson, the director range we believe is—we would not want to be quoted on this—\$55,000-65,000 would be the approximate range for a director. With regard to a permanent director of the Animal Industry Branch, if we would desire to do that, we would be going to an open competition process.

Mr. Plohman: Going to a—

Mr. Findlay: An open competition process.

Mr. Plohman: Soon?

Mr. Findlay: If we desire in the future to fill it on a permanent basis, we will be going to an open competition.

Mr. Plohman: Is there a chance, Madam Chair, that the minister will not fill that position because of, say, reduced responsibilities because of the elimination of the feedlot, for example, or is that not part of the consideration?

Mr. Findlay: Madam Chairperson, we will be evaluating that.

Mr. Plohman: One other thing, I recall in talking about this whole area of the importance of some of these services to the farmers and producers, in terms of its impact on revenue, I recall a major study that was done—and perhaps Mr. Pringle will remember this, in Dauphin in the area of a copper deficiency—it was my understanding that there was a major analysis done by the feed lab at that time. I do not know if the minister is familiar with this. I believe it might be more than 10 years ago, in that area.

Madam Chairperson, as a result of the work that was done—and this is where I was talking earlier about extension work and services that are provided by the department—resulted in major savings as a result of this analysis that was done to determine the exact nature of the copper deficiency and then taking steps to provide information to producers to correct it. It would save the beef industry and the dairy—well, primarily the beef industry a tremendous amount of money in that area.

I point that out to the minister as an impact that this has had in my own area of the province to illustrate how extension services—and the minister is no stranger to that and knows that these services

are extremely important financially to producers, in this case, I believe as high as \$4 million to \$5 million a year in additional revenue because of the additional growth of cattle as a result of this diagnosis that was done.

I ask the minister, using that example, how he feels that kind of service can be provided to the producers in Manitoba if this lab is no longer—and the service—available through government services? Are they going to have to hire a private lab to do this kind of analysis? Would it ever be done? Is this not something unique to what the government would provide in terms of services to the producers in the area at no cost?

* (1700)

Mr. Findlay: Madam Chairperson, the history of excesses or deficiencies of minerals is something that I have a little bit of familiarity with. Way back in the early 1960s, I was involved in a study around the province of taking animal samples and analyzing for vitamin A and various mineral components, and clearly, the study you are referring to, in terms of the early '70s, built upon that information.

There are pockets throughout the province where copper deficiency is a problem. It has been identified through the veterinary services by—the veterinary services lab, has been involved also, and clearly there is a problem. The producers I have talked to who know that they have copper deficiency—the problem really is getting an adequate preparation to treat the animals, some injectable, or some feedable variety of copper that is approved for use in Canada. That is the biggest problem.

The feed lab is just a minor element of the information that needs to be generated to either find out if there is a problem, or solve it. The vet lab and the University of Manitoba, in terms of research that needs to be done on copper, in terms of shortages in various parts of the province and the way to supplement diet as to how to offset that, those are the major things that need to be done in this province. Just measuring the level of copper in the feed is only a small component of the total package of research information and knowledge that needs to be available.

We have all the extension staff all intact in the animal industry section and in terms of the ag reps, the other specialists that can deal with farmers in terms of transmitting that information to them.

Madam Chairman: Order, please. The hour being after 5 p.m. and time for private members' hour, committee rise.

Call in the Speaker.

IN SESSION

Mr. Speaker: The hour being 5 p.m., time for private members' business.

House Business

Hon. Clayton Manness (Government House Leader): Mr. Speaker, on a point of House business, there were some discussions that proceeded before five o'clock, and they did not come to a conclusion. I will ask you to ask the House again whether there is willingness to waive private members' hour.

Mr. Speaker: Is it the will of the House to waive private members' hour? Is it agreed? No, there is no leave.

PRIVATE MEMBERS' BUSINESS

DEBATE ON SECOND READINGS—PRIVATE BILLS

Bill 32—The Mount Carmel Clinic Amendment Act

Mr. Speaker: On the proposed motion of the honourable member for St. Johns (Ms. Wasylycia-Leis), Bill 32, The Mount Carmel Clinic Amendment Act; Loi modifiant la Loi sur la Mount Carmel Clinic, standing in the name of the Minister of Energy and Mines (Mr. Neufeld).

Stand? Is there leave that this matter remain standing? Leave? Agreed.

Mr. Reg Alcock (Osborne): Mr. Speaker, I would like to put a few words on the record about this particular bill. -(interjection)- I do, as a matter of fact. This is the bill to change the incorporation of Mount Carmel Clinic. As I understand the intention of this bill, it is simply that Mount Carmel Clinic was incorporated under an act of the Legislature at some time in the past and is now moving to change its incorporation, so that it can change the structure and the nature of its board of directors. That is really what I want to speak about.

I can say at the outset that we support the intention of this bill. I would hope that it will move to committee shortly and that we will have an

opportunity to see it passed before the end of this particular session.

