

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 21 April, 1987.

Time — 8:00 p.m.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - HEALTH

MR. CHAIRMAN, C. Baker: When we adjourned, we were discussing Community Health Services. The Member for River Heights.

HON. L. DESJARDINS: Wait.

MR. CHAIRMAN: Sorry, Mr. Minister.

HON. L. DESJARDINS: Mr. Chairman, I think we had agreed that we would finish. We were getting all the questions, then we were going to pass that all together. We agreed to go all over that section and we'll finish that. Then we're going back to Community Health Services (Operations).

MR. CHAIRMAN: Is that agreed, generally agreed? Okay.
The Member for River Heights.

MRS. S. CARSTAIRS: We were having a discussion about community programs, Mr. Chairman, when we left. And my figure - I'm not sure it's absolutely accurate. You kind of try and separate numbers. But my figure is that, of the entire Mental Health budget, only about 3.5 percent of that is going for residential support, employment support, case managements, peer support, family support. Is there any intention on the part of this department to increase that percentage by any great amount in the next year or two?

HON. L. DESJARDINS: Well, as I said before the dinner hour, that's what our plans are with this Cabinet paper when that comes out, either as a White Paper or whatever Cabinet decides to do with it. I think you'll see that, as I already said also, we approve in principle the Pascoe Report which is very clear in what direction it's going, and we're taking the first steps now to make that possible. That's exactly the main push.

MRS. S. CARSTAIRS: Does the Minister know how many of the individuals who are in the Guest Home Program which we saw and have been seeing over the last few days in the newspaper in rather graphic detail, how many of those, a percentage generally, would be defined as psychiatrically disabled?

HON. L. DESJARDINS: Okay, the approved homes - those are four or less - there are 229, not homes but people. And licensed homes - those are the ones you were talking about, the guest homes where there are over four - it would be 355. And in supportive housing, there are 100. Now there are some in Community Residences, 52, but you're not worried about those.

Now you know, if we do that, we can also I would think - and that's very very difficult to assess - but I

would think that you'd have a lot of people also in personal care homes, because senility is mental illness so you'd have at least 25 percent of those.

MRS. S. CARSTAIRS: Mr. Chairman, my information sources tell me that an awful lot of our acute care psychiatric beds are presently being occupied by individuals who are in fact decompensating or slipping back. They're in these guest homes. They can no longer cope and they go in and, for a period of time, have to occupy an acute bed psychiatric, and then come back into the community.

How many are we talking about in terms of these kinds of numbers, and what future policies is the department looking at to alleviate some of these decompensating behaviour patterns?

HON. L. DESJARDINS: That's the point that I was trying to make earlier, and for the other cases also. It's very difficult and it's wrong to go in the direction if you're not ready. That's what I was saying that, in the days of Tulchinsky - I say Tulchinsky, because he was the Deputy Minister, and it was known that he was pushing that. I think he was probably ahead of his time, but his PR wasn't the best, and that's what was happening.

A lot of people were out there with nowhere to go - and I think you heard me say that before - so they filled the acute care beds, the same as the ordinary hospitals. In General Hospital, there are a lot of people in acute care beds there who should be in personal care homes. It was the same principle.

Now the total caseload for our community workers is 3,900, I'm told. In those residents that I gave you - that includes 52 who are Community Residences - there are 636, so that would leave you approximately 3,000 or so who would need that help. That's what I meant by people in the community and that's where day care and those kinds of - the same kind of service as Home Care and services for the elderly, not necessarily, but I mean the same principle. And if you haven't got that in, well these people are walking the street and it's worse in a way. That's what's happening in many of the large cities in North America, I would imagine, and all over the world.

MRS. S. CARSTAIRS: A tough choice to make sometimes as to know whether they're better off in a facility like some of those guest homes where there are in fact no emotional programs, or whether they should be on the street where they may be emotionally better off, but they're starving. It's not a nice choice to have to make, programming.

When an individual is deinstitutionalized under the Welcome Home Program, there has to be a . . .

HON. L. DESJARDINS: That's not our program.

MRS. S. CARSTAIRS: No, I know. There has to be a program for that individual, a day program which could

be a workshop environment. It could be some type of day care centre, it could be a variety of things. When a person is deinstitutionalized from a mental institution and goes either into the family care or into a guest home situation, what program is provided for that individual to ensure that they have some guaranteed activity which is what is, I understand, essential to prevent this slipping back?

HON. L. DESJARDINS: That is pretty well practically the whole program that we're talking about, and that's what I meant by saying there's no point getting these people out of institutions if you're not ready to take care of them.

These would be the programs that we talked about before the dinner hour, that we will discuss with the community and so on. Some of them would have to be in some form of an institution, except it's smaller so they call it a home, people who have to stay 6 or 20 or 30 to a facility. Then also there's the program such as the same programs that we were talking about: the Day Care Program, the Proctor Program, and then certain therapy that these people would get.

We have workers in the field trying to help these people, but they've had programs before that. At one time, they had these drop-in centres and so on that were a long time on Edmonton Street, that I think the Canadian Mental Health Association was running and some of those programs. It's to keep them busy and follow them, and help them out.

Now in all fairness, I must say that - and this has nothing to do with the government. I'm not defensive. But in all fairness, the media likes to be sensational, and I don't think it was all fair what they had. I've seen some guest homes that are pretty darned good, and I think we're lucky to have them. I think that they have workers, they have people who care in these areas. It's not generalizing the way they did it.

I visited some of them. I was concerned, and I'm not saying it's perfect, but I think they're better off than if they were alone, starving in an attic somewhere, in a room by themselves and bored to death and lonesome. I think that they share things together. It might not be the greatest with what they pay, but I don't think those articles were fair. That started years ago, that there was no licensing at all. It was just people who had boarding houses and they were just supposed to feed people, and that was it.

Now this is much better. It depends on the operator. Some of them are very hard to get along with, but they still run fairly decent establishments. I think that was unfortunate. I don't think it's fair to generalize like that.

MRS. S. CARSTAIRS: Is there any requirement that guest homes that are licensed by the government are, in fact, required to operate a program of activities, an activity program, as opposed to the food and the care?

HON. L. DESJARDINS: It is not an insured program. It is a program, as I said, that was started - it's licensed under the Community Services, not under our department. We're interested; we have some of our people who we would have to find places for. There's no doubt about that.

Of course, the standards on that would not be the same as an insured service. It's just an improvement,

and government decided that quite a few years ago, because of the general condition of these, what they call, boarding houses or rooming houses and so on that had no fire security, nothing at all. Now, especially you approve those with four or less, and the others of course you have to license them. I think there's a certain amount of staff, but very little to - it's not supposed to be a personal care home. It's just that they help these people with their medicine, the time to take their medicine, and make sure they eat well and that kind of stuff. But it's an improvement over what it was.

MRS. S. CARSTAIRS: Will the government be moving towards the insistence, as part of the licensing, the operation of some kind of program? And I'd compare it, for example, with the day care legislation. You can be a privately run day care. You may receive no funding from the Provincial Government at all but, in order to get a licence, you have to have a program of activity for the children who are in that particular day care centre.

Is your department looking at any of that type of activity for the post-mentally ill?

HON. L. DESJARDINS: It's Community Services, and nobody can criticize or disagree with the, you know, direction that you're going, and I think it would be great. But then that also involves the government more and more, and then that's going to be costly because, if you start making rules and if you say they must have activities and so on, well they can't do that on air. They'll have to get paid; they'll charge more.

And that's what they're complaining on now, that they're not taking some of those cases. They're taking people who - you know, you don't tell people where to live and so on. It is a minimum of licencings that you do, and they take people who have the funds to pay for it. Some of them will not take people where either the welfare or another department pays, because we're not paying enough they say. So if we start saying, you must do this, you must do that, it's going to cost them even more money.

We are working on that with the Community Services Department and making recommendations about certain standards on that, but those are the concerns that we have. You know, if we're not ready to pay more than we're paying or to increase that, we can on the other hand - because these people, they can't make money on that. They'll have trouble going to the bank to borrow money and they say, well what's your revenue. When they see it, they say forget it, you know, you'll never pay us back.

MRS. S. CARSTAIRS: There's no question, Mr. Chairman, that programs like that will cost money. I think that the ways in which they have to be evaluated is, what is the cost if that person is readmitted into an acute care bed for three weeks, six weeks, eight weeks, had that individual been provided with an activity program that might have prevented that slipping back into a depressive state or manic state or whatever would warrant readmission.

HON. L. DESJARDINS: That's correct, but you can follow through the same principle, not only in those

establishments. You'd have to go and see any person who lives by themselves who could be in the same position, in fact, worse, because I personally don't think there's anything worse than loneliness. These people who were very close to their spouse, let's say, who lost their spouse, are away from the work and they're living alone in an attic, to me, it's worse.

So if you're going to do that, where are you going to stop? You know, and I don't disagree with that, but I mean we're talking about trying to keep what we have now. If we start all these programs, the cost would be phenomenal. Sure, you're right. It's going to cost more if they go back in the institution and that's why we have it more and more. We have to have programs ourselves, not necessarily the guest homes and that. It might be that we will have to do that or some kind of program, call it home care for these people that we might have to provide a minimum of things. That's what we'll be looking at as we progress. We have a long way to go to do that. As you know, we've got to get people out of the institutions and so on. That's what we're going to do. It's the same principle of getting people as much as possible out of institutions and working in the delivery of community health and decentralizing and working with the communities to provide those kinds of services.

MRS. S. CARSTAIRS: We have acute psychiatric beds I think in all hospitals in Winnipeg, with the exception of Concordia.

HON. L. DESJARDINS: Well, we're looking at Concordia now.

MRS. S. CARSTAIRS: Do we have any acute beds in any other of our general hospitals, like the Thompson General or The Pas?

HON. L. DESJARDINS: We have one bed in Thompson. But that would be what we'd be looking at. I think we'll have to look also when we're looking at our institutions some kind of bed - you're talking about acute care now?

MRS. S. CARSTAIRS: Yes.

HON. L. DESJARDINS: No, I was going to say in some of the personal care homes, because I see eventually that you might have most of the institutions emptied, but some of them you'll need more personal care homes for psychogeriatric beds.

MRS. S. CARSTAIRS: I have some . . .

HON. L. DESJARDINS: Oh, excuse me. I said no, but I want to make sure. We said that we were thinking, I said before the dinner hour, that we would want to put acute care beds in both Selkirk General Hospital and Brandon. We want to move in that to take them away. That would be emptying, taking 50 patients that we feel could maybe, with the help of those beds, go back in the community.

MRS. S. CARSTAIRS: So am I correct in saying that the Minister is looking at beds in all Selkirk and Brandon General Hospitals?

HON. L. DESJARDINS: We're doing that now and if we get our paper approved and all that, or whatever is decided, I would think that then we're looking at other areas, especially what we call the regional hospitals. That would be the first item. That's Steinbach, Portage, Dauphin, Thompson, Flin Flon, the Pas, those kinds of hospitals.

MRS. S. CARSTAIRS: If we could move on to some specifics now. In terms of the chief provincial psychiatrist, do we have a chief provincial psychiatrist at the present moment?

HON. L. DESJARDINS: We have a fairly good arrangement. We had somebody who we're very pleased with. Well let me say, first of all, that's been the history of every government that followed to try to recruit. It's been very, very difficult. We had Dr. Toews that we recruited a few years ago. He still has some connection with the university and he doesn't want to lose that. We made arrangements and it's working fairly well. He's giving us approximately a day a week and he's back at the university. He's our acting, but we're still looking for a full time.

MRS. S. CARSTAIRS: One of the concerns, of course, is that if we are going to move to a more community-based service system, one would hope that there would be someone like the chief provincial psychiatrist who could kind of lead that battle.

HON. L. DESJARDINS: Well, the chief psychiatrist would be there. The act requires one, and so on, and you need him to do special things, but he's not the one - I don't think anyway - that would lead that kind of service and the change.

That's one thing that we agreed that we didn't move as fast as we would have liked to, and we were chastised also for that, but we could blow our horn and talk about the directorate that we formed with Mr. Tom Walters, who is exactly the type of person to do exactly that and he's working under our ADM Don McLean on that, who has the overall responsibility.

So that directorate has the responsibility for doing the planning and all that now and working with these people, and they are the ones that would be in charge of staff and the programs and all that, consulting with the psychiatrist.

MRS. S. CARSTAIRS: Is this directorate the same as the Central Advisory Committee?

HON. L. DESJARDINS: Oh, no, no, no. The Central Advisory Committee are the names of people that I mentioned who are volunteers, people that are - no, this is - Mr. Walters is right here in front of you. It's new staff that we have. We didn't have that before.

We set up the directorate as one of the recommendations in the Pascoe Report, and he's in charge, with his ADM responsible, to plan and get these people and get exactly those programs started. They'll be responsible for our programming.

MRS. S. CARSTAIRS: The Central Advisory Committee was appointed by you in 1985, I understand, with the idea of giving public input into the mental health system.

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HON. L. DESJARDINS: As recommended by the Pascoe Report.

MRS. S. CARSTAIRS: Is that continuing to meet, and how often does it meet, and what kinds of recommendations has it specifically come up with?

HON. L. DESJARDINS: They are very, very sincere people and very serious people. There is no way that those people will go through the motions. We had a new chairman that came in with a couple of members of his board to discuss the situation, and they wanted to make sure that they weren't going to lose their time. We had to iron this thing out. I said, well, you know, if you're going to make recommendations and so on to us, but if it becomes a political thing, it's not going to work. We're not going to help you to try to make life unpleasant for us, and they agreed.

In turn, we agreed too, even before going to Cabinet, in presenting things for them so they can help us present the best possible recommendations to Cabinet. We've done that on that five-year program that we're talking about that we'll get back shortly, and we did that with the act that we're talking about.

You see it would be very difficult to go to some organization, mail it to an organization, or if they don't agree, it could make it difficult before we bring information. So these people, although some of the people, different organizations, are represented on this association, come from that - on this board, I should say - but they agreed that this is a confidential thing.

They make a recommendation, and fine, it's up to us to do what we want with it, but of course, with those kinds of people, if we keep refusing everything they send us, they're not going to stay very long.

They meet whenever they want when they've got something to do, at the call of the Chair. Not only are they limited to recommend or to work on things that we send to them, they can make recommendations. They are free to make recommendations to the Minister on their own, to initiate these recommendations, not to wait till we ask them to. Can you study this and make a recommendation?

MRS. S. CARSTAIRS: Have they prepared a recent list of recommendations or initiatives?

HON. L. DESJARDINS: Well, they've been very busy with the - most of them will be incorporated in the paper that I'm talking about. That's going to be the main paper. They would like to see, as was discussed earlier, us discuss with the public a White Paper or something like that. I asked if they were recommending - (Interjection)- yes, and I've asked them for - you know, we talked a while ago about what is the best, what kind of residence is the best.

Some people are saying it shouldn't be more than six. That could be very costly. Other people say, no, you can have some of those, but you can have some in 30. For instance, Sister Ell in Sara Riel and so on, they have a proposal that they have in front of us now with 30 beds. We always said that we want some of both. We have no problem in saying we want to deinstitutionalize, but not necessarily all six. That could be pretty darn costly also. So I've asked them to look

at that also and make a recommendation to see if they're both acceptable or what, so they're looking at that. Also the legislation that we'll bring this year will be something that'll have to be redone next year, when we have legislation on the protection for the seniors.

By the way, this legislation - and we'll discuss that in the House - will go a long way, I guess, in talking about the minimum of care in service and so on, this legislation, because you certainly at least won't be able to abuse them or at least there'll be some protection. So that will probably come next year.

MRS. S. CARSTAIRS: For staff just so you'll know where I'm coming from, I'm going into now the Mental Health Directorate, and I'll be on 4.(c). I have a few questions in that area.

There's an 8.4 percent increase in Salaries; there's a 7.9 percent increase in Other Expenditures; and External Agencies - and we touched on this just before we broke at five o'clock - have in fact a decrease. Now we can argue that they have an increase over what was voted last year, but they have a decrease in what they got from what they're going to get this year. Now, we're talking about External Agencies under the Mental Health Directorate.

HON. L. DESJARDINS: What page is it on?

MRS. S. CARSTAIRS: 71 of the big book. There's an increase over '86-87 voted, but a decrease in over what was adjusted.

HON. L. DESJARDINS: If you look on the same page, if you look at the External Agencies, you will look also in the supplies and services. Some of that money is there, which you have over \$1 million. Some of that \$1.3 million, supply and services, some of that money was transferred there for project growth. In other words, it went to the agencies.

I don't want to mislead. Of course I can't, you've got it right in front of you. The total is not that much. I'm not saying it's a big increase, but you'd look at the 28 and the 27. It is not a decrease.

