



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

**DEBATES
and
PROCEEDINGS
(HANSARD)**

42 Elizabeth II

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, June 28, 1993

The House met at 1:30 p.m.

Mr. Clerk (William Remnant): It is my duty to inform the House of the unavoidable absence of Mr. Speaker, and I must therefore, in accordance with the statutes, call upon the Deputy Speaker to take the Chair.

(Mrs. Louise Dacquay, Deputy Speaker, in the Chair)

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. George Hlckes (Point Douglas): Madam Deputy Speaker, I beg to present the petition of Phillip Cramer, Frain Cory, Shirley Lord and others requesting the Minister of Family Services (Mr. Gilleshammer) to consider restoring funding of the Student Social Allowances Program.

Mr. Doug Martindale (Burrows): Madam Deputy Speaker, I beg to present the petition of Philip Gershuny, George Harris, Gord Wallace and others requesting the Minister of Family Services (Mr. Gilleshammer) to consider restoring funding of the Student Social Allowances Program.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Mr. Bob Rose (Chairperson of the Standing Committee on Law Amendments): Madam Deputy Speaker, I beg to present the Second Report of the Standing Committee on Law Amendments.

Mr. Clerk (William Remnant): Your Standing Committee on Law Amendments presents the following as its Second Report.

Your committee met on Thursday, June 24, 1993, at 7 p.m. in Room 254 of the Legislative Building to consider bills referred.

Your committee heard representation on bills as follows:

Bill 11—The Regional Waste Management Authorities, The Municipal Amendment and Consequential Amendments

Act; Loi concernant les offices régionaux de gestion des déchets, modifiant la Loi sur les municipalités et apportant des modifications corrélatives à d'autres lois

Mr. Bill Roth - Union of Manitoba Municipalities
Bill 15—The Boxing and Wrestling Commission Act; Loi sur la Commission de la boxe et de la lutte

Mr. Bob Holliday - World Wrestling Federation
Mr. Bob Holliday - West Four Matchmakers
Mr. Martin Boroditsky - Can-Am Wrestling

Your committee has considered:

Bill 5— The Northern Affairs Amendment Act; Loi modifiant la Loi sur les affaires du Nord

and has agreed to report the same without amendment.

Your committee has also considered:

Bill 11—The Regional Waste Management Authorities, The Municipal Amendment and Consequential Amendments Act; Loi concernant les offices régionaux de gestion des déchets, modifiant la Loi sur les municipalités et apportant des modifications corrélatives à d'autres lois

and has agreed to report the same with the following amendment:

MOTION:

THAT subsection 17(2) be struck out and the following substituted:

Qualifications of auditors

17(2) A person who is entitled to practise as an accountant under The Chartered Accountants Act, The Certified General Accountants Act or The Society of Management Accountants of Manitoba Incorporation Act, is qualified to be appointed under this section as the auditor of an authority.

Your committee has also considered:

Bill 13—

The Manitoba Employee Ownership Fund Corporation Amendment Act; Loi modifiant la Loi constituant en corporation le Fonds de participation des travailleurs du Manitoba

and has agreed to report the same with the following amendments:

MOTION:

THAT section 2 of the bill be renumbered as section 4 and the following added as sections 2 and 3:

2 Subsection 4(3) is repealed and the following is substituted:

Rights of Class "G" Special Shares

4(3) Where an agreement entered into between the Fund and the Government of Manitoba requires amendments to the rights attaching to the Class "G" Special Shares, the directors shall, by filing articles of amendment under The Corporations Act, make those amendments.

3 Clause 5(1)(c) is amended by adding ", the Minister of Finance in trust for Her Majesty in right of Manitoba or the Minister of Finance (Canada) in trust for Her Majesty in right of Canada" after "corporate investors".

MOTION:

THAT section 3 of the Bill be renumbered as section 5.

MOTION:

THAT section 4 of the Bill be struck out and the following substituted as section 6:

Coming into force

6(1) This Act, except sections 2 and 3, is retroactive and is deemed to have come into force on March 21, 1992.

Coming into force: sections 2 and 3

6(2) Sections 2 and 3 come into force on the day this Act receives royal assent.

MOTION:

THAT Legislative Counsel be authorized to change all section numbers and internal references necessary to carry out the amendments adopted by this committee.

Your committee has also considered:

Bill 15—The Boxing and Wrestling Commission Act; Loi sur la Commission de la boxe et de la lutte

and has agreed to report the same with the following amendments:

MOTION:

THAT section 9 of the bill be amended by striking out subsection 9(3).

MOTION:

THAT the following be added as subsection 28.1:

Delegation

28.1 The commission may delegate to one of its members any power conferred on the commission under this act except

- (a) the power to hold a hearing under Section 13 or make an order under Section 20; and
- (b) the power to make regulations.

MOTION:

THAT Legislative Counsel be authorized to change all section numbers and internal references necessary to carry out the amendments adopted by this committee.

Your committee has also considered:

Bill 18—The Corporations Amendment Act; Loi modifiant la Loi sur les corporations

and has agreed to report the same with the following amendments:

MOTION:

THAT the following be added as section 9.1 of the bill:

9.1 Subsection 349(1) is amended by adding "or duly qualified agent" after "member of his staff".

MOTION:

THAT section 11 of the bill be struck out and the following substituted:

11 Section 360 is amended

(a) by striking out "Superintendent of Insurance for Canada" wherever it appears and substituting "relevant authority for Canada";

(b) in subsection (1), by adding "or to perform such duties imposed on the superintendent under this Part as are specified in the appointment" after "as the superintendent"; and

(c) in subsection (2), by adding "some or all of" after "shall perform".

MOTION:

THAT Legislative Counsel be authorized to change all section numbers and internal references necessary to carry out the amendments adopted by this committee.

All of which is respectfully submitted.

Mr. Rose: Madam Deputy Speaker, I move, seconded by the honourable member for St. Norbert (Mr. Laurendeau), that the report of the committee be received.

Motion agreed to.

MINISTERIAL STATEMENTS

Hon. Gerald Ducharme (Minister responsible for Seniors): Madam Deputy Speaker, it gives me great pleasure to invite the members in this House to join with me in celebrating Seniors Day in Winnipeg, which will take place here on the grounds of the Legislature tomorrow, June 29.

This celebration is one of the many related activities that have been held in the communities across the province during June, Seniors Month, including special Seniors Day events in Russell, Gimli and Carberry. Seniors Month offers us a unique opportunity to honour and thank seniors across Manitoba for vital and ongoing contributions to the quality of life in our communities.

It gives all Manitobans a chance to recall the immeasurable contributions that seniors have made to our beautiful province. They come from a variety of cultural backgrounds and diverse regions of the world. They farmed the rich prairie land, fished our lakes and rivers, worked in our forests, built factories and thriving businesses in communities, and they prospered by raising families and creating the towns, villages and neighbourhoods which today we are very proud to call home.

The contributions of seniors will continue to have an enormous impact on the lives of all Manitobans. From all of us, they deserve our deepest respect, admiration, appreciation and thanks.

Madam Deputy Speaker, in recognition of all the achievements of senior citizens, I ask the members of the House to join me in applauding Manitoba's seniors for the energy, wisdom and strong sense of community they share with us on a daily basis. [applause]

* (1335)

Mr. Conrad Santos (Broadway): Madam Deputy Speaker, on behalf of our opposition party, we join the government in celebrating Seniors Day scheduled for tomorrow.

However, one day for seniors is not enough. We need more seniors' home care for those who need it. We need a more compassionate government for Pharmacare. We need more nursing home care facilities for our seniors. Above all, we need protection from the hidden taxes that affect our senior citizens. Thank you, Madam Deputy Speaker.

Mr. Paul Edwards (Leader of the Second Opposition): Madam Deputy Speaker, on behalf of our caucus, I want to join with the minister and my colleague from the New Democratic Party in again welcoming seniors to the Legislative Building tomorrow. We look forward to that opportunity.

We hope many will take advantage of that. This is their building, truly, as with all Manitobans, but we, of course, want to recognize seniors for their special contribution over their working lives. Many of them are still contributing to our society in many, many ways.

I am not sure who the author is, but I recall the saying that the test of a civilized society is how it treats its elderly. Madam Deputy Speaker, I think that is an appropriate measure for us to keep in mind in this House.

Of course, tomorrow I look forward to an opportunity to specially address and welcome those who have given so much to our community, to this, their building, and thank them for their contribution in a fitting way. Thank you.

TABLING OF REPORTS

Hon. Gerald Ducharme (Minister responsible for Seniors): Madam Deputy Speaker, I file the 1993-94 Supplementary Expenditure Estimates for the Manitoba Seniors Directorate.

Introduction of Guests

Madam Deputy Speaker: Prior to Oral Questions, I would like to draw the attention of all members to the public gallery, where we have from Carpathia School twenty-five Grade 5 students under the direction of Mrs. Arenson. This school is located in the constituency of the honourable First Minister (Mr. Filmon).

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

We also have in the public gallery this afternoon fifty Grades 10 to 12 students from St. Maurice School under the direction of Mr. Shaun McCaffrey and Ms. Lia Baksina. This school is located in the constituency of the honourable Minister of Education (Mrs. Vodrey).

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

ORAL QUESTION PERIOD

Bill 22

Essential Service

Mr. Gary Doer (Leader of the Opposition): My question is to the First Minister.

Madam Deputy Speaker, on Friday last, we had the tale of two Fridays. On the one hand, we have Fridays being days that people in Child and Family Services and other essential people in the public service are being told that their services are not required. They are nonessential. Dealing with children and families in crisis is not an essential service on a Friday. On the other hand, we have the Premier and five of his staff or people in his entourage attending the swearing-in of a nonelected Prime Minister.

I would like to ask the Premier: Is this the Conservative definition of essential, one being the swearing-in of a Prime Minister and the other one being Child and Family Services not being allowed to work on Fridays and deal with children?

* (1340)

Hon. Gary Filmon (Premier): Madam Deputy Speaker, I find it somewhat hypocritical of the member opposite to take the position that he does, you know. He is the one who gleefully stands up in this House several times a month saying, why do you not just pick up the phone and call the Prime Minister, and spends a great deal of time needling and criticizing this government for having poor relations with the Government of Canada.

Just in Friday's paper, there was an article that denoted the very heavy dependency of this government and all provincial governments, but this government, I think, about the fifth heaviest dependency on federal transfers from Ottawa. The member opposite knows, speaking of family services, that we lost some close to \$20 million in

transfers from Ottawa as a result of a unilateral decision that was made with respect to natives living off reserves not being eligible for social service funding any longer.

Madam Deputy Speaker, when the Prime Minister calls directly and issues an invitation to come and attend the swearing-in of a new cabinet and have the opportunity to meet that new cabinet on a face-to-face basis, I think it is in the interests of the province of Manitoba. I think it is in the long-term interests of anybody in Manitoba to ensure that we have good relations with a new government in Ottawa, and I think the member opposite ought to be ashamed of himself for playing petty politics with an issue that is very important to the people of Manitoba.

Rossbrook House

Sister MacNamara Scholarship

Mr. Gary Doer (Leader of the Opposition): If the Premier thinks this is economic leadership, if the Premier thinks this is sharing the pain, he is getting more and more out of touch every day, Madam Deputy Speaker, with ordinary Manitobans and people who are having a tough time making ends meet.

I would like to ask the Premier another question. The Premier and his government in the so-called, sharing-the-pain allegation for their programs has just cut off the money to Rossbrook House, the Sister MacNamara scholarship, a scholarship that is used for aboriginal people, for inner-city kids. The government has said they do not have enough money to fund the \$2,400 that went to funding inner-city kids in education and funding inner-city kids to go to university.

How can the Premier justify the expenditure of money, on the one hand, for his entourage to go to Ottawa, and on the other hand, cut that money to Rossbrook House and to kids who really need it this year, kids who are on the front lines?

Hon. Gary Filmon (Premier): Madam Deputy Speaker, more than a third of our budget depends on transfers from Ottawa. We are talking not a matter of a few hundred or a few thousand. We are talking billions of dollars.

The relationship between the government of Manitoba and the Government of Canada is an important one. The member opposite has pointed out on numerous occasions that, in his judgment,

poor relations between Manitoba and Canada have cost us by way of federal-provincial agreements, have cost us by way of opportunities to get a greater share of transfers from Ottawa, Madam Deputy Speaker.

When I take the opportunity to get to know the members of the new cabinet and ensure that I am there on a basis that provides for a better relationship, the member opposite wants to delve into cheap petty politics. That is all he is looking for.

I say to him, Madam Deputy Speaker, we have to bear in mind what is important to the province of Manitoba in the long term, and it is important in the long term that we establish good and solid relations with the Government of Canada.

* (1345)

Mr. Doer: Madam Deputy Speaker, the public will know that when the Premier attended with his entourage, it was with his political staff. It was not the Deputy Minister of Federal-Provincial Relations. It was not the clerk of cabinet. It was not some of the people working on economic programs. It was the swearing-in of a nonelected Prime Minister and only one Premier attended, felt that the cost was worth it. One Premier in Canada felt the cost to taxpayers was worth it.

I come back to my original question. Would it not be better for the people of Manitoba to have the money for Rossbrook House in terms of scholarships for inner-city kids and not have attended in person with five people the swearing-in of the Prime Minister? Would it not have been better just to watch it on Newsworld or other communications like everybody else and have those monies, instead of those monies being cut off to Rossbrook House and the inner city? Would that not be a fairer priority for the people of Manitoba? Would that not be greater economic leadership, rather than the action of the Premier last Friday?

Mr. Filmon: Madam Deputy Speaker, we have seen decisions by members opposite for far more than the money we are talking about here. We have seen decisions by members opposite to spend \$27 million on the sands of Saudi Arabia that did absolutely nothing for this province and its people, but was the political desire of the members opposite. We have seen them spend \$21 million on a bridge to nowhere in Selkirk, with no road on

either side, for their pure political agenda. We have seen decisions like that.

Madam Deputy Speaker, my senior staff met and networked with chiefs of staff—[interjection] Well, I repeat that it is important to the people of Manitoba, when we depend on Ottawa for transfers of billions of dollars annually, that we have good relations, solid relations, with the cabinet of the Government of Canada.

Judicial Council Role Review

Mr. Dave Chomiak (Kildonan): Madam Deputy Speaker, my question is to the Minister of Justice.

Madam Deputy Speaker, the public deserves to know that complaints against judges are handled with sensitivity and expeditiously. The Judicial Council's role in the handling of Judge McDonald's case have called into question, through a series of articles, the functioning of this role and the way that cases against judges are handled.

What actions will this minister undertake to try to restore the public's confidence in the handling of complaints against judges? What actions will this minister take in order to rectify this situation?

Hon. James McCrae (Minister of Justice and Attorney General): Madam Deputy Speaker, I am the person who referred this matter to the Judicial Council, that we have today.

The questions that have arisen over the past few days do indeed require some attention. The honourable member has correctly identified some areas of the operations of the Judicial Council that need attention in my submission.

I believe the issues that need to be looked at are the issues respecting the composition of the Judicial Council and the composition of the inquiry board proposed by the Law Reform Commission. Issues related to evaluation of judges need to be looked at, although I do not want to necessarily attach myself to the recommendations of the Law Reform Commission, but evaluation is an issue, and something to improve, I believe, is the reporting relationship between the Judicial Council and the public.

Judge McDonald Case

Mr. Dave Chomiak (Kildonan): I am pleased to hear the minister has referred this to the Law Reform Commission, if that is my understanding.

My supplementary question to the minister is: Will the minister consider, given the gravity of this case and this situation, bringing in an outside impartial reviewer or body to review the actions over the past period of time concerning Judge McDonald in order to restore public confidence in the system?

Hon. James McCrae (Minister of Justice and Attorney General): Well, unlike complaints in the past in this particular matter that have not been referred for hearing to the Judicial Council, in this case I used the power I have as minister under The Provincial Court Act to require that an inquiry be held. That inquiry should, unless there are reasons it should not—that inquiry would be public and in front of the Judicial Council, and so we should await the outcome of the proceedings in this particular case.

My reference to the Law Reform Commission though was a commission report we already have, and it has made recommendations. Some of those recommendations give us some difficulty, but some of them are also very useful indeed, and should result in improvement to the operations of the Judicial Council after we bring forward legislation in the next session of the Legislature.

* (1350)

Mr. Chomlak: My final supplementary is to the minister.

The Law Reform Commission has made some recommendations concerning the Judicial Council. The minister has ordered a review of these particular circumstances.

Can the minister indicate whether anyone will be looking at the past 20 years and considering the situation of Judge McDonald in terms of the past 20 years, the various complaints, and the way they may or may not have gone forward to the Judicial Council for review?

Mr. McCrae: Some of that may happen in the hearings before the Judicial Council itself. I am awaiting from the department certain options that might be available to us in the way of what we might do while the Judicial Council is carrying out its legislatively sanctioned function.

We have to be careful that we do not have an overlap or that one course of action does not in any way interfere with the other, but we are looking very carefully at the options available to us.

HIV Infection—Blood Transfusions Communication Strategy

Mr. Paul Edwards (Leader of the Second Opposition): Madam Deputy Speaker, my question is for the Minister of Health.

This weekend, the Canadian Hemophilia Society found it necessary to place ads in both papers in Winnipeg alerting Manitobans to the fact that anyone who had received a blood transfusion between 1978 and 1986 in this province may have been exposed to HIV-positive blood.

Madam Deputy Speaker, I think the minister realizes—I know from his prior comments—the seriousness of this issue to all Manitobans, and, in particular, of course, those who may have been affected. Our former Health critic raised this on April 19 and asked the minister to take a proactive approach and do essentially what the Canadian Hemophilia Society has now found it necessary to do.

My question for the minister is: Will he now do the necessary advertising and public education to alert the many Manitobans, who indeed did receive any sort of blood transfusion in this province during those years, so that they can be properly apprised from the Minister of Health, not just one society, because this affects far more than hemophiliacs?

Will the Minister of Health do what I think the people of this province have a right to expect of him and educate the entire province that this indeed did happen and bring these people forward at the earliest opportunity to have a blood test?

Hon. Donald Orchard (Minister of Health): Madam Deputy Speaker, that process is in train now, in collaboration with the College of Physicians and Surgeons, to attempt a recall of individuals who may have had transfusions or who had transfusions during that time period and may have been exposed.

That communication is following upon the recommendations of the recently tabled parliamentary committee, and it does not in any way, shape or form detract from, but rather collaborates with, the recent initiative that the Canadian Hemophilia Society, Manitoba division, did in terms of placing an ad in a public communication. That was their desire to do so, and, in collaboration with the ministry, have offered to be one of the referral services available for counselling of anyone who is contemplating

undertaking the testing for presence of HIV in their bloodstream as a result of transfusions prior to 1985.

Madam Deputy Speaker, contrary to the impression my honourable friend would like to leave, there has been a considerable amount of collaboration with the Manitoba division around this issue.

* (1355)

Mr. Edwards: Madam Deputy Speaker, I am very pleased to hear that the minister is in consultation with the College of Physicians and Surgeons.

I would like to ask the minister, as a supplementary, specifically what information he has asked the college for. Is he searching for the identity of any of those who may have been affected, and will there then be direct communication with those individuals or will there be some advertising campaign? What is contemplated in this process?

He has talked about the first part of it. What is the entire process going to entail, in terms of getting in touch with those people—from the Ministry of Health?

Mr. Orchard: Madam Deputy Speaker, we have always believed that an appropriate communication strategy with citizens of Manitoba ought to be through the physician body, who have a great deal of knowledge in terms of the experience, in terms of medical treatment that their individual patients accessed prior to 1985, including transfusions. It is via that medium of communication that we believe there can be a very effective look back to inform individuals that they may wish to consider the blood test as advocated.

I want to indicate to my honourable friend that this is not the first time that this initiative has been undertaken. It was undertaken in the mid-'80s, shortly after the HIV controversy and the concern for the blood system was expressed.

This is part of an ongoing attempt to identify and to assure individuals who may have been exposed through the medical services system to HIV, that they take every opportunity for blood testing as well as for counselling and that, Madam Deputy Speaker, is where I have indicated earlier that the Manitoba division of the Canadian Hemophilia Society has been most co-operative in offering their services of counselling.

Mr. Edwards: The minister indicates that the communication, he believes, should occur through the doctors, which is fine, Madam Deputy Speaker.

I just want to ask: Will the minister assure the members of this House that in fact once the number of Manitobans and their identities have been determined, each person affected in those years 1978 through 1986, potentially affected, will be directly communicated with through their doctors? Is the Minister of Health taking responsibility that this in fact will happen?

Mr. Orchard: Madam Deputy Speaker, I am not certain that my honourable friend understands the responsibility of medical service delivery. Physicians do have a responsibility to inform their patients and those whom they have served of the potential danger. I think that would be the most appropriate first role to provide the medical advice, to provide the counselling, to provide the advice as to how to access the services that the province does make available so that individuals can avail themselves of it.

Madam Deputy Speaker, it is a very difficult issue in terms of assuring an adequate look back and contact with all individuals. That is an almost impossible task, whether it be in Manitoba or any other province, and that is why we are engaging physicians in this process through the College of Physicians and Surgeons. We think that the process will be as productive as any in any province.

Manitoba Mineral Resources Cazador Explorations—Negotiations

Mr. Jerry Storie (Flin Flon): Madam Deputy Speaker, since this government took office, more than a thousand miners have lost their jobs and three mining communities have been devastated. Last week, an additional 133 people working for HBM&S were told that they would be without employment.

Madam Deputy Speaker, Cazador Explorations Limited has been attempting to restart the mine in Lynn Lake, the LynnGold Mine, along with what they had hoped for would be support from MMR, Manitoba Mineral Resources.

My question is to the Minister of Energy and Mines. Can the minister explain why, in a letter to the president of MMR, the president of Cazador expresses concern for the fact that after 11 months

of "discussions," the government has yet to table a response to a proposal put forward by Cazador which would have seen the creation of some up to 70 jobs in the community of Lynn Lake and the revitalization of that community?

Hon. James Downey (Minister of Energy and Mines): Madam Deputy Speaker, the member should know that the Manitoba Mineral Resources is operated by management and reports to a board of directors. As well, as it relates to the issue and Cazador's request, it is my understanding that there have been very positive discussions taking place in the last few days. As progress develops, I am prepared to report it. At this point, there are negotiations taking place between Cazador and Manitoba Mineral Resources.

* (1400)

Mr. Storle: Madam Deputy Speaker, talking about the sanctity of management from a minister who plundered \$16 million from the company without the approval of management of the board of directors sounds a little—

Madam Deputy Speaker: Order, please. Does the honourable member have a subsequent question?

Mr. Storle: Madam Deputy Speaker, my subsequent question is: Given the fact that Cazador has let a contract to build a road, and that the subsequent phases of development may be in jeopardy because of the delay in the negotiations or setting of a position with MMR, can the minister responsible for MMR tell this House today that he will instruct MMR to conclude negotiations, so we can have the 70 jobs in Lynn Lake, so we begin to revitalize that community and create some employment?

Mr. Downey: Madam Deputy Speaker, at the outset, let it be clear that the reason why a lot of these mine closures have taken place in Manitoba is because of lack of incentives and policies by the former administration, put in place to continue to look for orebodies that were so essential.

Madam Deputy Speaker, what I said earlier in my answer still holds. There are discussions currently taking place between MMR and Cazador as it relates to the Farley Lake property, which is key to getting on with the development of the LynnGold properties.

As well, I think it should be known that we too, as a government, are anxious to see development take place in that area, but it is not our intention to get involved with the board and the decision of management.

Mr. Storle: Madam Deputy Speaker, can the minister tell this House whether the fact that MMR has been raided of some \$16 million is impeding MMR's ability to conclude a joint set of negotiations with Cazador Explorations? Is that the reason, that they made a mistake and took \$16 million out of the kitty?

Mr. Downey: The direct answer is no. In fact, the property which is being requested by Cazador, which is now held by Manitoba Mineral Resources, known as Farley Lake, is also owned by other individual companies. So it is not just a matter of a clear-cut decision, as the member says.

The direct answer is, the \$16 million that was contributed to the Treasury in no way affects the decision as it relates to Farley Lake and the LynnGold project.

An Honourable Member: That is not true.

Mr. Downey: It is so true.

School Tax Assistance Program Income Testing

Mr. Conrad Santos (Broadway): Madam Deputy Speaker, this Tory government, what it will not do directly, it is doing indirectly. This Tory government has promised Manitobans, to read its lips—no taxes, and yet it has continually imposed silent and hidden taxes on the citizens. Just like the Tomahawk missiles that hit Baghdad city quietly but with so many civilian casualties, the hidden taxes of this government hit the vulnerable and the weak in our society, with mostly the seniors as casualties.

My question, Madam Deputy Speaker, is to the honourable Minister responsible for Seniors.

Can the honourable Minister responsible for Seniors explain why the government has reduced the renter or tenant portion in the form of Pensioners School Tax Assistance, which provides benefits up to a maximum of \$175 for pensioner tenants among senior citizens, under the Pensioners School Tax Assistance program?

Hon. Gerald Ducharme (Minister responsible for Seniors): Madam Deputy Speaker, in case the

member from across the way did not hear, several times that has been explained by the Minister of Finance (Mr. Manness). It is income-tested. That has been also explained to the member several times in this House.

School Tax Assistance Program Income Testing

Mr. Conrad Santos (Broadway): To the honourable Minister responsible for Housing, Madam Deputy Speaker: Can the honourable Minister responsible for Housing explain how many tax dollars seniors who own their homes are entitled to have as benefits under the Pensioners School Tax Assistance program for homeowners, and what changes, if any, the government has made on this Pensioners School Tax Assistance program for homeowners, particularly among senior citizens?