What it raises for us, and what I think is important, is the purpose of a bill like this is to allow a community-based organization to control the way in which it sets up its board of directors. I think that is a very important consideration, particularly for a community facility like Mount Carmel Clinic. This bill is going to free them from the structures imposed by the Legislature and allow them to incorporate under The Corporations Act and to structure their board to best meet the needs of that organization.

This is something that I have had some experience with, and I want to reference in my remarks right now the situation that confronts the Municipal Hospital. The Municipal Hospital is currently undergoing a similar kind of discussion. There has been a suggestion that the Municipal Hospital, which is currently incorporated, I believe, as part of The City of Winnipeg Act—I believe there is a reference to the incorporation of the Municipal Hospital in that legislation—and they are now wanting to separate and become a separate entity incorporated, I believe, under The Corporations Act. They are confronting exactly the same thing, and that is the structuring of their board of directors.

I think it raises an important question. When we had a problem in this city some years ago with the Children's Aid Society of Winnipeg, one of the problems was that the board of directors was structured in such a way that no matter what was happening in the community, no matter how dissatisfied people were with the operations of it, no matter what problems the community perceived, the community had no role to play in the management of that organization that was 99 percent funded by community money. That is the situation with the Municipal Hospital today, it is tax money that pays the costs of operating that. There is great diversity of interests in the services provided by that particular facility, and yet there is no way, once this move takes place, under the current situation, for members of the community of interest that surround that hospital to have access to that board.

At the present time there is some limited access through the City Council, although the City Council has tended to act to perpetuate the existing structure and not allow a great deal of diversity or renewal on the board, and that has led to serious communication problems. What I would like to see happen, and I hope this situation will come before

us, but I want to reference the Mount Carmel situation because what it raises for us is the question of do you allow some structural way for the community to effect change in a community organization.

Now one of the things we did when we looked at the situation that confronted the Children's Aid of Winnipeg was we noticed that you certainly do not want to, in a large complex organization like a community clinic, or a hospital, or a Child and Family Service agency, to set it up so that the community can overturn the board 100 percent in one year and, therefore, you have a good deal of instability, management never knowing who is in charge from one year to the next.

So what we did, we set up a board appointment system, or a board election system, that allowed board members to be elected from a defined membership.

We defined that membership in a number of ways: people who lived in the adjacent community; people who had interests in the community, who worked in the community; and organizations who had a role to play, or interacted with the lead organization. So that there were three groupings, and we allowed those three grouping to elect members to the board for three-year terms. What this meant was that in any given year no more than one-third of the board would turn over, so any interest group that had a serious concern about the operations of the organization could take control of one-third of the board if they were successful in organizing in one year, but it would take them two years to take control of the board. The belief was that in that intervening year there would be an opportunity for other interests to reflect themselves, and that the initial interest could be addressed at the board level without disrupting the overall operation of the organization and giving the organization a year or two to adjust.

The other thing we said was that government has a role to play. Government is a significant funder and they should have an opportunity to appoint people to the board. There was a great deal of concern on the part of the community boards that government would use this to take over, and we felt that to address that concern there were two things that needed to happen. One was that government can never appoint a majority of the members of the board so that the community would always be firmly in control. But it was important that government

appoint people to the board, and it was important that the government of the day be allowed to appoint people of their own particular interest because that allowed an open and trusted channel of communication. We feel that the majority of these community organizations deliver services that are appropriate to their community, and that there is nothing secret about that, and there is nothing that should be hidden about that. The government, by appointing somebody that they trusted to the board of that organization, would have an ear on the operation that would allow them to receive some good information about the operations of the organization and, therefore, some level of comfort that the aims that the organization was established for were indeed being met.

*(1710)

I think that this has functioned well in a number of the child welfare agencies. The current government, when they came in in '88, began over time to appoint people to those boards, and now three out of the 16 members on all of those boards are directly appointed by the minister of the day. I think this has given the minister some level of comfort that his concerns are raised in those boards.

Another thing we did that was considered certainly challenging at the time, and it is an issue that has arisen with the Municipal Hospital, I suspect will arise with the creation of the board at the Mount Carmel Clinic is, we allowed the appointment of a staffperson because we felt that the staff in a large organization are a significant interest group and that they should have some level of representation. What was done was, on an annual basis the staff elect a staff member who sits as a member of the board. Again, they do not have control; again, there are certain restrictions on that but, again, surely the purpose of a board of directors is to allow open and clear communication between the board which operates the facility and the community that is being served.

I think that this is a debate that I am pleased to see occurring today with Mount Carmel Clinic, and that community clinic certainly provides an excellent range of services that are badly needed, and in fact that clinic has served to build a fair bit of stability into the community that it serves.