MRS. S. CARSTAIRS: As I see it, we have a number of agencies. There are about 15 here, all of whom got grants last year. The grants totalled \$1.224 million and this year they're going to total \$1.219 million.

HON. L. DESJARDINS: Under that, but there is also some money that was transferred that would go - Tom has gone to try to find out the exact amount. Yes, you had last year, there's \$1.224 million, and this year \$1.219 million. But we're saying that, out of this supply and services or professional fees and so on - then of course you have to see the way it moved up from last year. That's the same thing, that we're poor managers because we overspent. But it was the actual that we voted in '85-86 was \$931,000, and we actually put the \$1.2 million.

MRS. S. CARSTAIRS: What movement occurred in this year in rural Manitoba with regard to the Proctor Program or the Day Program?

HON. L. DESJARDINS: I'm sorry, I didn't get the first part.

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MRS. S. CARSTAIRS: We spoke about the fact that there were additions in some of these areas. I specifically want to know, in rural Manitoba, what additions did we see to the Proctor Program or the Day Program between '86-87 and what is proposed for '87-88.

HON. L. DESJARDINS: If you want to add the total on this - this is for the Proctor Program - there was one person in Portage, the cost was \$7,100; Interlake Region, there was one person for \$1,000; Parklands, there were five clients for a total of \$3,679; Thompson Region, there were five for a total of \$4,210; the Westman Region, there was one person with two different Proctors - at a different time, I would imagine. It was \$6,600.00. Then there are some here in the Interlake, five in the Interlake, seven in Parklands, one in Westman, three in Thompson and one in Eastman and that was about \$49,000 or so in all.

MRS. S. CARSTAIRS: Were there any new day programs developed in rural areas in the past year?

HON. L. DESJARDINS: Apart from this program, what we have for this year, the money that we're asking now should be enough money for 25 spaces in Parkland; those are new spaces, 20 spaces in Thompson; 10 in Winnipeg and Westman is under negotiation. Those programs serve to include work-related training, recreation, social skill training and other rehabilitative types of programming for the mentally ill.

MRS. S. CARSTAIRS: In the Mental Health Directorate funding under Other Expenditures, the reference again to the audio-visual link. Is that the one between the Health Sciences Centre and Brandon.

HON. L. DESJARDINS: Yes.

MRS. S. CARSTAIRS: How is that, in fact, providing services as the Pascoe Report would lead us . . .

HON. L. DESJARDINS: We have a chronic shortage of qualified psychiatrists at the Brandon Mental Health Centre. That is why we . . . Then we've been trying again for years, not only that in Selkirk also. In fact, all over Manitoba, except the psychiatrists normally who want to practise in private practice and so on. That's what led to that. That was developed with the Health Centre and the Department of Psychiatry at the University of Manitoba, with closed circuit television transmission in consultation and new admissions and consultation related to problem situations.

MRS. S. CARSTAIRS: Is there any attempt on the part of the government to broaden that service, and thereby make that kind of psychiatric resource available to people in other communities?

HON. L. DESJARDINS: We're looking at that, and the link is capable of utilizing an existing link now between the Health Sciences Centre and the St. Boniface General Hospital, and used for transmitting . . . also, we're looking at Selkirk to see how it works. It only officially opened on March 1, 1986.

MRS. S. CARSTAIRS: I'd like to move into the Child and Adolescent Mental Health Services for just a minute.

Again we see an increase in salaries, but it's not a high increase in salary but we see a decrease in Other Expenditures for children and adolescents. The concern I have is that . . .

Mr. Chairman, I'm not critical of the increases in the staff year.

HON. L. DESJARDINS: There's been some vacancies, and then you start at the . . . You'll have people that'll reach a different level also, after a certain apprenticeship. Then of course, this qualification pay that we talked about before, that's an increase of 10,000 also, that increased the total of 716.

MRS. S. CARSTAIRS: My real concern is the decrease under Other Expenditures, because this is the service delivery as I understand it. This is where you have your supplies and services and your professional fees. Are we going to be treating fewer adolescents this year under this program than we treated last year?

HON. L. DESJARDINS: There's been a reduction in traveling, hotels, meals and other of \$400.00. But I'm assured that there is no reduction in service at all.

MRS. S. CARSTAIRS: Are we working towards, or have we achieved a day program for children and adolescents in Winnipeg?

HON. L. DESJARDINS: It's actually a psychiatric medical service in Winnipeg, and it also supports community mental workers in the rural area, who work with children and adolescents.

MRS. S. CARSTAIRS: Are we still sending some of our adolescent clients outside the province for treatment?

HON. L. DESJARDINS: No, we're not. Another thing I mentioned, we've had a difficult time recruiting psychiatrists. That's one thing that I think, unofficially - I've discussed that with some of the members of the board, of this advisory board. I'm going to ask them also to look at the possibility of employing more psychologists also because everybody's been trying to recruit and it's been very, very difficult, and so on. It's been recommended to me on a number of occasions that we should at least explore the possibility to look at - I'm not saying to replace all psychiatrists, but to use the psychologists.

MRS. S. CARSTAIRS: How many children, adolescents are we treating for mental health disorders in Manitoba in a given year?

HON. L. DESJARDINS: While we're looking for this information, I'd like to give you this. That concerns the long-term plans in child and adolescent mental health.

In the past, criticism has been levied by many constituent groups over the lack of mental health services to children and adolescents. To some degree this criticism is valid. Existing services in the area comprise children's community mental health workers; a total of 10 workers located in most but not all regions; children's forensic services, psychiatric services at the

Child Guidance Clinic, Manitoba Adolescent Treatment Centre, child adolescent units at Brandon and St. Boniface Hospital, Adolescent Unit at Brandon Mental Health Centre.

We're aware of the limited mental health service available in the province to meet the needs of children and adolescents and, as such, my department has placed priority on the development of these resources. In fact, the building of the Manitoba Adolescent Treatment Centre has been one of the first major steps in many years to fill this gap. That was something that was badly needed and we'd talked about that for years. That is probably why we're not sending so many people out of the province.

In addition, there are 10 forensic beds for children planned as part of the redevelopment at the Health Sciences Centre. My department is also in the midst of conducting a review of the existing child and adolescent services. This review will form the basis for developing a long-range plan in the area. As part of the planning process, there is a growing recognition for all departments who deal with children to plan cooperatively in order to ensure a successful future for young Manitobans.

I'll give you the caseload, so that will give you the number that we have. It is the community health workers in the rural area and the psychiatrists in Winnipeg so far. I have the figures for 1985-86, but that can't be a good comparison; that's 15 months. In 1986-87, Eastman is 190; Interlake, 149; Thompson, 102; Norman, 128; Parklands, 115; Central, 169; the total rural was 854; and Winnipeg is 175, for a total of 1,029.

Then there's the Child Guidance Clinic, open cases at the beginning of school year - and that's 1985-86, the last year I have though - 330; new clients, 334, for a total of 664.

MRS. S. CARSTAIRS: In terms of the Brandon and the Selkirk centres, and just a couple of general questions, will the number of beds in both of those institutions be declining in this year?

HON. L. DESJARDINS: Yes. Currently, there are 725 patients. There are 325 in Selkirk and 400 in Brandon. Then when this psychogeriatric building is ready in Brandon, the first one, 100 will be transferred from the Brandon Mental Hospital and the same thing in Selkirk. So that will transfer 200; that leaves 525. The acute care that I'm talking about in those two hospitals - I'm not talking about the rest of the area - roughly 50 in each, roughly another 100, and that will leave 425.

Then it is felt that right now, with the program that we've done in studying the patients which is being refined, we should be able to transfer another 120 at least in each institution for another 240. So that would be the one that we'll be discussing with the community and moving in the community. That would leave 185. At this time, we feel that we will have to keep those in the institution. That is the recommendation that will be considered by the Cabinet. That's part of the paper that I'm talking about.

MRS. S. CARSTAIRS: In the Brandon and the Selkirk psychogeriatric, the 100 each, do you expect to move those out during this fiscal year?

HON. L. DESJARDINS: Brandon, we do in the late fall; Selkirk, probably next year.

MRS. S. CARSTAIRS: So we can be assured that the figures, the bottom lines for Brandon will go down considerably for next budget year?

HON. L. DESJARDINS: This is just the way they've been going down though. This is Brandon, and the first year that I'll give you is 1979, and then I'll give you every year until 1986. In 1979, we had 574 patients, that's Brandon; the next year, 555; the following year, 559; then 519; 492; 451; 427; and 407.

MRS. S. CARSTAIRS: I knew that the numbers had been coming down. What I'm now talking about is the zero zero's coming down, in other words, the money. I mean, we're going from \$19 million to \$20 million. Are we going to see it going the other way?

HON. L. DESJARDINS: You'll get 100 in Brandon anyway, and then I don't know. We have no idea when we'll have a decision. I can tell you, at least the 100. Some of the others should start moving fairly fast, and I hope that the 100 next year in Selkirk, that'll be 200 and, by then, maybe another 100 with the 250, and in the communities which we hope to start pretty soon because we recognize that we want to keep people, you know, not centralize all in that area.

MRS. S. CARSTAIRS: Thank you, Mr. Chairman.

MR. CHAIRMAN: The Member for River East.

MRS. B. MITCHELSON: Mr. Chairman, just a few questions on the Mental Health Directorate.

Can the Minister tell me - I believe he indicated before how many spaces there were in the Proctor Program.

HON. L. DESJARDINS: 39.

MRS. B. MITCHELSON: There are 39 spaces throughout the province.

HON. L. DESJARDINS: Yes.

MRS. B. MITCHELSON: I believe the Minister indicated that was an increase over last year. If I can recall back from last year's Estimates, the Minister indicated that there were 39 Proctor spaces at that time.

HON. L. DESJARDINS: No, there were 20 last year, and there are 19 more now. There are 39, it doubled.

MRS. B. MITCHELSON: Mr. Chairman, I beg to differ, but I'm going to quote from last year's Estimates. It says: "There were 20 in Winnipeg; 3 in Westman Region; 3 in Eastman; 1 in Central; 3 in Parklands; 3 in Interlake; 3 in Norman and 3 in Thompson." So, that's 39.

HON. L. DESJARDINS: The best information I can get now, they assure me there were only 20 before and 19. What I either said or meant to say must have been that's the money that we were planning. I don't

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remember that. I'm assured by staff that no, in effect, we had 20 and we have 39. So that's a mistake that should be corrected then - my mistake, if you're quoting me.

MRS. B. MITCHELSON: So, if I'm understanding correctly, there were 20.

HON. L. DESJARDINS: 20, and there are 39.

MRS. B. MITCHELSON: Basis last year, and that's been increased by 19 . . .

HON. L. DESJARDINS: Yes, actual in last year's.

MRS. B. MITCHELSON: Actual to 39, and there are those spaces available. Are all those spaces full now? Those are programs that are in place?

HON. L. DESJARDINS: Yes, 39 clients now.

MRS. B. MITCHELSON: Thirty-nine clients now, and is there an anticipated increase over this year or is that number going to remain stable at 39?

HON. L. DESJARDINS: While we're looking for that, the amount, all I can give you is the amount of money. But I can't tell you the number because you can spend 10,000 for one and maybe 2,000 for another. It's not the same thing depending on the amount of care needed. And I think, what I read earlier in answer to the Leader of the Liberals, I think would indicate that it varies quite a bit, the amounts. So I can't give you numbers. I'll try to get the amount of money that we have for the Proctor. For the 39 it was approximately 261,000 for the 39 last year. And that doesn't mean, you know that you can get the exactly the average but it gives you a fair indication if I can get the money that we have for this year.

Wait now, I'm waiting for . . .

MR. CHAIRMAN: Oh, you're waiting for an answer.

HON. L. DESJARDINS: Well, if she has any other questions.

MRS. B. MITCHELSON: I'll wait for a minute for that answer.

HON. L. DESJARDINS: I'll try and get more, make sure we give you as much information and clear information that we can so I'll bring you back this for the next meeting. The next time we meet, I'll get, as close as we can, okay. And for the, we'll get for the Proctor Program and also for the day, for the day program also.

MRS. B. MITCHELSON: And for the community residences also. There are how many spaces, community residences?

HON. L. DESJARDINS: There's 51 at the present.

MRS. B. MITCHELSON: Fifty-one, and are there any plans for increases?

HON. L. DESJARDINS: We'll give you what we have for those three programs.

MRS. B. MITCHELSON: I'd like to . . .

MR. CHAIRMAN: Sorry, go ahead.

MRS. B. MITCHELSON: I'm waiting so the Minister can hear my question.

HON. L. DESJARDINS: Don't wait for me, because I'll be coughing all night so go ahead.

MRS. B. MITCHELSON: Okay. I received a letter from a constituent of mine this month and I believe there was a copy sent to you also, a Proctor situation, where they had, I guess had a verbal agreement and they also received a letter of approval to be part of the Proctor Program and provide care for a mentally handicapped person in their home, in the community. And I believe there was some problem with the department and they in fact were not paid the amount of money . . . - (Interjection)-

HON. L. DESJARDINS: Mr. Chairman, I wonder if I can ask the member to privately give me the details, the name and so on and if I've got a copy it's probably being checked now and without naming the person we'll give you the information.

MRS. B. MITCHELSON: Without naming individuals or people because I was . . .

HON. L. DESJARDINS: We'll check into it if we can get, of course if you can give us the name or a copy of the letter, if we already have one that'll be easier for us to find.

MRS. B. MITCHELSON: I believe that the Minister has received a copy but we will discuss that then privately.

HON. L. DESJARDINS: It's probably being investigated now.

MRS. B. MITCHELSON: But I'm wondering then what the criteria is or how, how does the department decide how they're going to put people into this program then and -(Interjection)-

HON. L. DESJARDINS: You mean, how we choose the, you're talking about the, not the client now. You're talking about the -(Interjection)-

MRS. B. MITCHELSON: Well, the clients are there. How are the people chosen and what is . . .

HON. L. DESJARDINS: The client or the people that provide the service?

MRS. B. MITCHELSON: Well, I guess maybe both, like I mean there are people out there that do need care in someone's home.

HON. L. DESJARDINS: And we try to match people that . . .

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MRS. B. MITCHELSON: You try to match them and how are . . .

HON. L. DESJARDINS: And that is, they're interviewed and checked by our field workers who decide, make the recommendation and decide.

MRS. B. MITCHELSON: You don't then decide. You decide on an individual basis whether a Proctor situation would be the best for a certain client.

HON. L. DESJARDINS: Yes, and discuss with the client of course and the Proctor and then an agreement is made. Depending on the service required also.

MRS. B. MITCHELSON: Can the Minister tell me, do you have people then in the community that apply to look after people in a Proctor type; look after clients in a situation - are there people there that are readily available to do this type of work?

HON. L. DESJARDINS: Yes, we advertise for that and then they're interviewed and I'm told that we've been fairly successful. We're looking now at Proctors for groups also, not just one on one, to work, you know it might be certain hours to work with groups and. That doesn't exist now but we're looking at that now.

MRS. B. MITCHELSON: Would that be then more likely a community residence, having a community residence with a certain number of people or is the Proctor Program; it's not necessarily then a fulltime program. Can it be just a few hours a day or is it somebody who comes to live in your house on a full-time basis?

HON. L. DESJARDINS: When we started the program we thought that we'd have maybe people one-on-one and that doesn't exist now. But that could happen, there's no reason why, you know, that we would turn that down in certain cases. That was felt that that was needed depending on the cost also. It becomes more costly, it's the same thing as home care. But now it's mostly people that'll spend so many hours, let's say a day, take them out and phone them and that kind of service. Make sure that they're all right and if they need anything and so on.

And I did mention that we're looking at them taking groups also not just the one-on-one. Like Big Brother or Big Sister.

MRS. B. MITCHELSON: If I'm understanding this properly then it's right now sort of a one-on-one situation but it's not necessarily a client that lives in with a family.

HON. L. DESJARDINS: That's right. I don't think we have any now, but I say there's nothing that would prevent it if that was needed and if we felt it would be feasible. But most of them don't need this 24 hours.

MRS. B. MITCHELSON: So there might be somebody living on their own that needs some assistance or someone to come in to take them out, to call, to check up.

HON. L. DESJARDINS: And it might be somebody that's ready to take somebody in their own home. So

they would act as Proctor and then, of course, there would be board and room if that's the case. They might want this kind of arrangement. We would look at that also.

MRS. B. MITCHELSON: That's all for right now.

MR. CHAIRMAN: The Member for Pembina.

MR. D. ORCHARD: Mr. Chairman, before we broke over the dinner hour and before we broke for Private Members' Hour, we were discussing the underexpenditure in Mental Health Directorate by the \$460,000.00. Now, in discussing that earlier on, and I just want the Minister to make sure that I didn't misunderstand his answer, some of his areas in which the underexpenditure occurred was in the Proctor Program, Community Residence Program, and the Day Program. Is that correct?