Hon. Jim Ernst (Minister of Housing): As my colleague, Madam Deputy Speaker, the Minister responsible for Seniors (Mr. Ducharme) has indicated, these programs are income-tested. Those who can afford to pay more will pay more. Those who cannot will not.

School Tax Assistance Program Income Testing

Mr. Conrad Santos (Broadway): My final supplementary, Madam Deputy Speaker, is to the honourable First Minister.

Will the honourable First Minister consider restoring full benefits to senior citizens under both the Pensioners School Tax Assistance program for homeowners, as well as the pensioners tax assistance program for tenants, for seniors, by removing the income restriction ineligibility based on the means test?

Hon. Gary Filmon (Premier): Madam Deputy Speaker, I have great difficulty understanding how the New Democrats have their philosophies. They always say they want those who earn more to pay more. They are constantly talking about taking more away from people who have more. Income testing means that those who can afford it will pay it, and those who cannot will not pay any increase.

It is very simple and I wish the member opposite would try and understand that.

Hospital Budgets Tabling Request

Ms. Avis Gray (Crescentwood): This government likes to promote the illusion of open government, yet on Thursday in the Estimates process the Minister of Health declined to give any detailed information on Manitoba's hospitals' budgets. The budget line is some \$926 million, almost half of the total budget of this government.

My question for the Minister of Health is: Will he reconsider today and provide that information to the House so that the opposition and Manitobans will have an opportunity to discuss the hospital budgets which is a very, very important issue? Will he do that today?

Hon. Donald Orchard (Minister of Health): Madam Deputy Speaker, I look forward anxiously to the next, oh, 30 minutes or so, until we can resume that very important debate.

Ms. Gray: Will the minister quit hiding behind the guise of tradition which he talked about at length on Thursday and reconsider his position today and table for this House the information on what the hospital budgets are? Will he do that for the House?

Mr. Orchard: Well, Madam Deputy Speaker, we had quite an extensive discussion on that on Thursday, and I fully expect we will continue that this afternoon, this evening, tomorrow, Thursday next, however long it takes my honourable friends.

Ms. Gray: Rather than playing word games in the House, will the minister come clean and provide this information for the House and for Manitobans? Will he do that? It is a simple request. It is an important request.

Mr. Orchard: Madam Deputy Speaker, a simple request deserves simple answers.

Waste Reduction—Packaging Implementation

Ms. Marianne Cerilli (Radisson): This government has been moving at a snail's pace on implementing any of the powers under the waste reduction act and program. We know they have been in ongoing negotiations with the grocery producers and manufacturers of the country and are pleased to see that they may be showing some fruit from those discussions with the waste reduction program.

I would ask the Minister of Environment: What is the time line for the implementation of the program for waste packaging for the province, and when can we see some actual changes in this area?

Hon. Glen Cummings (Minister of Environment): Madam Deputy Speaker, I would be reluctant to provide a specific date, but let me assure you that we have been for quite some time working with various facets of the waste-producing sectors in the province, as evidenced by the fact that we now have a tire process that is well underway. Let me assure the member that we expect to move with some expediency in this area as well.

Public Hearings

Ms. Marianne Cerilli (Radlsson): Madam Deputy Speaker, will the minister make a commitment to hold public multistakeholder hearings on this proposal as they have similarly on the various waste streams under The WRAP Act?

Hon. Glen Cummings (Minister of Environment): Well, Madam Deputy Speaker, I think it is well known that in the implementation of regulation we always consult the public and the area which may be subject to regulation. It seems to me a little strange that the member would now be looking for a process that would diffuse some of the very good negotiations that are going on. Let me assure her that my objective is to get a more comprehensive recycling program in place in this province as quickly as possible.

* (1410)

Deposits

Ms. Marianne Cerilli (Radlsson): Can the minister tell us if this waste reduction program is their policy instead of having a deposit system on packaging in Manitoba?

Hon. Glen Cummings (Minister of Environment): Madam Deputy Speaker, we have indicated that by the 1st of August we would be making a decision regarding deposits and that we would have a process in place where either we would be implementing deposits or we would be dealing with a waste stream by alternative methods. That has been a time frame that I have put forward and one which I intend to continue to work towards, because there was a national protocol signed on waste reduction and reduction of packaging across this country and Manitoba has

been one of the most ardent supporters of that. I expect that we will have some interesting announcements.

Manitoba Hydro Workforce Reduction

Mr. Steve Ashton (Thompson): Madam Deputy Speaker, on Friday I asked a number of questions to the minister responsible for Hydro about the impact of the announced elimination of 480 positions at Manitoba Hydro. At that time, the minister indicated that he would check into the details, obviously unaware of the details of what had happened.

I would like to ask the minister now if the minister, the same minister who was previously responsible for decentralization, can confirm that a significant number of the positions that are being eliminated through Manitoba Hydro are in fact in rural Manitoba.

Hon. James Downey (Minister responsible for The Manitoba Hydro Act): Madam Deputy Speaker, let me at the outset say that the management and the board of directors at Manitoba Hydro, due to a reduced demand for energy nationally and across the system, caused the looking at the management of and the operations of Manitoba Hydro so we could maintain the lowest hydro costs in all of this country—in fact, no increase next year.

In light of that, decisions were made. Tough decisions were made by the board and by management which in fact not only will impact on the city of Winnipeg, but employees throughout the province. The greater portion though will be higher-level management, not as many throughout rural Manitoba.

Mr. Ashton: Madam Deputy Speaker, Manitoba Hydro is indeed in good shape because of the NSP power sale and Limestone. I asked the minister a specific question, because he is obviously unaware of the fact that many of the layoffs are in rural Manitoba, many of the positions are being eliminated, and it is not just senior management. There are many front-line positions that are being eliminated.

Will the minister provide details to this House? If he does not have those details, will he apprise himself of those details? Four hundred and eighty

positions—we expect some answers from the minister.

Mr. Downey: Madam Deputy Speaker, again, let us remind the members opposite that we are talking about positions. We are talking about almost 200 individuals who took voluntary early retirement and under a hundred people within those positions are directly affected.

I think, Madam Deputy Speaker, the numbers the member is looking for—out of 480 throughout rural and northern areas, we are talking something like 140 positions versus the balance in the city of Winnipeg.

Mr. Ashton: I appreciate the fact we are finally getting some answers.

I have a final question to the same minister. Can the minister confirm that, in fact, a number of the positions that are being eliminated are nothing to do with what the minister is talking about, a lower demand, but the fact that Manitoba Hydro is now going to be privatizing a number of the services provided by in-house staff, and that is leading to fewer jobs and layoffs?

Mr. Downey: Madam Deputy Speaker, I am not so sure whether the members opposite, the New Democratic Party, want to follow what happened in Ontario, where we saw double-digit increases in hydro rates, where they have ended up seeing thousands of people being laid off.

Is that the position the member opposite is putting forward, that he does not want to see Manitoba Hydro operated efficiently, that he does not want to maintain low hydro rates, that he is, in fact, in the other situation where he wants to see increased rates?

As it relates to the future operations of Manitoba Hydro, there are management people, there is a board of directors, Madam Deputy Speaker, that will make the decisions to make sure Hydro runs on a solid foundation.

Social Assistance Employment Creation Strategy

Mr. Leonard Evans (Brandon East): There is a definite correlation between the lack of economic growth and the lack of jobs in this province and the growth in poverty and the growth in the number of people on municipal welfare. In fact, we have

18,000 on welfare in the city of Winnipeg alone, the highest since the Great Depression of the 1930s.

The City of Winnipeg has proposed a joint federal-provincial-Winnipeg program to employ some 2,000 welfare recipients, Madam Deputy Speaker, and a couple of weeks ago the Minister of Urban Affairs replied that he was studying the matter.

I wonder if the minister today can tell us whether a decision has been reached and, if not, when can we expect a decision.

Hon. Jim Ernst (Minister of Urban Affairs): Madam Deputy Speaker, the whole question is somewhat complicated in terms of you have three levels of government participating in the sharing of current welfare payments.

In order to make the program work, it requires the involvement of all three levels of government. It also requires that certain regulations related to the cost-sharing of social assistance benefits are waived, if you will, in order to have the money flow in a different direction.

So, Madam Deputy Speaker, we are in the process at the present time of attempting to find a way to deal with that with our colleagues in the federal government, and we hope to have some resolution of that in the very near future.

Mr. Leonard Evans: I thank the minister for the answer, Madam Deputy Speaker, and would ask him, as a minister who I know should be very concerned about this matter, whether he would give it priority, use his good office, in view of the fact that there is this large number of people on welfare, and, also, in view of the fact that we have had precedents.

We have had agreements with the federal government to utilize welfare monies to give people jobs back in the early 1980s, so there is a precedent for it, and maybe the minister would like to look into this, but would he certainly give this matter priority in view of the serious unemployment situation?

Mr. Ernst: Madam Deputy Speaker, we have been giving this matter very serious consideration over the past several weeks. We have a concern that people on social assistance would rather be working, would rather have a job, would rather feel productive. At the same time, any public tax dollars that are being spent are better off being spent on

public infrastructure and things of that nature than they are on, simply, social assistance payments. So I think from both perspectives, it is advantageous to everyone.

Madam Deputy Speaker, we are working very diligently in this matter.

Mr. Leonard Evans: Madam Deputy Speaker, in light of the last answer, I wonder if the minister, in co-operation with the Minister of Family Services (Mr. Gilleshammer), would undertake to use this approach to provide jobs for welfare recipients in some of the other urban centres of Manitoba, including the city of Brandon which is also suffering from a considerable amount of unemployment.

Mr. Ernst: Madam Deputy Speaker, I have been working very closely with my colleague the Minister of Family Services. This is a very difficult situation, as I indicated to the member earlier. It is not quite so simple as to simply say, take the money that you spend on welfare and spend it on something else and employ the people doing that. There are a host of issues related to those things that are necessary.

Until we get, kind of, a formula set, Madam Deputy Speaker, to indicate exactly how this would work, what the benefits are, what the cost savings are, where the interrelationships occur, until we have, I hate to use the word "pilot," but until we have some kind of a formula established with our colleagues in Ottawa, it is going to be difficult to expand it beyond that.

We are, however, not unaware that there is need, both from a social assistance side and from an infrastructure side, elsewhere in the province, and once we have an opportunity to deal with that, Madam Deputy Speaker, as far as Winnipeg is concerned, we can apply it more broadly.

Madam Deputy Speaker: Time for Oral Questions has expired.

* (1420)

Nonpolitical Statement

Mr. Jack Penner (Emerson): Madam Deputy Speaker, could I have leave for a nonpolitical statement?

Madam Deputy Speaker: Does the honourable member for Emerson have leave to make a nonpolitical statement? [agreed]

Mr. Penner: It gives me a great deal of pleasure today to rise to recognize Cathleen and Leslie Forrester of Emerson, who have been awarded the 1993 Manitoba Farm Family Award at the Red River Exhibition this week.

Les and Cathy Forrester, of course, have been farming with their family in the Emerson area for many, many years. Their grandfather started the farm in 1881. It has since progressed to become one of the largest farms, one of the most diversified farms in that area.

Les and Cathy are, of course, also known in the area as one of the progressive community leadership families, having been involved in the establishment of the Halbstadt-Marais Water Co-op, the Manitoba Pool Elevators Association, the Emerson Community Recreation Complex, the church and many other community organizations. Cathy, of course, has been very, very involved in 4-H activities, amongst many other things involving young people.

We congratulate today, Madam Deputy Speaker, those of us in the Emerson constituency, the Forrester family, not only for the many years of community service, but for the advancement of agriculture in that area, as well as much of the other area of the province.

Les Forrester's father was one of the people who helped establish the sugar beet industry in this province, which, of course, creates some 5,000 direct and indirect employment opportunities in this province and contributes very substantially to a \$36-million annual industry which many of us derive an income from.

So I stand before and ask all members of this House to help me congratulate and recognize the Forrester family for their achievements today.

ORDERS OF THE DAY

Hon. Darren Praznik (Deputy Government House Leader): Madam Deputy Speaker, I would ask if you could please canvass the House to see if there is a willingness to waive private members' hour today.

Madam Deputy Speaker: Order, please. Is there leave of the House to waive private members' hour?

Some Honourable Members: No.

Madam Deputy Speaker: No. Leave has been denied.

Mr. Praznik: Madam Deputy Speaker, I would move, seconded by the honourable Minister of Highways and Transportation (Mr. Driedger), that Madam Deputy Speaker do now leave the Chair and that the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

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

* (1430)

COMMITTEE OF SUPPLY (Concurrent Sections)

EDUCATION AND TRAINING

Mr. Deputy Chairperson (Marcel Laurendeau): Good afternoon. Will the Committee of Supply please come to order. This afternoon, this section of the Committee of Supply meeting in Room 255 will resume consideration of the Estimates of Education and Training.

When the committee last sat, it had been considering item 6.(a)(1) on page 42 of the Estimates book.

Hon. Rosemary Vodrey (Minister of Education and Training): Mr. Deputy Chairperson, when we were last together, I said I would table some information from our community colleges, the 1993-94 Permanent and Term Employees Affected by Redeployment, Term Expiration or Layoff. I would like to table those now.

I also had said I would table information from Assiniboine Community College on International Education, and I would like to table that now.

Mr. Deputy Chairperson: We thank the honourable minister.

Mr. Reg Alcock (Osborne): Mr. Deputy Chairperson, I thank the minister for the information.

I would like to just to start with—and this question, I suppose, in a sense, is strictly a policy question, and it brackets the colleges and the universities, but I notice it is repeated over and over again in some of the submissions to the University Review Commission, and that is the discussion around creating a separate department for post-secondary education and moving the relationship of the colleges closer towards that of a relationship with the universities.

I am just wondering if there has been any discussion.

Mrs. Vodrey: Mr. Deputy Chairperson, I know the universities have probably spoken to the member about this, and the universities have been quite interested in a profile for post-secondary education. As the MLA for Fort Garry, the universities have also approached me on this same matter.

The decision will be one that will be made by government and by the Premier (Mr. Filmon). At this point, I do not have any further information that I can provide to the member.

Mr. Alcock: Mr. Deputy Chairperson, I wonder, though, has a similar discussion come up on the colleges? The minister is quite right. I have had conversations with the universities. I have not had conversations with the colleges on that particular issue. I am just wondering if that is an issue for the colleges.

* (1440)

Mrs. Vodrey: I can say to the member that the colleges have not had that discussion, if his question is still around the issue of a department. Colleges have not had that discussion with me.

Mr. Alcock: Is there a vehicle, a committee, a working group or whatever, where the colleges and the universities come together?

Mrs. Vodrey: There is not, within our province or really through any organization that is currently operating across Canada, a time when both universities and colleges come together.

Mr. Alcock: As I understood the discussion on training within the private sector and the relationship with the colleges, particularly given this market-driven approach, there is—I mean, the minister spoke at some length last time we met about the creation of a learning culture within an organization and a number of policies that were directed at encouraging private-sector

organizations to move in this direction. As I understood it, Red River and the various colleges were part of that continuum, that they might offer some of the training. People might go from a business into there to be trained, or they might develop a course that is in response to a demand.

Is there any similar relationship with the universities?

Mrs. Vodrey: There is currently operating between the colleges and the universities a program, which is a joint program, which has some training being done at the colleges and then two further years being done with the universities in the area of teacher education, business education and industrial arts education, where they begin for two years at the colleges and then move for two years to the university.

The Roblin commission, the University Review, we have asked to look at articulation between the colleges and the universities, so that people who do wish to move between institutions should be able to do so and not be blocked in the same way they may feel blocked at the moment.

Mr. Alcock: The whole sense of market-driven training we talked about before presumably comes out of some mechanism or some opportunity for the colleges and the community, the private sector, to meet, so there is some identification of the areas in which they want training.

Is this done on an individual basis by the colleges, or is there some co-ordination of that? Are the universities left to do that on their own, or is there some mechanism that co-ordinates this in a general sense? If a company comes forward expressing a certain need or is canvassed and expresses a certain need, is it shopped around, or does it just happen with the colleges?

Mrs. Vodrey: At the moment, market-driven training is negotiated with each individual college, and now that the colleges are board governed, they are able to do that very directly.

The secretariat and the Colleges Advisory Board will also have an opportunity to talk about the kinds of market-driven training which the colleges individually have been approached to do, where that has been occurring across the province, and what kinds of market-driven training the different colleges have been asked to put in place for their particular region.

Since the signing of the Canada-Manitoba Labour Force Development Agreement, we have been moving toward the setting up of the Canada-Manitoba Labour Force Development boards. They are not an arm of government, but they are intended to be made up of private-sector individuals who will then assist in funneling federal government money at this time into training programs.

That will be another way in which the market-driven training programs will then be identified, because they will be identified by people representing various sectors and then looking for the training which would then meet the needs of that particular sector.

In terms of the universities—and we may like to discuss this more fully at that line, when staff is available, in terms of Continuing Education—one of the areas which the Roblin commission may be looking into is the area of market-driven training and if, in fact, universities can or should be involved in that particular kind of training, and so in that case, we are looking forward to the report to determine what the universities' role may be in that area.

Mr. Alcock: With reference to the Canada-Manitoba Labour Force Development Agreement and its impact on market-driven training, is there any sense—I mean, there were some really large numbers talked about in that agreement over a relatively short period of time—of what proportion of that will be spent on purchasing services from the colleges, or is it too early to tell that yet?

Mrs. Vodrey: Mr. Deputy Chair, at the moment there is a working group and a subgroup of the total working group that is joint between EIC and the provincial government, and it also has college representation on this particular subgroup. It is to look at the co-ordination of the indirect purchases among institutions. That would be the way that some of the market-driven training would be purchased.

We know for '93-94 the federal government has directed that \$9 million flow for direct purchase, but the indirect purchase, which is an area that this working group is looking at, is not yet determined.

Mr. Alcock: Can the minister just refresh my memory, though? What is the size of the Labour Force Development Agreement? Was it not in something in excess of \$100 million?

Mr. Deputy Chairperson, \$138 million is a figure that seems to—

* (1450)

Mrs. Vodrey: Mr. Deputy Chair, in the agreement for the two-year period, the amount of money was \$273 million. Of that, \$138 million was from Manitoba, and \$135 million was from the federal government.

Mr. Alcock: Mr. Deputy Chair, is it anticipated that the entire \$273 million will be committed within a 24-month period?

Mrs. Vodrey: Mr. Deputy Chair, just let me clarify again that the \$273 million, I beg your pardon, was for '92-93. Of that, as I said, \$135 million was from the federal government and \$138 million from the province.

Also, yes, it is expected that money will all be expended within the time frame.

Mr. Alcock: Mr. Deputy Chair, so that between the '92-93 and the '93-94 fiscal year, the last year and the one we are currently dealing with, some \$273 million will be expended in labour force development, part of which may be training delivered by the colleges.

Mrs. Vodrey: Mr. Deputy Chair, yes, the colleges will be included within those training dollars.

Mr. Alcock: Has any of that \$273 million been spent at the colleges to date?

Mrs. Vodrey: Mr. Deputy Chair, for the year 1992-93, of the \$273 million, \$13.9 million were spent at the colleges, direct and indirect purchases.

Mr. Alcock: And the \$9 million that was referenced at Red River, is that the commitment this year to date of that some pool of money?

Mrs. Vodrey: The \$9 million was the confirmed amount for direct purchase for '93-94, but that would be spread through all three of the colleges, and then the amount of money for the indirect purchase is still being negotiated.

Mr. Alcock: Is it just my maybe lack of information, but I am under impression that not a full year's proportion of this \$273 million was spent in the last fiscal year and that it would be carried forward to this year?

Mrs. Vodrey: It certainly was the agreement that \$273 million was spent, but I would like to stress again that was the amount of money for '92-93, and

then there is an amount of money for '93-94. The total amount of the agreement was slightly over \$500 million.

Mr. Alcock: I realize I am moving a little further afield than just colleges, and I appreciate the minister responding to that.

There is one other statement in the Expected Results on the colleges. We talk about multiyear operating and capital planning, and I believe that, as we were ending on Thursday, we were talking about this ability of the colleges to actually accrue some profits from their market-driven training, and it would then roll back into, presumably, to their budgeting. As they move into this new relationship, are they going to be allowed to carry over funds year to year, or are they going to face reconciliation and bring money back to government?

Mrs. Vodrey: Mr. Deputy Chair, under governance, it is the intention that the colleges would keep their surplus, but then the colleges would also be responsible for their deficit, and the colleges are not to run a deficit.

Mr. Alcock: So the colleges will be able to carry over monies. They are not going to be faced with the silliness of the use-it-or-lose-it year-end phenomenon. They will be able to, should they have a surplus, carry it over into the next year and be expected to be responsible for their deficits. How will they account for that?

Mrs. Vodrey: Mr. Deputy Chair, the colleges will account for this process through the financial statement. They do not operate on a cash basis; they operate on an accrual basis, the matching of the expenditures and the revenues.

Mr. Alcock: Yes, although, as I understood the basis on which they were funded, they will receive a grant from government for some amount, and then they will be able to sell services for which they will operate on a break even or small loss, small profit, but presumably they are going to attempt to be profitable on this, and that will give them their total amount of operating revenue for the year.

You are saying if they incur a surplus they can carry it forward to the next year. I guess one of the problems is that, when attempts have been made in the past with government organizations, one of two things happen. They begin to accrue surpluses that then somehow magically become configured

into their grant setting in the next year, that their grant is reduced as a result of the appearance of the surplus. They are not allowed to depreciate buildings and equipment and all of that sort of thing, so they are not allowed to accrue really sizable surpluses; but then they lose the benefits of carrying forward the surplus simply because it exists, and government then reduces their grant in the subsequent year.

* (1500)

I am wondering what safeguards are in place to allow the colleges to be truly independent. I mean, we hear the discussions, not with this Minister of Education, I will warrant, but with the previous Minister of Education, about the universities having big surpluses and having to find all this money within and really stripping out of them the ability to do the very thing you want them to do, which is to take responsibility for their deficits in lean years.

Mrs. Vodrey: Again, one of the reasons that we wanted the colleges to move to governance was to be able, with their surpluses, to expand in their diversity and to operate with their boards of governors making some of these decisions. The Colleges Act does provide for powers of the board and also powers of the minister. As the member said, yes, government will be reviewing the budgets of the colleges as they are brought forward. At the moment I am not able to say anything further other than that government will be reviewing the budgets year by year and decisions will be made year by year based on how the colleges' affairs have been managed and exactly where the surplus funds may, in fact, go. They may go to expanding programming, which is one of the great potentials for the colleges.

Mr. Alcock: I appreciate that. I shall not pursue this line of questioning any further because in a sense you are asking the minister, how will you safeguard yourself against doing something nasty in the future? That is really not a fair or legitimate question.

But there is a problem. There is a great strength inherent in the direction you are moving, and I am frankly prepared to be quite supportive of it. I think the problem always has been that as soon as a government-funded organization begins to actually become successful, begins to accrue some surpluses, and if they are prudent, put aside some surpluses against days of deficits, then government

swoops in and steals the surplus in much the same way that—you force the college into some other form of use it or lose it. They find some way of creatively accounting for it or whatever. This is all hypothetical at this point.

The real question I have now is this one on multiyear budgeting, because that may be a way to step aside from that, if this is incorporated in some multiyear budgeting approach that will take the colleges out of the government's budgetary cycle. I am wondering, when you are talking multiyear here, as you are on page 134 of the supplement, what does that mean? Is that two year, three year, four year, five year? You talk further down here about a periodic five-year organizational review. Is that the window?

Mrs. Vodrey: Mr. Deputy Chairperson, in the statement the member refers to, it refers to multiyear planning as opposed to multiyear budgeting. In the multiyear planning, that has been seen as an important role for the colleges.

We are looking for the colleges' multiyear planning to take place for a three- to five-year period. We would like to be able to look at the planning of the colleges in conjunction with the planning of the AEST branch, the Advanced Education and Skills Training area, so that there is some co-ordination.

Mr. Alcock: But, surely, if you plan for more than one year, you have to budget for more than one year, otherwise your planning is fatuous. It does not mean anything.

Mrs. Vodrey: In the area of multiyear planning, it does require a certain amount of information for future budget commitments, in that when a college comes forward recommending programming which is, in fact, a two-year program, then government's question would be, what would be the cost in the long-term commitment for the multiyear planning?

We will have to take all of those areas into consideration, but in the wider sense of the multiyear planning, it will be difficult to match exactly in terms of revenues and expenditures, but it will give government the idea of the plan of the colleges, where they intend to go, length of programming and what their commitments would be.

Mr. Alcock: I want to leave this whole area now. In fact, I am prepared to leave colleges now, other

than to wish you luck with it. I think it is the direction to go in.

I do have just one question—and it is this movement of staff in and out of here. There is capital to be talked about under the colleges, and I am wondering, for the sake of efficient use of staff time, if the member for Wolseley would agree, if it would make sense just to deal with the capital for the colleges right now. Then the colleges' people can get back to doing useful work, and then we will go on to universities.

If the minister agrees with that, just to begin the discussion—Jean, do you have any objection to that?

Ms. Jean Frlesen (Wolseley): No.

Mrs. Vodrey: That is fine. I appreciate that. Staff appreciates it. Thank you.

Mr. Alcock: Just to begin that discussion, can you just tell us what is planned? I notice that there are reductions in capital for the three colleges, consistent with the overall reductions, but what is the intention of that capital?

Mrs. Vodrey: As a result of budget restraint, the member will notice that, yes, there has been a reduction in the area of Community Colleges. However, I would say that in looking at the last five years there has been a significant increase in the capital budget line for colleges. I would just like to provide the figures so that it is perhaps a little bit easier to compare. In '88-89 the amount was \$1,639,200. It increased in '89-90 to \$1,803,100. It increased again in '90-91 to \$1,893,200. It increased again in '91-92 to \$1,893,200. It increased in '92-93 to \$2,385,200. This year, the decrease still sees the capital budget line at over \$2 million, at \$2,120,600. So it is still fairly significantly above the '91-92, though it represents a slight reduction due to restraints that government has been under for this year.