I think similarly that debate needs to take place with the board of the Municipal Hospital because, at the current time, communication, I must say,

between the staff and the members of the board is very poor. There is very little sharing of information with staff, and there are a very large number of staff who work very hard to deliver a high quality of service there. They feel that they are not being given the information that they need to adequately respond to the changes that are taking place. I think it would be important, and I know that they have asked through their representatives to see that one of their members is appointed to a position on the board of directors so there is open and trusted communication.

I think it would be appropriate for the Minister of Health (Mr. Orchard) to appoint people to the board, again, a small number, one per year for communication purposes rather than control purposes.

I think it is more important that the community of interest, those people who work with seniors in this community, the disabled in this community have an opportunity to appoint people directly to that board so that this board does not fall under the control of a few people, that this board is constantly forced to be open in addressing the concerns that are brought forward to it.

About the Society for Manitobans with Disabilities and about People for Equal Participation—these are interest groups whose needs are served by that hospital, and they should have an opportunity to participate in the direction and management of that particular hospital. I think this same principle is embodied in the direction that Mount Carmel is about to head.

I think it is something that we as a Legislature—we endorsed this in 1985 when we passed The Child and Family Services Act. It says right within that act, there is a very complex structure for how those boards are governed, how their administrations are selected so that the government has some comfort that every year there is a process that takes place that refreshes that board.

One of the other principles that was put in legislation was that while a person could be appointed for three years at a time, they could not be appointed for more than two consecutive terms. The maximum length of time that person could serve on that board was six years. There are many cases of boards where people have served for a lot longer than that. I am not saying that they are doing necessarily a bad job, but this process of renewal

and change and growth in the face of a changing community, I think, is very important. Too often these large organizations become resistant to growth, and too often they tend to try to protect themselves by not sharing information, and that is precisely the situation we have with the Municipal Hospital.

The Municipal Hospital—there was a public meeting held down there. They agreed to communicate in an open and forthright manner with their staff. They agreed to have a process take place whereby interest groups would be interviewed and there would be some sharing of that information and addressing of staff concerns. The staff worked very hard to enunciate the concerns that they had relative to the proposed change and despite that, the management or the administration of that particular hospital would not even make enough photocopies available so that all of the staff could have access to the information that was supposed to have been collected for them.

I just think that is shameful. The organization is not at all loathe to spend all sorts of money on expensive newspaper ads or fancy stickers for its envelopes talking about what a great hospital it is, and they are prepared to spend nothing photocopying some essential information for the very people who provide those services. I think it is time that we looked at opening up these boards in a manner that allowed us some level of assurance that the concerns the people who use those services have, are being adequately presented to the board and properly addressed by the organization.

The Mount Carmel Clinic, Mr. Speaker, is a model of an organization that decided to take a different approach to health care, decided that rather than functioning in a more traditional medical model in which people would come in and their very narrowly defined medical issues would be identified and then addressed, it was decided that they would work in a more interactive way with their community, that they would look at the whole range of services that people needed.

They recognized that nutrition is a part of health care, and that child care is a necessary component of healthy family life, and that there was a level of community organization in very badly disintegrated communities. There was a need to bring people together in a manner that allowed them to develop some self confidence and some strength as a means of giving them the strength to take care of

themselves, to become involved in their own health issues.

So I think that what the member for St. Johns (Ms. Wasylycia-Leis) has brought forward is a worthwhile bill. I recommend it to the House and I hope it will pass quickly so that we can help Mount Carmel continue to do the work that it does so well.

Thank you very much, Mr. Speaker.

Mr. Speaker: As previously agreed, this matter will remain standing in the name of the honourable Minister of Energy and Mines (Mr. Neufeld).

DEBATE ON SECOND READINGS—PUBLIC BILLS

Bill 22—The Manitoba Energy Authority Repeal Act

Mr. Speaker: On the proposed motion of the honourable member for Crescentwood (Mr. Carr), Bill 22, The Manitoba Energy Authority Repeal Act; Loi abrogeant la Loi sur la Régie de l'énergie du Manitoba.

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, it is a pleasure to rise and speak on Bill 22. The member for Crescentwood seems to be calling for the repeal of The Energy Authority Act. I know there have been some discourses between that member and our Minister of Energy and Mines (Mr. Neufeld) and in due course, I know the government will probably want to repeal this act. At that time, I know the Minister of Energy and Mines (Mr. Neufeld) and the member for Lakeside (Mr. Enns), in particular, are going to want to provide a historical review of how it is and why it was that there came into being The Energy Authority Act.

Mr. Speaker, let us remember the time. The time was in the late '70s. The time was when the debt associated with overbuilding Manitoba Hydro was starting to hit home, not because interest was not due and payable; it was, but in 1979 and a couple of years previous to that, interest was due and payable not in Canadian dollars, but in exotic currencies, foreign dollars, because the borrowings of the day, the NDP government of the day chose to turn their back on Canadian interest rates at that time of possibly, it seems to me, 8 percent and 9 percent, and decided—

An Honourable Member: It was a lot higher than that.