HON. L. DESJARDINS: Those three were definitely areas where we underspent. Are you asking me if there are other areas that we underspent besides that?

MR. D. ORCHARD: Presumably, Mr. Chairman, that would . . .

HON. L. DESJARDINS: I mentioned that before the dinner hour. Remember I was to give you figures for both salaries and operations, starting with the Management Support with the chief provincial psychiatrist, the Mental Directorate and you asked me questions on that, the Forensic Service, that's salaries, and the Directorate, by the way was \$460,500 less operating. Brandon, there are 282 in Selkirk, and so on.

MR. D. ORCHARD: I already have those figures. Mr. Chairman, the main question, and this is where I was trying to get a specific nailed down, when you deferred the mental health new initiatives in the Treasury Board submission, whereby you received approval for the overexpenditure in the home care line, was it an expansion in the Proctor Program which was deferred as part of the mental health new initiatives?

HON. L. DESJARDINS: Well, a certain amount of money. It was a total of 460 that we hadn't spent. One of the points that I was making before that also, we hadn't been successful. We had the money, one time we hadn't been successful in putting all this in place. At the time we might have been able before the end of the year, but when the decision was made, well, all right, you spend money on home care and hospitals and so on, because of the deficit, fine. You won't be allowed to spend that. We could have had, for instance, six bed units in a community residence for \$140,000 and we could have spent \$320,000 with an average maybe of \$8,000 per client or day program for \$70,000.00. We could have a program for fifteen spaces. That gives you an idea of some of the things that could have been done with that money.

MR. D. ORCHARD: Mr. Chairman, the area that received the most reduction in other expenditures, was,

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of course, the Mental Health Directorate where I did indicate earlier on that that was the area of the mental health portion of the Department of Health which is developing and coordinating the community based mental health services. I just want to point out, although I don't have the numbers in front of me for the actual expenditure under Mental Health Directorate for other expenditures for '85-86, fiscal year two ago, but the Adjusted Vote was \$906,000 and your actual expenditure this year will be \$765,000.00. So, unless you underexpended in the year before as well, your expenditures were actually down last year over the previous year at a time when you, three years ago adopted the main tenets of the Pascoe Report and you indicate that there is support for community based mental health for efforts to get away from our institutional system, it appears as if, when the crunch hits in the department, one of the first areas that can be hit hardest in curtailment of other expenditures is the Mental Health Directorate.

HON. L. DESJARDINS: I explained that; I'm not going to argue that again. I am saying that, yes, we were underspent the year before also and I am saying that even in certain areas, even if we had \$10 million right now, these programs have been further delayed by the time it takes to obtain community involvement and commitment in some areas. You're talking about working with them and so on. I'm not saying then it might be. I don't know that. It might be that we would have spent that before the end of the year, at least start a program, and then we were told don't spend any more for a few months.

I have one bit of good news for those that are interested, I hope it's not a joke but the Jets are leading 1-0, Boschman from Neufeld at 1:20 of the first period.

MR. D. ORCHARD: 1:20 of the first period?

HON. L. DESJARDINS: I think that's what it says. I don't know who gave me this. I hope it's not a joke.

MR. D. ORCHARD: Mr. Chairman, in the Mental Health Directorate when we looked at SY's last year at Estimates time, there was five, on the Adjusted Vote you were up to eight. Are all of those positions filled and what were the additional hirings to accomplish? They weren't discussed last year at Estimates time.

HON. L. DESJARDINS: You're saying that these eight positions weren't discussed last year?

MR. D. ORCHARD: Last year's Estimates indicate that Mental Health Directorate had five SY's. There was no request for additional SY's last year. And in the Adjusted Vote we have the additional SY's. The question being, what for? They weren't discussed last year. What are they accomplishing this year? What's the additional staff for?

HON. L. DESJARDINS: You say we had five last year? We had a gentleman from the Eastman region who was working as a mental health worker who is being transferred, there was Mr. Werbeniuk also, you know has been transferred from community health, and the

ADM gave a position for a secretary to Mr. Walker. Those are the three added positions.

MR. D. ORCHARD: Okay. Mr. Chairman, last year, we approved just under \$1.2 million in support to External Agencies. The actual expenditure was some \$140,000 less.

What agencies did not receive what was anticipated to be full funding?

HON. L. DESJARDINS: The money was \$140,000 as was mentioned, and that was the cost of the community residence for a six-bed unit which we couldn't develop in time, and that was through this agency which looks after that for us. So it was that; we had the money to open another one.

MR. D. ORCHARD: Which agency assists you?

HON. L. DESJARDINS: Project Growth is the name of the agency which looks after these communities for us.

MR. D. ORCHARD: Project Growth?

HON. L. DESJARDINS: Yes.

MR. D. ORCHARD: Okay. Is that particular community residence on target for this year, and part of this year's funding proposals?

HON. L. DESJARDINS: Project Growth started very late in the year and we'll have the amount for the full year.

MR. D. ORCHARD: In this year's Estimates?

HON. L. DESJARDINS: Yes.

MR. D. ORCHARD: Well, Mr. Chairman, we've discussed in general terms a number of areas in terms of mental health. There is certainly a lot of interest stimulated by the CBC's comparison of the Manitoba system versus the Saskatchewan system.

I just want to close with a few comments that I think should be made on the record, and I noticed that the Premier was here earlier on. I think his coat's still here. It's too bad he wasn't still here, because I think he's a fairly pivotal individual in terms of achieving any kind of community-based mental health programs and establishing regional services.

As we discussed earlier on this afternoon, as we move to the community base, we're going to be winding down both Brandon and Selkirk, and I have before me a November 9, 1983, Winnipeg Free Press article, and this was at about the time when the Pascoe Report, of course, had been discussed by Cabinet and the basic tenets agreed to of the Pascoe Report.

It's been a while since I've read the Pascoe Report, but according to the article - and I know the Minister will correct me if I'm wrong - it indicates that the Pascoe Report recommends phasing out of the Brandon and Selkirk Mental Health Centres by 1990 and replacing them with community-based centres and services in eight regions throughout Manitoba. At that time,

Winnipeg was just one region and, basically, the phasing out of Brandon and Selkirk by 1990.

Now earlier on this afternoon, we discussed the political will of the Premier, because one of those institutions is a fairly major employer in his own constituency, and I can't help but quote from this Winnipeg Free Press article of November 9. I'll give you the whole paragraph.

It says: "Desjardins said he disagreed with comments made earlier by his Cabinet colleague, Len Evens, who denounced the recommendation to phase out the Brandon Centre by 1990. Evans (Brandon East) said such a system has been tried elsewhere but doesn't work because patients are left to 'flounder for themselves' in the community."

Now, Mr. Chairman, we talked about the Premier needing political will to make that move. We see that the other affected Minister of this administration, Mr. Evens, initially was much opposed. I don't know whether there's any statements of late from Mr. Evens which say, "Well, you know, I think the Minister of Health is correct and the Pascoe Report was correct, and therefore I agree with it now." I kind of doubt that, whether there's been any such public pronouncement by Mr. Evens.

I recognize that when you get behind closed doors in Cabinet, there are a lot of various circumstances that fix into the meld of decision-making by Cabinet, not the least of which are the political considerations by those MLA's fortunate enough to be sitting around the Cabinet table.

HON. L. DESJARDINS: Fortunate?

MR. D. ORCHARD: Well, in most cases, I've always considered it fortunate and a privilege to be sitting there; maybe you should know.

HON. L. DESJARDINS: It's debatable.

MR. D. ORCHARD: Well, the company you keep, I can understand where you don't think it's so fortunate to be sitting around a Cabinet table with the Pawley administration - I agree - but I was always quite proud of my colleagues around the Cabinet table.

But the point I'm trying to make is that we've got Pascoe's Report out. I think we've got a community at large that recognizes changes need to be made, that are willing to see those changes.

I note, in the 10 years that I've been here, the amount of opposition to group homes is incredibly diminished compared to what it was in 1978-79-80. It was a major, major issue. It doesn't appear to have that same kind of emotional portent because people are more willing to try the new system.

I think that even though the Minister disagrees with some of the numbers, the CBC presentation did a service in educating Manitobans and helping this Minister. He may not agree, but I believe it was good information that was put out by CBC in terms of the approach to delivery of mental health. Whether the numbers were absolutely correct or not, I'm not arguing, but it made Manitobans aware that there is a different system.

Now, Mr. Chairman, one of the major problems that we've got in this province, and I'll talk and I'll digress

slightly right now and get into something which is economics. Maybe that's not an approach that one should necessarily take in terms of provision of mental health, but rural Manitoba right now is dying on the vine. We have agriculture in the doldrums, and if we listen to the experts - which you should never do - it's going to remain that way for some considerable number of years, and we're going to have to substantially change our approach to rural Manitoba and economic development in rural Manitoba.

I find it an alarming contrast, and I know the Chairman will, too, when I leave my constituency and I drive to the City of Winnipeg, because once you get into the City of Winnipeg, the main impact of a half-million dollar deficit and a Limestone development and some of the other deficit-initiated projects are quite evident in the City of Winnipeg.

We have two different economies in the Province of Manitoba, Winnipeg being where most people are very fortunate in their economic circumstances. Such is not the case in rural Manitoba. Rural Manitoba is hurting and hurting badly.

I should be in Agriculture debating with the Minister of Agriculture on it, but one of the things that we're tending to do, which exacerbates the problem in rural Manitoba, is we tend to concentrate all our sophisticated services in the City of Winnipeg. That's always been a problem with this province because Winnipeg is simply the large centre and naturally attracts all of these services.

But in terms of delivery of mental health, I think that it is an ideal service in the Health Department that can be regionalized, decentralized, without diminishing service, with in fact improving service. I simply say again, the Saskatchewan model is the one that tells us it can be done, and it can be done at least as economically as what we're doing in here.

The advantage to rural Manitoba is very obvious. If you have the Dauphins, the Mordens, the Winklers and some of the other major communities staffed with psychologists, psychiatrists, psychiatric nurses, mental health workers to provide services on a regional basis, that simply transfers wage packages from Selkirk, Brandon and Winnipeg communities to communities that need some support right now and citizens that need support in those communities. But I guess maybe there is more making up the decisions on how fast you move and how quickly you move on regionalized services in mental health than those kinds of considerations.

Another thing that your Cabinet fails to have is adequate representation from rural Manitoba sitting around your Cabinet table. They're few and far between. Northern Manitoba is well represented. The problems in Northern Manitoba are distinctly different from those in rural southern Manitoba, and you don't have a rural southern Manitoba Cabinet Minister. The Member for Brandon East is not - with all due respect - in tune with the problems in rural Manitoba. He's not familiar with it.

HON. L. DESJARDINS: It's an urban seat.

MR. D. ORCHARD: So, Mr. Chairman, I can do nothing else than again, as I did last year, to urge the Minister

to proceed and, hopefully, he will find the political will to do it. I hope the comments of 1983 from his colleague, Mr. Evans, are not held as vehemently as they appear to be back then, because I believe you've got to get on with the job of providing a better system of delivery in the mental health area of your department.

I think, in the long run, you can provide better service, as efficient a service certainly, and you can provide that additional advantage of having a new group of citizens in the communities of rural Manitoba, because every time that we have brought a new group of learning and expertise, you put a different focus on to a rural community. That's healthy, that's vibrant; that offers an exchange of information on a community basis that you can't get without those people being there.

I think also that we've had our concerns over the phasing out of the School of Nursing, which I realize is Community Services, at Portage la Prairie, the Developmental Centre. I don't know whether there is currently a program in Manitoba that adequately fits the needs for a community mental health worker as you decentralize the system.

So, Mr. Chairman, with those few remarks, I simply want to urge the Minister to move on as quickly as possible.

I hope that when we discussed it earlier on this afternoon, and maybe the Minister can clarify this, but the group that was put together to study the mental health plan and that Cabinet will receive recommendations on, is that the sort of five-year plan that was referred to in last year's Estimates? That is what that group has done. I never asked that question specifically before Private Members' Hour, but given that is the five-year plan, I think it is even more important that as quickly as possible, we and the members of the community, the Manitoba community at large, have the ability to discuss that five-year plan.

HON. L. DESJARDINS: Mr. Chairman, I'm not going to take too much time. I think we had a good discussion on that.

I appreciate that the member is wanting to put something on record and I welcome that. It is his feeling and that of his party on this.

But I don't know what else I can do to reassure him. I haven't hedged at all on this. I said from Day One - in fact, last year I sent him a copy of a speech that I made, that I classified as the government's official position on the Pascoe Report. The speech that I made, I think mentioned 1983 or whatever year it was, or '85, '84, to the psychiatric nurses, and I told him this afternoon that I have no representation.

Of course, members have a concern if they're going to lose jobs. My honourable friend appealed today to transfer some of these positions in the rural areas because the rural areas are having problems and it's a different economy, and that's all valid, but it's valid for everybody. I don't think that we chastised these people for trying to keep the jobs there, but as a Cabinet, I give you the policy of Cabinet on that.

In fact, the member of his caucus from Brandon knows we need some changes. Everyday he's talking about cutting and so on to try and get as much mileage out of this situation in Brandon that we're cutting and so on. I know he knows it. He knows that we have to

make some changes. He knows they're not cut; he knows all that. There's good cooperation between the Commission and the hospital in that area, but I can reassure them, and I have no problem either.

If it's just the Chamber of Commerce, if we're going to invent jobs just to give jobs to people, I don't believe in that. If we're going to, for instance, keep something, a costly thing like the School for Psychiatric Nurses in Portage, I don't believe in that. If we can do it, we've got to cut down.

On this question of decentralization, I believe in that. I've said that not only in mental health; I've said that in the field of health in general. I said that we want to go back to, as much as possible, decentralize and have the community participate and that and give some option, not just make all the decisions from here on some of the priorities that are needed. I recognize the different priorities that could exist in different parts of the province. So I have no problem with that.

I told you what we were recommending and the First Minister as far as I'm concerned has always recognized that, that there will be some changes on there and, as far as I'm concerned, he agrees with that. I don't say he's jumping with joy. It's going to be a problem with him. It's going to be a political problem, but he's facing it and he's going to accept the responsibility, and so is the Member for Brandon. In the meantime, they're doing exactly what was done around this table today by bringing the concern of his constituency to us and making a statement in the news media. That certainly is his right and that was his feeling. He was expressing something that I expressed. I said we have to be careful, but I didn't say that we would keep this thing going, that we would have all these big institutions forever and a day.

So we are looking at it. We are committed to deinstitutionalize in that area also. We have a program now in front of Cabinet. I can't give him the answer today. We've talked about that this afternoon. It could be that we will have a White Paper or something that the community can discuss, that we can look at the best possibility and the advice from the community. Then we will move. I think we've started in that direction, granted not as fast as the people would like to see it. But we have moved and I hope that we will improve that and move we certainly will as fast as we can, recognizing that we can't just drop everything else and just move in that direction. It's been a long time. It's been the poor orphan for a many years.

It was something that wasn't considered by the feds or anybody else. It was something that wasn't done. That's why there are problems. We recognize that Saskatchewan is - we compare it to the best province. Saskatchewan is the best program of all. That doesn't make it any better because there are other provinces that are at the same level as we are. But that's not something that we're proud of or happy with, but Saskatchewan is the best.

Now CBC, I cooperated 100 percent with CBC. I gave them as much information as possible. I asked our people to talk to them. I gave them as much information as possible. The only thing I'm saying is that they took part of it and the other part, would they explain that it wasn't the full thing and when you're saying that it costs Manitoba \$155 million and only \$38 million in Saskatchewan, that is not the fact. It's not just a little

mistake. It's a little mistake if you say that \$38 million is the same as \$155 million. So, fine.

As I say, with all the statements that were made and the direction that we go, I say there is no argument. I have no argument with the honourable member at all and, that, as far as I'm concerned, is the position of the government at this time.

MRS. S. CARSTAIRS: A few minutes ago, the Minister told me that in 1979 there were 574 patients at the Brandon Mental Institution. Now we have that number in 1986 down to 407, I'm not disputing the figures. In 1979, and I'm checking with the budget, it was costing us about \$20,000 a patient. In 1986, it's costing us about \$50,000 a patient. What that says to me in no uncertain terms is what the Minister has repeated, that he too is looking toward the community-based mental health delivery system, because it's cost-effective and because it's probably better in the long term for the good health of the mental patient.

But in his last remarks, the Minister used a number of words. He said we are looking, we are committed and we might issue a White Paper that would promote community involvement. I would ask the Minister to remember that unfortunately has been the long-term history of the mental health movement in Manitoba. The government talks about reforms, not just this government, but government after government, talks about reforms. He indicates they are committed to new reforms and then unfortunately get elected and a new study is commissioned.