*(1510)

Mr. Alcock: Mr. Deputy Chair, I am not even going to get into that discussion as to what it should be. Can the minister just tell us what the requests are for?

Mrs. Vodrey: For the colleges, capital grants do not include resources related to the maintenance of the physical plant, for new construction, or for any major renovations to the college buildings or facilities.

The kinds of activities that budget line would serve would be for the development of—for storage cabinets, for desks, for computers, for printers and office furniture, by and large, and some electronic equipment which would be used in coursework.

Mr. Alcock: Mr. Deputy Chair, so all capital, large and small—you mentioned new buildings and that, that would be one project, but maintenance, operating, small repairs like patching holes in the walls, painting and all that kind of stuff, that all comes out of Government Services budget?

Mrs. Vodrey: Mr. Deputy Chair, yes, that is correct.

Mr. Alcock: You mentioned filing cabinets and equipment. I think at the end you said course-related equipment. The question there—there was a report written. Now this goes back. I think it may even predate this government. One of the problems that was identified within the colleges, and I believe in industrial arts programs, was that it was difficult for them to stay current with machinery and equipment. You want to train people on the latest equipment because that is presumably what the businesses are using, and just the capital cost of trying to stay current with the latest in welding or automotive or machine fabricating, whatever—even computers, if you are doing computer science—was such that the colleges were falling seriously behind.

I am wondering if there is any tracking of that. What is the demand for new capital for training? I am not talking about office stuff for the operations of the college, but to have equipment available to students in the college. What is the difference between the demand that sits out there and our ability to meet that demand right now?

Mrs. Vodrey: Mr. Deputy Chair, colleges do their inventories yearly, and they prioritize the most important. As I look at the schedule, I see replacement by course where they have in each course identified what it is that they would like to have replaced in that year. I look at a lathe and an oscilloscope, and it is all attached to the specific courses.

The colleges, where they recognize or have determined that they have additional need, have been successful in the area of some college fundraising, also in the area of business donations. I look at the partnerships between Toyota, for

instance, and also GM, where there have been donations to the colleges.

Then a third part is that we are moving to workplace partnerships: training within the workplace, and particularly through the co-operative education programs in the community colleges. So with that we are looking again to have students train on the equipment of the workplace, actually in the workplace.

Mr. Alcock: Presumably, if the colleges are able to accrue surpluses, they would be able to direct these surpluses towards capital? Question No. 2, just on that while we are on it, can they do that without the prior approval of government, or do they need to come back to government as to how they spend those surpluses?

Mrs. Vodrey: As the member knows, the budgets of the colleges will be approved by government, and the spending would be noted against particular programming. So in some ways it would be dependent upon how the colleges put forward the use and for what purposes. In addition, however, the surplus which may come from the market-driven training does not flow through the provinces. So what the colleges accrue through the market-driven training, they can apply to capital expenditures which may, in fact, assist sequential students as well.

Mr. Alcock: Thank you, Madam Minister. I am prepared to certainly let this pass, and I appreciate the time of the minister and the staff in discussing it.

Ms. Frlesen: Mr. Deputy Chair, this is on colleges, not necessarily on the capital line, although I did want to start out with one question on capital, and that was, when donations are made or when partnerships are established in the future, are there any tax incentives, for example, offered from government to companies like Toyota or others who might want to donate? Are there any government incentives as opposed to college incentives?

Mrs. Vodrey: Under The Colleges Act—and it is Section 17(i) that authorizes the establishment of a charitable foundation as defined in the Income Tax Act for the colleges. I understand that Red River Community College already has its papers in to set up such a foundation.

Ms. Frlesen: So that colleges will be treated like any other charitable foundation. It is not that there

will be a particular incentive from this provincial government.

Mrs. Vodrey: Just for the colleges, until their foundation is established, Manitoba Finance is prepared to receive gifts for the colleges and provide the tax deductible status.

* (1520)

In addition, my colleague the Minister of Finance (Mr. Manness) has introduced a bill into the Legislature regarding the establishment of a Crown agency foundation in Manitoba to direct donations to Manitoba-based institutions and to increase donations because of added income tax benefits, and this applies to the colleges, too.

Ms. Frlesen: Between the three colleges, there is obviously a difference in their ability to attract that kind of donation. Presumably, both Assiniboine Community College and Red River Community College have advantages each in the field that they have chosen to specialize in. So my concern is particularly for Keewatin Community College and whether the government in its transfer of authority or of powers to governance to the colleges has looked at this issue of the ability of that particular college to generate the kind of income in a variety of ways, including capital, that the other colleges do or that will be sufficient for its needs.

(Mr. Bob Rose, Acting Deputy Chairperson, in the Chair)

Mrs. Vodrey: Mr. Acting Deputy Chairperson, first of all, the colleges and some of their ability to raise money or to attract other kinds of funds are taken into account when the grants are calculated. I think we spoke about that concern regarding the equity when we spoke about tuition fees remaining the same for each of the colleges.

In terms of the colleges being able to attract additional money through charitable foundations, again we need to look over the next two to three years, but we recognize in the area of Keewatin Community College that there is some potential for Keewatin Community College to attract that kind of funding. I would hesitate specifically to name where they may do that, because the board may, in fact, be in some negotiations now. I would not want to pre-empt any work that they are currently doing.

Ms. Frlesen: Mr. Acting Deputy Chairperson, I assume that each of the boards—and again this is a policy question directed at the minister—is in this

first year conducting a needs assessment of capital.

Mrs. Vodrey: Yes, that is correct.

Ms. Frlesen: A related question, in a way, which is continuing renewal. The minister may remember that I asked some questions about this last time, and that is concern for retraining, updating, et cetera, continuing development of staff. I wonder what the minister could tell us about the plans of the community colleges for that this year. I am particularly concerned since there have been so many staff dismissals, as well as I guess bumping of people, so that people may be in jobs for which they were not initially hired. That kind of training, updating, retooling, I think, will be a very important consideration for each of the colleges at the moment, but also in the long term.

Mrs. Vodrey: Mr. Acting Deputy Chairperson, the issue of staff training has been an issue for some time because of the rapidly changing technology. The community colleges do work with technology, and so the requirement has been there for reasons other than those mentioned by the member. The colleges have prioritized the area of staff training. The boards have named staff development as a priority as well, and they will be looking at proceeding with that.

I would also say, having spoken a little bit earlier about the work education and co-operative work, where there is actually training in the workplace, that it offers not only the opportunity for students to have some time with exactly the kind of equipment which is being used in the workplace, but it also allows some of that same opportunity for staff.

Ms. Frlesen: I wanted, finally, to ask some further questions on market-driven training and just get some clear definitions from the minister about what is meant by market-driven training. I went back over some of the discussion that we had. Am I right in assuming that what the minister means by market-driven training is a situation where the employer comes to the college and asks for a particular type of training for employees?

* (1530)

Mrs. Vodrey: Mr. Acting Deputy Chair, in the area of market-driven training, it may be that the employer approaches the colleges for a customized training, or it may be that the colleges approach an employer with their potential to

provide a customized type of training for that particular employer, and it may be any kind of an employer.

But there are courses which are available for other Manitobans as well. These courses, however, first of all, may be less expensive for other Manitobans because the market-driven training courses tend to be more expensive. They are customized, very intense. Other Manitobans may take another kind of course that is less expensive, and it is usually longer.

An example of that kind of a course would be the mechanical engineering diploma program which is a two-year program which Manitobans may choose to take and enroll in. However, there is a statistical process control market-driven training program which is customized, and the aerospace industry tends to use that specifically. That same kind or part of program would also be covered in the mechanical engineering diploma program, but where it is market-driven, again, it is customized primarily for that employer.

Ms. Frlesen: That was my concern, how other Manitobans who were not employees had access to training programs that were in demand in the marketplace.

Taking that as the basis, the concern that I have, how will those programs be adjusted to meet the demand, both from the student and from the employer, because I think what we are seeing in many of those right now is a long waiting list—or waiting list in some of them, certainly—and how will innovation come about? Is innovation to be driven by the market? Where are the educational principles for innovation?

Mrs. Vodrey: I am informed that some of the innovation actually may come from market-driven training as a result of market-driven training courses.

Using the mechanical engineering diploma program, I am informed that the market-driven statistical process control program, designed for the aerospace industry, has provided some very strong staff development and information which is then directly put back into the program which is available for the public of Manitoba to apply for.

In addition to that, through the joint management committee, which we have set up between the Province of Manitoba, the Government of Canada, as a result of the Labour Force Development

Agreement, the issue of innovation is also part of the discussion of that particular joint management committee.

Ms. Friesen: I can see where—what the minister is suggesting is that new information, new technologies, innovation in that sense, comes back into the other courses through connections with the workplace. What I really meant was, innovation in new courses, new programs. How do we decide how the community colleges are to serve the people of Manitoba?

We can see that through market-driven, they are going to be serving certain kinds of industries, but how will the colleges decide how ordinary Manitobans are to be served, particularly since there is this, I would think, intense need in one or two of the colleges to make the profit that can be made in those industry-based market-driven training courses to balance the other courses?

Mrs. Vodrey: Mr. Acting Deputy Chair, part of the way that the new or innovative programs would be identified, one would be through the boards of governors themselves, in that the boards of governors do represent the community and they represent the knowledge of community needs, regional needs, and also the interests of where, as community leaders, communities may wish to go and what kind of training might be required. In addition, from government, through the Economic Innovation and Technology Council, as government develops its plan and its policy, that would be another way that programs and innovative types of programming would be identified.

Again, through the federal-provincial networks, as a third way, because our governments are attempting now, through the Labour Force Development Agreement to work in a much more co-operative and a complementary way in terms of labour market planning, in terms of the sharing of information, and being able to look at the needs that are—in need for the province of Manitoba, as well as the wider area. So that labour market tracking which we discussed when we were doing the Labour Market line would be another way.

In addition, as government provides its grants to the colleges, then we would be looking at innovation, but we would also be looking at issues as they relate to equity and the needs of the province as a whole.

Ms. Friesen: How would the Economic Innovation and Technology Council make known its needs to the colleges? What is the mechanism for that?

Mrs. Vodrey: Again, as Minister of Education of Training and the minister responsible for the labour market, then information from the EITC would flow to the Minister of Education and Training.

In addition, I would like to stress the two-way flow of communication, because as the colleges provide their proposals to government and their proposals which come through the colleges and the boards of governors, that information then would also be important information to be considered in the light of EITC and the information from the colleges.

* (1540)

The Acting Deputy Chairperson (Mr. Rose):

6.(a) Colleges Secretariat (1) Salaries \$187,800—pass; (2) Other Expenditures \$9,500—pass.

6.(b) Grants (1) Assiniboine Community College \$7,451,500—pass; (2) Keewatin Community College \$7,201,100—pass; (3) Red River Community College \$24,577,200—pass.

Resolution 16.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$39,427,100 for Education and Training, Support to Community Colleges, for the fiscal year ending the 31st day of March, 1994.

Mrs. Vodrey: Mr. Acting Deputy Chair, we have had some discussion on 16.8 Expenditures Related to Capital. We have discussed 16.8(b) Community Colleges (1), (2) and (3). I have had some indication that the members are willing to pass those three lines at this time. I believe the member for Osborne (Mr. Alcock) is on the record in Hansard agreeing to pass the capital of the colleges only of that line, leaving not yet discussed School Divisions and Universities.

The Acting Deputy Chairperson (Mr. Rose): Is it the will of the committee to consider 16.8(b) Expenditures Related to Capital for Community Colleges? Does the committee agree to that? [agreed]

Item 8.(b)(1) Assiniboine Community College \$598,200—pass; (2) Keewatin Community College \$428,800—pass; (3) Red River Community College \$1,093,600—pass.

Resolution 16.7: Support to Universities (a) Universities Grants Commission (1) Salaries \$246,800.

Mrs. Vodrey: I would just like to take a moment to introduce Dr. Robert Goluch, who is the executive director of the UGC, and Mr. Waverley Simpson, who is the commission secretary.

Ms. Friesen: I wanted to begin with some questions about the University Review, if the minister could tell us something about the publication plans. I believe in January that they had anticipated that they would be able to publish either the summary of the hearings or the verbatim account of the hearings. I have not heard recently what the schedule of publication is for that. Then, second of all, I am interested in whether there will be an interim report, or whether it will be a final report, and when that is likely to be due.

Mrs. Vodrey: Mr. Acting Deputy Chair, in terms of the University Review hearings, the hearings have been completed. The committee is now looking at a synthesis of the information which flows from the hearings, and they did attract a great deal of information. At this time, the projected date for the completed report will be—I expect it in the late fall of the same year.

I am expecting an interim report, but it will be an interim report to the minister to, again, simply have a formal accounting of a number of hearings, where the committee is. Again, they are looking forward to releasing their information in the late fall.

Ms. Friesen: Mr. Acting Deputy Chair, the minister said they would be releasing, at some point, a synthesis of their hearings—no, okay.

Mrs. Vodrey: No, they will not be releasing a synthesis of the hearings. My understanding from the chair is that they are using the information that has come from the hearings, and a synthesis of that information, as a basis for the preparation of their report and the recommendations which will be included within their report.

Ms. Friesen: Mr. Acting Deputy Chair, could the minister tell us what the cost has been to date of the University Review? I remember that there was a larger amount mentioned. I wonder if that budget had been adhered to or not.

* (1550)

(Mr. Deputy Chairperson in the Chair)

Mrs. Vodrey: Mr. Deputy Chair, the amount of money that had been budgeted was \$350,900. The amount of money expended to date, and this is

to date rather than specifically fiscal year by year, to date is \$196,525.

Ms. Friesen: The report will be later than the minister anticipated. You had anticipated it would be this summer. Can the minister give us any sense of what kind of public process she envisages around the presentation of the report? Are you looking at public hearings, the presentation of a white paper, a public discussion, a public forum?

Mrs. Vodrey: Government has not yet made a final decision on how that report will be handled in terms of the public.

Ms. Friesen: The review, I believe, also met with people other than residents of Manitoba, and I wonder if the minister could give us a sense, through her staff, of what kinds of groups were convened, what kinds of individuals were approached, what kinds of specialist reports, if any, have been commissioned by the review.

Mrs. Vodrey: Mr. Deputy Chairperson, the chair of the committee, Duff Roblin, and one staff individual went to Saskatchewan for the release of the Johnson [phonetic] report in Saskatchewan. Then the chair, Mr. Roblin, and one staff person also attended in Colorado the Western Interstate Commission on Higher Education. Those, to date, are the only two opportunities that have been taken in terms of travel by the commission.

Then there have been four major studies which have been commissioned: the University-Industry Linkages Study; Application of Technology to University Education Study; Community College-University Linkages Study; and University Funding Study.

Ms. Friesen: Could the minister give us an idea of who is doing these contracts or who has been contracted and what the length of the reports is anticipated to be?

Mrs. Vodrey: The University Industry Linkages Study was undertaken by Dr. Thomas McEwen [phonetic]. He was recruited having submitted his curriculum vitae to the commission. He, I am informed, has extensive experience in the area of industry-university relations.

The Application of Technology to University Education was done by Dr. James Walker. Dr. Walker was chosen to do the technology area on the basis of work that he has done for Inter-Universities North.

The Community College-University Linkages Study was done by Ms. Joletta Brown [phonetic]. She had been a senior analyst in the Department of Advanced Education in British Columbia.

The University Funding Study was done by Dr. Gerald Farthing who is employed by the Department of Education and Training in Manitoba.

The length of the studies, I understand, has varied, in terms of their length.

Ms. Friesen: It sounds as though these studies are all complete now. Is that the case?

Mrs. Vodrey: Mr. Deputy Chairperson, no, the studies are not complete yet.

Ms. Friesen: Will these publications be made available at the time of the presentation of the review?

Mrs. Vodrey: The review commission may or may not include those studies, depending upon, again, I suppose, whether or not they appear to be a part of what the commission will be submitting to government as their report.

Ms. Friesen: Could the minister tell me where Dr. Thomas McEwen [phonetic] is from?

Mrs. Vodrey: Mr. Deputy Chairperson, from Portage la Prairie.

* (1600)

Ms. Friesen: Mr. Deputy Chairperson, have there been any specialist round tables convened, as boards of review often do? I am going from the experience of the constitutional committee where several expert tables were convened simply as sounding boards.

Mrs. Vodrey: Mr. Deputy Chairperson, there have not been, as far as I am aware. I again have been very careful, as minister, to have the commission operate at arm's length to government to make sure that they are able to operate independently and to do their work.

Ms. Friesen: In terms of the University Review—again, I am struggling with the arm's-length issue, too—but has the minister spoken to the review, and has there been a consideration that all views in Manitoba have been included?

Mrs. Vodrey: Mr. Deputy Chair, I have not met with the committee to ensure that they have solicited the views. However, within the mandate, they were to solicit views from all sectors of

Manitoba, because it does involve the future of universities in Manitoba.

Mr. Alcock: I apologize if I am repeating one question—the cost of the review to date?

Mrs. Vodrey: The cost of the review to date, not by fiscal year but to date from when it began its work, \$196,500.

Mr. Alcock: I am assuming—and maybe this will just head off a lot of discussion—that there will be no significant policy decisions taken relative to universities until the review is completed and there are some product to deal with from that. Is that a fair assumption?

Mrs. Vodrey: Mr. Deputy Chair, yes, that is a fair assumption. We have been very careful to recognize the work of the committee that is ongoing now.

Mr. Alcock: With that in mind, can the minister sort of spell out the steps and timetable if possible once the Roblin commission reports?

Mrs. Vodrey: Government does expect to receive that report in the late fall of this year; and, when we receive the report, government then will have to review the report. Government will be doing an analysis; in addition, as we have discussed with the member for Wolseley (Ms. Friesen), we are not able to confirm at this time how we will make sure that there is an opportunity for public response as well. So I am not able to confirm in any more detail at the moment other than to say that those would be the steps which we would be looking to undertake.

Mr. Alcock: Mr. Deputy Chairperson, I guess that, if I have a concern here, it is that—and I do not hold this particular minister solely responsible for this, but this government has been particularly, I think, lax and somewhat irresponsible in its relationship with the universities since it came into power. We are now talking the 1993-94 budget year. We cannot make any significant policy decisions or do anything useful. We have not done anything in five years, six budgets.

We will be well into the work up for the '94-95 budget year before this commission even reports, and so I am assuming it will have very little impact on '94-95; and, if we get into further consultation, it could be '95-96 before we see any product. I guess the question is, when the government speaks so strongly and so supportively about

education and the knowledge-based industry and blah, blah, what are we doing? Are we just leaving universities on hold? Is the phone off the hook for another two years?

Mrs. Vodrey: Mr. Deputy Chair, in terms of the universities, I can say to the member that as minister I meet as frequently as requested, No. 1, as agreed upon also, with representatives of the universities. I do meet with students, and those people who are the presidents of the student unions and other representatives whom they wish to bring with, as a group.

We have an agreement that we meet at a minimum of twice yearly, and then, following that, at the request of either side where there are issues to be decided or where there is information to be given or to be received. That relationship, as minister, I can say I have certainly attempted to make as open and responsive as possible.

Then, in terms of the four presidents of the universities, we also meet as Council of Presidents of Universities in Manitoba and minister. Those meetings, again, we try to meet approximately twice a year, but, again, at the request of either side. We certainly did make sure that the presidents of the universities were—I met with them several times this year over a number of issues, and would also like to thank them for their willingness to participate in discussions with myself as minister representing government.

In addition to that, where individual presidents of universities have required meetings, have had particular issues which they wanted to discuss with government, with myself as minister, those meetings also have been arranged in as responsive a manner as possible, as quickly as possible, in some cases where universities individually have felt that time was of the essence.

So, though we are waiting for the University Review to look at the information to move our universities through into the year 2,000, I would not say that somehow things are in a complete limbo, because there is the day-to-day work that is required and the day-to-day communication, the ongoing communication between the universities and government, and I mean all parts of the universities.

I can also say that I have visited with the boards of governors from the universities, have attended a board meeting, and have also made visits to the

universities to meet with each of the universities, with those people that they would like to have present—representatives of faculties, boards of governors and student representatives—to make sure that the needs of the university and the vision of each of the universities has been communicated to me, and that I am able then to communicate that to government.

So that is ongoing and, I think, is an important part of the work as we wait for the Roblin report. Then, when we receive the Roblin report, government will have to look at what has been recommended, but there will still be that day-to-day work which will be required, and that day-to-day communication and decisions to be made on behalf of the universities by government.

*(1610)

Mr. Alcock: Mr. Deputy Chairperson, most of that day-to-day sort of decision making, it seems to date—and I am reminded of our discussions in this committee in the last budget in Estimates process where the answers to all of the substantive questions were, well, we have to await the outcome of the Roblin Commission.

I mean, I can sit here. I do have a rather lengthy list of recommendations and comments, but I am not wanting to take up all of our time just sitting here giving the minister—and I am not even being critical on the part of this—I certainly would be saying the same thing if I was minister and I had a major commission out. I would be wanting to hear from that commission before I made a policy decision.

But it does seem that we are a very long way out. I mean, we have been discussing some of these issues for two, three, four, five sessions now. We were discussing them with the previous minister, and now we are hearing a report in '94, well, the fall of '93, which will be right at the heart of the—and a report that may not be a final report. It may not be a report for implementation; it may be a report for further review and discussion. Why you would want to have public input on the findings of a report that is a result of a public input process, I am a little befuddled by it, but then I befuddle quite frequently, it seems.

This budget year we are just entering into, presumably we will not have product from this prior to the next budget year given the time, so we are another two years away from seeing anything. In the meantime, the universities' roofs are falling

down around their heads, class sizes have grown completely unmanageable. They are having a great deal of difficulty in maintaining quality in their programming, and the government's response to date has been, shall we say, limited, and, in keeping with the letters from the minister to the university, not in what we would call a positive direction.

I am not even sure what kind of question to frame at this point. Actually, I am prepared to pass it because I have just two or three very small questions, and I see no purpose to be served in even discussing universities because the product of this government's work in universities is sort of nonwork. You are almost in a kind of a permanent stall, and you have been that way for six years.

So let me deal with the specific. I have a letter here from the minister to one individual talking about one of the few decisions that the government was prepared to make, and that one was the elimination of the remission of tuition fees for family members. Can the minister tell us what the status of that decision is? Has that one been implemented?

Mrs. Vodrey: This has been part of the collective agreement negotiated by the universities. Universities have taken a variety of different methods to deal with this. At the University of Manitoba, all collective agreements which have been settled provide for the removal of this benefit with a salary increase of 0.5 percent to offset the loss. It is expected that the one collective agreement yet to be settled will have a similar provision.

For the University of Winnipeg, the benefit was negotiated a number of years ago as an alternative to salary increases, and this question will be reopened, I understand, with the faculty union, but the university, again, is now bargaining.

For Brandon University, again, this is an item which is part of the bargaining that the university is presently involved in.

For St. Boniface College, it is not a negotiated benefit at CUSB.

Mr. Alcock: If I understand the minister on that, we are allowing the collective bargaining process to deal with this particular issue. We are not imposing. It has been made as a recommendation by government to the universities that they eliminate this from the benefit side. Were the

universities penalized at all because it is suggested, certainly in the case of the University of Manitoba, that the university could save a million dollars? If all they are doing is transferring what was a negotiated benefit within the collective agreement into pay in some sort, is it still expected that the university would save a million dollars?

Mrs. Vodrey: There has been no penalty attached to this particular provision. However, we certainly understand, I do not have the exact numbers here, that there have been some savings to the universities by removing this through the collective agreement.

Mr. Alcock: Given that we are in Estimates, why do you not have the correct numbers here?

Mrs. Vodrey: As I said to the member earlier, not all the collective agreements have been negotiated.

Mr. Alcock: Okay, well, let us ask specifically about the University of Manitoba then. You indicate here in this letter that this could result in the expenditure reduction of almost \$1 million. How much has been the net expenditure reduction as a result of the bargaining that has gone on?

Mrs. Vodrey: The universities know the amount of money they will be receiving from government for the coming year. We will not know exactly the figures until the hearings for the '94-95 budget proposals are brought into the Universities Grants Commission, what the actual numbers for '93-94 are. This was an expenditure reduction; it was an opportunity for the universities. However we will have to wait until we see exactly what has been negotiated and until we see what the actual numbers are. That will not be, I am informed, until the budget hearings, with the proposals, for '94-95, which will occur in the fall of '93.

Mr. Alcock: Let me just quote from a letter that is signed by the minister dated June 17, 1993: More than 12 collective agreements expired before March 31, 1993, and I challenge the university to keep Manitoba's financial picture or position in mind when negotiating their collective agreement settlements. It is also important that benefit packages to university employees reflect our times. For example, the elimination of the remission of tuition fees for family members of university employees, which is currently the case, could result in expenditure reductions of almost \$1 million.

If I understand what you are saying now is that you will not know about that for another year, will that be the case?

Mrs. Vodrey: As I said, we will expect to know more in the fall of '93, which is not a year from now. As the member knows, university budgets are presented on a cyclical basis and when we have the opportunity to look at the budget proposals for '94-95, we will have an opportunity to look at the actuals for '93-94, and then we will have an opportunity to do some questioning in that time period as well.

Mr. Alcock: This was not a requirement to the universities, this was just a suggestion. The minister goes on to state in this letter that the government also encouraged the universities to join the province's civil servants in adopting a version of the work-reduction program which could achieve significant cost savings for universities without affecting the integrity of their academic programs. Can the minister tell us the status of this recommendation?