* (1720)

Mr. Manness: The time when this money was borrowed for the most part was in the term period of 1972 probably to 1976. The government of the day turned their back on interest rates of 8 percent and 9 percent. They said, let us go and borrow money where we can get it for a coupon rate of 4 percent—Japanese, 4; deutschemarks, 4, 4.5; Swiss francs, I think, 4.5 or 5.

It seemed like a good deal at the time and had the brilliant economic fiscal minds of the likes of the member for Brandon East (Mr. Leonard Evans), who was a member of that cabinet during that time and an economist, yet, a man, a professor who taught our young people how to assume risk and how to make profit and how to make marginal revenue equal to marginal cost, a man of that stature who was at the cabinet table, if he had said in cabinet when he had his time, well, listen, it would appear to be—

An Honourable Member: They did not listen.

Mr. Manness: Oh, they did not listen to him. There is one repenting soul in this House, Mr. Speaker. If he had been able to convince his colleagues of the day—the Cherniacks and the Millers and the Schreyers and the Cy Gonicks, heaven forbid—if he had been able to convince them that the only way to guarantee yourself 4 percent interest, when you are borrowing in other currency, was to hedge or to lock it in, then today I would not be standing up and speaking on something called The Energy Authority Act, because there would not be any need for an Energy Authority Act.

So, Mr. Speaker, hindsight is perfect. Hindsight is always perfect, but in this case, of course, we all know what happened. Those 4 percent or 5 percent coupon rates effectively became 19 percent and 20 percent interest rates. That is when the Lyon government of the day, faced with this incredible add-on of interest costs to Manitoba Hydro passed on to the unassuming, captive, energy user, had no alternative but in a policy sense to try and freeze the hemorrhaging resulting from around this—(interjection)- No politics involved. The reality was a government was in position to make decisions and had to make a decision to protect the hydro consumer of Manitoba.

The member for Lakeside (Mr. Enns) and myself have discussed this many times and he said, as a member of the Treasury bench, a decision was made, stripped of politics, to freeze the rates. The

member for Flin Flon (Mr. Storie) rushes to his feet in full applause, believes that there was no politics associated and realizes it was for the benefit of the ratepayer of Manitoba Hydro.

Mr. Speaker, in keeping with that public policy decision, Hydro then saved the harmless ratepayer, for five years, the increasing of rates. I can remember, I was a new member to this Chamber like the member for Flin Flon. He can remember his colleagues who were adorning this front bench, when they would accuse the opposition of the day, and they would say what a horrible thing to have done, to bring in this rate freeze.

Mr. Speaker, here we are, because in 1984 the NDP government of the day had to bring in some legislation dealing with this. In 1987, they brought in some legislation beginning to move off, but to move away from the taxpayer the burden of this additional cost now to a greater fashion back to the ratepayer.

We made a movement in 1989, in my second budget, where we addressed this issue. —(interjection)- No. This is the energy authority. Oh, I have been probably even talking to the wrong bill.

Mr. Speaker, as a matter of fact, I am talking about the wrong bill, and here I had this in my mind prepared at least three weeks ago. Well, colour me red for the sake of Hansard, but let us just change the title of the bill.

The energy repeal act, this is even a better one to talk about. —(interjection)- No, no. —(interjection)- Well, this ties into the energy stabilization rate. —(interjection)- Oh, well, we are talking about the same thing.

Mr. Speaker, getting serious for a moment, there is no doubt that in the next legislative session or failing that, the one after that, we will be moving very quickly to deal, to address this act. Firstly, as the Minister for Energy and Mines (Mr. Neufeld) has said on other occasions, we have to have in place a revamped energy act that provides for certain processes that the government will have to have in place, so that it can responsibly act in a time of energy shortage.

As members of the Legislature are well aware, this act provides certain responsibilities, in this case, to the Energy Authority to deal with certain emergency situations. If this were to be repealed now, there would be a void. There would be vacuum, Mr. Speaker, and that is why we are asking

this House not to give consent to this bill at this particular point in time. We feel that it would be better indeed if the government brings forward companion bills, a new Energy Act which would provide for emergency powers and then, at this time, this bill should be repealed.

Mr. Speaker, I know that the Liberals particularly like to bring forward these types of public bills to try to gain a little favour in the public mind, but I would say that the government has its thinking very much in order in this particular bill and, I dare say, on all legislative fronts, it has its thinking totally in place, and I would think next session would be a better time to address this particular point.

With those few words, hopefully a member from the opposition will speak to this bill and, if not, no doubt one of my colleagues will want to take the adjournment.

Hon. Eric Stefanson (Minister of Industry, Trade and Tourism): Mr. Speaker, it is my pleasure to move, seconded by the honourable member for St. Norbert (Mr. Laurendeau), that debate be adjourned.

Motion agreed to.