I only have to take you back to the Adamson Report of 1960 which says, psychiatric patients should be treated as close to their place of residence as possible, thereby avoiding major social dislocation. Smaller hospitals, rendering comprehensive service and related to general hospitals will permit patients to accept treatment earlier. The provision of adequate ambulatory treatment ranging from consultation through day care programs and follow up will minimize the need for in-patient treatment. That was 1960.

In 1973, the Clarkson Report said, the mental health services must be regionalized and community-oriented programs must be developed. The care in the community as opposed to hospitalization must be emphasized.

We then go to the Pascoe Report in 1982, which again repeats the same data and tells us that we have to get on with it, that we have to, in fact, move to a community-based system. Mental health services have been, as you yourself have said, Mr. Minister, the back end, if you will, in terms of getting the attention that they deserve. We know that we can spend millions more, but we also know that we're probably spending as much as we need to spend, we just need to spend it better. What we need to do is have the political will to change it.

I'm delighted that the document is being presented to Cabinet, but I hope for the . . . all of whom are in this room and all of whom will be affected by mentally-ill people within their family unit will not have to wait for another election, for another set of commitments and for another study before mental health services in Manitoba become community based.

HON. L. DESJARDINS: I accept that, providing also the honourable member accepts that the Federal

Liberals who were in government for a long time certainly failed us and failed the people of Canada for many years on that. When these studies were made, they were brought up, and we asked to change this business of just acute care and Medicare. That wasn't done and we know that some of the Cabinet Ministers wanted that. So, I think we all failed. I agree. I don't know if it's failing and we didn't know as much as we did then. There were other priorities. It was new, but the best thing now is to act as fast as we can. In other words, this is the same thing that we're talking about in the field of health. We want to deinstitutionalize all over and go in more community care. We feel that we will provide better service and better standards and at a lesser cost. As I said, that's why I'm saying that we should and I hope that we can, that I'm not too naive in thinking that we can all work together on that. But it's not only in mental health. It's the same thing. It's valid for other things too if you're going to go in the community.

Thank you.

MR. CHAIRMAN: I take it you're prepared to pass 3.(a)(1).

MRS. S. CARSTAIRS: Not 3.

MR. CHAIRMAN: 4.(a)(1) to 4.(g)(2) were each read and passed.

Can we go back to section 3 now?

HON. L. DESJARDINS: No, you've got - you have to pass the . . .

MRS. S. CARSTAIRS: No you can't because it would combine 3 - we would have to finish 3 first.

HON. L. DESJARDINS: No, it doesn't combine 3.

MR. CHAIRMAN: Be it resolved that there be granted to Her Majesty, a sum not exceeding \$40,841,600 for Health, Mental Health Services for the fiscal year ending the 31st day of March, 1988—pass.

We have 25 minutes, I guess we want to get started in section 3. Community Health Services (Operations) - who's first?

HON. L. DESJARDINS: I'd like to put on the record, if I may, Mr. Chairman, that the request that was made before the dinner hour, that information and more was provided to both the Official Opposition and the Liberal Party.

MR. CHAIRMAN: Thank you, Mr. Minister.
The Member for Pembina.

MR. D. ORCHARD: Mr. Chairman, I realize that the reorganization in Winnipeg is new, but I have to tell you I had expected something other than hand-written flow charts for the different regions. Is it so new that we don't have this formalized yet and isn't it part of the flow charts and information that's packed away in the department?

HON. L. DESJARDINS: The reason for that is that is not finalized as yet. There could be some changes and

that information was provided for the members of the committee at their request for today, and that's the best form in the short time that we had - that's the best form that we can get this information. It could still change and that is why it hasn't been finalized.

MR. D. ORCHARD: Now, Mr. Chairman, in taking a look at the way the Winnipeg regions - we got the executive director - and on your first flow chart, you move across the page to Central Services, Winnipeg South, Winnipeg North, Winnipeg West Central, and the accompanying map indicates the way the City of Winnipeg is broken into the three regions.

I guess the question is, in the Central Services, is it fair to assume that they provide the coordinating services for the entire complement of Winnipeg Regions, in other words the three Winnipeg regions, is that what Central Services are to do?

HON. L. DESJARDINS: It serves as the head of - you will see, you have another chart there that will tell you that service is head of administrative transition efforts with system analysts along with three regional administrative officers.

MR. D. ORCHARD: I'd just like to find that.

HON. L. DESJARDINS: This one here, we should have numbered them. It's in Health Community Services, Winnipeg Central Services.

MR. D. ORCHARD: Now, Mr. Chairman, when we move to the regional staff of the regional areas and the regional directors, now presumably these three regional directors are essentially replacing six area directors that were under the old Winnipeg single-region system.

HON. L. DESJARDINS: They're replacing one regional director and six area directors. We're saying the same thing, it was just that . . .

MR. D. ORCHARD: Now, the regional director was, if I recall correctly, Bill Werbeniuk, then . . .

HON. L. DESJARDINS: No, it was Ken Maskiw.

MR. D. ORCHARD: Oh, yes, right, that's right. Now I note that each one of the areas has basically - but not always - but basically the same areas of service delivery. Now one of the things that I want to ask the Minister, he might recall we had a fairly extensive discussion on this last year, and one of the concerns I had when we discussed this last year was how your regional coordination was going to work.

Now, the most recent example being of - if I can put it so bluntly - a fiasco - is the example in Children's Aid Society where you had the one Winnipeg region broken up into, I believe, six separate regions. I notice that there's some smiles over there, but it's been documented that in some regions children have been left because there's no coordination of service between the regions - and have been left without services and I believe there's been some rather drastic results of that lack of coordination between the six regions under CAS.

Mr. Chairman, I note that in the South Region, you have a majority - maybe not a majority - but a fairly sizable portion of the downtown area where a number of your group homes are, for instance. Now do we have a void in coordinating the services between the three regions, in other words, can West Central access the group homes which are located in the South Region, and can North Region access those group homes if their facilities aren't able to accommodate the needs of their patient load?

HON. L. DESJARDINS: Yes, they meet regularly with the Executive Director, Mr. Robson. For instance, you would have the - we were talking about mental health - the supervisor of mental health, and so on, in the three regions meeting regularly. You will have also the regional coordinator, you see regional continuing care coordinators meeting regularly on that and they would have access to all the information in the whole city and the main responsibility of the executive director will be to coordinate the region there and make sure that the services are provided to all.

MR. D. ORCHARD: Okay.

So, Mr. Chairman, then to put it in layman's terms, we don't have a jurisdictional, if you will, dispute between the regions where you're having one region overserved in certain types of facilities. You have a sharing of those facilities for all regions then, in other words?

HON. L. DESJARDINS: I'm not sure that I understand. We're not suggesting that they have exactly the same number of spaces or group homes. You're talking about reasonable and fair, adequate services.

Yes, we have this assurance and that's the responsibility of the executive director, to make sure that's the case and meeting as I say regularly, depending on what the concern is, but with the three people. For instance, I gave you the example of the regional continuing care coordinator or the mental health supervisor, Community Services supervisor of public health and so on. They would discuss those things and work it out.

MR. D. ORCHARD: Okay.

I notice that the regional director of Winnipeg West Central has, under his jurisdiction, a supervisor of mental health, who has responsibility unique to West Central of supervisor for independent group living and day programs.

HON. L. DESJARDINS: No, that's city-wide. That might be what you're talking about, about the floating, that they have different responsibilities. They're assigned to one region, but this is with the city-wide. He's the supervisor for that program, city-wide. There are a number of examples like that.

MR. D. ORCHARD: Okay.

The question in this case is: Why was the West Central Region chosen to locate this particular supervisor. Is there an expertise there in the supervisor of mental health or the regional director, Richard Voss, that lends his expertise, his background, his previous

experience to coordinate that particular program for the city?

HON. L. DESJARDINS: No, it's because that region had the greatest number of those individuals of that concern. They had the greatest number. It was left to the supervisor in that area. But that's discussed, as I say, with the three different regions.

MR. D. ORCHARD: West Central Region of the city has more individuals, more people in independent group living and the day programs in terms of the mental health program?

HON. L. DESJARDINS: Right.

MR. D. ORCHARD: Well, that's new-found knowledge. I would have thought that Winnipeg South would have been the one with the most number of clients there, okay.

Mr. Chairman, when we discussed this last year - and we'll have to finish discussion on it probably Thursday - one of the things that I asked the Minister last year was to how he expected the three regions to function. The example again I used was, of course, the Children's Aid Society, where the region was broken up. Six new ones were created. We had a duplication of staffing throughout the six new regions. The figure that was available last year was 40 additional staff to accomplish the delivery of service under CAS.

Mr. Chairman, I asked the Minister if we'd have the same expansion of personnel, and I was assured last year that wouldn't be the case. In fact, we would have the services undertaken under basically the same staff complement but, yet, when we go through the regional services for Winnipeg, we've got an increase of 36 SY's, year over year. Now, can the Minister explain how you need 36 SY's if you streamlined the delivery of services here? Are we not creating a duplication by having three regions versus one?

HON. L. DESJARDINS: No, the change that we did did not create any new positions at all. In fact, it probably saved some positions, and there are no extra supervisors that we had. There is some staff, definitely. I hope as we go along that we want to give more service in the regions that we'll have the same staff that my honourable friend was talking about in the rural area also, to create that kind of staff in different areas. As we work more with the public and more in public health and so on, and in mental health and so on, we probably will need more staff, but that has nothing to do with the reorganization at all.

MR. D. ORCHARD: Well, Mr. Chairman, I'm going to have to digest these flow charts between now and Thursday when we next resume the study of Estimates. But you're saying that now, under this new organizational system with 36 more SY's, those have nothing to do with the administration?

HON. L. DESJARDINS: With the change, there are no extra supervisors or those kinds of positions that have anything to do with the reorganization. I'm saying that they're community workers in mental health, and it

might be public health and so on, and more in the region as we want to increase the services, as we were advised to do today, at least in the mental health field.

And I would think and I would hope that we will get more staff. We certainly will need more to do the things we've been asked to do in the in the mental health field.

MR. D. ORCHARD: So just let me get clear in my mind what the Minister is saying. Under the single Winnipeg Region, you had an executive director and you had six area directors, and presumably . . .

HON. L. DESJARDINS: One regional, Werbeniuk was a regional director.

MR. D. ORCHARD: So that was for the whole province?

HON. L. DESJARDINS: Remember, there was another one also with Community Services. Between the two of them, they had the whole province in the service of both departments.

MR. D. ORCHARD: Now with the three regions - and I don't know how to frame this question so that it's clearly understood what I'm after. You have a number of management and supervisory positions, as opposed to the payroll for home care providers, the payroll for mental health workers. In other words, you've got foot soldiers delivering the programs in mental health, in home care, etc. etc. All the programs that we went through under the Regional Services are being delivered here. You've got, as I call them, the foot soldiers who actually work with the client - that would be a home care recipient or mental health patient - and we've got supervisory staff. Now you're saying that there is, under the reorganization in the three regions, no increase in the number of supervisory staff positions?

HON. L. DESJARDINS: That's the information that I have. There's no increase to the reorganization. The increase is what you call the foot soldiers, the people delivering the service and the larger increases have been mostly for home care.

MR. D. ORCHARD: Mr. Chairman, then prior to reorganization, you had your six area directors. Those individuals, although some of them may have applied for the regional director positions and none were, as I understand it, successful, are those individuals all working still within the Winnipeg region or in one of the regions?

HON. L. DESJARDINS: The area directors are still all working there, except one who is the Director of the Manitoba Adolescent Treatment Centre.

MR. D. ORCHARD: Mr. Chairman, I note when we go into the Regional Services that there was an overexpenditure on Salaries of \$336,000 and an overexpenditure in terms of Other Expenditures of \$386,000.00. Now the \$386,000 and over in Other Expenditures, the increase in Other Expenditures is about - and I didn't take a percentage through on that, but you had \$3 million. It's about an 11 percent, 12

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percent increase in Other Expenditures in Regional Services for the whole province.

Now we discussed this briefly the other day. Presumably, that Other Expenditure applies to all of the regions throughout the province, not simply Winnipeg region. And what I'd like to do is: Can the Minister provide a breakout on what the Winnipeg Region Other Expenditures, what their overexpenditure in that category was?

HON. L. DESJARDINS: Okay, we'll try to get that for Thursday.

MR. D. ORCHARD: Mr. Chairman, I'll just check my notes, because I may have some questions. Mr. Chairman, I think we can probably continue this debate.

HON. L. DESJARDINS: Okay, and we'll try to get that information for the 1st. We probably won't meet in Estimates tomorrow and on the next day.

MR. CHAIRMAN: The hour now being ten o'clock, committee rise.

SUPPLY - AGRICULTURE

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

We've been considering item No. 3, Manitoba Agricultural Credit Corporation.

The Member for Roblin-Russell.

MR. L. DERKACH: Thank you, Mr. Chairman. My question is to the Minister with regard to farmers who have lost their land or are in the process of losing their land or it being taken away by MACC.

They may in fact apply for quitclaim and perhaps wish to lease the land back from MACC. In my area I know that is not happening. The land has been put out on tender, and even after the previous owner applied to have the land leaseback again at a higher rate than was tendered, he was refused.

I'd like to know from the Minister whether this is a policy of MACC or whether a farmer who in fact does get into financial trouble and cannot hold on to his farm will be given an opportunity to lease the farm back from MACC.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Chairman, I guess, depending in terms of when those kinds of discussions on quitclaim took place, and I say that because our move into the leaseback has occurred generally and is being refined over the past year. Previous to that, we were basically moving land that we received, primarily through quitclaim on to short-term lease based on tender.

I would say this, not knowing the circumstances the honourable member speaks of, and he may want to provide the circumstances to us to have another look, but in the event - I'm making the assumption that the applicant had his transaction a number of months ago when we were just working into the lease process - if he is a serious contender in the bid process for the

land and he may be even somewhat lower than maybe the highest bid, the corporation would consider, by going through the board process, looking at a previous owner and giving a previous owner and client, basically, the benefit of the doubt and some consideration for his being a former client in making a final decision on a possible land lease.

But not knowing the circumstances, the honourable member may want to provide it in writing and have us have a look at it. I guess I have to raise the question, is the circumstance that he is speaking of, is it currently in process or has the situation for him, as far as he's aware, been foreclosed already by a lease being issued to someone else? I don't know the circumstances, so I'm going to be raising many questions of the honourable member.

MR. L. DERKACH: Mr. Chairman, a few scenarios. First of all, a young farmer who could not afford to make the payments anymore on MACC land who said to the MACC office, all right, you take my land and I'll lease it back from you because I still have access to equipment to work land with. I'd like to lease it back from you and I'll pay you \$20 an acre. He was told that, no, if that in fact happened, he would have to pay somewhere in the neighbourhood of \$30 per acre lease on the land. He couldn't afford that. Subsequently what happened to the land is, it was tendered for lease and was leased out at \$12 an acre to another party altogether.

Now my question is, and my concern is, is there a policy with MACC whereby a previous owner has to pay a premium in order to lease land back from MACC, or is he given first preference? If he's got equipment available, is he given first preference to be able to lease that land back and continue farming, and that way he's not being chased off the farm?

HON. B. URUSKI: Mr. Chairman, could the member indicate whether there was a farm site and buildings involved in that price?

MR. L. DERKACH: There was?

HON. B. URUSKI: There was a house and buildings on the farm site?

MR. L. DERKACH: Yes, there was.

HON. B. URUSKI: Was that price that he just mentioned per acre, did that include all the buildings?

MR. L. DERKACH: Well, it must have, because the land was leased. Mr. Chairman, if I might give some clarification on the matter. Yes, there was a farm site; it still is there. The land was not leased to the previous owner, he had to move off the farm. The house and the farm buildings are standing vacant now and the farm was leased to another farmer for \$12 per acre.

HON. B. URUSKI: Mr. Chairman, I think the honourable member should in fact provide me with the details because I'm only hearing one side of the story. There certainly is no policy within the corporation that will treat a former applicant differently than anyone else.

In fact, the reverse is the situation, that a former applicant, given reasonable farming practices and given a reasonable relationship with the corporation, in some of the dealings that we've had, we've in fact bent over; if anything, the benefit of the doubt goes to the former client in terms of future land leases. What the member is indicating to me is the reverse of actually what had happened.

Perhaps the honourable member would want to give me a note and we'll have staff look at the situation and before we finish MACC, or within the next day or so, without revealing any of the names involved, give the background of the situation for my honourable friend.

MR. L. DERKACH: Mr. Chairman, this didn't happen in only one isolated situation; it's happened in a couple. Let me ask another question of the Minister.

HON. B. URUSKI: Are you going to provide the details?