* (1620)

Mrs. Vodrey: The University of Manitoba has informed us it will be closing for six days and the impact according to university officials is that sufficient adjustments can be made so that a six-day reduction will not affect the integrity of the academic program. The amount of savings predicted by the University of Manitoba is \$3.9 million for the six days.

The University of Winnipeg will also implement six days. Again, from the university, they have told us that they do not believe the integrity of the program will be affected. The savings for the University of Winnipeg is predicted to be \$560,000.

Brandon University will implement six days, and for these six days, again, the university has informed us that the integrity of the academic program will not be affected. The savings will be \$344,406.

St. Boniface College, CUSB, will implement seven days. Again, according to the president, they do not predict any impact on the integrity of the programming. The savings will be \$121,135.

Mr. Alcock: Do you hear me?

An Honourable Member: We can hear you. We . . . but we can hear you.

Mr. Alcock: Jim, I would not want you to miss the significance of this question.

Government also asked universities to charge visa students a 75 percent premium on tuition fees to bring Manitoba in line with other provinces. Does the minister want to update us on this situation, which has been in press releases, a requirement; in the House, a recommendation; and in this, an ask? Where are we at?

Mrs. Vodrey: Mr. Deputy Chairperson, again, this was announced by government. There was not a penalty attached to the universities implementing this process. I am informed that the universities of Manitoba, Winnipeg and Brandon chose to charge the 75 percent surcharge to visa students but will rebate the entire surcharge by bursary assistance.

Mr. Alcock: Can you then explain to me what is served by this change in policy? What end is achieved? What have we done?

Mrs. Vodrey: Mr. Deputy Chairperson, this was, again, a revenue source for the universities. The universities have decided in this year to provide bursary assistance with that revenue. The presidents, I am informed, will be meeting as a council of presidents, and they will be looking at developing a consistent statement of how they will deal with this for '94-95.

Mr. Alcock: There once was a time when you did not charge the 75 percent, or you did not charge the equivalent of what the increase of 75 percent would create, and so Manitoba would seem to have, if you like, in the marketplace a competitive advantage, that we had a lower rate and we can attract a large number of visa students. You went through this dance with the universities where, now that they have increased their fees but it makes no difference because they give the bursary, what have you achieved? How are we or anybody else better off now as a result of all of the disturbance you caused?

Mrs. Vodrey: This provided the universities with a revenue source. It provided the universities with a choice.

Mr. Alcock: Presumably, they had that choice all along. They could have made that choice without the government getting involved, and their revenue choice was not to take it. What did you achieve?

Mrs. Vodrey: I am informed that the universities had not raised this in the past. Government did

raise it this year. This is a year of very significant fiscal challenges, and government raised it. Government did make a statement about it, and the universities made a choice regarding this as a revenue issue in these difficult times.

I can say to the member as I have said previously in the House, that despite no differential, we have not had an increase in registration in Manitoba, whereas in provinces where there is a differential, in Quebec and in Ontario, where the fees are among the highest, there has been an increase in registration.

Mr. Alcock: Just to go on, and I quote again from this June 17 letter from the minister: Collective agreements, the work reduction program and the surcharge to visa students represent three among several opportunities for universities to reconcile their fiscal resources for '93-94 and beyond.

Can the minister outline some of these other opportunities?

Mrs. Vodrey: Mr. Deputy Chair, again, another opportunity universities have is to examine their overhead and their administrative costs. In addition, universities might look at their surplus accounts and the kinds of choices that they need to make in this very difficult fiscal situation.

Mr. Alcock: Would the minister give us the surpluses for the four institutions?

Mrs. Vodrey: I can get the member the information for '91-92 from the audited financial statements as the universities were coming into '92-93. The accumulated surplus for the University of Manitoba is \$1,101,272, but add to that the Fiscal Stabilization Fund of \$2 million, bringing the total at the University of Manitoba to \$3,101,272.

* (1630)

For the University of Winnipeg the surplus is \$743,000 for that year. For Brandon University the surplus is \$905,005; and for CUSB surplus \$54,067. So totally, with the four universities, an approximate total would be \$4,803,000 of surplus.

Mr. Alcock: Mr. Deputy Chairperson, and in the Grants line for this year of \$202,201,900, can the minister distribute that among the four institutions?

Mrs. Vodrey: Mr. Deputy Chair, yes, the answer is yes. They were all give the same percentage.

Mr. Alcock: Is it a just a coincidence that the 2 percent reduction in funding happens to relate to

the 2 percent of total operating grant surplus that exists across the institutions?

Mrs. Vodrey: Mr. Deputy Chair, I can tell the member that that is purely coincidental.

Mr. Alcock: How was the decision arrived at to reduce them 2 percent?

Mrs. Vodrey: Government went through a very difficult, very long and very arduous process of budgeting this year. We had to look at each area, and we also tried to look at each area with some element of fairness in terms of where reductions or changes were being made. Education, for the first time, had to provide some share to work towards reducing our deficit. They were extremely difficult decisions. We wanted to have a look at what our funding would be but to make sure that our funding was not—well, I suppose it would be easier to say it was in fact something which we felt that the universities could make some adjustments in terms of working with the amount of money provided.

It was not an easy decision by any means. We worked extremely hard in the area of Education as in all other departments. We know that in other provinces similar decisions have had to be made, but again, we really looked within Manitoba. We looked at what we could provide for the universities. We looked at that within the light of the amount of money available for all areas of government, and we tried to make sure that we were able to provide the universities with, though they had to share in the reduction, at least a reduction that we believed adjustments could be made within.

Mr. Alcock: Mr. Deputy Chairperson, so when we are looking at ways in which the department, through the minister, believes that the universities can reduce their expenditures, the changing collective agreements, the work-reduction program, the surcharge to visa students, an examination of general overhead, examination of administration costs and that question about the use of the surpluses, these are the major areas. Have I left any out? Are there any others?

Mrs. Vodrey: I would say that those are the major headings which the universities would examine, but I am informed approximately 83 percent of the costs of the universities are accounted for in staff costs, and so the negotiation of agreements would have been a very important part for the universities.

Mr. Alcock: Mr. Deputy Chair, so the position of the, presumably, Universities Grants Commission, through the minister, that overhead costs at the universities are too high, is that the case at all four? Do all four have overheads that are considered to be too high by the department or is it one or two of them?

Mrs. Vodrey: I did not say in any of the universities they were too high. I did say, however, that one way that universities could look at dealing with the funding was to look for efficiencies.

Mr. Alcock: Are they inefficient now?

Mrs. Vodrey: Mr. Deputy Chair, no, I had not even suggested that the universities were inefficient. However, all of us have had to look within our own homes and across government at the way we spend money and then to spend it in the most efficient ways.

Mr. Alcock: But I understood from the letter and from the response from the minister to my question that overhead was something that the department had listed among several opportunities for the universities to reconcile their fiscal resources. Now, what aspect of overhead then is subject to reduction? I mean, where are they spending in such a manner that they do not—spending on things they do not need?

Mrs. Vodrey: Again, that was when the member asked what other areas would be considered; I mentioned areas such as overhead. Universities do make decisions within their own costing and within their own budgetary process, and it relates to the running of the universities, costs such as transportation, postage, travel. The university will have the opportunity to look at all of those costs and look for efficiencies within all of those costs, will look for the most efficient way in which to do the work required, but also to look at that work within budgetary restraint.

Mr. Alcock: Well, the minister lists it here as one of the, quote, opportunities for universities to reconcile.

* (1640)

Well, I am not certain in the discussions I have had with the universities—I do not recall them ever mentioning to me that their overhead was excessive or that they had lots of room in it. Let us move on to administrative costs. The next one of these, quote, opportunities for universities to

reconcile their financial resources, is to reduce their administrative costs.

Is that the case at all universities? Are all universities overadministered or do they have more administration than they require? If not so, which ones are the ones that are being targeted by the minister for reductions in administrative costs?

Mrs. Vodrey: Mr. Deputy Chair, I can say to the member, certainly not, and we as government are not targeting any university in particular. These were pointed out as general areas to explore. The member knows the fiscal situation, as do most Manitobans. The universities, in light of this, know the areas that they can look at. This was to encourage universities to explore all areas to deal with a year of very difficult fiscal decisions.

Mr. Alcock: Mr. Deputy Chairperson, the minister has made a habit of pointing things out that tend to become realities. If the minister does not have an analysis that says they are top-heavy or overadministered or have too large an overhead or whatever, I mean, when the situation of visa students arose, there was a very simple analysis that said these other universities are functioning in this way, and we feel that ours could be also.

But, absent, is it not a little irresponsible to run around suggesting that they are either carrying too large an overhead or have too large an administration? If you are not prepared to defend it, why say it?

Mrs. Vodrey: Mr. Deputy Chairperson, the member may decide that there is no way, as he looks at it, to produce any reductions, but there is a reality. The reality is our current fiscal situation.

With that in mind, each one of us as Manitobans has had to look at how we spend money, where we spend that money and where, in fact, we might spend that money perhaps differently or more efficiently.

That is the challenge that was presented to the universities. The universities were aware of how much money was available in this year, and the challenge then was to look at ways to spend money in the most efficient way.

Mr. Alcock: I do not see this as a terribly fruitful use of time. I have one final little tiny question here about capital and I am done.

What accounts for the 50 percent reduction in capital available to the universities this year?

Mrs. Vodrey: Mr. Deputy Chairperson, again, the capital allocation was made based on the amount of money that we had available to provide the universities with. In addition, the member may know that the UDF, the Universities Development Fund, expired on March 31, 1993. That was \$4 million which was no longer available with the expiry of that fund.

We did, however, make every attempt to maintain as close as possible the equipment and renovations budget, though it did receive some reduction. With the amount of money available, we were not able to embark on any major capital projects. However, some special capital projects were approved for '93-94.

Ms. Friesen: There are a number of issues that we have already looked at, which have a relationship to universities, and I think, for the record, I just want to run over them.

ACCESS, I think, is one of the most tragic changes that this government has made in its relationship to universities, and to the general accessibility of Manitobans to universities and to professional and post-secondary training.

We have already looked at student loans and the impact that that is going to have upon students across Manitoba. We have had some discussion about high school graduation rates, both in Question Period and here, in Estimates. Particularly, I think, as opposition, we have expressed our great concerns about the future of aboriginal post-secondary education and about the accessibility of rural students to universities.

In the House, we have talked about the visa issue that the member for Osborne (Mr. Alcock) raised again here. In the House, I have also raised with the minister, from time to time, the issue of graduate students and research and our concerns for the government's policies at the universities, particularly the major graduate institution, the University of Manitoba, and the impact of that upon the economic future of Manitoba as well.

In this particular line, we are looking at University Review, and I have asked the minister some questions on that. I anticipate, as the member for Osborne did and does, that again, like many of the reviews of this government, this one has been predicated upon an assumption that a review means that no action need be taken, no policies need be developed, no cabinet committees need

meet, because a review is in place. We have seen that happen in the North and in rural communities, as well as in the universities.

I wanted therefore to put those on one side and to look at the UGC in particular, since that is part of the line we are looking at. We do have an annual report for the UGC from '91-92, but we do not have anything, I believe, that covers '92-93. So if my questions could be directed at the experience of the past year, the academic year '92-93, I wanted to know how often the UGC had met.

What we are hearing in the University Review is a great deal of concern—and it is not just in the University Review; we have heard it for many years—about the role of the UGC, whether in fact it is arm's length, whether it serves a useful purpose, how many times it meets, what the level of discussion and analysis is that is provided to it, because I think many of the concerns do relate to the broadness of the task and the smallness of the staff and the inadequacy of the funds for the task that the Grants Commission is given.

So in preparation, in a way, for the University Review, I wanted to ask the minister to comment upon those long-standing critiques of the UGC and to perhaps give us some indication from the past year about what kinds of meetings have taken place, what decisions have been made, what programs have been approved, what programs have been rejected.

* (1650)

Mrs. Vodrey: Mr. Deputy Chair, the UGC has met approximately nine times this year, and in the process of that, they do review the budget proposals from the universities, and also they provide the allocation of funds to each of the universities, determine how those funds will be allocated.

In addition, the UGC has received statements of intent from the universities for some program additions. Of those, there have been 10 statements of intent, two have been deferred, and the UGC has asked for formal proposals regarding the other eight. Of the eight where formal proposals were recommended, there has been a program approval at the U of M for a Ph.D. program in religious studies—that was April 1992. There was one refusal and there was one other approval, a recent approval at Brandon University for a minor in aboriginal art.

Ms. Friesen: Could the minister tell us what role the UGC played in the clawback to universities in the spring?

Mrs. Vodrey: Mr. Deputy Chair, the UGC implemented the reduction measure for the universities.

Ms. Friesen: I am not quite clear what the minister means by "implemented" there. The normal procedure, I understand, for granting is that the government gives the UGC a global amount, and the UGC then allocates it to each of the universities. Is that the same process that was followed in the clawback: the government allocated a global amount that it wanted back from the universities, or that it was not prepared to transfer to the universities, and then the UGC indicated how much would be allocated in clawback requirements to each university?

Mrs. Vodrey: Mr. Deputy Chair, the UGC, the executive director met with the vice-presidents of the universities. The universities had been informed by government that 1.08 percent of the grant would not be flowing. Therefore, the universities were again then met with in person, their vice-presidents, and informed of the amount of the grant that then would be flowing, taking into account the reduction of 1.08 percent.

Ms. Friesen: Mr. Deputy Chair, I wanted to ask a couple of questions about the Distance Education report, if the minister could tell us what the next step is in the First Year by Distance Education and the Inter-Universities North.

Mrs. Vodrey: The UGC increased the allocation to FYDE and Inter-Universities North by \$70,000, but no new centres were approved. We are awaiting some direction by the Roblin commission regarding any approval of new centres.

Ms. Friesen: Mr. Deputy Chair, we are close to the end, and I wanted to thank the minister and her staff for their long service. Just to put on the record that there are certainly many more questions that I would like to ask on universities and distance education in particular, and some specific issues dealing with capital grants at universities.

But the hour being late and other departments wanting to have their Estimates examined, I think we are prepared to let this one go.

Mr. Deputy Chairperson: Item 7.(a) Universities Grants Commissions (1) Salaries \$246,800—pass;

(2) Other Expenditures \$208,100—pass; (3) Grants in Lieu of Taxes \$16,891,600.

7.(b) Grants \$202,201,900—pass.

7.(c) Access Fund \$790,000—pass.

Resolution 16.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$220,338,400 for Education and Training for the fiscal year ending the 31st day of March, 1994.

Item 8.(c) Universities \$6,000—pass.

Resolution 16.8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$32,285,400 for Education and Training for the fiscal year ending the 31st day of March, 1994.

I am just going to go back to 8.(a) School Divisions \$24,164,800—pass.

As previously agreed, Resolution 16.8 is accordingly passed.

We are now going to move back to 16.1. At this time, we will ask the staff to leave.

We are now dealing with (a) Minister's Salary \$20,600—pass.

Resolution 16.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,463,400 for Education and Training [for the fiscal year ending the 31st day of March, 1994].

This concludes the Department of Education and Training. The next department to be heard in this committee will be Northern Affairs.

The hour being five o'clock and time for private members' hour, this committee will reconvene at 8 p.m.

HEALTH

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

We are on item 7. Health Services Insurance Fund (d) Hospitals. Would the minister's staff please enter the Chamber?

Hon. Donald Orchard (Minister of Health): Madam Chair, I would like to leave my honourable friends the critics with copies of the contract, government of Manitoba, Health Science Centre and American Practice Management; government of Manitoba, St. Boniface General Hospital, American Practice Management; government of

Manitoba and the participating hospitals and American Practice Management on purchasing; and the second one on management, for my honourable friends, knowing that they may want to have this information at their disposal, so they can have their analysts go over it in the next couple of hours, and then we can spend the balance of this evening and tomorrow and the next day and any amount of time my honourable friends want to discuss the issues.

Ms. Avis Gray (Crescentwood): Madam Chairperson, I thank the Minister very much for that information. Following along that line of openness and information sharing, I would ask the minister one more time if he is prepared to give this committee a breakdown of the budgets from '92-93 of the 74 community and district hospitals plus the various other facilities as indicated in this section as well as the '93-94 budgets.

Mr. Orchard: Madam Chairperson, as I indicated Thursday, that has not been the nature of debate in hospitals or personal care homes. We have attempted to debate the issues in terms of change in policy, change in approach, general funding parameters that are there for view and passage in terms of the Estimates.

As it has not in the past, for the last number of years, the last decade, served any useful purpose to deal with proposed budgets of individual facilities, it would simply lead to my honourable friends not debating the larger issue of the direction, the funding policies, the changes that are being envisioned, part of which is the APM contracts that I have given to my honourable friends today.

The purpose of the Estimates is to establish general budgetary frameworks, the appropriateness of them or lack of appropriateness and the opportunity for honourable friends in the opposition to suggest any alternatives that they might wish to put forward at this time for consideration by the health care system.

* (1440)

Ms. Gray: Well, it is very presumptuous of the minister to make assumptions, but be that as it may, I would like, Madam Chairperson, to move that 7.(d) be reduced by \$100,000 taken from Health Services Insurance Fund, Hospital, program and reallocate it to 7.(d) Health Reform for the purpose of developing ambulatory care and

surgical alternatives in hospitals, and that this committee strongly urge the minister to consider providing a detailed breakdown of subappropriation 21.7(d) in order to identify further funds to be utilized for alternative surgical services in hospitals.

Mr. Orchard: Madam—

Chairperson's Ruling

Madam Chairperson: Excuse me just one moment. Order, please. I have reviewed the motion, and according to our Rule 54.(2), the motion is out of order: "No member, who is not a minister of the Crown shall move any amendment to a bill or to Estimates that increases any expenditure or varies a tax or a rate of tax or provides an exemption or increases an exemption from a tax or a proposed tax, but a member who is not a minister of the Crown may move an amendment to a bill that decreases an expenditure or that removes or reduces an exemption from a tax or a proposed tax."

Point of Order

Mr. Kevin Lamoureux (Second Opposition House Leader): Just for a clarification, I was in committee just last week, and I understood that there was \$100,000 that was reallocated out, and that particular motion was in fact ruled in order by the Chair of the other committee. I am wondering if it might be best to revisit that decision or at least compare the two resolutions, so that what is happening inside the Chamber and what is happening inside the committee room is, in fact, consistent with the rules of our House.

Madam Chairperson: I have been informed that the motion in question referenced by the honourable member for Inkster was very different in its meaning. This motion is very specific. It says, "and reallocated to 21.7(b)." The other motion, I am informed, said to reduce and urge the government to consider to reallocate. This is very specific.

Mr. Lamoureux: Madam Chairperson, just for clarification, so if the word "urge" was moved—

Madam Chairperson: The operative word is "consider."

Mr. Lamoureux: So if we put the word "consider" in it, then it would in fact be ruled in order?

Madam Chairperson: The honourable member will have to indeed, if that is the intent, withdraw this motion and move a new motion.

Mr. Lamoureux: Yes, Madam Chairperson, I do not believe their motion has to be withdrawn for the simple reason that it has been moved ruled out of order. I know the member for Crescentwood would in fact like to move the appropriate motion this time if she could get a copy back.

Madam Chairperson: That is correct. The motion has been indeed ruled out of order. The honourable member for Crescentwood could indeed move a new motion or reworded motion.

* * *

Ms. Gray: I would like to move

THAT 21.7(d) be reduced by \$100,000, taken from Health Services Insurance Fund hospital program; and

THAT we urge the government to consider reallocating to 21.7(b) Health Reform for the purpose of developing ambulatory care and surgical alternatives in hospitals; and

THAT this committee strongly urge the minister to consider providing a detailed breakdown of subappropriation 21.7(d) in order to identify further funds to be utilized for alternative surgical services in hospitals.

Motion presented.

Mr. Orchard: Madam—

Madam Chairperson: It is a debatable motion.

Mr. Orchard: Yes, it is a debatable motion. I want to indicate to my honourable friend that naturally we will not be accepting my honourable friend's motion, but I want to indicate that this is exactly the kind of debate that we ought to be engaging in to find out where my honourable friend's priorities are and the kind of reallocation of budget resources. This is exactly the kind of suggestion that opens this whole process up for debate around the amount of money we spend, how we spend it, what programs we spend it on, whether the priorities are right, whether there should be shifting priorities that government can consider.

I congratulate my honourable friend the member for Crescentwood for, on the second motion, putting one on the table that is worthy of substantive debate in terms of approach to funding. We can continue that this afternoon with a great

deal of benefit in terms of understanding the position of the Liberal Party as espoused by the new critic. I look forward to this kind of debate and suggested shifts.

However, we are unable, as government, to accept that motion as written, even though it is only suggesting certain things be done, because I want to indicate to my honourable friend that as we move through the budget year and we are able to make those exact kinds of shifts within the hospitals and hospital program, we will. That is the process of reform, of finding better ways to move the resource we discussed Thursday last, for instance.

We discussed the budgetary issue of increased budget at Concordia, Deer Lodge, Municipals in terms of accommodating the chronic care patients for the downsizing that were formerly cared for in a downsized Health Sciences Centre, St. Boniface. That is the kind of reallocation of budgetary funding that we certainly find necessary if we are going to achieve the tenets and the end goals of health care reform, and certainly is the kind of suggestion that ought to come forward from opposition parties so that government has a better idea of where they think the process can be modified beneficially.

I welcome the suggestion. However, we will be not accepting the motion and certainly would be pleased to debate the tenets of it over the next several hours as we debate the Hospital line.

Mr. Dave Chomlak (Kildonan): Madam Chairperson, I can indicate that we on this side of the House, in opposition, are going to support the motion as put forward by the member for Crescentwood, particularly, in light of the fact that a similar motion was put forward by the former critic for the New Democratic Party the member for St. Johns (Ms. Wasylcia-Leis), last Estimates period after diligently trying to extract that information from the minister. We alone, unfortunately, were fighting this battle.

I am happy to see that we are now in common cause with the Liberal Party in trying to get this information forward, because as I understand it, both the government and the Liberal Party voted against a similar type of motion last session. I am very pleased that the motion has come forward to provide us with that kind of information, because it was a task that both the former critic and myself as critic have tried and information we have tried to extract from the minister.

* (1450)

Madam Chairperson, I could not help but notice the minister's comments about what he thinks the opposition should be, what the minister thinks the opposition should be providing in terms of opposition. It is curious that the minister, in providing the information, is also attempting to determine what kind of information he thinks the opposition should be providing to him as minister and somehow control the debate, which sits in with the kind of information that is given out by the Department of Health and by the minister in the context of most of the debates and most of the issues.

If you look at the types of debates that take place, most of it is either—and it is ironic, Madam Chairperson, that in the context of this motion, the minister should say, yes, I welcome the suggestion, but, no, we are not going to accept it, which is typical of the government to say, yes, you can say whatever you want, but we are not going to listen. That is effectively what the minister says on most issues. In terms of most criticisms and most suggestions that are made by all members of the House with respect to the minister's health reform policies, but notwithstanding, in the interests of proceeding in this Estimates process, I will indicate that we will be supporting the motion as introduced by the member for Crescentwood.

Mr. Orchard: Madam Chairperson, I realize my honourable friend is wanting to say that we are not accepting any suggestions from honourable members opposite. My honourable friend listened carefully to—what I indicated is that we will not be accepting this motion as a formal motion, because it mandates a transferral of dollars that we think we have appropriately allocated, but I said to my honourable friend, that is exactly the process that we are into in health care reform. Where we can make those reallocations of funding as the process changed, we will.

Now, my honourable friend says we will not tell them. This government has provided more information than any government has ever provided on the direction of health care reform in the history of the province—in the history of the province. My honourable friend, who is unable to understand the integrity of the information, says, well, you never give us any information. I understand that. I understand that lack of attachment to change that the member for Kildonan

has, that his party does not have a position, that his party does not understand the need for changes, tries to fight every aspect. I understand all of that.

Madam Chairperson, that is what these Estimates are to do. Now that the Leader of the New Democrats is even here, the Premier in waiting, he might tell us what the New Democrats believe in, although I doubt that.

Now, Madam Chairperson, my honourable friend said that in some fashion I am trying to engage members of the opposition parties in bringing forward suggestions and commentary about what is right and what is wrong about the process of health care reform and the changes we are undertaking. The member for Kildonan says that that may be the position of the minister, myself, wanting to have you lay those sort of alternatives out.

I assure my honourable friend the member for Kildonan, that is the position of Manitobans. Manitobans want to know where political parties stand today in terms of health care and health care reform, because my honourable friends sit in front of their television sets and they see the New Democrats against everything that is happening in health care. They are against the Manitoba Nurses' Union taking a 2 percent rollback of salary for the next 18 months. They are against the budget being reduced for physicians in this year's Estimates. They are against the hospital budget being reduced. They are against all of the changes that we brought in.

But not once, and I have challenged my honourable friend the member for Kildonan on many, many occasions to stand up and unequivocally state for the people of Manitoba which of those changes that we have made, financial, policy or otherwise, that he would say today, we disagree with and we will change it when we are government and we will reinstate the funding, because my honourable friend, Madam Chairperson, other outside observers would say he is being dishonest with the people of Manitoba by not making those kinds of statements clearly to the people.

Now, other observers from outside this Chamber would say that. I cannot, Madam Chairperson, because of the parliamentary rules of this Chamber, but my honourable friend the member for Kildonan now has an opportunity to tell the public

what he believes in, what the NDP in opposition believe in, because I want to you tell you, there is a great deal of confusion amongst the public. The public in Manitoba see a New Democratic Party opposition standing up decrying our policies, our approach in health care funding. To their confusion, they look just across the border to the west. They see substantial reductions in acute care hospital numbers in the province of Saskatchewan, and who governs there? New Democrats. Can you not see why they need a clear statement, not just, sir, of what you do not believe in, what you do not like, what you are against?