Bill 23—Manitoba Intercultural Council Amendment Act

Mr. Speaker: On the proposed motion of the honourable member for Inkster (Mr. Lamoureux), Bill 23, Manitoba Intercultural Council Amendment Act; Loi modifiant la Loi sur le Conseil interculturel du Manitoba, standing in the name of the Minister of Finance (Mr. Manness).

Stand? Is there leave that this matter remain standing? Leave? Agreed.

* (1730)

Bill 24—The Business Practices Amendment Act

Mr. Speaker: On the proposed motion of the honourable member for St. Boniface (Mr. Gaudry), Bill 24, The Business Practices Amendment Act, Loi modifiant la Loi sur les pratiques commerciales, standing in the name of the Minister of Energy and Mines (Mr. Neufeld).

(1730)

Hon. Harold Neufeld (Minister of Energy and Mines): Mr. Speaker, I too would like to put a few words on Bill 24 on the record.

Who can deny that consumers should have protection? I think no one. Who can deny that unscrupulous salesmen should be taken to task for preying on unwary customers? I think we all agree that we need legislation. I do believe that we have considerable legislation right now that protects our consumers.

The areas that Bill 24 deals with—it really only deals in two areas—No. 1 is that it protects the salesman from an action if he involuntarily makes representation that is incorrect to the detriment of the customer. I do not believe that any court would hold a salesman responsible for an involuntary act. I do believe that there is protection for that salesman. I do not think it is necessary to bring into legislation an act which saves the salesman harmless from an act that he has committed involuntarily. I do not believe that we need that in our legislation today.

As far as protecting the consumer, the customer, I think he has substantial protection now, Mr. Speaker. Bill 24 asks for a "shall" as opposed to "may" when it comes to the director mediating or investigating a complaint.

(Mr. Jack Reimer, Acting Speaker, in the Chair)

Mr. Acting Speaker, we have all heard of instances where consumers are targeted by unscrupulous salesmen. There are the aluminum siding salesmen whom I can think of in the past who have gone through residential areas attempting to obtain customers for new siding where siding is not needed.

There are roofing salesmen who have gone through residential areas attempting to obtain roofing jobs where the roofing was not needed. I can recall instances where roofing salesmen have gone door to door and told people that if they can get their neighbours to have their roof redone they will be given a preferential price for their own roof. I can recall the time a neighbour came to my house and said that my roof needed reshingling and that there was a corporation or a shingling outfit at his house who would be glad to do it for us and, indeed, the chap came over and asked if he could do a shingling job for us.

Mr. Acting Speaker, we cannot legislate against any and every possible unscrupulous salesman. We have to rely somewhat on the customer to determine whether or not the salesman or the vendor is one that he wants to do business with. If

he thinks the vendor is not reliable, my goodness, he should not do business with him.

We have all heard of the used car salesmen who have taken advantage of someone who is not as familiar with cars as he might be and has taken advantage of him and sold him a car that was not roadworthy. Mr. Acting Speaker, we have legislation on our books that commits the buyer to go back and have those kinds of wrongs righted.

Mr. Acting Speaker, I do not think that Bill 24 adds anything to our legislation for the protection of our consumers. It does not add anything to our legislation for the protection of the salesman who may be deemed to have committed an unscrupulous act. It does not add anything that saves the salesman harmless. It does not do anything further, I might add, that helps the consumer.

As I said earlier, Mr. Acting Speaker, we all have to take some responsibility for our own action and if we are, from time to time, misled and enter into an agreement that we feel after entering into it we should not have, it is a mistake we will not again make. We cannot protect against every and any possibility and, for that reason, I believe that Bill 24, if not withdrawn, should not go forward.

Mr. Jerry Storle (Filn Flon): Mr. Acting Speaker, I did want to add a few words to the record with respect to Bill 24, The Business Practices Amendment Act.

(Mr. Speaker in the Chair)

There is no doubt that small businesses, in particular, in the province of Manitoba are facing some extremely difficult times, and the necessity of balancing the needs of business with the needs of consumers has always been a difficult task. On the one hand, we want to do everything that we can do to protect consumers, to ensure that consumers are treated fairly in their dealings with business, whether it is in a contract for services or the purchase of goods. Clearly, that has been the intention, I think, of many different governments over the years, and I believe that is the intention of the legislation that is introduced by my colleague.

Mr. Speaker, I also wanted to bring into the debate some interesting information that was tabled today, and this is maybe of particular interest to the Minister of Finance (Mr. Manness) and the Minister of Industry, Trade and Tourism (Mr. Stefanson), who continued to put on the record some, perhaps,

erroneous information about the nature of the tax structure for businesses in the province of Manitoba.

Today the Canadian Federation of Independent Business tabled a research report on taxation in the province of Manitoba, and I think it is important for the Minister of Finance (Mr. Manness) because he is one of the culprits in this particular scenario, where we are trying to convince each other that the only problems we have are taxation problems. In fact, I read a quote, a supposed quote by the First Minister (Mr. Filmon) in a Chamber of Commerce publication recently where he identified taxes, basically, as the single problem that businesses face. I think that is overly simplistic and ultimately fatal if this government really believes this.