MR. L. DERKACH: Oh, I can provide the details, that's no problem.

The second question to the Minister is, is there a policy whereby a relative, a father or a brother of the person who has gone under, so to speak, where the father or brother does not get first crack at leasing the land, and has to go through the tender process, even though he offers the going rate for the land?

HON. B. URUSKI: Mr. Chairman, family relations would not have a preference. The former landholder would have the preference.

MR. CHAIRMAN: The Member for Ste. Rose.

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

I have a question for the Minister regarding his policy on leaseback, as well. It seems to me that he didn't delineate to the Member for Roblin-Russell very clearly what MACC's policy is. He said that they will go out of their way to lease back, but is there, in fact, a working policy for the people in the department? If so, I would like to hear what it is.

HON. B. URUSKI: Mr. Chairman, we provided that information last year, but we will provide it again this year, the policy on leasebacks. Maybe I better ask my honourable friend, is he speaking about a leaseback directly to a client? Is that what he's . . . Because there is a difference.

MR. G. CUMMINGS: That's correct.

HON. B. URUSKI: Mr. Chairman, the policy, in terms of leaseback to a client, is that it would be a quitclaim leaseback. We will negotiate a five-year lease with an option to purchase on the following criteria: There is viability to that farming operation, based on the new terms; there are adequate resources to carry on the farming operation, even after our quitclaim; the general management ability of that farmer is in place; and lastly that no assets that were, in fact, under mortgage to the corporation have been converted for other reasons. Those would be the four major criteria that the

corporation use to determine a leaseback of an existing client on a quitclaim.

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

MR. L. DERKACH: Mr. Chairman, to the Minister.

That is exactly my question and my concern. When that parcel of land goes up for tender, are the same criteria applied? Because I can't see how you can apply those same criteria when you tender a piece of land. So, therefore, you'd ask the farmer who, or the client, whether there is viability to farm. For example, how do you know that the person who is tendering for the land, that may get the tender because they're the lowest one, has any better ability to farm that land than the person who has undergone the quitclaim?

HON. B. URUSKI: Mr. Chairman, the honourable member will remember a year ago it would have been the policy of saying: "Look, we don't have a long-term lease, you can take your chances on the rental; we've got a quitclaim and we will look at you if you're very close to the bid, based on our experience with you, and still consider you for a lease if the tenders or the bids are fairly close. . . . until about June or July of 1986, until we firmed up, the longer-term leaseback provisions.

Mr. Chairman, the honourable member will remember a year ago during the Estimates process, maybe even yourself, as one individual member raised this matter and in fact raised a concern why we were not taking the highest tender in the process of advertising the land that we had, in fact, taken in our possession.

Now let's understand that once the land is quitclaimed, and there is no leaseback provision outright in the process of negotiation, that land automatically gets tendered. We have used the basis of highest bid primarily because of some of the concerns that were raised last year of the allegations of favouritism, that favouring one over another.

So we have in fact, on the basis of the discussions and the debate we had last year, we in fact moved to the issue of highest bid, where in fact a former client is not a lessee, negotiated right up front. Once that has been moved off the table then it's highest bidder. Even then there is still consideration that can be given to a client if in fact the bids are so close that that issue would go to the board.

The Minister would not be involved in this, but this would be a management and board decision, in terms of arriving at it. I'm not aware whether any of those kinds of decisions, in fact, have been taken where the bids were so close that in fact they may have allowed a former lessee to take the land. There's about two a year, I'm advised by the general manager, that are so close that are looked at by the board.

MR. L. DERKACH: Mr. Chairman, I don't have any problem with accepting the highest bid when you have tendered the land for anybody else except the client. But last year, if the Minister recalls, I brought a matter, a specific case to the floor here, where the individual who was living on the land, who could no longer afford the payments on the land, have asked the corporation

if they would leaseback the land to him. He would pay one-third of his crop towards the lease, and he would give up title to the land. He was told that they would not lease it back to him, and that he would have to move off and the land would be tendered for lease.

Now after the estimate process here last year, Mr. Minister, in fact you intervened in that process or you had your staff intervene, and the land was leased back to the client in the end. My concern is that it seems like within MACC there are two sets of rules. One set of rules for the client, which is harsher than the set of rules when the land goes for tender.

HON. B. URUSKI: Mr. Chairman, my honourable friend should recall that during the debate of my Estimates last year, we were exactly in the process of determining a longer term lease policy. The longer term lease policy for corporation clients and quitclaim clients of the corporation was not finalized till probably June or July of 1986. I'm going from memory but we could check that. So we were in that transition period.

I'm sure, Mr. Chairman, that matters prior to that and negotiations, say from January till June of '86 that would have been the policy of saying: Look we don't have a long-term lease, you can take your chances on the rental; we've got a quitclaim and we will look at you if you're very close to the bid, based on our experience with you, and still consider you for a lease if the tenders or the bids are fairly close. That was the policy until about June or July of 1986, until we firmed up the longer term leaseback provisions.

MR. G. CUMMINGS: To the Minister regarding purchases of land from MACC, after the land has fallen into arrears, and where a client would be prepared to purchase part of the land back, in order to start over again in some fashion, but to have cleared his debts off with the corporation, by allowing the majority of the land to go back.

What is the policy regarding the evaluation of this property? How does the corporation decide at that point how it will establish the price for the sale of the land that the client may wish to keep?

HON. B. URUSKI: Mr. Chairman, the corporation appraises the land at the time of the request, based on comparable sales of what's happening in the area, to try and determine what the market price of the day will be. That's basically market price on the date of appraisal.

MR. G. CUMMINGS: Mr. Chairman, the Minister made a statement earlier today, I believe, whereby the corporation is prepared to accept some losses as long as the other creditors are also accepting losses of an equal proportion; FCC, I presume, and the banks being the other -(Interjection)-

Okay, just let me finish the question, Mr. Minister.

Is it the policy of MACC to accept write-off losses provided there have been some losses written off by the other creditors to the MACC client?

HON. B. URUSKI: Mr. Chairman, it would depend on the situation. It would depend on the security of the corporation at the time, depending on its position and depending on the circumstances of each case.

Just to indicate to my honourable friend, I did not talk about losses in my earlier comments. I talked about deferment of payments on the guaranteed operating line of credit where we said that we would continue with a client if other payments that had to be made would also be deferred generally in proportion to each lending institution's exposure in that case. That's what we were talking about earlier.

But in the case that he mentions, one would have to look at every case on its merits dealing with the financial position of financial security of the corporation in that instance.

MR. G. CUMMINGS: Does MACC write off portions of its debt in order to allow farmers to start over again, perhaps, on a lesser scale? If it's a farm that has to be downsized in order to be profitable, does MACC at any time write off a portion of the debt in order to let that farmer start over again?

HON. B. URUSKI: Mr. Chairman, there is no doubt that the corporation does that in quitclaim instances. There will be instances where the corporation will in fact write off debt.

For example, you may have a section farmer, and in the process of negotiation in terms of continuing that farm, we'd negotiate the home quarter, the buildings to the farm, and take the three-quarters in terms of the quitclaim. Then what we'd end up doing is we'd appraise the three-quarters at current market value. The difference between market value and what the mortgage was in the write-off would be a loss.

MR. G. CUMMINGS: Did he just state that that is the corporation's policy or is this handled on a case-by-case situation?

HON. B. URUSKI: Mr. Chairman, each case would be handled on its own merits and negotiated, but generally speaking, depending on the terms. And I guess we do have some concern in terms of - and I may as well put it on the record - on the leasebacks.

We have had people, and I've said this earlier, do their number crunching and say hey, maybe it's to my advantage now to go into arrears and have you repossess my land, and then I'll go on to leaseback because financially it's much more financially attractive to me to do that. So we say that every case is treated on its own merits, depending on the financial circumstances and the exposure of the corporation at the time. There may be instances where we will be very, very hard in terms of our position, where we are well secured and we're being attempted to be levered to pay off other people and we're caught. So, no doubt the corporation will say hold it.

You want to be very hard in this instance; we're not giving an inch. We're well protected, and so if there is a quid pro quo somewhere else then there may be considerations, but there have been occasions where the corporation, I would venture to say, depending on the negotiations' circumstances, probably has taken some pretty tough positions.

MR. G. CUMMINGS: Well, Mr. Chairman, I think the Minister now understands why some of the

sanctimonious positions that he has taken regarding the other lending institutions in this province are now a little hard to defend when the corporation that he represents in this House takes part in some of the same activities.

What is the corporation's policy regarding legal council for their clients when they're met with a foreclosure action by the MACC? Are they advised to have legal counsel with them when they meet with MACC representatives?

HON. B. URUSKI: Mr. Chairman, on a quitclaim situation, the advice of the corporation to a client is to have legal advice. I should tell my honourable friend that I have never attempted to defend the corporation, MACC, any differently and to be treated any differently that we have treated other lending institutions.

Mr. Chairman, we've used the corporation to lead the way and try to show some of the leadership that is necessary in terms of attempting to embarrass some of their own colleagues, some of them. They don't like that, Mr. Chairman, but quite frankly, we have used the corporation, but I want to say very clearly, Mr. Chairman, that the corporation in terms of its dealing with farmers and in terms of whether it be peer advisory panels, the review panels, the mediation boards, we have not said that the corporation should have any preferential treatment to those bodies that we would not allow for any other institution. So, Mr. Chairman, there is no inconsistency on my part.

MR. G. CUMMINGS: Briefly, my question again, Mr. Chairman, is does the corporation's representatives advise the client to have legal counsel when they're faced with foreclosure from MACC?

HON. B. URUSKI: Mr. Chairman, the honourable member should be aware that the federal legislation provides that there be a minimum of 15 days' notice. Even if the farmer fails to act under the terms of the federal legislation, the corporation is bound to go through provincial legislation, which requires automatically a mediation process, the review, and of course justification to the courts if there is no settlement reached and no agreement between the panel, the mediation board and the corporation. That being the case, the courts are involved and legal advice - certainly if the farmer requires it and wishes to have legal advice.

As I said earlier, on the quitclaim cases, where they are voluntarily negotiated cases, the corporation indicates to the farmer that he should have legal advice before finalizing his dealings with the corporation on quitclaims. In terms of foreclosures, federal and provincial legislation makes it mandatory that the corporation go through the review process.

MR. G. CUMMINGS: The Minister, of course, is talking about situations since February. My question would be then: Is it the policy of the corporation - when the Minister referred to earlier about the relationship between the client and the corporation has some bearing on whether or not a lease might be negotiated, and the Minister outlined one or two areas where it would be annoying to the corporation if the client were to be manoeuvring his payments in such a way that

he would hopefully be able to rent rather than continue to purchase.

But what is the corporation's position regarding situations where the farmer or the client has actually accepted legal advice which tells him that he is in fact better off to declare bankruptcy, rather than to continue to try and straighten up his affairs? What is the corporation's direction to the employees under those circumstances? How are they to treat that farmer when it comes to terms of leaseback or buy back of portions of the property?

HON. B. URUSKI: Mr. Chairman, I'm advised that, if the individual has not been cleared under federal bankruptcy provisions in terms of the bankruptcy application, then the corporation would not consider that individual for leaseback until a clearance was received under federal legislation. If the process has been completed, then an application to the corporation for leaseback could be made and the corporation would, in fact, entertain it on the merits of that application.

MR. G. CUMMINGS: Mr. Chairman, I guess that is the area around which my concern centres. I would like to point out to the Minister that it has come to my attention where a client of MACC, when he declared bankruptcy and got legal counsel to represent him in his dealings with MACC, found himself very much at odds with the corporation and the representatives of the corporation.

It's been the avowed statement of this government on many occasions that the farmers need an advocate, they need protection. Why do they need protection from their own agency, and be thrown into a position where the agency accuses them of crooked operations by simply taking the legal advice that allows them to declare bankruptcy? This same client is now suffering particular problems in attempting to downsize his farm and stay in business, because he is strictly at odds with the corporation. To the best of my knowledge, the client has not done anything illegal. They simply accepted the best legal advice that was available to them.

I wonder if the Minister would advise us if it is the policy of the corporation to be more difficult to deal with when the farmer employs legal counsel? I would hope the answer is not yes.

HON. B. URUSKI: Mr. Chairman, one has to look at the advice that one is receiving, even if it be from legal counsel. If the stance taken by legal counsel on behalf of his client becomes an active adversarial role, obviously there's going to be some fairly tough stance and positions taken during that negotiating process.

We were just briefly discussing while my honourable friend was rising that there may be instances, for example, where an individual may have a mortgage with the corporation, and still declare bankruptcy. The trustee may, in fact, allow that mortgage to remain in place, and the corporation would in fact continue to have that mortgage paid, even though that individual has declared bankruptcy. There are those kinds of scenarios that can occur, but it would have to have the approval of the trustee.

So it's not a black-and-white situation. Obviously the member has heard one side of the story, and he's

certainly capable of putting it forward. But I certainly don't accept that the corporation goes out with a sledgehammer and beats people about the head who take lawyers.

I mean, I'm not a particular fan of lawyers. I think a lot of MLA's, if they're doing their homework, do a much better job than some of those lawyers who want to charge \$50 to \$60 an hour. They can basically read the same documents, and I think my honourable friend could probably give as good advice as some of the lawyers in his community possibly or anywhere around. But it really depends on what the intent (a) of the farmer is in the negotiations and his advice from his lawyer as to how he should act in the dealings with the corporation. So, Mr. Chairman, it certainly isn't a clear black-and-white situation that the honourable member tries to point out.

MR. G. CUMMINGS: Mr. Chairman, I guess that leads me to one last comment, which is partly a comment and partly a question.

MACC, being a Crown corporation and being in a situation of dealing with public funds, has a certain position in the community in dealing with its clients and dealing with the public that is perhaps somewhat different from other lending institutions, inasmuch as the criteria that are set down for loans should be the main reason for the acceptance or the refusal of the loan, whereas a private institution, if the banker and the farmer do not get along, then Mr. Minister or myself have no basis upon which we can interfere.

But when MACC and an employee of MACC would take a particularly abusive approach to a client, no matter how far that client may have been wrong in the eyes of the corporation, then I think the Minister has to agree with me, but I would hope that he would expect the corporation to take a position that is not allowing the corporation to be dragged down into name-calling and putting people in a position where they are literally forced to accept legal counsel in order to save themselves from what they felt was a very uncomfortable and high-pressured situation. I hope the Minister - he doesn't have to respond, but I hope that he will take that under consideration.

HON. B. URUSKI: Mr. Chairman, I want to state very clearly that I would not condone any employee getting into the kind of situation that the honourable member alludes to.

I want to tell him as well that I have had correspondence from one individual. I believe, if he's not from his area, very close to his area, in dealings. I have written back to that individual saying, if you have specifics - don't give me generalities - give me specifics, and we will deal with it. But, Mr. Chairman, until there are specifics in a situation, I expect that the corporation staff don't have to take abuse, and neither should they give it out. They should be polite enough to say, look, I don't have to take this in my employment as a public servant, and call me when you are in a better frame of mind - boom. That's what I would do.

A MEMBER: But if they're not being given abuse . . .

HON. B. URUSKI: Mr. Chairman, I want to indicate that, if there are specifics, I tell my honourable friend,

get them down in writing. Don't give me generalities, give me specifics.

MR. CHAIRMAN: The Member for Virden.

MR. G. FINDLAY: Now that we're into that area, I've got a couple of issues I'd like to bring up.

One is to ask the Minister what was the disposition of the situation last year where MACC was in the process during Estimates of losing a quarter section to the tax sale in Archie R.M., and ask him what eventually happened with that quarter and how much liability the corporation ended up with there.

HON. B. URUSKI: Mr. Chairman, the corporation, in terms of that one parcel of land, did in fact end up losing that quarter section. The land was tendered for tax sale. In the subsequent year, the corporation bid for the land was, in fact, I guess the highest bidder and the municipality - I gather there were other bidders in the first year. They did not accept any tenders, sent everybody their money back and then sat on it for a year and then re-tendered it. The municipality, this year, sold the land to the highest bidder, which was not the corporation.

The corporation, in the process in terms of the mortgage outstanding, would have lost \$16,000 approximately.

MR. G. FINDLAY: That's the money lost with the mortgage. How much money was lost in terms of costs associated with the corporation's involvement after it was lost to tax sale?

HON. B. URUSKI: Mr. Chairman, let it be very clear that I guess staff learned a lesson in terms of the advice that they received, because there were two lenders involved in the mortgage. It was as a result of a mixed communication - and the two lenders happened to have been FCC and MACC. In terms of the discharge papers, the assumption given or taken by our staff was not the right assumption, based on the information that was given to them.