What they would like to see, as Manitobans, as citizens preparing to vote in the next provincial election—they would like to see what you believe in. They would like to know where you stand, and that is the purpose of these Estimates, to give Manitobans that opportunity, to see where you stand, to see how you would govern differently, see how you would manage health care differently, because Manitobans are confused.

They see a New Democratic Party in opposition here, lining up all of their friends in the union movement to protest Bill 22, when, in fact, in 1984 when the revenues of the Province of Manitoba were growing by 8 percent, the New Democrats in government offered those same unions zero, and they went like lambs to the slaughter because it was for the cause. But today when revenues are decreasing by minus 1, we find our honourable friends the New Democrats decrying every single piece of legislation, every move.

Now at least the Grits have not been doing quite so crass a job of that. But the confusion comes when the people of Manitoba see what is happening in Ontario, where they are passing legislation to take \$2 billion out of the public payroll. Why? Because Bob Rae's New Democrats were great negotiators with the unions? Hah. My eye. Now I want to tell my honourable friend that is why Manitobans are demanding; it is not me that wants to know what the New Democratic position is on all these issues. It is the people of Manitoba because they see this confusion.

They see New Democrats in opposition in Manitoba saying this is wrong, that is wrong, everything we do is wrong. We know what they do not like. We know what they do not believe in. We know what they do not agree with. But we do not

know where they stand, and Manitobans are phoning my office saying: Where do New Democrats stand? Are they standing with Bob Rae in Ontario? Are they standing with Romanow in Saskatchewan or Harcourt in B.C.? Or are they even standing with their confreres in Alberta?

Alberta has been a rat-free province, and now it is red free. They got rid of them. They got rid of them in the Legislature. Now do you stand with Ray Martin and the Alberta New Democrats? Because you know what he did? He went out and he said to the people of Alberta, it is time to spend more money. It is time to put in more programs to help people, and he got absolutely eliminated from the political map.

Now we know my honourable friends in the New Democrats here would love to go out and run a campaign on that, but I beg them to do it. I beg them to stand up today and tell us where they stand on health care. Give us some ideas; tell us where you stand for, what you believe in. Do not hide from the people. Do not hide from the people until the 35-day election campaign, and your leader says to me across the way here: Oh, well, just wait till the election campaign. We will lay it all out then.

Well, my eye, you will. Now is the time to be laying it out and telling people what you really believe in and where you stand and what you would do differently. Besides that, you might actually benefit the people of Manitoba by giving a good idea if you had one.

I will openly admit that, if there is a good idea that is advanced in these Estimates, I will take it up. I have done it before when the member for The Maples brought in different ideas where he said: This policy is going to impact in this fashion, and you should change it in this fashion to make it better. And we did; we made it better. But we do not hear anything like that from the New Democrats.

* (1500)

So I welcome, again, getting back to the motion, Madam Chair—I welcome the motion, because it again starts to show where Liberals are coming from in terms of a reallocation of funding priorities that if they had created the budget, they would have done that. That is good because that is the direction we are heading in. That is exactly where we are moving, towards more ambulatory care funding, but we cannot accept it because of the

process that we are involved here, but I welcome the suggestion. The principle behind it is correct.

Mr. Chomiak: Madam Chairperson, I will speak very briefly because I do not let the minister's tactics attempt to—as he tries to control all debates and all actions in his own department and otherwise—I do not let him control the official opposition, much as he would like to, as much as he would feel more comfortable in the official opposition where he revelled in the role and attempts to play that role from the seat of minister.

I will speak briefly to the motion again, as the minister spent 15 minutes, as usual, going off in fashion talking about other provinces and other jurisdictions, and went off on his usual tirade and tangent. I will cease and desist and only speak to the point.

The minister says yes, he accepts this motion, but no, I will not provide the information necessary for you to make a determination of a \$900-million expenditure. We on this side of the House and the Liberal opposition are asking the minister to tell us, how do you divide up \$900 million so we know what you are doing with that money? What is the minister saying? The minister is saying no, n-o, I will not provide that information despite the fact that he has made claims about being the most open minister, et cetera, but I will not get off into the rhetoric, Madam Chairperson. We are here to seek information not to play games on the minister's playing field, the kind of games that the minister likes to play and the kind of political rhetoric and the political debate. I will have a debate with the minister any time. I will not waste Estimates time.

I will play him on his playing field, but not now when we are trying to get information on behalf of our constituents and the people of Manitoba who are concerned how the minister is spending this money, how the minister is wasting money, how the minister is throwing money away, \$3.9 million to a U.S. consultant plus up to \$800,000 in expenses, probably tax free, probably Canadian tax free, while people have trouble getting home care, while people have trouble getting into hospitals, while people have trouble hanging on to jobs, hundreds of families whose jobs—who relied on the incomes of nurses, LPNs and the like—and the minister sits there and talks about other provinces and talks about playing political games.

We are trying to find out information on behalf of the public of Manitoba, Madam Chairperson, which the minister, by not accepting this motion, is refusing to provide us with information as to how that money is allocated with hospitals. Forget the fact—and the minister makes the point about the reallocation of funds. That is a separate issue. The minister misses the main point.

The minister as usual picks a point of debate—and I will not argue his debating skills. They are very, very good. They are probably the best in this House, and people noticed it in Question Period. Unfortunately, most of the time the temper gets the better of him, but he misses the point by not referring to the substance of the motion. The substance of the motion is provide us with the information as to how that \$900 million, the largest single expenditure of any item in the budgetary Estimates, is allocated. Just give us a breakdown. The minister refuses to do it. He has refused to do it. He is continuing to refuse to do it, and he is trying to take attention away from that fact by moving the argument onto some kind of other level in this Chamber.

It is a simple question. It is a simple request. The minister has said no. There is nothing more we can do in the opposition.

Mr. Orchard: You know, Madam Chair, with regret I have to engage in the discussion again. I have to tell you I am just so terribly frustrated with my honourable friend the member for Kildonan, because—

An Honourable Member: You mean, I have not got a say?

Mr. Orchard: Well, of course, but your turn will come.

Madam Chair, my honourable friend is saying that we do not provide information, that we do not provide a conceptual framework, et cetera, on how health care reform should go.

You know that is simply inaccurate. I mean, this process of change has had more information shared with more of the stakeholders in health care than ever before in the province of Manitoba. That was the whole essence behind the discussions, the Urban Hospital Council, the Health Advisory Network, a number of committees who were investigating varying aspects of the health care system, all of which in part led to the creation of the reform document of May 14, 1992. Subsequent to

that, we had very substantial discussions with everybody.

I want to say to my honourable friends, though, that, and I make no bones about it, there are groups and individuals who certainly are not happy with some of the changes that are taking place in health care. This is why this debate is so important, because what we are doing, we are doing as government. I strongly believe, after having talked with experts from the length and breadth of the health care field in Manitoba, that the initiatives we are undertaking are the correct ones, that the initiatives that we are undertaking will preserve and protect the medicare system for the balance of this decade and put it on a footing able to deal with the fiscal realities that this province and every province is going to face over the next number of years.

Now to sit back and know that you cannot afford to maintain the current expenditure and management practices within our health care system and do nothing about it, to know that it is unsustainable and then not to take action to try and make changes which will preserve the access to the health care system is the ultimate in responsibility. I had an opportunity on Friday morning to indicate to a group just exactly that.

That is why I provided my honourable friends, particularly the member for Kildonan with the APM contracts at St. Boniface, Health Sciences Centre and between MHO and the other hospitals on purchasing and on management. I provided those to my honourable friend so my honourable friend has the opportunity to put his researchers to work on them and to tell us what he does not like about it, to tell us what he thinks is troublesome there.

I want to say to my honourable friend, he is taking the contract—and I admit it is the largest contract we will probably ever engage in. That is right. I did not engage in that thing very lightly. I sought a lot of advice, and I had the urgings of the two academic health centres and their leadership saying that probably the most appropriate way for us to establish the best practice centres was with the engagement of Dr. Connie Curran and the firm that she represents.

Now knowing that expertise is out there, knowing we have got a fiscal challenge, knowing that one of the outcomes of engaging these people is not diminishing the quality or necessarily the quantity of needed health care services but doing it at a lower

drain on the tax purse, I think, knowing that opportunity is there for an investment of \$3.9 million from our casino funds and not taking it would lead two and three years from now to a far greater criticism than what we are undergoing right now, because understand that, in achieving those financial savings within those hospitals, those are annual savings from now, from the year they are achieved on into the future. Every single year we save those dollars without compromising quantity and quality of needed health care services.

Now is that not rather a remarkable goal that we ought to strive for? Knowing that that goal is at hand by the engagement of this consultant, which was urged on us by the leadership of the two academic teaching hospitals, I think that there is a better case to be made that we are irresponsible in simply using the blunt instrument of budget, to say your budget is cut by so much to fit the fiscal cloth of the province of Manitoba, without any engagement of expertise to allow you to make those changes without compromising quality and quantity of needed patient care. That would be irresponsible. That is what is happening in other provinces. You know, my honourable friend was reading a document there in Question Period; I could not help but notice.

But I want to share with my honourable friend a little article from the Medical Times. Now these are physicians, so I do not expect my honourable friend to necessarily buy into this, but here is what they say: While the OMA, that is the Ontario Medical Association, understands the need to reduce expenditures to get a handle on our growing deficit, the OMA, along with an increasing number of thoughtful and concerned citizens and organizations, cannot accept the massive extent of the proposed cuts, said OMA President, Dr. Michael Thoburn [phonetic]. Quote, the government's targets are simply impossible to meet. If implemented, they will destroy the fragile economic recovery and the very fabric of our health care system, end of quote.

* (1510)

That is what they are saying in Ontario. Now I want to tell my honourable friends, I do not agree or disagree with what that president of the Ontario Medical Association has stated, because you will hear the president of the Manitoba Medical Association saying exactly the same thing in Manitoba. Now I want you to reflect very soberly

on that. Why are people like the presidents of medical associations in the provinces making such statements?—because, finally, governments are putting financial constraints on the way they practise and their access to the public purse. We are doing it with knowledge that does not compromise the provision of needed health care services. They are going to resist and fight that, and they are going to make the kind of statements that these actions are going to destroy the very fabric of our health care system. That is what they are saying in Ontario.

I think that is an overstated position, because I do not think, even though the Ontario government is not philosophically the same as ours, that they are going to undertake, as New Democrats under the leadership of Bob Rae, initiatives that are going to destroy the fabric of health care in Ontario. Now, you can hear those same statements day in and day out, whether you are in Manitoba, Ontario, New Brunswick, Saskatchewan, Alberta, British Columbia, wherever you go.

That is what causes Canadians such confusion, because it is no longer philosophically attached to a given governing party of a given political philosophy that health care is being put under the management microscope—not so. It is happening from British Columbia to Newfoundland. Every province is undertaking significant change, and they are fostering them in different fashions, but the end goal, Madam Chair, is the same. Every province, whether it be Ontario, Saskatchewan, Alberta or ourselves, is doing it for the same end goal, to preserve and protect medicare for their citizens into the future. That means difficult decisions.

Now, it is all right to stand up and be against everything government is doing, but the public at large are starting to demand, well, now we know what you are against, please tell us what you are for. That is where these debates in Estimates can be so very, very enlightening for the citizens of Manitoba. Believe me, they read these debates. They may even listen on the monitor from time to time as they are going on.

That is why it is not simply good enough to have the criticisms come from people about the changes that are being made, whether those criticisms emanate from organizations in Manitoba or Ontario.

The issue becomes, let us debate the direction, the philosophy of this spending approach where acute care hospitals are being asked to get by with reduced levels of funding this year over last year, that we are making shifts, that we are engaging consultants to try to give us more ability to manage the budget better in a more cost-effective fashion while maintaining and oftentimes increasing the amount of care given by professionals in those very same acute care centres and hospitals.

I think that is the time to debate this whole issue very actively to let Manitobans know where you stand. Our agenda is laid out for all to see, for the NDP in opposition to misinterpret and distort at their will, which is fine; they can do that in opposition.

There comes a time, and it is going to happen within the next 18 to 24 months as we approach the next election, the people of Manitoba are going to say, okay, we have listened to all of the things that the government has done that you believe are wrong. Start telling us what you are going to do to correct that. What changes are you going to make? What is going to be your fiscal and your economic and your taxation and your borrowing policies to make these changes that you think are important?

The next election in the province of Manitoba is not going to be won by a door-to-door mugs campaign with false information, Madam Chairperson. People are going to get elected on the basis of laying out an agenda of understanding and vision and program for the future.

We are doing that right now in health care. We are doing it in every other aspect of this government from economic development through education through family services. We are providing the only agenda for change in the province of Manitoba, the only agenda for change.

When you go outside this province of Manitoba, you will find that other provinces look to this province to find out where they are at so they can get there at some point in time down the road, because we are ahead of everyone. That is the way it should be in Manitoba if you are concerned about preserving and protecting the programs that are needed and the taxpayer at the same time.

That is what we intend to do, and that is why I welcome this debate.

Madam Chairperson: Is the committee ready for the question?

All those in favour, please say yea.

Some Honourable Members: Yea.

Madam Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Madam Chairperson: In my opinion, the Nays have it. The motion is accordingly defeated.

Item 7.(d) Hospital \$930,770,500.

Ms. Gray: Madam Chairperson, I have a question in regard to a couple of hospitals, one in particular. I recognize that there are a number of issues from various hospitals, but because of the essence of time and the fact that the number of hours left in the committee for spending Estimates is slowly reducing and there are a number of departments that we have not had an opportunity to ask questions on, it is unfortunate we will not be able to ask as many detailed questions as we would like to have in this session.

I am sure the minister has received correspondence from a number of individuals, concerned citizens of Carman and community regarding the Carman General Hospital. This particular group, of which there are over 2,000 people who have signed the petition, seem to be very concerned about a couple of things—what they perceive as a potential change in the Carman Hospital, and the fact that they feel that it may play a reduced role in the community.

One of their questions was, as I am sure the minister has received this correspondence, that they have perceived they have had difficulty in obtaining approval of expenses. For instance, \$40,000 of surgical expenses on the current budget was not approved. They are not sure what the reason was. I am wondering if the minister could tell the committee today: What is the situation in regard to Carman Hospital, and also specifically about the \$40,000 they had requested for surgical expenses?

Mr. Orchard: Does my honourable friend know which funding year that \$40,000 request was from, then I might be able to provide a more informed answer?

Ms. Gray: It does not say in this particular document that I have received, and it is the same letter that Minister of Health would have received on June 18.

Number one: Has the minister done anything with this letter since he has received it? Has he passed it on to his officials? Have they been able to determine upon getting in touch with the Carman Hospital what the \$40,000 is, and what they are referring to?

Mr. Orchard: Madam Chairperson, the process with Carman Hospital is the same as with other institutions wherein should they have incurred a deficit, have the opportunity to appeal that deficit, and in some circumstances, the base budget for the fiscal year in which the deficit was incurred is adjusted to accommodate in part or in whole.

In other areas and other times during that review process, that additional monies are not made available, and the hospital, whether it be Carman or any other hospital, is required to accommodate those previously incurred deficits out of the current-year budgetary provisions.

I can tell my honourable friend that we are in the process of reviewing the financial position of Carman Hospital, as we have probably for the last four or five years on an annual basis, and will make whatever adjustments are appropriate and are found to be necessary after that full review. I cannot give my honourable friend a status as to the outcome on this particular \$40,000 today.

Ms. Gray: Can the minister indicate—they also speak in this letter about a report that was done with individuals from the Carman Hospital and other communities as well, and they are indicating that this report was summarily rejected, and that is a quote by government officials.

I am wondering if the minister has any further information on this report that was completed, that talked about cluster of rural hospitals.

* (1520)

Mr. Orchard: That report that would have emanated from Carman et al was a report in terms of their work towards an affiliation of communities and facilities in rural Manitoba to find opportunities for program service, administrative and other areas of consolidation, so that they could provide equivalent services with less financial commitment, and that suggestion by the group was sent back asking them to reconsider certain aspects of it.

It was not rejected in its entirety as might have been alleged there. It was indicated that, look, this is a good start, however there are other areas that

we think would produce meaningful co-operation if you were to investigate them.

Ms. Gray: Can the minister tell us, have there already been decisions that have been made or plans the department has as to where these clusters of hospitals should be?

I ask that question because the understanding from Carman, et al., was that they should be looking at a population base of around 10,000 to 30,000. They are saying that their proposed region contained 32,000 to 33,000, yet when the report was rejected, it was suggested that they rewrite the report and include the towns of Morden and Winkler, which have also a catchment area of 30,000 to 50,000 people.

Can the minister tell us, what are the guidelines that these small hospitals should be looking at in terms of what are viable services within particular catchment areas, and why would it be suggested they look at Morden and Winkler?

Mr. Orchard: Maybe the proposal as it finally ended up to the Rural Health Reform Advisory Committee, as I recall at least one stage of discussions, there was, if you will, a semicircle affiliation commencing with Emerson and moving through Morris, Carman, Notre Dame, Swan Lake, Manitou in sort of a half-moon configuration, with Morden and Winkler and Altona basically outside the loop.

In other words, it was a perimeter, if you will, affiliation. Even with that proposal coming forward, I know there were some members of that were starting to ask questions as to whether that would serve best, and I am not sure if that was the proposal that was finally submitted to the Rural Health Advisory Council.

Certainly, with all of the proposals that came in, we originally targeted 10,000 to 20,000 people, regions or affiliations or clusters, if you will, and found that some had exceeded that and some had just met it. The Rural Advisory Committee, in collaboration with the ministry staff, asked for a revisit of the plans with a goal of, I believe, 25,000 as probably a minimum target.

There were a number of reasons for that which we can discuss this afternoon, but there were aspects of the program that had significant strength and were excellent starting points, if you will, for further consideration around the opportunity for greater affiliation.

Ms. Gray: This group is asking for a meeting with the minister to discuss further their concerns. Is he prepared to meet with the group?

Mr. Orchard: Which group?

Ms. Gray: The Concerned Citizens of Carman and Community.

Mr. Orchard: Madam Chair, we attempt to provide information and meetings as often as possible. During the course of the summer, I want to attempt to meet with a number of people outside the city of Winnipeg, city of Brandon, because there has been a great deal of confusion in some communities as to what ought to be done, what ought not to be done, what the opportunities are.

Although many communities made very excellent first attempts in terms of coming up with proposals for greater affiliation, we see opportunities emerging over the next number of months to build on the strengths that were brought forward.

My office is open and we attempt to meet with groups regardless of whether they are concerned citizens or interested citizens. We have already had a number of meetings in rural Manitoba across the length and breadth in terms of reform process, probably more meetings with senior staff present to attempt to lay out the process than has ever happened before. From time to time those meetings are repeated upon request. So we are very open.

Just this Tuesday last I was at the Manitoba Health Organizations once again, speaking to them in June for the sixth time in a row.

Ms. Gray: Was that a yes or a no to my question?

Mr. Orchard: That was a distinct maybe.

Ms. Gray: One other question in this area, regardless of whether the minister decides to meet with this particular group, and I can appreciate, there are many groups that probably do want to meet directly with the minister, can the minister tell us, it seems to be quite obvious from this letter that, again, whether rightly or wrongly, there is a perception however that the departmental staff are favouring a policy of centralization and would prefer to have a large hospital at Portage or Morden.

Now, this seems to be the indication that this group of concerned citizens of Carman and community have. Again, this is their perception. It may be correct or it may not. But my question

would be to the minister: Can he tell us what he plans to do to ensure that obviously there is a better communication between the department and this particular group?

Mr. Orchard: I do not know from time to time from whence these petitions emanate, but I will tell my honourable friend what I have done probably over the last, not within the last 12 months if I go back and check the calendar, probably not, but prior to that I have met with Carman Hospital's board, their medical staff, their administration, because Carman's perceived concern is that the combined facility between Morden and Winkler is going to close their hospital.

I have pointed out to them that, if you think about it, would that not be a little bit on the silly order for that community when I was the MLA who lobbied strong and hard to have that hospital built, reconstructed—it is a very effectively run hospital with four or five physicians practising out there, a very excellent surgeon—that I would then plan to have a facility built some 25 miles to the south which was going to eliminate Carman Hospital?

I have told the board, the medical staff, the administration that that is not in the cards. I have told them that face to face. But somehow, I do not know how these things get going and who stimulates them and who roils them, but I have said it time and time again, I will say it again so my honourable friend can sound the Hansard out if she so desires, that is not what is being proposed.

No matter how many times one explains that it seems as if paranoia is more comfortable, and I do not know how you get around that kind of paranoia.

You know, in terms of hospital, acute care and health care services, when you take a look, and this is ironic, because it leads to the kind of political accusations that were tried at one time by members opposite, that we are favouring construction because I happen to represent the area and some other members of the government happen to represent the area.

But that area of Manitoba is the fastest-growing area outside of Winnipeg. Recently in Morden and Winkler, in Morden in particular, they have had a number of new businesses locate in and start construction for significant employment. The housing market is one of the hottest ones in any community outside of Winnipeg.

* (1530)

That area has incredible growth potential. It also has the ability, through, for instance, the combined regional facility serving Morden and Winkler first and offering regionalized services that citizens would have to go to Winnipeg for, to present a tremendous opportunity in providing services closer to home as the reform package indicates.

It has a wonderful opportunity in that reconstructed hospital between Morden and Winkler of affiliation with a Carman hospital, with an Altona hospital, with the other smaller hospitals that do not have surgery or obstetrics in that region and to provide an enhanced level of service.

Well, I am not sure that I am going to make an accurate statement here, but at some point in time, this province has got to start thinking instead of what happens in another community is going to hurt me, we have to start thinking about how do we build Manitoba. How do we make/create opportunities across the length and breadth of Manitoba?

Everybody, unfortunately, is so narrow from time to time in their perspective. They see something happening in another community threatening their community rather than adding strength to it. I do not know how you get over that. I do not know how you calm the fears of Carman and the concerned citizens.

We have tried that through meetings at which there has been substantial attendance. It works for maybe a month or two, and then everybody gets paranoid again. We believe there is an opportunity to build upon strengths in Carman with a combined facility between Morden and Winkler, a tremendous proposal by those two communities, who have seldom co-operated and collaborated on too many issues, have and have moved it very substantially down the road for the benefit of the their citizens and the benefit of the southern Manitoba region.

This petition was featured on Peter Warren the other day. I cannot answer any more calming of fears than I have at meetings with the staff, with the board and with some of the citizens' representation there than I have today, because probably there will be a petition three months from now, again.

Ms. Gray: Madam Chairperson, I thank the minister for his comments. I appreciate those. I agree with the minister that communities in Manitoba have to start looking at ways to work with other communities rather than sort of taking on a siege mentality of protecting what you have.

But you have to admit that the history in this province over the last 20 years has been based on various political parties oftentimes pork barrelling and giving to various constituencies, if you happen to have the right representative who happened to be a member of the government.

I mean, I think we all have a responsibility as politicians from all three parties to try to change that, but it is only going to be through actions of working together that we actually change that long-standing tradition. It will take some time, but I certainly agree with the minister's comments about communities working together.

Mr. Chomlak: Madam Chairperson, during the last session when the committee met, the minister indicated he would provide for committee members a breakdown of the reduction from last year's expenditures to this year's expenditures and the relationship of Bill 22 and the 2 percent reduction to that particular exercise.

Mr. Orchard: Madam Chairperson, it would appear as if in terms of the nursing settlement—now here is where I am having a little trouble, because I think this is an annualized impact where we do not have full-year application. But if this was an annualized impact it would be in the neighbourhood of \$5.3 million for nursing on a 12-month basis.

Mr. Chomlak: Madam Chairperson, so the minister is saying of the approximately \$20-million reduction from grants through the Health Services Insurance Fund to the Hospital program from '93-94 down \$20 million from '92-93, \$5.3 million are the nurses, and the remaining \$15 million would be outright grants to the programs.

Mr. Orchard: No, I am not saying that, Madam Chairperson. Appreciate that when these Estimates went to print, there was no contract with the MNU that we could put a figure into the budget as providing for a finalized contract. The only budgetary provisions that are printed in Estimates are contracts at the time Estimates are printed. Does my honourable friend understand?

Mr. Chomlak: Madam Chairperson, yes, I understand that. So therefore my question remains that I had originally asked the minister on Thursday. To what extent is the reduction of approximately \$20 million from last year's appropriation to this year's appropriation? To what extent is it attributed to an outright reduction in

grants to the hospitals for services provided, and to what extent is it a reduction for services provided of that \$20 million?

Mr. Orchard: Well, Madam Chairperson, we do not expect there to be a service reduction with the minus 2 funding to the hospitals. We do not expect there to be a reduction in the volume of services from that. Now, that is very much under discussion with the hospital system right now in terms of all of the areas that we are analyzing with them, be it programs, some of the program committees that we have ongoing, through implementation and working with the hospitals with the opportunities as presented in the efficiency report done by the Manitoba Centre for Health Policy and Evaluation, and the management restructuring or any number of initiatives that we have got ongoing right now. When we struck the budget, we struck the budget for hospitals to provide 2 percent less funding year over year.

We had not within that budget put any dollar value up or down for the Manitoba Nurses' Union contract. That was not settled. We do not make provision. We do not print Estimates guessing as to what a settlement might be. We simply do not do that. We only print basis the financial commitment that we anticipate is required with known contracts. So there was no provision for the Manitoba Nurses' Union.

My honourable friend asked the question: What will be the impact in the hospital budget from the MNU settlement on minus 2? I indicate to my honourable friend that the best estimate I can give him on an annualized basis of a minus 2 in nursing contract would be about \$5.3 million. For a minus 2 provision of all other salaries within our hospitals, that impact would be in the neighbourhood of some \$8 million, but that was not printed into these Estimates at the time these Estimates were presented.