I want to put on the record what the Minister of Industry, Trade and Tourism (Mr. Stefanson) will not believe. It comes from this researched report, and I do not know if the minister has had a chance to read it or not. It comes from a group dedicated to protecting—and quite rightly, that is their mandate—the interests of business in the province of Manitoba and across the country. On page 13, I believe, this independent, impartial group writes: Figure 2 shows that payroll taxes are higher in the United States than in Manitoba.

I want to repeat that several times for the Minister of Finance and for the Minister of Industry, Trade and Tourism. Payroll taxes—the Canadian Federation of Independent Business, their research says figures show the payroll taxes are higher in the U.S. than in Manitoba.

This shows that the much maligned payroll taxes that businesses pay are also paid in the United States, particularly in Minnesota and North Dakota. Surprise of surprise to the Minister responsible for Energy and Mines (Mr. Neufeld), this report goes on to say that the corporate income taxes are similar in Manitoba, Minnesota and North Dakota and, finally, the provincial sales tax systems are very similar among the four regions.

* (1740)

Mr. Speaker, it shows quite graphically that in virtually every respect, in terms of corporate taxes that are the responsibility of provincial governments at least, that the businesses in the United States do not enjoy any significant advantage over businesses in the province of Manitoba. The only exception to that, and it was, I think, duly noted in this report, was the fact that local taxes, municipal

taxes, are significantly higher in the province of Manitoba, in our jurisdiction, than they are in jurisdictions in the United States.

Now, without wanting to be too defensive with respect to the responsibility of our municipal council in the city of Winnipeg and other municipalities, it is quite clear as well that the federal government in the United States takes on responsibility that our federal government does not. Anybody that travels in the United States on the interstate highway system knows that is a federal system. The federal government pays for all of those highways, that network. We do not get that kind of treatment in Manitoba, although they do in parts of eastern Canada.

Mr. Speaker, the fact of the matter is that local taxes are significantly higher in Manitoba partially because of the treatment that local governments have received from this government. This government in the last year alone has offloaded education costs and other property tax costs to municipalities. They cut revenue to municipalities by some 13.7 percent this year. Education tax has increased on average by approximately 10 percent in the city of Winnipeg, and that is due in no small measure to the fact that the Minister of Education (Mr. Derkach) and the government of the day have refused to fund the cost of inflation when it comes to education financing.

This government is partially responsible for the fact that local taxes are so out of proportion when it comes to businesses.

Mr. Manness: We are responsible?

Mr. Storle: Yes, Mr. Speaker, the Minister of Finance (Mr. Manness) says, we are responsible. If you continue to offload -(interjection)- Well, the Minister of Finance should know that if he does not fund education at the local level, it is going to end up at the feet of property owners in the city of Winnipeg and throughout the province. That is, in fact, what is happening. There is no doubt, true, that local taxes, municipal taxes are very high.

Mr. Speaker, my wife and I own a small business; \$4,000 is what we pay in realty and business taxes to the City of Winnipeg—\$4,000 on a small business.

An Honourable Member: Is that your business tax or your property tax?

Mr. Storle: That is realty and business.

Mr. Marcel Laurendeau (St. Norbert): Four thousand? Is that not ridiculous?

Mr. Storle: Mr. Speaker, the member for St. Norbert (Mr. Laurendeau) says, is that not ridiculous?

Mr. Speaker, I consider it part of the cost of doing business and part of doing my share and our share as residents of the city of Winnipeg. The fact of the matter is, if the government continues to fixate on taxes, then we are missing the fact that our manufacturing sector is disappearing, not because of business taxes, disappearing because we have free trade, disappearing because we have now created a situation where manufacturers are not only allowed, but encouraged to locate elsewhere and ship back to Manitoba. We are seeing the inevitable consequences of the Free Trade Agreement.

Mr. Speaker, I see the Minister of Industry, Trade and Tourism (Mr. Stefanson) shaking his head. I recommended to that member some time ago that he sit down and have a discussion with Mr. Joe Malko who is the general manager of Furniture West Inc. which represents furniture manufacturers in western Canada. He said to me, unequivocally, that free trade is killing furniture manufacturing in Canada, and he said, if we end up in free trade with Mexico, it will be the end of furniture manufacturing in Canada.

Mr. Speaker, the fact of the matter is we have to grasp the problems that confront businesses, and we are not going to do it by the policies of the Conservative government. We are not going to do it by ignoring the reality that we need to work in partnership. -(interjection)- Mr. Speaker, we are not talking about walls. For the last 30 years, almost 30 years—

Mr. Speaker: Order, please.

Point of Order

Mr. Neufeld: He is speaking on Bill 24, which is a business amendment act, and not on the Free Trade Agreement.

Mr. Speaker: I would ask the honourable member for Flin Flon to keep his remarks relevant to The Business Practices Amendment Act.