Quite frankly, they ought not to have, basically, taken the word over a telephone of an employee in terms of how that transaction was carried on. It was clearly an error of the corporation accepting the verbal comments of another employee about the transfer of title. There were two parcels of land. Title was transferred in one parcel and it was not transferred in another parcel, and the corporation assumed by that telephone conversation that both lenders were being treated similarly, and they were not. Unfortunately I have to say, we've made sure that our procedures are changed, and that does not occur again, but it is clearly an expensive lesson on trust.

MR. G. FINDLAY: One further comment on that situation, when we were talking about it last year, I raised the situation that there was some abusive attitude on the part of the corporation in dealing with the council, and you had said at that time that a letter of apology would be written to the council. I would ask you: Was that letter written to the council apologizing for the behaviour of that individual?

HON. B. URUSKI: Mr. Chairman, following our debate in that whole area, I asked staff to contact the council and discuss this. The secretary-treasurer, a councillor and I believe the reeve of that council were contacted and I'm advised by staff that there certainly was no allegation of abusive treatment by our staff. So we did make contact with, I'm advised, three individuals, an employee plus the two elected council members, to discuss this very situation. Mr. Chairman, I don't recall my undertaking but, if I made that undertaking, that would have been carried out.

MR. G. FINDLAY: It just so happens that, in that same R.M., a young fellow phoned me about a month ago. He admitted that he was behind in his MACC payments some two to three years, and had been working with the agent to try and come to some agreement. He wanted to stay on the land, and the agent's recommendation to him was to quitclaim and get a leaseback, but you should get a lawyer to make a proposal to MACC.

He did that. He had a lawyer write a letter to MACC, making a proposal for him to stay on the land in some form. Going back to what the Member for Ste. Rose said when you talk about involvement of lawyers, the communication back to the individual was that they didn't care to deal with a lawyer. Because a lawyer has written a letter for you, we reject your proposal but, had you written the letter yourself, we'd be prepared to negotiate with you.

That's the question: Why?

HON. B. URUSKI: Mr. Chairman, I can't explain the logic of that. Is there some communication written from staff that has in fact occurred? I mean, I don't understand why. Whether it's an individual or someone representing him writing the letter, what's the difference? I don't see any difference.

MR. G. FINDLAY: I don't either, Mr. Minister, and if that is going on, I would advise that it be corrected because people who get into this situation are pretty uptight, they're pretty scared. They go to a lawyer and he gives them a path to follow, and they believe that's the best path. They don't sit down and think it any further than that, and then they communicate on their behalf with the corporation. I think the corporation should handle some of these people with kid gloves almost, because you can appreciate the condition that they're under, especially the young people. They're working off the farm, trying to hold the farm together and meet their commitments, and they're in a desperate situation.

HON. B. URUSKI: Mr. Chairman, I am not one to defend anyone for abusive action. In fact, I would say that, in terms of dealings and my meetings with staff because I meet with staff right through the whole department on as regular basis as I can, at least several times a year. My whole role is that we are there to serve the public. Now that doesn't mean that we should not stand for what we believe in in principle and stand behind our policies and deal with them in a forthright manner. I have some difficulty and, in fact, I appreciate the honourable member's comments about dealing with

people with kid gloves. We could take the approach that we would accept and entertain options of proposals from individuals and we do if they don't wish to take legal advice. But, as the honourable member well knows, you get yourself, and could get yourself, into a very dicey situation where you end up either being accused of coercion, the possibility of coercing somebody into agreeing about something that they may not wish to agree, may have taken different advice, or you could in fact be put in a position of being accused of playing favourites over someone else by dealing directly and not entertaining other proposals.

So, depending on the circumstances, on the quitclaim leaseback, we've attempted to make sure that farmers look at (a) their rights and their legal options in terms of what may be the best situation to suit their financial and their longer term needs in those circumstances.

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

MR. L. DERKACH: With respect to a first-time client coming in for an MACC loan, when the projections and the number crunching is all done, is there a percentage of surplus funds that client must have - or potential client must have - over and above all his commitments in order for MACC to look at him or her favourably?

HON. B. URUSKI: Mr. Chairman, I'm advised, in doing the calculations that the corporation would take into account and look at about 20 percent excess over his servicing capabilities as a requirement. In other words, if after all expenses, operating and living, let's say there would be a \$10,000 residue, provided that his mortgage payments would not exceed \$8,000 alone, would generally go.

MR. L. DERKACH: You're talking about debt servicing costs and living allowances all lumped together. So, in other words, as long as that person can meet his mortgage payment, his operating expenses and living expenses, there isn't any need for surplus funds over and above that.

HON. B. URUSKI: Mr. Chairman, I didn't say that. I said that operating expenses, excluding his debt servicing charges - operating and living expenses all paid for - the residue that is left should be 20 percent in excess of his debt servicing charges.

MR. L. DERKACH: Okay, my question is: Is that a policy that is applied to each and every case when potential clients come in for a loan approval?

HON. B. URUSKI: Mr. Chairman, on a first-time new loan, that is the procedure. There could be consideration as well given to the strength of the guarantor if there is one in the situation. In other words, I'm assuming that family members who are going to be guarantors, that guarantors strength would be considered in the total package, but given no guarantor, that is the normal procedure.

MR. L. DERKACH: Mr. Minister, can you tell me what the essential difference is between the criteria that are

set down by MACC and the criteria that is set down by the big horrible banks in dealing with the first-time potential client who comes in for a loan?

HON. B. URUSKI: Mr. Chairman, let me ask the honourable member, if there is no difficulty of obtaining that loan from those big bad banks that he talks about, then why didn't the individual go there?

MR. L. DERKACH: What is the Minister saying when he is asking that question? I'd like to have the Minister explain what he is trying to imply by his question.

HON. B. URUSKI: Mr. Chairman, I have never accused the banks of having their criteria for applications being somewhat different than ours, but let me just point out to my honourable friend that I would venture to say the criteria the banks use in terms of extending long-term credit, they would never touch the clients that we are touching.

MR. L. DERKACH: Mr. Chairman, just one last final point in question -(Interjection)- well, I have to accept your response, Mr. Minister, regardless of whether I agree with it or not. The response to the question is there and it's on record I suppose.

But my next question to you then is, Mr. Minister, if the criteria are the same, they were not always the same because MACC used to be the lender of last resort or the lender that a young farmer would go to when he couldn't get monies from the banks or the credit unions who had more stringent guidelines or criteria set down for obtaining a loan. Now, obviously in the last year or so, MACC have changed. The policy has changed; the criteria have changed for lending money, for allowing loans. They have come to use a different set of guidelines and therefore they have associated themselves more closely to the guidelines or the criteria that are set down by banks. I'm wondering, in this kind of economy, is that where MACC should be going in terms of assisting young farmers who are trying to get into the farming business?

HON. B. URUSKI: Mr. Chairman, I don't think there is anything that I could say here tonight that would convince my honourable friends opposite any differently than they want to believe.

Mr. Chairman, quite frankly, if we could meet - I mean we had this whole debate about the long line ups and the corporation not being able to respond. If our criteria, which hasn't changed, would have been so difficult, why would these hundreds of farmers have been beating down the doors, attempting to get loans from the corporation and from MACC? We haven't been able to meet all those takers. Seventy-five percent of our clients a year ago were FCC clients.

Mr. Chairman, my honourable friend, the whole debate this afternoon, or part of the afternoon, centred on our inability to deal with all those applications. Mr. Chairman, if our criteria was so difficult and we were so tough, why would we have these hundreds and hundreds of people beating down our doors coming to borrow money from us? Why would we have tripled our budget within three years after coming into office to deal with that uptake and upsurge of clientele? Why

would we have expanded the programming when we did if we are so bad in the eyes of my honourable friends opposite? But, Mr. Chairman, they want to come here and argue individual cases, that we may have not treated them very well, and then tried to make that connection that somehow we are worse than the banks, but yet they want to make sure that we deal with the hundreds of applications that we've got in a steady manner. Mr. Chairman, I can't respond to my honourable friends and I don't know whether they know what they're talking about.

MR. L. DERKACH: It's unfortunate that the Minister goes off on sort of a loose tangent here because I wasn't accusing the MACC of being any big horrible corporation, I was simply asking for some criteria and how the criteria were different. The Minister said that they're getting hundreds of clients beating down their doors asking for loans. Of course, that's happening, and you ask the banks and the credit unions and they've got hundreds of clients lined up asking for money as well. So let the Minister not feel that his almighty corporation is the only single financial institution that is having its doors pounded down by farmers.

MR. CHAIRMAN: No. 3.
The Minister of Agriculture.

HON. B. URUSKI: Mr. Chairman, I want to tell my honourable friend - and let's just put it on the record - I want to tell him of one of the greatest inducements for the farmers to come. Here are two news releases: one on April the 7th from the Farm Credit Corporation; one from Manitoba MACC staff, April the 6th of this year '87. It starts with "FCC five-year fixed interest term mortgages is now 10 percent; five-year fixed mortgages, MACC, 9 percent." Mr. Chairman, shared risk mortgage program dropped one and one to 9.5 percent. Ten-year fixed terms, Mr. Chairman, FCC, 10.75 percent; 10-year fixed mortgages, MACC, 9.25 percent. That's a 1.5 percent difference. Mr. Chairman, 15 loans with fixed terms of 15 or more years remained unchanged at 11 percent; 15 year mortgages MACC, 9.6 percent.

Mr. Chairman, there is just no comparison and if we are supposed to be the ogres that the honourable member attempted to paint us, I can tell you one of the major reasons how we operate this corporation. The other fundamental difference - talk about mixed signals - the Federal Government has said that FCC has to be self-sufficient, and there's no way that they can be self-sufficient and yet maintain their mandate as a leader in agricultural lending. We all know that, and MACC, we have tried to move along that way but quite clearly in terms of the policies of leasebacks and trying to keep farmers on the land we likely will never be in the self-sufficient role. But, Mr. Chairman, that's the developmental role that we as a province chose for MACC to deal with young and beginning farmers. There's nothing in this House that any of those Conservative members opposite can say that can in fact take away from the good job, excellent job, that MACC and their staff have been doing to serve the farmers, notwithstanding the difficulties that we have in responding to the hundreds of requests that we have.

MR. CHAIRMAN: The Member for Virden.

MR. G. FINDLAY: Mr. Chairman, just going on the Minister's recent comments where he picked up two news releases, nobody here is really trying to say that MACC is really doing anything wrong. We're just trying to be sure that they're following through on the mandate that they have to service the young or beginning farmers to be sure that they are treated fairly and equitably and there's no favoritism. There's no intention to downgrade the efforts of MACC. But, Mr. Minister, when we get phone calls from an individual stating certain cases, it's our job to bring them forward and no browbeating by you is going to stop us from bringing them forward.

HON. B. URUSKI: No, Mr. Chairman, I didn't attempt to do that.

A MEMBER: Oh, yes, you did.

MR. G. FINDLAY: Mr. Chairman, the Minister read from two press releases and I would like to read on. And this news report comes from that press release: "And the commodity based mortgages of FCC," and I'm not trying to defend FCC but let's carry on with the whole story, "commodity-based mortgage programs are now reduced from 8.5 percent to 8.375 percent."

So that's the complete story.

HON. B. URUSKI: Let's understand to whom those mortgages are applicable for. Mr. Chairman, our rates are there for everyone, new and existing. Those rates that the member quotes are only for existing applicants. Let's also remember, Mr. Chairman, and we all hope that those commodities go up. When those commodities go up, the honourable member knows as well as I do that those commodity mortgages won't mean a tinker's damn.- (Interjection)- They won't, because they will end up paying far higher than a conventional mortgage through MACC and the member well knows that. But, Mr. Chairman, I believe that for the short run, for those FCC clients who are there I would be one of those who would be recommending to farmers to look at that situation seriously. But, Mr. Chairman, it is not available to every comer that's coming in through the door. These mortgage rates that I quoted were comparable mortgage rates of anyone coming off the street and applying for a loan.

Mr. Chairman, it doesn't matter in terms of the net worth. The interest rate is the interest rate on the mortgage. If I was going to FCC and borrowing \$100,000, and I could borrow the same at MACC, the rates would be those as quoted. So, Mr. Chairman, no matter where it's at, the rates are 1.25 percent different. We've never pretended.

The Member from Ste. Rose says what about the net worth? Mr. Chairman, we have never said that we're going to take all the comers in terms of the strata in agricultural lending; we have never said that. Well, the rate is the rate. For a \$50,000 loan, whether you go to FCC or to MACC and depending on the rates there's as much as 1.25 percent difference, Mr. Chairman. That's the point that I was trying to make. My honourable friend attempted to inject an area. I could

have used a 9.5 percent fixed term loans on our write-downs; I could have done that; I didn't. I compared one mortgage for a mortgage.

MR. CHAIRMAN: The Member for Portage.

MR. E. CONNERY: Yes, I have a question to the self-proclaimed, kind, generous, compassionate Minister of Agriculture.

Would the Minister, is the -(Interjection)- I said self-proclaimed, I didn't say that I was agreeing with him. The Commercial Fishermen's Loan Program, is it similar to the regular farm MACC Farm Loan Program for farmers?

HON. B. URUSKI: No, Mr. Chairman, it is not. They are basically somewhere in that five-year range. They have much shorter terms and conditions on those loans, and those loans are generally tied to the returns that a fisherman receives from the Freshwater Fish Marketing Corporation. The repayment schedule is based on marketings primarily.

MR. E. CONNERY: What is the maximum allowable compared to the regular farmer?

HON. B. URUSKI: Mr. Chairman, the amount of loan, first of all, there is a minimum, no loans less than \$400, up to a maximum of \$18,000 for an individual fisherman who fishes during either the open water or winter season. If there's a partnership of fishermen, Mr. Chairman, there is a maximum of \$54,000, of fishermen in a partnership, groups of related fishermen operating together, fishing cooperatives, and limited companies whose members fish during either open water or winter season, and up to a maximum of \$30,000 for an individual fisherman who fishes during both open water and winter seasons. So each loan is related depending on the amount of licences and the seasons fished.

MR. E. CONNERY: What is the breakdown? I gathered from the Estimates last year that there are new loans and supplemental loans. Are those the only two types of loans available and if there is, what is the breakdown in them?

HON. B. URUSKI: Well, Mr. Chairman, the supplemental loans would be additional loans to an existing contract, and in terms of the breakdown, I'll see if we could provide some.

Mr. Chairman, I indicated to my honourable friend earlier and we'll try to get the specific form, but I said I thought the limit was five years but the maximum term is 15 years in which a loan can be taken under the Fishermen's Loan Program. And that, of course, relates to a maximum under the regular program of 30 years.

Mr. Chairman, the supplemental loans would be loans made to fishermen, to someone who has dealt with us before. The loan may have been totally paid off but any additional or loan provided would be called a supplemental loan. A new loan, of course, would be for someone who has not dealt with the corporation before. That would be the definitions that we use. The ratio, I'm advised, is about nine to one in terms of supplementals to new.

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Mr. Chairman, up until the end of January '87, the corporation handled 803 supplemental loans and 130 new loans for a total loan of \$3 million.

MR. E. CONNERY: Are the interest rates similar to the regular farm loan program?

HON. B. URUSKI: Yes, Mr. Chairman, they would be.

MR. E. CONNERY: What percentage of those loans would be at risk? There's 25 percent in the farm community, you told us; what would be the ratio in the fishing industry?

HON. B. URUSKI: Mr. Chairman, those loans would be at less risk than the farming loans because the corporation has the agreement that we receive up to 25 percent of the returns from Freshwater Fish Marketing Corporation, based on marketings.

MR. E. CONNERY: What percentage of fisherman do have loans with MACC? For how many fisherman are there altogether?

HON. B. URUSKI: Mr. Chairman, in a rough guesstimate, we would be having, we believe, about 50 percent of the fishermen. The statistics on fishermen - I'm consulting with my colleague because we don't have those stats there - but we have close to 1,500 loans.

MR. E. CONNERY: In the last while there's been a lot of fishermen that still have a licence to fish but aren't active fishermen. Does the department keep track, what happens if they cease to be active fishermen but have a loan? Do they call that loan or what do they do with that individual?

MR. CHAIRMAN: No. 3. pass?
The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Chairman, we, in fact, by virtue of our arrangement with the fishermen and Freshwater Fish Marketing Corporation, if a fisherman was in fact in arrears and not fishing, we of course would have the option of repossession of equipment that we would have. That does occur from time to time. However, by virtue of the checkoff, and it's in cases, I guess, where the fisherman has either ceased or decided to cease fishing or decided to change occupations that we would use a normal course of action of trying to collect with whatever chattels he would have in order to realize on whatever outstanding balance that we may have.

MR. E. CONNERY: Well, I don't know if this is the Minister's department but the number of inactive fishermen with licences, does that come under agriculture?

I'll ask a final question to the Minister.