What, in essence, I am saying to my honourable friend is that with the passage of the legislation that is now before committee of the 10 days off and that sort of management opportunity to reduce their respective payrolls without layoffs this year, this is one of the options they can use to manage service delivery with a lower budget. The opportunity is there to achieve in essence what would be a minus 2 in their salary component.

* (1540)

I would fully expect that with the reduction of global minus 2, that we are imposing through this budget exercise on our hospital facilities that they would exercise to the maximum degree possible the provisions of Bill 22. Bill 22 was not factored in and neither was the nurses' contract factored in to the \$930,770 global hospital grant budget that was struck.

That was struck at a time when we realized our federal transfer payments were down, that the federal calculation in terms of the population formula would take, I believe, \$75 million out of our transfer payments this year, in addition to the \$120 that came out of transfers last year. We had to, and we forewarned the hospitals a year ago that they could expect less, at best flat funding but probably reduced funding in the next fiscal year and to start making management plans to accommodate that. When we came to print the final number in the Estimates, we used minus 2 because that was the maximum that, given the resources the province had from taxation, from federal government transfers, the maximum resource that we could dedicate to it.

Since that time, yes, I think it is clear to say that some of the management decisions have been eased somewhat. I am not saying in any way, shape or form eliminated with an agreement with MNU for the balance of this fiscal year to take a minus 2. That is going to be helpful. It is not the complete answer but it certainly is going to be helpful. But that is why I am able to say to my honourable friend that we have some confidence that during the course of this fiscal year we will maintain the level of activity utilizing less resource because we are going to be paying less for the hands-on services, minus 2 in most cases as we are taking in this Chamber and right across government. It is part of everyone sharing difficult times with the Canadian taxpayer and the Manitoba taxpayer.

We believe that this budget as presented will allow us to maintain both the level and quality of service within our acute care system, not without challenge—I would never say, Madam Chair, without challenge—but these are not the easiest times to administer any public program anywhere in Canada, and we think we are equipping our managers with as many assistive tools as possible for them to engage in their respective acute care

facility service delivery enterprises without compromising quality and quantity of care.

Mr. Chomlak: Madam Chairperson, what I garner from that answer and can isolate from that answer as one conclusion is that, and the minister can correct me if I am wrong, the \$930 million did not take into account the 2 percent reduction and that in addition the 2 percent reduction would be on top of the \$930 million with the proviso of the \$5.3 million that will go back into the budget as a result of the nurses' settlement.

Mr. Orchard: Providing I am concluding accurately what my honourable friend is concluding, which I do not think necessarily I am concluding him in the way he is concluding me, but he is not concluding correctly, if I conclude what he concluded, accurately.

The \$930 million—\$930,770,500 is the amount of money that we expect the hospitals to spend to maintain their service levels this year. It will not be reduced by 2 percent because of the nurses' settlement or Bill 22. There is \$930,770,500 available to fund acute care hospitals in the province of Manitoba.

Assisting the managers in achieving the level of service, the quality of needed service within that budget will be such things as the Manitoba Nurses' Union contract signed at a minus 2 for the balance of this fiscal year, but it will not be another \$18 million reduced from the \$930 million. The \$930 million is the budget that we are asking all of our acute care hospitals, because they are all under the no-deficit policy now, not just the urban hospitals, to provide their services within that global Hospital budget of \$930,770,500.

Mr. Chomlak: Since the minister will not provide us with hospital-by-hospital base budgets or breakdowns, will the minister perhaps do it by sector? For example, would he provide us with breakdowns as to how much funding goes to the primary health care and the specialty community health centres, how much goes to community hospitals, the two teaching hospitals, the federal nursing stations, et cetera, just by general sector?

Mr. Orchard: I will consult with staff and see whether we can make that breakout readily and easily in time for this evening perchance.

Madam Chairperson: 7.(d) Hospital \$930,770,500.

Mr. Orchard: Madam Chair, I want to have the full opportunity that this evening we can discuss the APM contract even though we have passed the Hospital line, for St. Boniface and Health Sciences Centre.

Madam Chairperson: Shall the item pass—pass.

Less: Recoveries \$(4,265,700)—pass.

7.(e) Medical \$285,128,700.

Mr. Chomlak: Madam Chairperson, I noted from previous Estimates that the issue of tray fees was given extensive discussion amongst all participants in the Estimates debate, and I notice that there has been an increase, at least brought to my attention, in terms of some fees being charged by physicians and doctors for in-house services. Is the minister aware of any increase or any expansion of the increase of tray fees for in-house operation and might want to discuss perhaps general policy in that regard?

* (1550)

Mr. Orchard: Madam Chair, I know that the tray fees issue, as my honourable friend references, has been a subject of discussion for a number of years now, because I think tray fees have been charged in some circumstance since circa '84-'85, but I am not aware of any increase. Certainly, I do not recall correspondence through my office indicating that there was more. We have some areas where—there is one instance in Brandon that has come up in the last number of months. It is not new. It was on an ongoing initiative, and I am not aware of any others.

Mr. Chomlak: Madam Chairperson, can the minister outline what—in the minister's Health Reform package there was reference to the, I believe, private medical clinics and walk-in clinics. I am wondering if the minister can give us an update as to what the government's position and stand is in that respect.

Mr. Orchard: Madam Chair, as we discussed now, I think, for probably two Estimates—I am not sure, one for sure—I think at a debate of Estimates two years ago, the four-year agreement that we reached with the MMA in 1990, the fall of 1990, had provided within that agreement the retention of external consultants who would do basically two areas of investigation and be jointly funded by the MMA and the Ministry of Health.

The two investigations basically were around fee-schedule reform in terms of trying to come to grips with some of the fairly obvious discrepancies, if that is the right phraseology, of our current fee schedule and to try to make a better allocation of resource within a reformed fee schedule; secondly, to try and understand what factors were playing a significant role in what seemed to be an ever-increasing volume of billed services that Manitobans were being asked to pay for through the Manitoba Health Services Commission.

I want to share with my honourable friend just one statistic, and I have used this in some of the presentations that I have made recently. I am going to go by memory here, but the figures will be pretty much on target. Since 1970, we did a 1970-to-1990 track of a number of indicators to deal with the medical program, Madam Chair. One of them was, of course, to naturally track the population of Manitoba, and since 1970 our population grew by 11 percent, 1970 to 1990, but in that period of time, the number of physicians increased from just under 1,000 to just under 2,000.

In other words, while the population grew by 11 percent, the number of physicians doubled. It is coincidental that the number of services doubled that were billed to the province of Manitoba in that period of time, even though the population increased by some 11 percent. In 1970, the cost of the medical program was just under \$50 million and in 1990, it has grown to just under \$250 million.

Now, one could say that was appropriate if one was receiving what one might conclude was a significant improvement in the health status of Manitobans, but using one indicator of how much longer we live, we found that with that doubling of the number of physicians to serve 11 percent more Manitobans, a five-fold increase in the amount of money the taxpayers were putting into the medical remuneration in the medical programs, one indicator would be that Manitobans on average were living significantly longer, but that was not the case. Our average life expectancy went up by some 4.3 percent during that period of time, which was just under three years of average increase in length for a male in Manitoba, for instance.

Now, even if you attributed all of that to the doubling of doctors, the fivefold increase in billed services, you would have to ask, was there a better investment somewhere in the system? Because you cannot attribute that to the straight increase in

billings of physicians, or the increased numbers of physicians. It simply cannot be done.

In fact at a recent meeting that I had out of the city, a physician, in questioning some of the information on reform and what not, made that indication to me that, as an individual doctor, what they do does not increase the life expectancy of Manitobans significantly. I thought it was rather a daring statement for a physician to make in front of his confreres.

Nevertheless, what we have to remember is that there were a significant number of other initiatives over that 20-year period, 1970-90, that significantly increased one's length of life.

The drinking and driving laws, I mean, significantly reducing the death on the highways, particularly of youth, which is a significant contributor to increased average life.

We are more successful in a number of disease entities, with better drug therapies, in achieving probably longer life, but in terms of the number of actual procedures billed by physicians, one would have a difficult time attributing a great deal of our increased longevity to increased expenditures in the medical line, which gets us right into the very fundamental discussion which causes the OMA to make the statements they are making about Ontario that I quoted to my honourable friends earlier on this afternoon.

We have to seriously take a look at the other factors behind the health status of Manitobans and Canadians and find out where maybe we can make wiser investments than continuing to pour very substantial resource into the formal health care system. Because other factors, such as environment, lifestyle, the general wealth and well-being of the society at whole, the economic stability of society, probably have a greater amount to contribute and a greater opportunity for improving the health status of you and I, Madam Chair, as well as every other Manitoban.

Madam Chairperson: Item 7.(e) Medical \$285,128,700—pass; Less: Recoveries \$(1,277,800)—pass; (f) Personal Care Home \$250,537,700—pass.

7.(g) Pharmacare.

Mr. Orchard: Madam Chair, I wonder if my honourable friends might bear with me, and I will—I have the information that I would like to have

shared with my honourable friends in terms of the new residential charges as authorized in the Personal Care Home program. I think my honourable friends would probably want to have that shared with them so they have a sense of the process that we went through. I will share the information with my honourable friend at this juncture in the Estimates so that I can attempt to answer any questions my honourable friends might have.

First of all, Madam Chair, I want to indicate that when we approached this issue of increasing the per diems we wanted to assure that only those Manitobans that had the resources to pay additional charges would be required to pay those charges, and the second premise that we wanted to protect was that we would not compromise the ability to live independently, and that is what I want to share with my honourable friends this afternoon, that we did not want to compromise the ability to live independently by a spouse living in the community whose partner was in a personal care home.

We also did another thing. We surveyed the other provinces as to where they were at in terms of costs, maximum residential charges.

For instance, in Newfoundland the latest information we have is that they are very close to \$50 per day as a maximum residential charge, in Newfoundland; Prince Edward Island is \$83 per day; Nova Scotia up to \$120 a day; New Brunswick up to \$124.79 a day. That is up to; that is not what everyone pays, but that is up to. Quebec is up to \$38 as of July 1; Ontario is up to \$46.28 for a private personal care home bed; we were at \$25.95 as a minimum cost or as a cost right across the board. Now we will be, as of October 1, at \$46 maximum charge based on ability to pay; Saskatchewan currently has a maximum charge of just under \$31 depending on income; Alberta is just under \$26, much similar to what we were at; British Columbia \$34.

* (1600)

That is the range across, western provinces tending to be lower than provinces to the east of Manitoba.

What we did, Madam Chair, in coming to grips with the issue is we chose \$46 per day as the maximum charge that would be levied on individuals who are resident in a personal care

home. That \$46 will become the charge for all residents in the personal care home unless they demonstrate that they do not have the ability to pay \$46. That will lead to residents who have income which is less than that required or assessed to pay \$46 per day, that they will be able to, with provision of last year's notice of assessment for the 1992 taxation year, by demonstrating what their taxable income is which, by definition, will become the net income less total tax payable as reported in the previous year's income tax return.

In specifics, that is for the 1992 income tax return, line 236 less line 435, and that leads to our definition of income, and it uses last year's assessment. So the question my honourable friend the member for Kildonan asked is, will individuals have to produce their income tax form? The answer is no. Individuals who are resident of a personal care home will provide their notice of assessment that they have received for filing last year's income tax. It is from that notice of assessment, using line 236 less line 435, that their income will be determined, and it will fall within the newly provided guidelines.

Let me explain those newly provided guidelines so my honourable friends understand the process. Currently the disposable income that we leave with individual residents of personal care homes is approximately \$110 per month, and that led to the \$26.95 per diem charge. Under the maximum of \$46, the income left with the residents will increase from \$110 monthly to just under \$200 monthly. So in other words, as the income goes up, the amount that the individuals retain will also go up. Now, that deals with an individual who is a sole family member and living in a personal care home. In the circumstances where an individual has a spouse who is living independently in the community, we have determined that they will be left with a minimum income in the community of \$15,600 per year, same definition, before any additional charges will be levied on that family's income to pay for per diems for the partner living in a personal care home, so that the figure that we have chosen for living independently in the community is \$15,600 per annum, after tax income.

Now I want to explain how we arrived at that so my honourable friends know the sort of information base that we chose. Manitoba Agriculture maintains probably the most sophisticated annualized family living costs in government, and

their guidelines do two things. They deal with homeowner income and renter income, and then they do a second breakdown or a second criteria of car owner or public transit user. Now, for a homeowner with a car, it is determined by a Manitoba Agriculture survey that it requires after tax income of \$13,674 for a single to live independently, and if the homeowner does not own a car but uses public transit, that drops to \$12,421.

A renter with a car has a yearly income requirement after taxes of \$13,278, and if they are a public transit user as a renter, that income requirement annually is \$12,025. So by setting the \$15,600 minimum, we have allowed for the highest living cost as estimated by Manitoba Agriculture of \$13,674 and added approximately \$2,000 on top of that for the homeowner with a car and all others. So the income that is at one's disposal will range from \$2,000 above what Manitoba Agriculture indicates as a requirement for independent living to \$3,600 above if you are a renter using public transit.

Now there is another aspect of this that we took into consideration. As my honourable friends know, we made some changes in terms of consumer contribution towards the Ostomy Program and in some of our Home Care supplies programs and in terms of Pharmacare.

The appeal process that we will have individuals being able to access is to the Manitoba Health Board. If they are living independently in the community with a spouse in a personal care home, and they have costs which have been recently increased because of other budgetary decisions of government, those will be factored in as a consideration to allow a greater income for the independent living spouse in the community beyond the \$15,600, to accommodate for those additional costs because of budgetary decisions this year. That appeal process is through the Manitoba Health Board. We think we can take some comfort in knowing that there will be an opportunity to appeal, and if a reasonable case is made by an individual, then the Manitoba Health Board has the ability to make those adjustments, as they deem appropriate, based on new information provided by the individual so affected.

There are some circumstances where there are couples, both of whom are living in personal care homes, and the personal care homes are not the same personal care home. In each of those cases,

the ministry itself will handle the determination of the per-diem charge in those circumstances. We will not ask administrators who do not necessarily have that information to handle those circumstances. We will do that internally within the ministry.

We believe that this is probably the fairest and least intrusive way to increase the per diem. As I said earlier to my honourable friend the member for Kildonan, his concern was, will administrators be asking for income tax forms from residents? The answer is that we do not expect that to be the case, because the notice of assessment for the 1992 tax year contains all of the pertinent income that one would have to have to make the decision as to what disposable income is available to the resident, and from that it would determine the maximum per diem that the individual would be required to pay as a resident of a personal care home.

We think we have covered most of the concerns that have been expressed and most of the inquiries that have been made to the ministry and to personal care home administrators. The process should be relatively simple in terms of administration and not complex. It is not a dissimilar process to what is currently used in other areas of program in government.

It has taken a little longer to get what we think is a certain amount of confidence around the per diems and that they will be set only on an ability-to-pay basis without compromising the independent living opportunity of a spouse in the community who has a partner in a personal care home, by setting that \$15,600 income and then offering an avenue of appeal through the Manitoba Health Board, if individual circumstances would say a different consideration of disposable income ought to take place.

In having put all of those discussions together, we were delayed by two months in terms of implementing the new per diem rates. They will be effective October 1 of this year, and after that will be revised every August, I am advised. So I trust that information is as my honourable friends wished, and I would be prepared to answer any questions.

Mr. Chomiak: Madam Chairperson, will the minister be tabling the regulations that he read from? It is very difficult to follow unless we have the actual documentation in front of us.

Mr. Orchard: The regulations that formally attach will be going out within the next two weeks. I can share those then, but what I can do, is I can share the table of residential charges so that my honourable friend sees what they are for given categories. I only have the one copy here. I should have brought more. We will get photostats so that my honourable friend has that. We have gone through several copies in creating this, so I just want to make sure that that is the version that we approved last week.

* (1610)

The communication will be with the administrators of the personal care home as soon as we possibly can, although we have some flexibility, given the October 1 implementation. We will get it for this evening. We have two corrections on there. We will get you a copy of that this evening.

Madam Chairperson: Item 7.(f) Personal Care Home \$250,537,700—pass; (g) Pharmacare \$48,514,200—pass; (h) Ambulance \$6,001,300—pass; Less: Recoveries \$(1,232,500)—pass; (j) Northern Patient Transportation \$2,577,200—pass; Less: Recoveries \$(345,000)—pass.

Resolution 21.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,534,979,100 for Health, Health Services Insurance Fund \$1,534,979,100, for the fiscal year ending the 31st day of March, 1994.

Item 8. The Alcoholism Foundation of Manitoba, Board of Governors and Executive \$169,100—pass; Finance and Personnel \$337,700—pass; Drug and Alcohol Awareness and Information \$519,300—pass; Program Delivery \$9,091,700—pass; Funded Agencies \$1,885,000—pass; Less: Recoveries \$(1,608,300)—pass.

Resolution 21.8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$10,394,500 for Health, The Alcoholism Foundation of Manitoba \$10,394,500, for the fiscal year ending the 31st day of March, 1994.

Item 9. Expenditures Related to Capital (a) Health Services Insurance Fund.

Mr. Orchard: Madam Chair, do I sense that we are probably going to move through the Estimates by five? Okay. If that is where we are heading, my statement is in here. I will not bother reading it on the capital program.

Madam Chair, can I ask for guidance? I would like to have as part of the capital presentation, to become part of Hansard; it is about six pages of introductory remarks, the capital program. Could those be included in the Hansard as if they were delivered in the essence of saving time?

My honourable friends are going to receive those now, and it would save time rather than have me read them. They are important, I think, background to where we have been trying to head. The public may receive Hansard, but they may not receive the capital program. So I would like to have the remarks included as part of Hansard so that anyone who is following Hansard in health care reform would have those remarks so that they would receive the context under which we prepared our capital Estimates.

Madam Chairperson: Is that the will of the committee? Agreed? [agreed]

Mr. Orchard: Manitoba Health 1993-94 Capital Program.

Madam Chairperson, Fellow Honourable Members:

I am pleased to table the 1993-94 Capital Program Estimates for Manitoba Health. This is the second capital program to be announced following Quality Health for Manitobans—The Action Plan, and the second to be prepared within a Health Public Policy framework. A Healthy Public Policy framework is the approach within which Manitoba will accomplish the shift which is essential to reform our system and to ensure its viability for the future.

A Healthy Public Policy approach can reduce our reliance on health care. This will allow us to direct our resources to healthier communities and healthier Manitobans. By reducing our reliance on health care, we reduce the need for the bricks and mortar, in other words, our institutions.

But how do we reduce demand? To accomplish this, we must know what it is that determines our health.

The five basic determinants of health are: environmental factors, socioeconomic factors, productivity and wealth of society as a whole, individual genetic endowment, and lifestyle. Of these, lifestyle is an important factor. For instance, many studies have clearly

demonstrated a link between the health of an individual and his or her productivity in the workplace.

Studies have shown, for example, that a healthier lifestyle either reduces stress or improves our ability to cope with it. By providing education and information through a variety of forums, we can influence the health care consumers' lifestyle choices. These choices will, in the long term, raise the level of health of consumers, while reducing their need for health services. By promoting positive lifestyle choices, such as better eating habits, encouraging more exercise and recreational pursuits, we can also effectively alter the health care cost spiral.

As government, we recognize our obligation to work with people to promote health, prevent illness and postpone disability. This is a challenge not only for government or health professionals; it is a challenge for the private and public sectors, but more especially, for each of us and for every family in the province. The potential results are enormous, not only in the area of cost containment, but in the overall improvement of the health of all Manitobans.

A Healthy Public Policy approach to targeting resource allocation facilitates the health system shift which will see a more balanced spectrum of services in which institutional health care is the service of last resort, rather than the focal point, and too often the entry point, of our system.

The decision to invest significant capital dollars in our institutional health care system must, therefore, be made following serious review of the facilities' role, services and expected activity in a restructured environment based on the real health needs of Manitobans. Investment in our infrastructure—that is, the bricks and mortar—is a decision which will impact our future for many decades.

Decisions on capital expenditures are long-term commitments and cannot be made on the basis of the most aggressive or active lobby efforts, but must be made to meet the real demands now and in the future. The motivation must come from a deeply held sense that, through diligent study, collaboration and review by all of the stakeholders, the capital solution

recommended in this program is an appropriate one.

Manitoba does not want to emulate actions taken by provinces to the west of us. We recognize the difficult budgetary decisions undertaken by the governments of Saskatchewan, Alberta and British Columbia. We have been advised that the City Hospital in Saskatoon was recently completed at a cost of \$150 million, but to date, no departments have been opened.

The Alberta capital program has been on hold for the last three years, and no major projects have proceeded to construction. Thirty percent of beds at Sturgeon General Hospital have not been brought into service. Other hospital projects such as University Hospital in Edmonton and Peter Lougheed Hospital in Calgary have not been fully utilized. At Shaughnessy Hospital in Vancouver, B.C., the emergency department renovation was completed at a cost of nearly \$700,000, just prior to the proposed closure of the facility.

Manitoba's 1993-94 Capital Program is both fiscally responsible and vibrant. Projects valued at \$80,365,000 are now under construction, and a further \$173,474,000 has been approved for construction.

Our commitment to a reformed mental health system continues and is evidenced by the projects which will assist to accomplish these objectives: a 25-bed acute psychiatry unit within Brandon General Hospital; a 10-bed child and adolescent unit in Brandon to include space for outpatient clinical programs; alterations to existing hospital areas in Dauphin and The Pas to provide acute inpatient psychiatric services; funds to modify existing facilities to accommodate unique population groups from Brandon Mental Health Centre.

We are continuing to expand our personal care home resources in underresourced areas. A number of beds announced last year are in various stages of design or construction. I am pleased to announced additional commitments in the Interlake at Fisher Branch and Teulon, and upgraded and realigned facilities for Hartney, Souris, Pilot Mound and Ste. Anne. The mental health projects and the personal care home projects are strategically

aligned with our reformed health care system and have gone through the rigorous planning exercise I spoke about earlier.

The hospital sector is undergoing significant study and realignment. Therefore, our capital activity within the hospital sector will await the outcome of this rebalancing. There are a number of hospital projects in which capital planning and construction activity will be held in abeyance pending the finalization of the community plan as outlined in our health reform.

Significant planning activity is now underway to assist the province to define the appropriate sites of care for a range of clinical programs based on: our commitment to the principle of care as close to home as possible; developing centres of excellence; and a reformed and empowered rural health care system.

We are committed to the rational allocation of capital dollars driven by population health needs and a vision of health care requirements within a reformed system. Hospital projects in rural and northern Manitoba and in Winnipeg are affected by this allocation.

Projects within the hospital sector will proceed with the capital planning and construction process. However, the projects must be carefully reviewed to determine if they fit with our vision of the future. The review will include both their role, which includes programs and services, and the activity, such as the number of visits and cases. For example, Altona and Stonewall hospital projects will go to tender this summer. Provincial resources such as the Manitoba Cancer Treatment and Research Foundation and the Health Sciences Centre continue to receive our support with their redevelopment plans.

The 1993-94 Capital Program for the Department of Health continues a strong commitment to maintaining our infrastructure built on a solidly researched vision of our future. It targets programs in our system such as mental health, where the vision has evolved through a collaborative process and the implementation path is clear.

Madam Chairperson and fellow members, I am proud to present the 1993-94 Capital Program. It reflects our commitment to a

healthier Manitoba based on a partnership with patients, communities and providers.

Ms. Gray: Madam Chairperson, I am wondering if the minister could indicate—and the information may be in the material that he has presented to us, but is there a plan or what—are there any new or additional personal care home beds that are anticipated over the next three to five years?

Mr. Orchard: Madam Chair, there is renewal in the next two and a half years or thereabouts, probably—let us say three years to be on the safe order—of some 560 new personal care home beds, the majority of which, if I recall correctly, will be in the city of Winnipeg. Not all will be additional new ones, but replacement of, for instance, I think it is a figure of 230 beds at municipals. There is a 230-bed proposal for municipal hospitals.

But let me try to take my honourable friend now—I gave three books away, and I should have kept one of them because I think the pages were numbered on them, and I have last Friday's copy which is not bound as nicely. But, if I could take my honourable friends through, there is a project description which deals with completed personal care homes, urban. At Deer Lodge, we upgraded 55 new personal care home beds which are available for service at Deer Lodge Centre. Foyer Valade, I had the pleasure of cutting the ribbon on Foyer Valade, but that was a construction project that was initiated, I think, in 1986 by the previous administration.

Fred Douglas Lodge, we replaced 65 beds in the hospital area with 84 new beds. So there were not only new beds, but additional new beds at Fred Douglas. Golden West, we added 25 new personal care home beds there in Golden West, as well as upgrading 91. Holy Family, there were no new beds there, but a pretty significant new attachment to their facility joining the personal care home with elderly persons' housing. Middlechurch was a complete upgrade. Sharon Home was 27 new and additional beds.

Now getting into rural Manitoba, there were 25 additional personal care home beds to the one personal care home in Dauphin. Elkhorn's manor was opened in August of '92 with 24 personal care home beds. Gimli's Betel Home was downsized but remains adequate for the area at 80 beds; that was completed January 1990. Pine Falls, we

constructed 20 new personal care home beds juxtaposed to the hospital.

* (1620)

We opened in August of 1989 with the former Premier Douglas Campbell present, because this facility in Portage la Prairie, the 60-bed PCH was named the Douglas Campbell Lodge. He waxed very eloquent at the official opening ceremony and said that he was not ready yet to take his room in there, but he would be at some point in time in the distant future. Roblin, we added 30 personal care home beds.

Then in terms of health facilities, my honourable friends will note that in Benito, Erickson and Manitou we replaced an acute care hospital with what we called a swing facility which add acute beds plus a personal care home attachment. That added 20 personal care home beds in Benito, 14 in Erickson and 18 in Manitou, along with in each of those facilities five, 12 and eight multiuse medical beds. In Vita's hospital, we added a new 10-bed acute facility as well as 14 personal care home beds.