* * *

Mr. Storle: The Minister of Energy and Mines (Mr. Neufeld) missed my opening remarks and where I

connected the fact that the relationship between businesses and their clients also depends on the stability of the business climate, on the taxation regime, but it also relies on other measures, including international agreements like the Free Trade Agreement, on interest costs, on many other things.

Mr. Speaker, what I want to point out is that if this government's sole strategy with respect to revitalizing the economy of Manitoba is a question of taxation, they miss the boat. This report from the Canadian Federation of Independent Businesses shows quite clearly that in terms of small business, the taxes that are within the power of the provincial government are not unduly out of whack, that in fact other states, including Minnesota, North Dakota and South Dakota, pay higher payroll taxes, for example, than do we in the province of Manitoba.

I want to also add that the Canadian Federation of Independent Businesses points out that if there appears to be any group which is not paying its share, it is the large corporations in the province of Manitoba. We have a very serious problem in Manitoba with respect to corporate revenue to the Province of Manitoba. This year has seen a decline in revenue to the Province of Manitoba from large corporations of 47 percent.

Mr. Speaker, if you wanted to—and I am certainly prepared to table this document. We have a table of corporate tax collections which shows that Manitoba has seen a decline in revenue of 47 percent. We are last, 10 out of 10 in the country. We have seen the largest decline in corporate tax revenue of any province.

Well, have any of the tax policies of the Conservative government worked? Clearly they have not. The other question is, Mr. Speaker, why is this decline so steep? The decline is so steep because our manufacturing base is moving out of here faster than moving vans can move them. The only growth industry is moving vans, the only traffic is one-way traffic out of the province of Manitoba, and if we are going to ever come back to a situation where businesses can treat their clients and their customers with respect and consideration and we can have fair business practices in the province, we need to ensure that our businesses have a chance to survive.

Mr. Speaker, the unfortunate record of this government, this Minister of Finance (Mr. Manness)

in particular, but this Minister of Industry, Trade and Tourism (Mr. Stefanson), or a succession of them, I should say, is not very supportive, because they have a very simplistic view of the world, a very simplistic view. It is enunciated by the Minister of Finance, the First Minister (Mr. Filmon), and that is that the only problem is taxes, taxes, taxes.

Well, this Canadian Federation of Independent Business Report tells you one thing very clearly. That is not the only problem. Unless this government starts to address the wider array of problems, for example, interest rates, training, money for research and development, support to manufacturers to upgrade their technology—Mr. Speaker, we export promotion, import replacement, you name it—we are going to fall further and further behind.

The decline we have seen in corporate tax revenue to the Province of Manitoba is going to deteriorate even faster. We have seen no indication, no recognition apparently on the part of the government, that we have some serious problems.

Mr. Speaker, we would all like to pay fewer taxes. The fact of the matter is that we as individuals all face personal income taxes and business income taxes and fees and user charges in many different array for services that are provided. One thing that the Conservative government has failed miserably to do is to recognize the differences between the United States and Canada.

What they have failed to recognize is the differences, that in fact, Mr. Speaker, I am not alone in this. The Deputy Prime Minister, the new Minister of Finance, says Canadians are not overtaxed. That is their Conservative colleagues in Ottawa saying, well, just relax, you know, we are not taxed. If you look at us in comparison to the group of seven countries, we are not overtaxed at all. That is the federal Conservative point of view.

Mr. Speaker, our taxes pay for services that Canadians have valued for generations. Our taxes have provided those services. The phenomena of cross-border shopping, which is affecting our small businesses is not just a question of a tax revolt, it is the question of a psychology. The groupies, the free trade groupies, who exist in the federal Conservative caucus and in this government, are as much responsible for that as anything else. What they have neglected to tell Manitobans is every time

you buy a VCR in North Dakota, every time you avoid paying the provincial sales tax, there are fewer health care dollars and fewer education dollars.

* (1750)

In the province of Manitoba my son or daughter can still attend university at about cost, this year now after the 20 percent increase because this government will not fund education, \$2,000 for tuition. Mr. Speaker, equivalent sized universities, public universities in the United States, would cost you five, six, 10 times that amount of money. My children can still access medicare without having to mortgage their homes. That is what tax dollars are paying for. So we have to get a little bit realistic and this government has to get a little bit realistic about what business supports really are necessary.

If they continue with the simplistic notion that taxes are the only measure of our salvation, we are going to fall further and further behind not only with the rest of world, but our sister provinces. Thank you.

Mr. Reg Alcock (Osborne): Mr. Speaker, I wonder if I might have the opportunity to add a few words to this debate.

Right now the member for St. Norbert (Mr. Laurendeau) asked if I had read the bill, and I think he is just wanting us to follow the lead that he established last week when he rose to speak to Bill 22 and I must confess it was an edifying speech. I learned a lot about the member from the words he put on the record and I hope to have an opportunity to see him speak again.