HON. B. URUSKI: Save it for the next time.

MR. E. CONNERY: Can the Minister tell us how much of the MACC gave out in loans in the calendar year 1986, or your MACC calendar year, and how much

money was received back in from farmers on loan payments? What was the excess or deficit in terms of transaction of money?

HON. B. URUSKI: Mr. Chairman, the provision of loans and the numbers of loans, I provided that earlier in my opening remarks, so the honourable member can get that. The question of how much money we received in payments and how much we loaned out, we'll have to try and get that information for him. I wouldn't have that information at hand.

MR. CHAIRMAN: The Member for Springfield.

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

I've got a concern here with a constituent who is currently financed with another financial institution. MACC could help him out but they said they would do it only if the bank wrote down the loan which the bank did. Then, unfortunately after that had been done, they refused to look at the possibility of refinancing because the price of wheat went down. This particular individual has the ability to repay the loan due to some off-farm income and has proven that. Is there any particular reason why MACC does not follow through its commitment in this case?

HON. B. URUSKI: Mr. Chairman, in fact the viability of the operation based on all-income sources was there, I certainly could not even offer my honourable friend a suggestion why they would not entertain that loan. But one would have to look at all factors and if the honourable member provides me a note on the specifics, we could provide him with commentary on that. But without having the specifics at hand, I can only make general statements as the honourable member can.

MR. G. ROCH: Okay, I appreciate that, Mr. Chairman. I do have a much more detailed specifics which I could provide to your office and possibly then things could -(Interjection)- in writing, okay.

I have another situation where MACC, for the agricultural program, they were writing down interest, an effective rate of 8 percent. I believe that was in 1984 and '85. It was cancelled in '86. Although the cheques were normally issued about this time of the year, but this year it did not happen. Is there any particular reason for this?

HON. B. URUSKI: Mr. Chairman, earlier this afternoon, I announced an 8 percent buy down for all MACC clients, and details of the buy down right across the entire length of the mortgage will be offered to all MACC clients. Now the benefits accrued to any client will depend on, of course, the amount of loan, the interest rate and the time remaining on the mortgage. I would say that most mortgages, if they have less than 10 years remaining, I would venture to say that there would be very little benefit accruing to the individual, depending of course on the interest rate that the mortgage is still at.

There was the odd individual who may not have taken the option a number of years ago on the buy down from 16.5 percent to 17 percent, and bought it down.

If they didn't, the 8 percent buy down even on the shorter mortgage may provide them still some benefits for the remaining term of their mortgage, so depending on what decisions were made back to 1982 and 1983 when the first buy down occurred for mortgages above 13 percent. Anyone in that 13 percent range - and if the honourable member reads my comments, I made the announcement today to all MACC clients who have mortgages generally above 8 percent. But if they have longer terms left on their mortgage, there will be some benefits accruing to them. If they have very short terms, it may not be advantageous for them to undertake the buy down.

MR. G. ROCH: The way I understand it though is that, according to that announcement, that's only for this year. It doesn't include 1986. Am I right or wrong on this?

HON. B. URUSKI: Mr. Chairman, basically what we have done now is, when we were providing the write-down, what we in fact did was subsidize the entire interest rate between the borrowing rate of the farmer and whatever we wrote it down to. That was the write-down. Those farmers who in fact had made their payments received a cash rebate. Those farmers who had not made their payments and were in arrears, the write-down provisions applied against their arrears.

What we are doing now is providing the buy down for the life of the mortgages. It's an opportunity to bring every mortgage down that is above 8 percent down to 8 percent, if there is some financial benefit to do that. Especially with those mortgages running at 13 percent and have 15 years, I would say, 12, 15 years or more remaining on the mortgages, there is a benefit.

On an average MACC mortgage - and we took the average. The average loan from MACC is just over \$50,000.00. That's the average loan. On a \$50,000 mortgage with - I think I gave the quotation of a \$51,187 mortgage and an interest rate of 12.1 percent amortized over 18 years, here's what would be the benefit. Mr. Chairman, the current annual payment on that loan is \$7,098.00. The revised payment at 8 percent will be \$5,462, for a saving of \$1,636 or a total saving over the life of that loan of \$29,448.00.

However, the farmer may be strapped for cash and would not have the cash to put up. It would cost him \$9,857 if he was to put that cash up today to buy that \$51,000 mortgage right down to 8 percent. If he would not have the cash, the option will be to amortize up to 15 years on that payment. It would just be rolled over. At our current borrowing rate of 9.5 percent, it would add an annual fee of \$1,259 to that mortgage, which would make the revised payment of \$6,721 to the farmer for the total new mortgage at 8 percent, still providing a benefit of \$377 over the life of the mortgage every year, for a total benefit of \$10,563.00. That will provide the benefit for the entire life of the mortgage. While it doesn't provide the cash benefit for those who may have made their payments, as we did with the write-down, it provides the lasting benefits and sends the signal out there that we should be driving interest rates down even further if we can do it.

MR. G. ROCH: The problem is though, Mr. Minister, in spite of all of that, it still doesn't help the farmer

who is expecting that cheque for seeding. For 1986, will these people be getting a cheque this year or not? That was my main question. Although I understand what you've been saying, I think somewhere in there you said that no, they will not be receiving that cheque.

HON. B. URUSKI: No, Mr. Chairman, there will be no cheque, to answer the honourable member directly.

MR. G. ROCH: So the effective write-down of 8 percent will be in effect there, and I guess all the details will be out in the Hansard that you've given. You made the announcement today. Have the branch offices received all the information?

HON. B. URUSKI: Mr. Chairman, the field offices are aware of that. I would suggest that farmers do not call the field offices, because there will be a detailed letter going to each and every farmer who has a loan with the corporation, outlining the status of his loan at the time and the various options as to what would occur if he chose various options and what benefits, if any, there are to him. There are about four or five options that he can choose from in order to deal with the buy down. He then, if he needs advice to assist in making that financial decision, could contact our field staff.

But I would suggest that farmers await the letter that will be coming, probably in the next two to three weeks, and then contact our office if in fact they need some clarification to the information contained therein. But I believe it will not be of any benefit to farmers now to start phoning and say, how will it affect me. The printout and the options will be forwarded in detail, based on each individual loan to each respective farmer direct.

MR. G. ROCH: I had more than one inquiry on this, because apparently there have been inklings out there that this program was coming, although the field officers had no information at that time. If there are any specific people who run into certain problems with it, is it possible that if there is no satisfaction at the local level, I can get back to the Minister with specifics, the same as in the first situation that I mentioned, and it might help to cut through the red tape?

HON. B. URUSKI: Mr. Chairman, I want to tell my honourable friend, I will treat him as I treat any other member. Once we have the inquiry in writing, I will be very pleased to deal with it as quickly as I can.

MR. CHAIRMAN: The Member for Gladstone.

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

I had a constituent who wrote me and, I believe, wrote the manager of MACC recently on the subject of advance payments for beef cattle, and I believe that the corporation handles those. Her complaint was that the money for the advance payment was so slow in coming that the cattle were almost ready for market. Could the Minister comment on that and perhaps, as maybe he has already taken steps to streamline that, so that those payments will come in sooner?

HON. B. URUSKI: No, Mr. Chairman, I wish could be as positive as that. I indicated that because of the

number of programs that we are administering with the limited field staff, we, in fact, are attempting to deal in the longer term with the question specifically of that program, the Cash Advance Program.

Originally, when the Cash Advance Program was announced, it was announced to deal with the particular transition that cattlemen were finding themselves in, and who normally were not finishing their cattle, and were basically raising calves and were cash short for the period of time between the time that they would normally market their calves, and until the animals that they decided to finish would be ready for market.

We brought in that program to deal with that gap and to allow farmers a year or two to make that transition. What has in fact occurred is that this program is not a transition program, has not become a transition program. It has become a very major source of operating credit to people who happen to have cattle, and has given those people a major advantage. It has, in fact, created a fair bit of blockage in terms of our ability to handle longer term loans and, as a result, we have placed a lesser priority on the cattle loans, especially with farmers who have had at least two or three basic returns on that program and we've placed less of a priority on those farmers, and there have been delays, especially on the cattle loans.

We're looking at this very situation and the Beef Commission and MACC Board of Directors have had discussions. It's my view that, given the workload of the staff in attempting to streamline the process of the regular lending - we haven't decided on that formally yet - but the likelihood is that we will be limiting the amount of time that a farmer may use the beef cash advance, because the original intent that it was to be used for has been basically circumvented and done away with, and we will likely be making a decision whether it's one, whether it's two times, or whether it's three times would be the limit that an individual farmer use that loan, and then he should have been able to make that transition into feeding and we will be not providing those loans. That decision hasn't been made, but that's certainly a consideration at this point in time.

MRS. C. OLESON: Mr. Chairman, of course the Minister well knows that cash flow is one of the major problems in the farm community right now, so I think he can well understand why people would want to use it. But as it is now, my constituent anyway - and I'm sure if this constituent is raising it, that there are many others who are affected, but are not bothering to raise it - but it seems to me - well, she has said that just won't bother with it any more. But it seems to me, if you're going to put a program in place, then give the people an opportunity to use it, and cash flow, of course, I guess the Minister well knows, it's a problem of his government as well, but cash flow is one of the major problems and if you start on a cycle like that and you interrupt it, you're going to be causing problems.

HON. B. URUSKI: Mr. Chairman, obviously the program has been in place now for about four years and really when the member talked about interrupting the cycle, the transition really should not take any longer than two years, quite frankly, in need of cash flow. But really what is occurring, I want to tell my honourable friend,

what is occurring is that in many of the discussions I've had with the producers is in fact the support under the Beef Program, whether it's the cash advance, but the support under the Beef Program is quite frankly, in many instances, being used to subsidize the grain operation. That's really what - and I can understand farmers under pressure because they're trying to make their payments on the grain side, equipment, land, or whatever; and so the Beef Program certainly is one of those that has provided a good deal of stability, but it's being taxed to the limit and, in fact, I've received comments saying, look the beef program isn't enough, and then when you start discussing what is enough, you find out what it's being used for. In fact the Beef Program was not intended to supplement and support the grain side of a farm operation.

MR. G. FINDLAY: Now that we're talking about the Manitoba Beef Plan and MACC, can only members of the Beef Plan get these feeder loans that are available?

HON. B. URUSKI: Mr. Chairman, there are two loans available to beef producers. The cash advance for farmers who wish to have their animals finished are made only to contract holders of the Beef Commission. However, for beef farmers who wish to purchase stockers and finish them off, there is the Stocker Loan Program.

So there are basically two programs that cover both sides, and we do make loans on both programs.

MR. G. FINDLAY: Under the Beef Plan, there's a maximum cash advance per calf. Is the repayment done by deduction off of the cheque that the Beef Commission sends out, and if that is so, at what rate is it deducted? Is it all up front, or so much at the same rate per animal?

HON. B. URUSKI: That's been a debate that we've had. The policy has been on the first marketings, the cash advance is taken off up front.

MR. G. FINDLAY: Obviously you can see that that creates some degree of hardship for an individual. Let's say he's got 50 animals to go to market and you can well appreciate people are a little strapped for cash, as has been mentioned just a little while ago, that when the total cheque or the majority of the cheque goes to repay the loan right up front, that leaves the farmer in a tight situation. If the loan is at the rate of \$300 per animal or \$400 per animal, it would seem to me that the repayment should be on the same basis, because those animals will all eventually go to market.

HON. B. URUSKI: Mr. Chairman, I will admit that if only a small portion or a portion of the herd that the advance is taken on is sold, that that will cause some difficulty. But if, in fact, those animals are going to be sold within, let's say two to three weeks - and it may be that long before they're finished - you're basically indicating that the \$300 or \$400 that is received versus roughly what - \$1,000, \$800, \$900 per animal that the market brings, that should not pose a difficulty unless the scenario that I've pointed out occurs. But generally speaking, those animals would not be on feed much

longer than two or three weeks between the first animals that are ready for market and those others.

MR. G. FINDLAY: Well, Mr. Minister, I've been involved in that business for some number of years and almost any operation, if it's a cow-calf to finish situation, you're looking at least three months from this first marketing to the last marketing, and, in some cases, more because you have a spread of age of the animals, a spread of size, and a different weight gain in certain types of animals.

So it's not two to three weeks from first to last; I'd say it's at least three months, and if all the money is taken off up front on the first shipment, which from my experience, the first shipment is some of the smaller animals, the faster finishing ones, and the farmer gets no money in his own pocket from that. It may be three weeks to a month before the second shipment before he has any chance to get any money, so the farmers I think should be given an opportunity to get some portion of the cheque in the beginning.

HON. B. URUSKI: Mr. Chairman, I want to indicate to my honourable friend, we did have that provision prior to, I think it was January 1, 1986, when we changed our procedures - where we did. The amount of time that it took to start prorating, basically it's apportioning the loan and the amount of staff time administrative work that it took, in terms of those collections, quite frankly we were backing the system not only on the Beef Program, but we were backing the system right up, and in fact we changed the procedure and notified farmers that this will be the procedure.

It will be cash up front, and when the loan application is taken, that condition is there up front in the terms of the condition prior to the loan being taken. It was a change that was made on January 1, 1986 for all the new loans, and those notifications were provided to the farmers and is there in every contract that is signed.

I mean, if you want to say, let's give all the choice and all the flexibility we can, we can provide that. But on the other hand, Mr. Chairman, we will not be able to deal with the question and improve the turnaround time. I can tell him right now that program alone, I would say, has been the cause of a major source of backup on the regular lending program.

MR. G. FINDLAY: Certainly we could argue this for some time, but I just want the Minister to be aware of the comments that we wanted to bring forward on this.

I guess the next thing I'd like to ask you, Mr. Minister, is: In the Estimates, in the year ending March 31, 1987, the \$6.5 million Special Farm Assistance is indicated as having been spent. Since The Family Farm Protection Act was not proclaimed until February 9, I'm wondering what portion of the \$6.5 million was spent in the last fiscal year. The entries are on both sides of the Estimates in both years. Was any spent in the last fiscal year?

HON. B. URUSKI: Mr. Chairman, none could have been spent in the last year, because those funds dealt with primarily and solely with the administration of The Family Farm Protection Act. Other than, I think, some costs now, I'm not even sure that fund was used - Mr.

Chairman, not even for administration. There were no funds used out of the \$6.5 million in the 1986-87 fiscal year.

MR. G. FINDLAY: Since the entry is in last year, where is the \$6.5 million? Was it used somewhere else? What became of it, since the entry is still there?

HON. B. URUSKI: Mr. Chairman, just like the \$40 million in the Drought Program.

MR. G. FINDLAY: Mr. Chairman, in 1986, MACC had some land that was neither leased nor sold and they hired people to farm it. How much land was in that category?

HON. B. URUSKI: Mr. Chairman, we wouldn't have the acreage. On the advice of staff here, there would not be very much last year. There likely will be more this year but, last year, if we have some of those statistics, we will try and provide them, but I'm not sure that we have those statistics here with us. Maybe some of our staff who are there might be aware of an approximate figure on acreage that may have been farmed, rather than actually leased out for summer fallow purposes - 1,000 acres? - about 1,000 acres.

Mr. Chairman, just one other point for my honourable friend, some of the lands of that 1,000 acres, the approximate amount that I've given to my honourable friend, would have been lands that were in such a condition that we really could not even lease them, because they were not in any condition to be farmed. So we actually summer-fallowed them to put them in a condition that would make them basically more attractive to lease.

MR. G. FINDLAY: How many acres did the corporation own a year ago, and how many acres as of now?

HON. B. URUSKI: Mr. Chairman, these are approximate figures so we may be out. We're guesstimating here.

A year ago, we thought approximately between 45,000 to 50,000 and, this year, approximately 55,000 to 60,000 acres.

MR. G. FINDLAY: Of that 60,000, how many acres are neither leased nor sold at this point in time?

HON. B. URUSKI: Mr. Chairman, we've tendered a large number of the lands just recently, and they're in the process of being finalized. There may be some cases where prospective bidders may not want to proceed with their tenders, those kinds of situations in the lands there. But we believe that the bulk of the lands that are now in the hands of the corporation will in fact be leased out, but the exact number we won't know likely for maybe a week to two weeks till the present run of tenders is concluded.

MR. G. FINDLAY: When land is in the hands of the corporation and it can neither be leased nor sold and then the decision is made to pay somebody to farm it, is that tendered out or is that done by appointment, or how is it done?

HON. B. URUSKI: Mr. Chairman, I'm advised that generally what occurs where the corporation is going

to have to summer-fallow the acreage, what occurs is that the field rep generally tries to contact a number of farmers in the vicinity and receives some quotes for the work, and then makes a recommendation and the corporation acts on it.