If we had time, I would like to have my honourable friends engage in promoting the oxygen concentrator initiative to other provinces. That has been one of our most significant economic, as well as health opportunities in the province, in that we have 22 oxygen concentrator installations in the province now ranging from Churchill to the southeast corner of the province and the southwest corner of the province as well. They are presenting us an opportunity with significant cost savings and provision of oxygen services.

The battle we had to go through as a province to get the CSA standards approved for manufactured oxygen was just incredible. The reason they are incredible is because there are large dollars at stake in terms of oxygen supply. To put it to you very bluntly, the current supply system was not welcoming of oxygen concentrators for manufactured oxygen production. But, as a result of that initiative being in Manitoba, there are a number of jobs in Morden, Manitoba, as a result of the manufacturer and their affiliate from Cardiff, Wales. We have provided some significant budget-saving opportunities that are real with the oxygen concentrator initiative. With national CSA standards now being in place, we see some pretty

significant opportunities for other provinces in our smaller facilities to bring in oxygen concentration.

Let me go to Schedule I, Swan River has new personal care home beds under construction and 70 new, as well as, above that, the two personal care homes River East and Kildonan Centre both with 120 beds. They will be on stream we think late this calendar year. That is 240 beds in North Kildonan and East Kildonan. Those are new personal care home beds.

Now let me take my honourable friend to Schedule II, projects approved for construction, because Schedule I was projects in construction. You will see Bethel Winnipeg, there is proposed construction for 100 new PCH beds in west-central Winnipeg; Donwood Manor in North Kildonan, a 40-bed expansion; and Lions Manor, just on Portage Avenue, a long history of hostel beds and a long-term agreement, which would have led us nowhere had we lived by the letter of the agreement with the Manitoba Lions.

We arranged a mutual agreement where they are de-insuring empty and no longer used hostel beds in their facility, I believe 135 is the figure. We are now in the plans—and I cannot tell you whether the final plans have designated 80 or 100 beds, but somewhere in that neighbourhood—of Level III, Level IV personal care home beds to be added to the Lions Manor complex on Portage Avenue.

Municipal Hospitals, of course, 225 personal care home beds to replace the two aging facilities; and in rural Manitoba, Beausejour, 20 personal care home beds; some renovations at Minnedosa, as we discussed earlier on; Oakbank-Springfield, 30 personal care home beds linked with their elderly person housing; Ste. Rose, 25 beds added to their personal care home facility of 40 beds; and an addition of 20 to Stonewall.

(Mr. Ben Sveinson, Acting Chairperson, in the Chair)

Now, I want to take my honourable friend to one of the major areas that have been under consideration, and it is Schedule IV, Projects Approved for Architectural Planning. There has been a significant difficulty in the Interlake region. We try to target our personal care home beds according to the formula of so many residents over age 75 that are resident in the area, and we have a formula of so many beds per residents over age 75.

In the Interlake region, the Interlake region itself has an appropriate number of personal care home beds. The difficulty was, they were just terribly distributed to serve the citizens of the Interlake. There was a significant concentration of those beds in Selkirk, and that concentration—and I will be very blunt—grew up over some of those political decisions that my honourable friend the member for Crescentwood referred to in the time that there were certain members representing Selkirk who made sure the north end of the Interlake did not receive personal care home beds, but rather Selkirk did.

Now, we are doing the recalculation in the Interlake, and that is leading to some personal care home additions in the west Interlake and north Interlake region, with Fisher Branch going to get receiving approval in this capital budget to go to architectural planning for construction of 30 personal care home beds in Fisher Branch.

If you take a look at that north Interlake region, the citizens are driving at minimum to Gimli and often to Selkirk to visit their loved ones who are panelled in personal care homes in the south Interlake. They are driving long, long distances, which we found in our survey of the area to be inappropriate, and that will be incredibly good news for Fisher Branch in the north Interlake.

As well, Souris and health district has a proposal to make a consolidation and a shift of beds between Hartney and Souris, and that is going to architectural planning this year.

So a long answer to my honourable friend's short question, yes, you will find in this capital budget a significant commitment to increased personal care home bed capacity in Winnipeg and in certain underserved areas of rural Manitoba.

Ms. Gray: Mr. Acting Chairperson, with the 240 beds planned for Kildonan Centre in River East, just for the record, can the minister tell us within the city of Winnipeg how it was determined that those beds should go into those areas of the city?

Mr. Orchard: In terms of our following basically the four quadrants of the city there were two underserved areas of the city. The north, sort of, old St. James area—that may not be the right geographic description for that area; then of course the northeast quadrant of the city was significantly underserved. About the only major personal care home capacity was Donwood Manor and Bethania.

So the addition of 240 beds brought us up to our guideline for that quadrant of the city of Winnipeg.

Ms. Gray: Mr. Acting Chairperson, I noted under Schedule III that there is going to be a replacement of the Wawanesa hospital. I have been in the Wawanesa hospital recently, in the last two years. There is no question it needs some changes to it.

My question would be: Is there any planning that has been done between Wawanesa and Glenboro hospitals, which is very close by, any possibilities of any type of sharing of services or with this planning for upgrading Wawanesa? How was that done within the context of what goes on out in Glenboro hospital?

Mr. Orchard: There has been that kind of collaboration. My honourable friend will note—let us go right back to square one. Wawanesa has developed now two plans of acute care replacement. They have a very constrained physical area to redevelop in the location that they are on. That has caused some difficulties and some trying to rethink of how to configure that. It was one story. Then it went to two stories, I believe, if my memory serves me correctly.

This request for approval of architectural planning is to try and achieve an appropriate design for Wawanesa but also to give us the opportunity, as my honourable friend suggests, to examine the affiliation potential with the other areas. Currently, if my memory serves me correctly, Wawanesa is affiliated with Glenboro, Treherne and Baldur in terms of a four community joint management collaboration.

* (1630)

Certainly the architectural planning, the design, the initiative is going to try to marry those two concepts of seeing where there can be opportunities for shared service to make this redevelopment. It will no doubt be different than what was proposed, say, even two years ago but in collaboration with the other communities we hope fitting for the area.

Ms. Gray: Mr. Acting Chairperson, in these capital projects I do not see anything similar to what we have in Winnipeg, Fred Douglas lodge, places that are developed for people who are elderly but they are not personal care homes. Does the Minister of Health have any jurisdiction in that area?

The reason I ask the question is one of the things that has come up in my recent door-knocking in the north Fort Garry area is a number of people there who feel that within the Fort Garry community, although there may be some personal care homes, they are looking for a place similar to downtown, such as Fred Douglas, where its apartments are for elderly people but not like the old kind that MHRC used to develop that are basically really small and only bachelor suites.

They are wondering, is this within the jurisdiction of the Department of Health, or is there any type of joint planning that is done with perhaps private industry or whatever to look at something like this? What kind of statistics are there, if the minister happens to have that at hand, in regard to the Fort Garry area? The people living there see that as a gap in service. I do not know whether the Department of Health does or not.

Mr. Orchard: Mr. Acting Chairperson, as long as I understand the question my honourable friend has posed, our responsibility in terms of these Estimates we are debating right now are on the provision of personal care homes, the choosing of sponsors and the operating funding budgeting processes. When you move beyond that into the elderly persons housing, that goes over to the Manitoba Housing.

There has been in the past sort of—when I came in, in 1988, the thought process between the two ministries was that we ought not to even locate elderly person housing juxtaposed to the personal care homes, because it would establish a preferential flow. That was the concern from the EPH over to the personal care home.

There were some pretty persuasive arguments made by—I cannot remember the chap's name, and it was just because I was not thinking of mentioning this—but in south St. Vital, Meadowood Manor, probably was one of the leading administrators in terms of saying, look, this is an opportunity to enhance both without compromising the integrity of free and equal access to the personal care homes.

We concurred, and since then a number of facilities have put EPH next to personal care homes. You will note that in Springfield-Oakbank it is the exact opposite. It is an elderly persons housing to which we are juxtaposing a personal care home this year. We have found that the

affiliation of service and the comfort of knowing that personal care home is there has probably led residents to live independently much longer with less assistance, because it is the comfort factor is the best I can put it.

Last December we cut the ribbon at the Holy Family. The Holy Family built an elderly persons housing on the same property as their personal care home, and the Ministry of Health provided funding to put a link between the two, complete with activity area and open area for the residents as well as some office space for administration of those two facilities. It is just a very excellent working relationship.

Now, to answer my honourable friend's question, it is not my ministry that makes the elderly persons housing, but we are collaborating more in terms of direction between Housing and Health, because there are, I think, some reasonable opportunities maybe even to go further in terms of looking at where we can make program marriages with our elderly persons housing. The managers of social housing have some pretty interesting ideas that they put forward with the Continuing Care Program, for instance, so if anything we are moving closer to trying to collaborate rather than maintaining the solitudes. For financial responsibility, Personal Care Home is mine; the elderly persons housing approval and assessment of need and those criteria are followed still by my colleague the Housing minister.

Mr. Chomlak: Mr. Acting Chairperson, I noticed that the projects approved for construction total about \$173 million. Can the minister just briefly outline what is the status of the projects approved for construction? Are any of the expenditures of those \$173-million projects coming out of these present appropriations?

Mr. Orchard: The only time that Expenditures Related to Capital are triggered is when the project is completed, and then as part of the funding. Let us take the case—which one do you want to pick? Do you want to pick one of the ones where we have an increase in Personal Care Home? [interjection] Okay, Kildonan Centre, River East. When those come on stream, they will become part of our funding program although, in those cases, the capital was put up privately so, with them, our operating expenditure will not appear in Expenditures Related to Capital. It will appear back in 7.(f) in terms of operating costs.

If we were to go to Bethel or Donwood Manor, the 40-bed expansion at Donwood Manor, there will be a portion of the Donwood Manor's guaranteed capital appear in the Personal Care Home Program principal repayments to, okay, and then, naturally, an increase in terms of program budget under the Personal Care Home. The similar happens with a hospital where there is an upgrade in a hospital like, for instance, Grace. Grace Hospital is going through their outpatient emergency lab renovations. When they are completed and opened, they would appear as part of the \$41,264,100 hospital program principal repayment. Any operating costs, although in most cases with the hospitals there is no increased operating cost or very marginal, those would appear as part of the global \$930-million budget.

Mr. Chomlak: I thank the minister for that explanation. Can the minister indicate how much the Central Biomedical Waste Disposal Facility will cost and when it will be completed?

Mr. Orchard: We do not have solid figures that I can share with my honourable friend, but it is going to be a fairly expensive facility. I will give my honourable friend a better guesstimate later on, but here is an opportunity that we are investigating so that my honourable friend gets a sense of the biomedical waste planning.

Biomedical waste that we are looking at right now, although there are a number of technologies that are currently being advanced for biomedical waste, it seems as if the high-temperature burn method is probably the most consistent and the most proven. Others certainly may have potential, but they may be risky in terms of new technology and anyone who brings new in that area might run into some cost he did not plan on.

So current thinking is high-temperature disposal and heat recovery from the high-temperature burn. That heat recovery, we believe there is an opportunity for an approximate annualized saving of \$1 million on heat recovery costs because we are coming to the end of our useful life in some of our laundries. Now, if we have to replace our laundries, we think there is an opportunity to marry those two facilities and do the heat recovery for use to offset operating costs in our laundry. So the biomedical waste is being considered in conjunction with the opportunity to recycle heat from high-temperature burn into hot water for our laundry service.

* (1640)

Mr. Chomlak: Can the minister give me an outline of when the completion date is? I am unclear at this point as well.

Mr. Orchard: We are probably six months away from having that functionally designed so that we know whether there is integrity to the proposal to move it to architectural drawing.

(Madam Chairperson in the Chair)

Madam Chairperson: Item 9.(a) Health Services Insurance Fund - Principal Repayments (1) Hospital Program \$41,264,100—pass; (2) Personal Care Home \$10,151,400—pass.

9.(b) Health Services Insurance Fund - Equipment Purchases and Replacements (1) Hospital Program \$7,889,800—pass; (2) Personal Care Home Program \$1,044,000—pass; (3) Laboratory and Imaging Services, and Air Ambulance \$1,325,000—pass.

RESOLUTION 21.9: RESOLVED that there be granted to Her Majesty a sum not exceeding \$61,674,300 for Health, Expenditures Related to Capital, for the fiscal year ending the 31st day of March, 1994.

10. Lotteries Funded Programs.

Ms. Gray: Madam Chairperson, does the minister have a breakdown from (a) to (f) with the amounts of dollars that have been spent, any further breakdown of how those dollars are spent other than what is listed here in the Estimates?

Mr. Orchard: I will go from memory. Centre for Health Policy and Evaluation is to assist them in undertaking a number of projects in terms of analysis, similar to the low-birthweight baby, similar to the hospital efficiency. It is studies that they are undertaking on behalf of the ministries.

The Children's Hospital Research Foundation was a commitment that was entered into probably 10 years ago, where St. Boniface Research Foundation, then Health Sciences Centre, then Children's were going to receive support for their research activities from Lotteries. I believe that it fell in that order: St. Boniface first, Health Sciences Centre second, then Children's was third. I am not sure, but I think this is the last year of that multiyear commitment that is about 10 years old.

The Manitoba Health Research Council is our ongoing funding commitment to fund their research

activities. They have a significant number of projects that they fund with Manitoba undergraduates in medicine, et cetera, out of that. There are many projects that they will fund. I cannot provide my honourable friend a breakdown, but a sense of it is certainly given every year with their annual report.

Health Services Development Fund is the casino revenues. A major portion of the monies, the \$9 million, will flow to cover the APM contract that we will be discussing no doubt later on. That is \$3.9 million of the \$9 million. Then a number of other initiatives that have either last year, second-last year or new funding will flow from the balance of the casino revenues of \$9 million to the Health Services Development Fund.

Evaluation and Research Initiatives, we do not have specific projects identified this year to undertake expenditure of this \$174,900. As we sit now we do not have specific projects earmarked.

As I mentioned earlier on, the Special Hospital Requirements is to assist the retirement, in part, of deficit incurred at the two teaching Hospitals on Information Systems, the HIS project.

Ms. Gray: Madam Chairperson, can the minister tell us with the Evaluation and Research Initiatives who approves those projects or initiatives?

Mr. Orchard: Madam Chairperson, I would give the ultimate approval on the basis of recommendation from my deputy minister.

Madam Chairperson: 10.(a) Manitoba Centre for Health Policy and Evaluation \$437,500—pass; (b) Children's Hospital Research Foundation \$416,700—pass; (c) Manitoba Health Research Council \$1,752,600—pass; (d) Manitoba Health Services Development Fund \$9,000,000—pass; (e) Evaluation and Research Initiatives \$174,900—pass; (f) Special Hospital Requirements \$7,000,000—pass.

Resolution 21.10: RESOLVED that there be granted to Her Majesty a sum not exceeding \$18,781,700 for Health, Lotteries Funded Programs for the fiscal year ending the 31st day of March, 1994.

Item 1.

At this time I would request that the minister's staff please leave the Chamber.

Mr. Orchard: Madam Chair, as I indicated earlier on, I have a copy of the proposed residential

charges for my honourable friends. Now remember, fellows, if I get cut back, you are going to have to chip in.

Would it be appropriate to thank my honourable friends for their contribution?

Madam Chairperson: 1.(a) Minister's Salary \$20,600—pass.

Resolution 21.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$13,907,600 for Health, Administration and Finance, for the fiscal year ending the 31st day of March, 1994.

This concludes the Estimates for the Department of Health.

What is the will of the committee?

An Honourable Member: Take a 10-minute recess.

Madam Chairperson: Take a 10-minute recess? That is the will of the committee? Well, then, at 5 p.m.—

An Honourable Member: Private members' hour.

An Honourable Member: So there is no use calling in the staff.

An Honourable Member: We could recess until 4:59, and then you can announce Labour, and it will be five o'clock.

Madam Chairperson: We will recess until 4:59.

The House recessed at 4:50 p.m.

After Recess

The House resumed at 5:03 p.m.

LABOUR

Madam Chairperson (Louise Dacquay): This section of the Committee of Supply will be dealing with the Estimates for the Department of Labour. We will begin with a statement from the minister responsible.

Hon. Darren Praznik (Minister of Labour): Madam Chair, I will continue on once this committee reconvenes at the allotted hour.

Madam Chairperson: Order, please. The hour being 5 p.m. and time for private members' hour, I am leaving the Chair. This committee will reconvene at 8 p.m. to deal with the Estimates for the Department of Labour.

Call in the Speaker.

IN SESSION

House Business

Hon. Darren Praznik (Deputy Government House Leader): Madam Deputy Speaker, on House Business, I would like to announce that the Standing Committee on Economic Development will meet on Tuesday, June 29, at 9 a.m. to continue consideration of Bill 22, The Public Sector Reduced Work Week and Compensation Management Act. I look to the table officers to advise us to which committee room that will be scheduled for. I believe this committee will meet in Room 255.

I would also like to announce that Bill 39, The Provincial Court Amendment Act, is to be added to the list of bills being considered at the Standing Committee on Law Amendments, which has been called for Tuesday, June 29, at 7 p.m.

PRIVATE MEMBERS' BUSINESS

PROPOSED RESOLUTIONS

Res. 38—Video Lottery Terminals

Ms. Rosann Wowchuk (Swan River): Madam Deputy Speaker, I move, seconded by the member for Selkirk (Mr. Dewar), that

WHEREAS the provincial government has installed video lottery terminals in facilities across the province; and

WHEREAS the original projection of revenues resulting from the placement of video lottery terminals was estimated at approximately \$2.5 million; and

WHEREAS the actual revenue generated from video lottery terminals has reached approximately \$7 million in the first year; and

WHEREAS the provincial government had originally indicated that all funds generated from video lottery terminals would be returned to rural Manitoba for economic development initiatives; and

WHEREAS the Union of Manitoba Municipalities has called for the return of the revenue generated through video lottery terminals to municipalities outside the city of Winnipeg.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the government of Manitoba to consider returning all

funds now raised through video lottery terminals to rural Manitoba and applied to rural economic development.

Motion presented.

Ms. Wowchuk: Madam Deputy Speaker, as I read through this resolution when it was first prepared, and look at the figures of what video lottery terminals are raising now, we see that it is a tremendous, much greater amount than was ever anticipated. But it is just as important now, whether the revenues are larger or smaller than anticipated, that this government keep its promise.

The promise that they made, the promise that they used to sway rural Manitobans to allow video lottery terminals to be installed, was the promise to reinvest all money raised from video lottery terminals in the rural communities back into economic development in rural Manitoba. We expected the government to keep that promise, because we have heard many times that this government has said that they are in favour of economic development in rural Manitoba.

But, Madam Deputy Speaker, this government has failed in keeping its promise to rural Manitobans. They said all money would come back, and instead they are putting that money into general coffers, not returning it to rural Manitobans. They did make a token commitment to rural Manitobans when they returned portions of it; 3.5 million was returned out of \$31-million profit.

Madam Deputy Speaker, that is a very small amount of money that is being returned. They also did return some money to some 506 organizations across the province, an amount of \$540,000. By putting that money back into the organizations, the government is admitting that their video lottery terminals are hurting the fundraising efforts of many organizations. Many groups are feeling the impacts of having the video lottery terminals in their communities. We have seen that in many, many communities. We have had many organizations tell us that their revenues have decreased.

But, Madam Deputy Speaker, this government has not listened to municipalities. Municipalities asked for 25 percent at least. They did not get that amount of money. If you look at the numbers, they got maybe about 10 percent of the revenues that is being generated.

Madam Deputy Speaker, if this government believes in rural Manitoba as they say they do, if

they believe in job creation as they say they do, then they should be reinvesting the money back into the communities as they promised. That is what this resolution is calling for. We are basically asking the government to keep their promise, and that should be a very simple. When you make a promise, you should be able to keep it.

But when we look at what this government is doing in other areas, we know that they have broken many promises to rural Manitobans. I want to refer to my own constituency where they have broken several promises. They have broken the promise on Repap, where they promised us many jobs, and we have got nothing. They promised the people of Swan River constituency that they would renegotiate the cut area, so that we would be able to have some jobs there. They have broken that promise. To many rural Manitobans, they have broken promises on decentralization.

So, Madam Deputy Speaker, it is very important that money that is taken out of rural Manitoba go back into rural Manitoba, and that we do have some job creation there. The money is used to improve the quality of life in rural Manitoba, but this government is breaking that promise. It is very unfortunate that government should mislead people in such a way. You cannot tell people on one hand, yes, we will put these machines into your communities, and, yes, we will put these machines into your communities, and yes, we will reinvest, the money will come back and then make an excuse and only bring part of the money back.

I know that the minister will tell us about the RED1 funds and the Green Team funds, and granted, that money is going back, but the point is that all money that was raised from video lottery terminals in rural Manitoba was supposed to go back for economic development. We are not having jobs created in rural Manitoba as was promised by this government, Madam Deputy Speaker.

Madam Deputy Speaker, this government is looking at video lottery terminals as a way to raise money but not looking also at the consequences of having those machines in the rural areas. I had the opportunity to visit some of the communities, some very small communities, and I invite members opposite to come out to those communities and see what the impacts of the video lottery terminals are.

In particular, I visited the community of Camperville, which is, as you may be aware, a

community of a low economic base, but also a community that does a fair amount of fundraising within their community through bingos. When this government put the video lottery terminals into the neighbouring community there has been a dramatic decrease in fundraising revenues in that community, basically very little money.

Also, the people in the community are very concerned about what the impacts on their families are by having these machines in such close proximity to their community. They are concerned on what the impact is on other businesses. Parents in the community are concerned that a tremendous amount of money is going into video lottery terminals and children are suffering because of it.

This government has a responsibility to do a review of what the impacts of the video lottery terminals are on families and on communities, but they are not taking that step.

* (1710)

When this resolution was first introduced, Madam Deputy Speaker, it was near the time when we had the municipal convention and at that convention many of the municipalities raised these very concerns. They raised the concerns that money was being drained out of them. For example, the community of Swan River: there is well over a million dollars leaving that community through video lottery terminals. What are we getting back in that community?

Yes, the community has received a per capita grant. Although we are told it is an unconditional grant, now municipalities are required to report back to the government on how that money will be spent. That does not appear to be completely unconditional. Councillors, mayors and reeves expressed a great amount of concern about the fact that money was not being returned. I would suggest that some of the members go out into those communities and hear what they are saying.

An Honourable Member: You are out of touch, Rosann.

Ms. Wowchuk: The minister across the way tells me that I am out of touch on this issue. I am afraid I have to tell him that he is out of touch on this and a few other issues.

I have just been into the communities, Madam Deputy Speaker, throughout my constituency, and I

can tell the minister that in the community of Swan River they are very disappointed that they were misled by this government. They were told that the money raised from video lottery terminals would come back into their community and it is not coming back. It is not being distributed. It is not going back. As I say, over a million dollars has come out of Swan River but very little is coming back except for the grants of \$5.70 per capita and the money going back to the organizations who have lost.

This government is not keeping its promise. It is a very simple promise they made, and we would expect that they could keep that promise. They did not realize how much money they were going to make, and now they look at the rural communities as a cash cow that they can keep draining and draining and never mind putting back in.

How can a government with so many rural representatives, a government that says they believe in rural communities, take such action and break such a basic promise, a promise to return revenues back? That is really what people want.

Let us put that money back into the communities. Let us have infrastructures. For example, we are waiting for this government—again I refer to Swan River where they have been trying to get natural gas into the area. Perhaps some of that money could be used to install natural gas, but we are not hearing what this government's position is on that. There are other things that this government should be doing in rural Manitoba, but they give empty promises.

They say that they are going to put money back in, but they are not, and they are also not improving services in rural Manitoba. In fact, many of the things that this government is doing is hurting rural Manitobans. When I look at the Children's Dental Program which is being eliminated by this government, a very good program, but they find it quite okay to drain money out of rural Manitoba through video lottery terminals and then turn a blind eye on a program that is such a good program, the Children's Dental Program. They have no difficulty on one hand taking money out, but not keeping a program in place.

There are other instances that we see of that, Madam Deputy Speaker. For those people who come from rural Manitoba or those people who have an understanding of rural Manitoba, they will realize that in many cases it is more difficult to get

an education in those areas and that we need to improve the educational system, to enhance it, whether it be through Distance Education or First Year Distance Education. I have discussed this with members across the way and would think that they would understand what the concerns are of rural Manitobans, but they do not seem to be prepared to take action on those things.

(Mr. Jack Reimer, Acting Speaker, in the Chair)

Yes, the government has returned some of the money to the communities, but not nearly what they should be doing. If, in last year, there was \$31-million profit from video lottery terminals, why have we not seen \$31 million in economic development? Why have we not seen that money not necessarily distributed back to municipalities, but invested in rural Manitoba, to improve the quality of life, to improve services in rural communities and, more importantly, to have some job creation, first of all, to have services so that those young people who want to come back can come back to the community, but also to have some jobs in the rural communities.

But what we have this government doing is cutting back on jobs. It goes completely against what they had said on the decentralization. We were supposed to see improved services, improved job opportunities in rural Manitoba, but this government is failing in that aspect. So I think that this is a very timely resolution. I think that, although the numbers are out of line because there is much more money in it, and had this resolution come up at the draw earlier it would have been more accurate, but in reality, it only emphasizes that the situation is much more serious. The government is taking much more money out of rural Manitoba than they had ever anticipated that they would, and this government has a responsibility, Mr. Acting Speaker, to reinvest that money back into rural Manitoba.

So I urge the Minister of Lotteries (Mrs. Mitchelson) or the Minister of Rural Development (Mr. Derkach) to look at this resolution very carefully, and I urge them to support it as well. If they are at all committed to rural Manitoba, then I urge them to keep the promise that they made, and that promise was the money that was raised from video lottery terminals would be reinvested.