I would like to just add a few words to the debate on this particular bill. I want to start by picking up on the comments from the member for Rossmere (Mr. Neufeld), who started off his remarks, if I recall correctly, by saying, who can be opposed to unfair business acts? Who could not be in favour of consumers? Who could fail to support an act that purports to protect the interests of the consumers?

I think the answer to that question, Mr. Speaker, is quite clearly his party and this government, who have chosen to sit quietly and not act to protect the interests of consumers of services in a whole range of areas since the day they came to office. What this bill does, and it is interesting to note that we have a couple of bills of this nature on the Order Paper today. We have this one, then we have an environmental bill.

It simply says that consumers—that the old style caveat emptor that the Minister of Finance (Mr. Manness) speaks about when he talks about taxation policy is something that surely we have moved beyond. What we are trying to promote in the community in this day and age is more of a partnership, a recognition that businesses—and the member for Flin Flon (Mr. Storie) spoke about the role that taxation plays.

Taxation is not something that is ripped from the cash registers of businesses by people in black hoods for the enrichment of the king. Taxation is a levy that is paid out of a recognition that the community co-operates to provide needed services, and that business is no longer an adversarial relationship between the provider of a service and the consumer. In fact, the management and business literature that is taught now in universities throughout the world is one of co-operation.

If you look at any of the literature on excellence, it talks about knowing your consumer, working with your consumer, co-operating with your consumer, to see that they get the best possible service, and that is the way a business will grow and prosper. Unfortunately, we know there are some businesses that do not follow this enlightened philosophy. There are some people in this community who simply do not practise what is, I guess, known is the route to excellence now in doing business in a community. Unfortunately, we have had examples of that. We had an example just recently of a battery manufacturer here in the city who was falsifying the power claims of the product he was selling and deliberately doing so.

Mr. Speaker, what this legislation does is to provide some protection to employees who, when they become aware a business is acting inappropriately, is falsifying its records, is fraudulently conducting itself—when an employee becomes aware of that, if they do not wish to be associated with that practice, they have the opportunity to alert the public to that, and they will not suffer a penalty for doing so.

That is what it does. It invites employees to act responsibly when the owner of the business refuses to do so. It invites employees to get involved in fulfilling those principles of excellence that managers and owners of businesses should be.

I believe most businesses try to do exactly that. I mean, most businesses try to deliver a good quality

service for a reasonable price to meet the needs of a targeted group of consumers.

It is only the odd business where problems arise, but in circumstances like that, rather than waiting for some unsuspecting consumer to finally realize that they have been badly done by, certainly the employees are the first source of information on poor business practices. What we would want them to do is act on behalf of the community, on behalf of the consumer, and let the appropriate authorities know when such a circumstance is arising.

The same thing occurs in environmental legislation, where what we are really asking people to do is to feel comfortable and to feel protected in coming forward and reporting circumstances that may be damaging to the environment. It is something that we felt should have been placed in the environmental legislation in the first place. Perhaps, one of the reasons why this province was rated 10 out of 10 is that we did not offer employees of corporations such protection.

What we want them to do is to feel comfortable in alerting us, because we ultimately bear the responsibility for all of us. We want to be alerted when fraudulent practices are taking place, and we think that employees should be offered some level of protection for doing so.

Certainly, in a sense, it is a different view of private enterprise. It is a view that says that businesses are part of and should be part of and have a responsibility to every member of the community, not just to their own purse or their own pocket, that a business derives its income from the people in the community and it needs to return to that community in a number of ways. One of the ways is that the taxes it pays be used on behalf of the common good. Another way is in the quality of the product and the kinds of relationships it establishes within the community.

Certainly, there are a great many businesses that conduct themselves in this manner. There are businesses, from very large ones like Great-West

Life which are known—Great-West and Investors, which donate millions of dollars and many hours of staff time to the betterment of this community and which consider the good of this community when they make their business decisions and work to provide a very high quality of service to their consumers.

We know that there are other businesses and it is not just the big ones like Great-West Life. There are also a great many—the little Mac's store that exists down on the other side of the river from here, which the Clerk of this Assembly knows very well, works hard not just to sell a product to the people in that area, but also to support the people, to reach out and support the people who live around there and see that they are taken care of and see that their needs are met and, if they are infirm or sick or old, to see that they are watched out for. They see themselves as part of that community.

Unfortunately, there are some businesses that do not. There are some businesses who do have a more rapacious kind of view, certainly the scams that are perpetrated on elderly people, the house repair scams. The member for Rossmere (Mr. Neufeld) talked about aluminum siding, and we have seen garage repairs and insulation scams that have caused a great deal of hardship for people who cannot afford it.

What this legislation says is that when an employee of such an organization becomes aware of such a practice that they have the responsibility for making the public aware of that, and they have the right to protection by the public when they act in the public good.

Mr. Speaker: Order, please. When this matter is again before the House, the honourable member for Osborne (Mr. Alcock) will have seven minutes remaining.

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