MR. G. FINDLAY: In the Budget presentation, there was a statement made that the Guaranteed Operating Loans would be made available to the credit unions. I don't recall that you've made any mention of that in your opening statements today. Is that being followed through with, and what state is it at?

HON. B. URUSKI: Mr. Chairman, I want to indicate that I have been very frustrated by the lack of, in fact I believe, foresight by the credit union movement in this whole area.

I cannot explain, nor can I understand the unwillingness of the credit union movement to participate in a program that they negotiated in setting up. I have no explanation. I have been perplexed to no end by the movement not being willing to seriously consider this program, in light of some of the financial situations that some individual credit unions have faced and in light of the policy decision we made when we set the program up.

We passed regulations allowing the credit union movement to be treated like any other financial institution, where they could pool all their risks so that the risks could in fact be spread right across the entire movement. To say that I have been extremely disappointed in the movement in this area is to put it mildly, Mr. Chairman.

MR. G. FINDLAY: I gather then that you're still in an ongoing state of discussion with them to see if they will pick that program up. I guess what concerned me was how you would be able to administer to the credit unions, because each one is technically independent, and the 12.5 percent ceiling, you'd have a hard time dividing it up, but you obviously have some sort of proposal that you have put to them for that.

HON. B. URUSKI: Mr. Chairman, yes, we are in discussions with them. There's been some renewed interest in the program. One, I might mention, there have been preliminary discussions in this area. But I guess if I've shown my frustrations, it's because we've had the program since 1983 and this is now 1987. We've had no participation from the movement in the program. We are again attempting to arrange, and we've arranged meetings and we hope to have some additional meetings again to try and encourage the movement to accept the program, which the other lending institutions, in fact, have used very greatly.

MR. G. FINDLAY: The Farm Start Program that was introduced last year - how many applications have you had under it and how many approvals have occurred for this year?

HON. B. URUSKI: Mr. Chairman, just let it be clear that the formal announcement of the program did not take place until I think it was January of 1987. On that program, I'm not sure that we have had any applications

on Farm Start. There may have been inquiries but no applications, in terms of take-up of the program. We've had - in fact I'm surprised - considerable take-up of our earlier program, the Part-Time Farmer Program that we announced a year earlier. But at this stage, we have no actual active applications under the Farm Start Program in the last number of months.

MR. G. FINDLAY: Okay. I want to inquire about the Part-Time Farmer - I know in '85-86 there were only two applications - in the past year has there been an increased interest in it?

HON. B. URUSKI: Mr. Chairman, up to this point in time, for the '86-87 fiscal year, 17 applications for just slightly over \$1 million of loans were approved.

MR. G. FINDLAY: I understand then in the Part-Time Farmer that you have to become a full-time farmer, and is it, I believe, 10 years? What is the penalty if you drop out along the way or don't become a full-time farmer within the 10-year period?

HON. B. URUSKI: Mr. Chairman, it's really in the process of the application and the farmer applying. The intent, in terms of the farm plan, has to be there to attempt to show that they will try and phase themselves into full-time farming over the 10-year period. There is no monetary penalty for not going into full-time farming. I would rather, of course, if the circumstances within 10 years are such that it may still be advantageous to have a farm income and having that farm survive, then forcing that individual to move into full-time farming and then picking up the assets of someone going bankrupt or foreclosing on them, it would be the wrong decision.

But we, of course, believed that at the beginning that there has to be that commitment and the long-term plan for phasing in and that has to show the intent that an individual of a family is intent on moving into farming full time and that's really the work that has to go into that original application.

MR. G. FINDLAY: Okay, just to get back to the Farm Start for a minute.

I had a young farmer phone me and he had been investigating it with regard to buying a piece of land from his uncle. They had naturally been in contact with a lawyer. Because of the requirement of 30 percent below the MACC rate, which is I believe around 9.5 now, they were advised that they'd be better to deal direct between the uncle and the nephew. Because that way there was a lot more flexibility and whether he could pay the interest one year or not. The uncle could apply flexibility, and they would still hold the property in either one hand or the other rather than having the corporation in between. They felt that if it was 1 percent or 1.5 percent below the rate, maybe if the income to the uncle would be sufficient that he would be prepared to go it, but at 30 percent less it became quite an impediment. There's discouragement out there right now to enter into this program.

HON. B. URUSKI: Mr. Chairman, I want to indicate to my honourable friend that when we developed this

program, we were in fact attempting and trying out a new approach in terms of financing and allowing inner generational transfers to occur. We may have to examine the criteria that we've set up under the program based on the inquiries and/or interest or lack of interest and see how it occurs.

As in the Part-Time Farmer Program, we had an income ceiling above which we said if your income from all farm sources goes above this level, you're on your own. We're not providing you any source of capital funding; you should be able to secure it on your own. Those kinds of considerations have to be monitored and I certainly am open to suggested changes and/or inquiries.

If there is going to be a lack of activity in the program, we will have to re-examine it to see whether or not our criteria are too stringent, whether we have to loosen up. But we basically arrived at a position and said, okay, let's try this approach. We were going to use - the lower the rate, the higher the guarantee. We were going to use kind of a tiered system, and we moved away from that to the flat reduction as a percentage of interest rate as being the basis of the guarantee.

So I want to say that I'm fully open to suggestions, but I believe that before I would make any changes, I would allow this program to go at least six, nine months to see what kind of uptake if any; there may not be any. It's a new idea and we're going to see what happens. If not much happens, we will have to raise the question as to what are the assumptions that we made that farmers are not responding to, or whether or not there may not be any take-up under this activity. It was a new concept, and -(Interjection)- I'm not sure that you provided me with any information on this program last year. The only thing you provided for me, you didn't want to give me the approval before I had all the program details. That's the kind of help you gave me.

MR. G. FINDLAY: I guess, Mr. Minister, you can give us credit for having the foresight to see that there wasn't going to be any interest in it. That's why we wouldn't give you the \$5 million, you see; there's justification in hindsight.

In '85 and '86, all MACC loans were written down to 8 percent. There was an obvious amount of money that the government wasn't collecting or MACC wasn't collecting. I gather that money went from the government over to MACC, the difference in interest rate that should have been paid and the 8 percent that was paid.

In these past few months, the people who received that the last two years certainly believed that it was going to happen again, because no farm conditions have changed much. Things had all got worse, and a lot of people cash flowed on the basis that they would be getting that interest rate reduction from MACC again. Now you've introduced the interest rate buy-down program, which actually, Mr. Minister, comes very late in the financial planning period for most farmers. Let's say a farmer had a loan of 13 percent and he was anticipating paying 8 percent on it again. So there is a substantial difference in the amount of money he's going to have to pay to keep his MACC account current.

What I'm trying to bring forward is that I believe you should have been communicating with those clients

earlier, say, back in January at the latest, so that they knew that the program was no longer going to be available. You could have told them that the program would not be in place for 1987, without having to have details of the interest rate buy down program. So you left them in the lurch in terms of knowing whether there would or wouldn't be a program this year.

Now that the interest rate buy down is in place, and using the example you gave us of roughly a \$50,000 mortgage and needing \$9,000 of cash up front to buy down a mortgage, you know as well as I know that money would be very hard for farmers to find to buy it down. If you're going to take the interest forgiveness and add it on to the end of the loan, there is a savings in your example of a few hundred dollars. It's not a great amount of money, but still it's more money than the farmer would have paid, had he had to pay the 8 percent.

I guess what I want to ask you is - it's hindsight now, but they should have been told earlier. Is there any money involved in the program, any government money, to relieve the interest that a farmer has to pay this year and on into the future in the interest rate buy down program, or is it all farmer's money that's used in the buy down?

HON. B. URUSKI: Mr. Chairman, first of all, I want to tell my honourable friend that, in terms of the program of the write-down, we have never made any suggestions at any point in time that the program would be carried on another year. In fact, Mr. Chairman, I have to say that not until the last week of March of the previous year was the announcement made for the second time. In fact, in terms of announcements, we are probably within less than a month of the announcement later this year than we were in previous years.

I was just confirming with my staff about what staff have been telling farmer clients, and we know that approaches were made last fall of what was going to happen. Staff's advice to farmers has been consistently that farmers should not count on another write-down. The year before, they said that, and they said it again this year in terms of farmers making their calculations. There was never any hint.

We said we would be considering other measures, but I want to say quite frankly, in light of the criticisms that we did receive from members opposite and from some of the farm community as to why did we single out MACC clients above other lenders' clients, we did use the kind of resources that we felt we could afford for the farm community and did the question of the School Tax Assistance Program, and added to that to add more than what we would have made in the write-down.

Secondly, we have committed the public of Manitoba to an increased exposure and risk - and talk about commitment to the farm community, Mr. Chairman. I know my honourable friends, and I've said this before, two years down the road when some of these loans go sour - and some of them will - I will hear honourable friends saying, this was management in the greatest. When they should have known that asset values were going down and farm incomes were going down, and there they were, exceeding and increasing their exposure to the farm community.

Mr. Chairman, I venture to say that there will be honourable members opposite who will be getting up and saying that. I could go even further. There will be some of those who will be saying, see, they blew a pile of money. They lost money on MACC, and they will put it in their campaign literature in the next election. I venture to predict that, Mr. Chairman. And it will be Conservative members, that they will be so ideologically bent, Mr. Chairman, that they will do anything in an attempt to discredit this government.

Mr. Chairman, what you will see and what you see here is a commitment that they have never seen to agriculture, a consistent commitment, and that's what they don't like. Mr. Chairman, we don't increase agricultural budgets before an election and cut the hell out of them right after the election, as they do in other provinces. We have been consistent.

MR. G. FINDLAY: I would like to remind the Minister of his consistency. I recall, in 1981 in the election, the Premier, the then running for Premier, promised that under his administration no farmers would lose their land. I would like to ask the Minister if he followed through on that commitment?

HON. B. URUSKI: Mr. Chairman, I venture to say that we have done all we could, and we did not succeed.

MR. G. FINDLAY: In the buy-down program, is there any time frame in which a farmer has to do it, or is that option open from now on?

HON. B. URUSKI: Mr. Chairman, there is a time limit in which a farmer has the right to exercise his option. I'm not sure whether it's three months or probably until the end of June or something of that time frame, once those letters go out. He'll probably have 60 days or so. I would hope that we would look at providing about 60 days' notice in which farmers could in fact respond. That should be about the time frame.

MR. G. FINDLAY: I would like to hear your rationale as to why you want to make it such a short period of time because - let's face it - if a farmer has that option to buy it down, to get the cash up front, where is he going to get it from in 60 days? It would seem to me that you should be giving him at least until the early part of harvest when his cash income is going to be the greatest.

HON. B. URUSKI: Mr. Chairman, just let it to be clear that one of the options that the farmer has, he does not require to bring cash up front . . .

MR. G. FINDLAY: Well, that's one of the options.

HON. B. URUSKI: One of the options if he wishes to have it now or if in fact he needs a little longer.

The administration fee, there will be a cost of \$100 payable in cash at the time the client exercises his or her option to elect. Fee payment in terms of cash, next regular payment, three years, five years, or the remaining term less two years up to a maximum of 15 years. In all cases, the maximum repayment term will be the remaining term less two years.

Those will be the options that will be provided to farmers, and each of those options will be detailed in capsule form as it relates to their individual loan. They will see what benefit they can gain, or if in fact they gain. There'll probably be some instances in which there will be very little if any gain. In fact, in some of the short-term loans, there may not be any benefit. In fact, in some of the options, there may in fact be a loss if they moved on some of the options.

MR. G. FINDLAY: He obviously has some details there. Can we have a copy of those details?

The other question would be: How soon will that information be going out to the farmers so that they can know their options?

HON. B. URUSKI: Mr. Chairman, I'm advised by staff that we're targetting for April 30 for all the letters to be mailed. The details that I've provided my honourable friend today and those two criteria are the only two criteria we're working on. In terms of our own information, there is some internal documentation that we use in this program. But as I've indicated, each loan application, each letter to each farmer, will deal with his own loan portfolio with the corporation.

MR. G. FINDLAY: Just a few more minutes. Earlier I asked you if there was any interest forgiveness in this program at all or whether the farmer had no interest forgiveness at all.

HON. B. URUSKI: Mr. Chairman, if the honourable member is saying, is there any subsidy in this program, no, there is no direct subsidy in the program, but clearly there is a major increase in risk, in exposure to the corporation because of the move we're taking in this whole area.

Let's just be very clear about that. There is a very major capital commitment of up to \$29 million to cover this program, which means an additional \$29 million exposure to the corporation. -[Interjection]- Pardon Me? No, Mr. Chairman, not a potential, an actual capital exposure. The potential exposure will be increased by the interest that may not be paid, and then of course the capital then is at risk.

MR. G. FINDLAY: Mr. Chairman, if a farmer chooses the cash up-front option, then there's no further risk on the corporation at all.

HON. B. URUSKI: Only under that option, Mr. Chairman, is there no exposure, and the honourable member is correct. I would venture to say that there may be some farmers, like the odd MLA, who may have a decent off-farm income who could afford that up-front - oh, I'm not a client of MACC, I'm above that age group I'm afraid there, and they are the ones that probably could make that up-front payment, but I'm not sure how many other farmers can.

MR. G. FINDLAY: Mr. Chairman, I'd like the Minister's comments, some more comments on the leaseback option. If I remember right from before, it's a five-year term, but I'd like to know how the agreement is structured so that the person has a real option to buy

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the land back, because he knows, as well as I do, that when the farm economy does turn around, the value of land will rise and then his ability to buy his land back then becomes further and further out of his reach. I want to know whether a price is struck now that he can buy it for later or is the price going to fluctuate with the market and put him in a near impossible position?

A MEMBER: Bill, you know the answer to that one.

HON. B. URUSKI: Mr. Chairman, the present lease arrangement is that a farmer can exercise his option at any point in time during the five-year term of the lease.

If he exercises the option before the fifth year, there is a \$250 fee for basically the appraisal, and the land of course would be sold at the then appraised market price. In the fifth year, if he exercises his or her option in the fifth year, there is no fee at that point in time charged for the appraisal - that is the time that the land is automatically appraised under the agreement and there is no fee charged for that appraisal.

MR. G. FINDLAY: Obviously if it's going to go by the appraisal price, it will be over time as the economy increases. It'll be an inflated price on today's price.

When that day comes and the farmer wants to consider exercising his option to buy the land back, can he use his appraiser, a private appraiser, somebody outside of the corporation to arrive at that price, or does it have to be somebody within the corporation?

HON. B. URUSKI: Mr. Chairman, the appraisal will be by the corporation. If the honourable member is suggesting that he has the right of first refusal, because that's basically what he's doing, negotiating a price, in fact that would occur if he decided not to exercise his option, let the farm property go to tender, and then he could exercise basically the right of first refusal.

MR. G. FINDLAY: In that scenario, does the present lessee have the right of first refusal when it comes to that? Eventually a farmer is going to get to the end of the five years and then his term is up. Then does it automatically go to tender, to the highest bidder, or does he have any preferred option on it at the end of the five years?

HON. B. URUSKI: Mr. Chairman, the individual really I guess has to make a decision at the end of the fifth

year. He has the option of course to in fact exercise his option to purchase; and he, of course, has the inside track, because our reserve price on a tender will be the offer to purchase to that individual. That will be the asking price and that will be our reserve bid.

If he doesn't wish to exercise his option, obviously he can then in fact tender, but really, I believe it would be a useless exercise because we would not generally sell and we will not sell below the appraised price. We have to at least reach our reserve bid of the appraised price before the land in fact will be sold. So that the lessee has the preferred advantage.

MR. G. FINDLAY: I guess my basic concern here is that, indirectly over time, we're back into a land banking operation, which a lot of us don't like to see happen. With 60,000 acres, I would assume, unless the Minister can prove to me otherwise, MACC is the largest land holder in the Province of Manitoba right now. Is that true?

HON. B. URUSKI: Mr. Chairman, I couldn't answer that question. Collectively, we would not be.

Mr. Chairman, really what is at issue? Is the policy to allow farmers to remain on the land or to be hung up philosophically? Because really that's the issue. Is the issue any different for the public and have the debate on whether our leasing policies are too stringent, whether they are too loose, whether we're making the proper decisions and to influence the decision-making on land lease through the public process or should it be a process that is quiet, which honourable members across the way admitted that they have no influence on the banks and private institutions? Is that a better system, that you do everything hush hush, that no one knows what is going on? Is that the system they prefer? Or is it better to debate the system in open public that people know what decisions are made and where we stand?

Let's not get hung up. Even your colleagues in Ottawa have been pushing for FCC to become involved in leasebacks. Even they recognize that there is a time when you put away your philosophical hangups.

MR. G. FINDLAY: If the Minister's prepared, we can let the committee rise tonight.

MR. CHAIRMAN: Committee rise.