As the members across the way should know, it is a desperate situation in many rural communities.

We need economic development. We need jobs; we need economic growth. This government has the opportunity to show its commitment to rural Manitoba by acting on this and saying that, yes, all money raised in rural Manitoba will be reinvested back in rural Manitoba. I urge them to support the resolution and to fulfill their commitment to rural Manitobans.

Thank you very much, Mr. Speaker.

Hon. Leonard Derkach (Minister of Rural Development): Mr. Acting Speaker, I rise this afternoon to address this resolution tabled by the member for Swan River. Again, as I look through this resolution, it is not any different than much of the stuff that has been—stuff I say—put forward by the members of the opposition. Again, it portrays the narrowmindedness, the old-think, that has been so typical and so characteristic of the opposition party.

The NDP believe that the only way to solve a problem is simply to throw money at it, and then you raise that money by simply taxing Manitobans. There have been no substantial alternatives provided by the opposition in terms of how we can address some of the real challenges that are before us not only in rural Manitoba but indeed in the entire province. Mr. Acting Speaker, again I say, this is a typical resolution that we could expect from the New Democrats which shows their sort of narrow focus. Their only way of resolving anything is to throw more money at it.

* (1720)

Mr. Acting Speaker, I am proud of the record that our government has with regard to rural Manitoba. At no time in recent history has there been that kind of attention paid to the rural part of our province. I know that there has been a difficult situation in rural Manitoba with regard to our economy. Because rural Manitoba is largely agriculture based and because of the situation across Canada and across North America and indeed in many parts of the world with regard to agriculture, we have seen a very staggering type of economy in rural Manitoba as a result, and we have all been faced with the recession. It has not just been in rural Manitoba; it has been in urban Manitoba. It has happened in other parts of this country and in other cities of this country, and indeed this province has taken a leadership role in addressing the very difficult challenges that are before us.

I know that members opposite find it a little bit embarrassing when they see what some of their counterparts are doing in other parts of this country. When they look at the plight of the New Democrats or the used-to-be New Democrats in Alberta they recognize, I believe, although they do not want to admit it, that indeed the New Democrats in Canada are in big trouble. Now, Mr. Acting Speaker, it is no different in rural Manitoba.

Mr. Acting Speaker, I would like to, just for the sake of the record, give some indication of what has really happened in rural Manitoba. We see the New Democrats focus their attention only on VLTs. That is the only thing they see happening in rural Manitoba. Well, let me enlighten them because there are many things happening in rural Manitoba.

First of all, it was this government that came to the assistance of farmers in rural Manitoba. Over the last four years, we have worked diligently to try and revitalize the rural agricultural economy. Our Minister of Agriculture (Mr. Findlay) has been a lead minister in the negotiations with regard to GRIP and with regard to NISA, and it is this government that has put together a meaningful program that other provinces are looking at with envy.

I live on the border of Manitoba and Saskatchewan. In my constituency, there are farmers who own land and farm in Manitoba, and they also farm in Saskatchewan. All you have to do is ask them which program is working for them. Is it the Saskatchewan program or is it the Manitoba program? Well, Mr. Acting Speaker, I can tell you that every single one of them will tell you that the Saskatchewan program is not worth having, that it is the Manitoba program that is worth having—

An Honourable Member: And what party is in power?

Mr. Derkach: Which government do we have in Saskatchewan? Well, the last time I checked, it was a New Democratic government in Saskatchewan.

So let the member take note of a program like that and the amount of money that has gone into it. We have put over one hundred million dollars into this program over two years. That shows a true commitment to agriculture, to rural Manitoba from a government that really cares about rural Manitoba.

Let us move on, Mr. Acting Speaker, to other programs. Let us look at my own department, the Department of Rural Development, and what we have done to help rural Manitobans over the course of the last few years.

First of all, we established the community round tables, and we have about 41 active community round tables across Manitoba. Now I know the member for Swan River does not understand what the round table program is about, but all she has to do is talk to some of those round tables that are actively pursuing their visions for their communities. They are actively pursuing the revitalization of their communities, and they will tell her that indeed the round tables are a vehicle that is working in rural Manitoba. There is not one that I know of that has said, no, the round table is not a vehicle that is working, and it is supported by Rural Development. It was created by this government, not by the members on the opposite side.

Well, let us move on to the Grow Bonds Program, Mr. Acting Speaker. The Grow Bonds Program again was initiated by this government to help communities invest money that is in the bank accounts of their communities into projects within their communities.

Our job, as a government, is to make sure that we are ready to help them in any way we can. We are not going to go out there and find projects for rural communities. That is up to the rural communities to do. We have seen four projects come forward which are creating jobs in rural Manitoba, which are putting investment in rural Manitoba and which are helping our rural communities grow.

Let us move on to REDI. This is where we use video lottery monies—Grow Bonds, round table, REDI. What has REDI done for rural Manitoba? Well, it has certainly created a lot of interest in the economic revitalization of rural Manitoba. Now, there is not a program like that anywhere else that I know of in Canada. Other jurisdictions are looking at this program and saying what an innovative and creative way of helping rural communities invest money in themselves and get on with the task of rural economic development.

Mr. Acting Speaker, I can tell you that under the REDI program we have had something like 200 applications come forward to this department, and of those 200 applications there are many that have

already been initiated and are already investing in their communities.

Now, there are other programs as well. We just announced a REA program at the Rural Economic Development forum, and we said that we would put a million dollars into a rural entrepreneurship program. To date we have got enough projects on the table that would use up the entire million dollars that we set aside for that program. That shows you that rural Manitobans are interested in programs that we develop. They are taking advantage of them, and they are making their communities grow. It is that money that is being put to use, money that is gained from video lotteries.

Mr. Acting Speaker, Manitobans also said that we should be putting money to fight the deficit, the deficit that was largely created by the members on the opposite side of this House. They are the ones who created the debt that today we have to pay the interest on. So we have to use video lottery money to pay for that debt, and rural Manitobans understand that. They are saying, yes, use that money to pay for the deficit that you have because, indeed, we cannot expect our children and our grandchildren to pay for that debt.

Mr. Acting Speaker, I do not know how much time I have. I have about five minutes, and I know that is not enough time for me to try and elaborate on all the programs we have. But let me say that we have another program under this government which has helped rural communities in terms of their infrastructure. It is the PAMWI agreement that was struck between the federal government, the provincial government and municipalities. Something like \$30 million, provincial dollars, is going into that program to help rural communities get their infrastructure back into a condition where it can be used.

Mr. Acting Speaker, I can talk about the Downtown Revitalization programs that we have entered into agreements with two communities, one being Brandon, the other one being Thompson. We have put significant dollars into those programs, something like \$533,000 to help those two communities get their downtown areas looking appropriate for this day and age and to do business in this day and age.

So we can go on and on and talk about the kinds of initiatives that have been undertaken by this government to help rural communities, least of

which are programs like Distance Education which is extremely important for a small community.

It was not the government opposite, nor was it the NDP government when they were in power who put in Distance Education programming, not at all. They never had a vision of that kind. We had the vision to put Distance Education into rural Manitoba, so students in rural Manitoba could get programs, whether they are high school programs, college programs or university programs, by Distance Education. There were significant dollars invested in those programs. So let the member not indicate that we have broken any kind of a promise.

Mr. Acting Speaker, we said that we thought we would have about \$5.3 million coming in as revenue from video lottery terminals. A lot more has come, and we have put that money where it should be placed, to fight the deficit, but we have not abandoned our commitment to ensure that money goes into rural Manitoba. I can tell you that to date we have committed something in the neighbourhood of \$13 million of lottery money, new lottery money, into rural Manitoba in the last year and a half to help rural Manitobans—\$13 million that is going to go back to rural communities to help them with their economy.

Now I think the member for Swan River (Ms. Wowchuk) should perhaps attend some of the district meetings that have been going on with UMM over the last week and a half. We have had five meetings over the course of the last week and a half. I have not seen the member for Swan River at one of them. I have not seen the member for Swan River at one of them. I have not seen her critic at one of them yet.

Mr. Acting Speaker, I can tell you that there, at these meetings, we have an opportunity to talk to municipal councillors, to talk to reeves and mayors, and then they can tell you the real story. I stand up at those meetings and I give them a presentation and then I open up the floor for questions and also comments. I can tell you, to date, there have been very positive comments that are coming back to us.

So because of the positive things that have happened in rural Manitoba, I would like to propose an amendment to the resolution that has been put forward by the member for Swan River.

* (1730)

So, Mr. Acting Speaker, I move, seconded by the Minister of Culture, Heritage and Citizenship (Mrs. Mitchelson)

THAT Resolution No. 38 be amended by deleting all of the words following the first "WHEREAS" and replacing them with the following:

The provincial government has installed video lottery terminals in facilities across the province; and

WHEREAS the original projection of revenues resulting from the placement of video lottery terminals at approximately \$5.0 million; and

WHEREAS the revenue generated from video lottery terminals reached \$30.8 million by December 31, 1992, as reported by the Manitoba Lotteries Foundation; and

WHEREAS the provincial government has tripled funding for rural economic development initiatives; and

WHEREAS \$3.5 million of video lottery terminal revenue will be transferred direct to local governments in rural Manitoba; and

WHEREAS the citizens of rural Manitoba support deficit reduction; and

WHEREAS 65 percent of video lottery terminal revenue will be allocated to deficit reduction in 1993-94.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba commend the government of Manitoba for its responsible administration of the increased video lottery terminal revenue.

The Acting Speaker (Mr. Relmer): In reviewing the proposed amendment by the honourable Minister of Rural Development (Mr. Derkach), seconded by the Minister of Culture, Heritage and Citizenship (Mrs. Mitchelson), after due deliberation and consultation, the amendment is in order.

Mrs. Sharon Carstairs (River Heights): Mr. Acting Speaker, I rise to speak to this resolution today, and I regret, quite frankly, that the minister has seen fit to yet once again self-congratulate themselves. I want to speak more about the philosophy behind the VLTs than necessarily the resolution itself, but I will make sure that I maintain my relevancy.

I think that what we have failed to do in this province, as they have failed to do in other provinces of various political stripes, is to re-evaluate what we are doing with gambling in the province of Manitoba and, indeed, in this nation of ours. I am becoming more and more concerned that we are encouraging our citizenry to spend money in a way which in no way is productive. It does not create wealth, except for those very few people who win at odds which are disproportionate to any real and genuine opportunity to win. The odds are, for the most part, ridiculous, and if most citizens knew, I suspect, their odds of winning, they might indeed be very reluctant to spend the money they are spending.

But whether it is bingo, whether it is slot machines, whether it is casinos, whether it is VLTs, the odds are always with those who own the machines. They are never with the individuals who are gambling, and I become concerned when I am stopped, as I was not too long ago, by the owner of a restaurant in Minnedosa who says that he has watched children falling asleep at their mother's feet while the mother is pushing money into the VLTs, children who should have been home for naps.

I become concerned when I know that charitable organizations, some of which I have volunteered for and given support to, tell me that they will get a bingo night on the night that the social allowance checks come out, because if it is the night that the social allowances checks come out, then they can be absolutely guaranteed a good run, that it will be a big bingo night, so they, in getting their profits, will do better.

All of this kind of activity is promoted by government. The government says we want to promote this activity, because it adds to our coffers. It gives us additional revenues, additional monies to spend, and that is true. All governments across this country, no matter what their political stripe, are participating in gambling, are paying for advertisements to encourage people to gamble, and are using those revenues as part of their Consolidated Fund to fund programs.

Some will say that is good, it is a new form of taxation, but there is, I think, a morality issue here. Should this be what government is promoting as a form of taxation? Should government be promoting people to spend their money that should legitimately, I think, be spent on their children for

food and clothing, should we be encouraging them as a government to spend that money on VLTs or bingo games, lottery tickets? I must say that I think not.

An Honourable Member: Do not make decisions for people.

Mrs. Carstairs: Well, the member for Sturgeon Creek (Mr. McAlpine) says you cannot make decisions for people. You cannot tell them how to spend their money. That is quite correct. You cannot.

But if the government does not put the machines into bars, if the government does not build bingo halls, if the government does not come up with one lottery scheme after another lottery scheme, then the people do not spend their money that way.

An Honourable Member: Who is that restaurant owner from Minnedosa you were talking to?

Mrs. Carstairs: Well, I see that the member for Minnedosa (Mr. Gilleshammer) wants to know and, of course, he knows full well who the restaurant owner is since it was a candidate who ran against him in the last two election campaigns.

That is not the point here. The point is that we have never in this province sat down and evaluated the impact, positive and negative, on gambling. We have never as a Legislature engaged in a thorough debate on its strengths and/or its weaknesses. We have never, Mr. Acting Speaker, stepped back and said, is this is a good thing for governments to do in balance or is it not a good thing for governments to do in balance? That is where I think we have failed to meet the requirements within our society.

This is not to be put at the blame of one political party or another political party, because I can quickly point to New Brunswick with a Liberal government which promotes this kind of activity and it certainly began in this province under the New Democratic Party. This is not for me a political party debate, and I do not want to be perceived as being critical of this government for what it is doing in and of itself. I am saying that as those who are in a position of authority, and that is the 57 of us, surely we should be stepping back and analyzing and evaluating as to whether this is a positive initiative or whether it is not.

* (1740)

I would like to see an independent group and committee either of this minister's choosing—I do not have any particular difficulty with that—who would in fact take on the mandate. There are positive articles on gambling. I just read a review this weekend in The McGill News in which two economists at the university of McGill in fact say it is a good thing. It is positive. I have also read articles of a contrary nature which indicate that it can in fact be a very bad thing in terms of the social evolution of our society.

I think we owe it to our citizenry to step back and do that kind of evaluation of looking at the positives and looking at the negatives and coming up before we continue to add more and more and more of the machines, of the gambling casinos, of the super palaces, if you will, that we have just opened on Regent Avenue and to say, is this the kind of structure we want in our society? Is this the kind of thing we want to encourage our young people to do?

I do not watch a great deal of television, but one of the things that disturbs me greatly is when I turn on the TV and I see an ad, and I think they say—I call them the freedom ads—somehow or other, because you win a lottery, that is going to make you free. Winning lotteries does not make anybody free. It may give them some money, but it does not make them free. Freedom comes from inside. It does not come from the amount of money that you can spend.

I am not naive. Obviously, if you have more money you probably can lead a little higher quality life than if you do not have money. But if you are looking for instant happiness and instant freedom from winning a lottery, that is not where it is at.

In fact, if you look at the studies of people who have won lotteries, many of them have turned their life into an absolute misery, because they have had a number of individuals who have approached them for money. They do not know how to deal with it. They have experienced family breakdowns, because they have achieved these riches too quickly without the background of knowing how to invest them appropriately. They feel as if people have stolen from them, when in fact that may not be the case. They may just have made bad investments.

Winning a lottery does not guarantee anything. It does not guarantee happiness; it does not

guarantee freedom. Yet that is the message that comes out in the ads. All of a sudden you can have the big wonderful house, the grand piano. You can have the bicycles for your kids, all of which are material possessions and all of which I do not think any of us would suggest makes for the most satisfactory happiness of any human being.

An Honourable Member: Do they not help?

Mrs. Carstairs: Oh, I said a few minutes ago, when you were busy signing your letters, Mr. Minister, that in fact in some circumstances they could help, but they do not provide that freedom that we seem to be encouraging within our young people. That is the group that I am concerned about.

What kind of a signal are we giving to children? Are we saying to young people, you know, the government spends very little—no government does, by the way—saying to young people, you have to stay in school, you have to get well educated, you have to improve your grades, there will be rewards if you achieve academic success. We spend very little time.

What does our youngster see watching television? Instant success is achieved by winning a lottery, not by hard work. Surely, as a government the signal we should be giving out is, no matter what your talents or your abilities, nobody achieves anything without hard work. That is almost a contradictory response to what we see in an advertisement about winning a lottery, because winning a lottery takes no work. It just takes a dollar or a two-dollar or a five-dollar or a ten-dollar bet, and all of a sudden you have instant success.

My concern is about the kind of signal that we are giving to young people, the erosion of values that we are providing to young people. I think all of us should evaluate that kind of expenditure and that kind of promotion on the part of government.

There are many debates which take place, I think, in all political parties about this particular issue. Some are in favour; some are opposed. Some think it has economic value; some think it has none. Some think it is a tax on the poor because the lottery ticket costs the poor person as much as it costs the wealthy person. The reality is, what we have not done as people who have been elected to serve Manitobans is to do that evaluation and to say to Manitobans, what do you think?

I did a survey of my own constituency. Let me say first of all, Mr. Acting Speaker, it is not a valid survey. When you send out a card to your constituents and you get 700 of them back, you do not know what the others are thinking, so it is not a valid survey. I want to make that very clear. I did ask the question: Do you believe that it is good for the government to be adding to the amount of gambling that Manitobans are participating in? In my constituency, 74 percent of the respondents said no, that they did not believe that we should, in fact, be expanding the amount of gambling in the province of Manitoba.

So it is an indication of how people feel, that they want us to re-evaluate—and I made it clear that government was in fact using that money for government programming. The member for Sturgeon Creek (Mr. McAlpine) says: Do we know the alternative? We do not know what the alternative is. We do not know, for example, that if all of those people who are putting money now, presently, in rural communities into the VLT machines would in fact be still spending that money, but they would be spending it on other goods and services in that community. That we do not know.

We do know that millions and millions and millions of dollars are being pumped into VLTs. We can only assume that those Manitobans who are now gambling with that money were probably spending that money in the past, because the rate of savings in Manitoba has not gone down statistically. So one can assume they have just taken it from one pot and put into another pot. So there is no new money.

So, yes, the provincial government may have more dollars to spend, but local businesses have less money to spend, because their monies have been put into the VLT machines and half of that money has ended up in the Consolidated Fund of the government.

So, Mr. Acting Speaker, I think that it is time that we did the kind of evaluation, and I would like to see it nonpolitical. I would like to see representatives either from all political parties in this House or outside so that there is not any, I am holier than thou because I am a Liberal or you are holier than thou because you are a Tory or they are holier than thou because they are NDP. That is not the kind of evaluation we need. We need an

evaluation which will be done in the best interests of Manitobans.

Ms. Wowchuk: I am disappointed that the government should choose to amend this resolution just to congratulate itself for the work that it has done. This resolution was intended to encourage the government to fulfill a promise, a promise that they had made to reinvest money in rural Manitoba.

* (1750)

The minister talks about having been to many municipal meetings and people being very supportive of the government's actions. He forgets to mention those municipalities that met last year who were very disappointed and had passed resolutions asking the government to keep their promise. That is what we were trying to do in this resolution, to encourage the government to keep their commitment to support rural Manitobans.

Now the minister, in his comments, outlined many areas that the government has supported in rural Manitoba, but in actual fact, Mr. Acting Speaker, when you look at rural Manitoba, we are not seeing an increase of jobs. We are not seeing an increase in economic development. We are seeing some people getting money from REDI funds for feasibility studies, but these have not led to jobs at this point. Hopefully, they will, but this government cannot say their activities have created jobs in rural Manitoba.

(Mrs. Louise Dacquay, Deputy Speaker, in the Chair)

The minister talks, in his resolution, about taking 65 percent of the money from video lottery terminal revenues to reduce the deficit, and he talked about where the deficit came from. He has not admitted that it is his government's management, the government that he serves in cabinet on that has created the biggest deficit that this province has ever had—\$862 million.

They are going to take video lottery terminal money to pay down the deficit. Perhaps they should look at how they are managing this deficit. Perhaps they should look at how they are running this province and what they are doing for job creation.

If people were working in this province instead of being on welfare, which appears to be what this government is prepared to spend their money on,

we would have people who are working, people who are paying income tax. We would have economic activity. We would have money to pay off the deficit. They would have money, but this government just believes in keeping people on social assistance and keeping control of people and not improving their status in life, not taking any steps for job creation and getting the economy going.

If they did some of those things, Madam Deputy Speaker, we would not have nearly the deficit that we have, but this government is not managing well at all. They have created the biggest deficit in the history of this province, and they think they are going to cure it on the backs of video lottery terminals. Well, they are wrong. They have to do much more than take money from video lottery terminals to pay off the deficit.

I am disappointed that this government has not looked at alternatives to gambling, and they have not reviewed the impacts of gambling. They have not looked at what the impacts are in many of the small communities.

The Minister of Rural Development (Mr. Derkach) has said that, when he was at the municipal regional meetings, those people were very happy with what was happening by this government. Well, I will tell you he is talking to many different people than I am. He is not addressing the concerns or listening to the concerns of some of the people in the very remote communities where there are no jobs, but there is false hope built up by video lottery terminals. Money is going into those machines, and this government says, to pay off their deficit, to pay off their bad management.

Perhaps if this government wanted to address the real issue of how revenue—maybe, they should be looking at a fairer taxation system. Rather than trying to pay off the deficit through video lottery terminals, maybe they should look at the taxation system and addressing that part of it. Instead, they are trying to clear off their bad management and their deficit costs on the backs of the poor.

They are cutting out on Student Social Allowances. They have cut off the dental program. They have cut out ACCESS. They have cut out supports in many areas. On seniors, they have cut back the tax credit for seniors. They are trying to correct their mismanagement of the deficit on the

backs of those who can least afford it. That is what they are doing.

They have not looked at the impacts of the gambling. Nobody is saying that there should not be gambling in this province. What we are saying is that there should be a review. Look at the impacts of what is going on before you expand any further. But this government is all gung ho on expanding, thinking that they are going to make more money on these video lottery terminals and not looking at the impacts of people.

They are not looking at the impacts on the small communities and on many of the people who can least afford it. You have to look very seriously at this. Is this a good idea? The government, instead of reviewing, as we have asked for many times, the impacts, there is no action being taken.

I am disappointed that the Minister of Rural Development has amended this resolution, Madam Deputy Speaker, because we brought it in just trying to remind the government of a promise they had made. You know, we would like to see governments keep their promises, and as I say, this government has broken many of them to rural Manitobans.

They have broken the promise on video lottery terminals. They have broken their promise on decentralization. There were many communities that were promised jobs by this government, and they have failed.

In my constituency, Madam Deputy Speaker, they have broken more promises. The whole Repap deal was the biggest failure this government ever had. That is what they ran on in the last election, promising jobs to the Swan River area, and what have they done? They have done nothing because with respect to Repap, this government has failed.

All they are doing is supporting a company and not thinking about the promises they made to the Swan River people. They told the people of Swan River they did not need decentralization jobs, because they were going to have Repap jobs. Well, here we are, three years later, and they have not been able to deal with that. Then they promised the people of Swan River that they would renegotiate the cut area. They have not done that, Madam Deputy Speaker. They have failed dismally in many of the things that they are doing in rural Manitoba.

Then, they are not listening to the people of rural Manitoba when it comes to video lottery terminals. They have not listened to municipal councillors. Municipal councillors asked for 25 percent. They have given a—

An Honourable Member: Where have you been?

Ms. Wowchuk: The minister asks where I have been. I have talked to many municipal councillors.

An Honourable Member: Where?

Ms. Wowchuk: Across the province. I may not have attended the regional meetings, Madam Deputy Speaker. I may have had other commitments, but I have talked to many municipal councillors throughout the riding, and they are not happy with this government in what they have done.

They have not listened to the Swan River council. They have not listened to the Minitonas council and they have not listened to any of the councils. They are not listening. He may say that he is listening, but he has forgotten what they said at the municipal convention earlier on. At the municipal convention, they said that they wanted at least 25 percent of the revenue, but of course, this government, all they do for municipal councils is cut back on services.

So, Madam Deputy Speaker, I am disappointed that the minister would not take the advice that we have given in this resolution seriously, because he should listen to what Manitobans are saying when it comes to video lottery terminals. He should also be listening to the other words that rural Manitobans are saying.

They have said many times that this government has let them down. They have not come forward with the jobs they have promised.

What they have done is, in reality, reduced services in rural Manitoba. They offloaded costs onto municipalities, passed on responsibilities, and they are not listening.

When I look back at other areas that we have talked about, they have made promises, but not kept them, Madam Deputy Speaker. So I think that the Minister of Rural Development (Mr. Derkach) says that he has been listening to rural Manitobans, I would advise him to go back out into that rural community and really talk about video lottery terminals, and they will tell him that they did expect this government to keep their promise. When they

said that money generated from video lottery terminals would be invested back in rural Manitoba, rural Manitobans expected them to keep that promise, and so did we.

We thought that the government would keep that commitment, but they have not, and we are disappointed.

But I would hope that in all of this also, Madam Deputy Speaker, when the government is considering what they should be doing that they will also review the impacts of these video lottery terminals on the people and also on the communities where they have had their ability to raise funds for their various organizations reduced tremendously.

So I urge the government to think about what they are doing. If they are draining this tremendous amount of money out of the rural that—

Madam Deputy Speaker: Order, please. When this matter is again before this House, the honourable member for Swan River will have five minutes remaining.

Committee Changes

Mr. Edward Helwer (Gimli): Madam Deputy Speaker, I move, seconded by the member for St. Vital (Mrs. Render), that the composition of the Standing Committee on Economic Development be amended as follows: the member for Turtle Mountain (Mr. Rose) for the member for Gimli (Mr. Helwer); the member for Portage la Prairie (Mr. Pallister) for the member for Sturgeon Creek (Mr. McAlpine).

I move, seconded by the member for St. Vital, that the composition of the Standing Committee on Privileges and Elections be amended as follows: the member for Gimli for the member for St. Norbert (Mr. Laurendeau); the member for Portage la Prairie for the member for St. Vital.

Motions agreed to.

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Madam Deputy Speaker: The hour being 6 p.m., I am leaving the Chair with the understanding that the House will reconvene at 8 p.m. in Committee of Supply.

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, June 28, 1993

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