



Fourth Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

*Published under the
authority of
The Honourable Louise M. Dacquay
Speaker*



Vol. XLVIII No. 26 - 1:30 p.m., Monday, April 6, 1998

ISSN 0542-5492

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Member	Constituency	Political Affiliation
ASHTON, Steve	Thompson	N.D.P.
BARRETT, Becky	Wellington	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave	Kildonan	N.D.P.
CUMMINGS, Glen, Hon.	Ste. Rose	P.C.
DACQUAY, Louise, Hon.	Seine River	P.C.
DERKACH, Leonard, Hon.	Roblin-Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary	Concordia	N.D.P.
DOWNEY, James, Hon.	Arthur-Virden	P.C.
DRIEDGER, Albert	Steinbach	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry, Hon.	Lakeside	P.C.
EVANS, Clif	Interlake	N.D.P.
EVANS, Leonard S.	Brandon East	N.D.P.
FAURSCHOU, David	Portage la Prairie	P.C.
FILMON, Gary, Hon.	Tuxedo	P.C.
FINDLAY, Glen, Hon.	Springfield	P.C.
FRIESEN, Jean	Wolseley	N.D.P.
GAUDRY, Neil	St. Boniface	Lib.
GILLESHAMMER, Harold, Hon.	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KOWALSKI, Gary	The Maples	Lib.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
MACKINTOSH, Gord	St. Johns	N.D.P.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McALPINE, Gerry	Sturgeon Creek	P.C.
McCRAE, James, Hon.	Brandon West	P.C.
McGIFFORD, Diane	Osborne	N.D.P.
McINTOSH, Linda, Hon.	Assiniboia	P.C.
MIHYCHUK, MaryAnn	St. James	N.D.P.
MITCHELSON, Bonnie, Hon.	River East	P.C.
NEWMAN, David, Hon.	Riel	P.C.
PENNER, Jack	Emerson	P.C.
PITURA, Frank, Hon.	Morris	P.C.
PRAZNIK, Darren, Hon.	Lac du Bonnet	P.C.
RADCLIFFE, Mike, Hon.	River Heights	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack, Hon.	Niakwa	P.C.
RENDER, Shirley	St. Vital	P.C.
ROBINSON, Eric	Rupertsland	N.D.P.
ROCAN, Denis	Gladstone	P.C.
SALE, Tim	Crescentwood	N.D.P.
SANTOS, Conrad	Broadway	N.D.P.
STEFANSON, Eric, Hon.	Kirkfield Park	P.C.
STRUTHERS, Stan	Dauphin	N.D.P.
SVEINSON, Ben	La Verendrye	P.C.
TOEWS, Vic, Hon.	Rossmere	P.C.
TWEED, Mervin	Turtle Mountain	P.C.
VODREY, Rosemary, Hon.	Fort Garry	P.C.
WOWCHUK, Rosann	Swan River	N.D.P.
Vacant	Charleswood	

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 6, 1998

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Women's Resource Centres

Ms. Diane McGifford (Osborne): Madam Speaker, I beg to present the petition of Louise Sobie, Ethel Sigvaldason, Karen Finnsson and others, praying that the Legislative Assembly of Manitoba urge the Filmon government to consider providing long term, adequate and stable funding for the Evergreen Women's Resource Centre, and other women's resource centres in the province, to ensure that the vital services provided by these organizations are continued.

Ms. Rosann Wowchuk (Swan River): Madam Speaker, I beg to present the petition of Val Grieve, Carolyn Kowalski, Donna Zelenitsky and others, praying that the Legislative Assembly of Manitoba urge the Filmon government to consider providing long term, adequate and stable funding for Evergreen Women's Resource Centre, and other women's resource centres in the province, to ensure that vital services provided by these organizations are continued.

Ms. Becky Barrett (Wellington): Madam Speaker, I beg to present the petition of William Cochrane, Shirley A. LeRoy, Patrick LeRoy and others, praying that the Legislative Assembly of Manitoba urge the Filmon government to consider providing long term, adequate and stable funding for the Evergreen Women's Resource Centre, and other women's resource centres in the province, to ensure that the vital services provided by these organizations are continued.

Winnipeg Hospitals Food Service—Privatization

Mr. Conrad Santos (Broadway): Madam Speaker, I beg to present the petition of Linda McMillan, Tommy Bochinski, Elaine Kidd and others, praying that the

Legislative Assembly of Manitoba urge the Minister of Health (Mr. Praznik) to put an end to the centralization and privatization of Winnipeg hospitals food services.

READING AND RECEIVING PETITIONS

Women's Resource Centres

Madam Speaker: I have reviewed the petition of the honourable member for Swan River (Ms. Wowchuk). It complies with the rules and practices of the House. Is it the will of the House to have the petition read?

Some Honourable Members: Dispense.

Madam Speaker: Dispense.

THAT the Evergreen Women's Resource Centre provides services which focus on prevention and intervention in domestic abuse for communities within a 100-kilometre radius;

THAT with only partial funding from the provincial government, Family Dispute Services, in the amount of \$37,600 and some funding from the communities it serves, the Evergreen Women's Resource Centre hires three part-time employees and provides telephone, counselling, training and seminar facilities, in addition to education, information and outreach programming; and

THAT Evergreen Women's Resource Centre is also involved in referral services on a crisis-intervention and second-stage outreach level; and

THAT for years, the Evergreen Women's Resource Centre has struggled to provide these vital programs and services with limited funding or commitment from the provincial government; and

THAT during the 1995 provincial election, the Filmon government said, "The safety and security of the individual, our families and our communities is vital to the quality of our life."; and

THAT if the Filmon government is really committed to that statement, it must back it up with funding for the agencies that provide services to make it a reality.

WHEREFORE YOUR PETITIONERS HUMBLLY PRAY that the Legislative Assembly of Manitoba urge the Filmon government to consider providing long-term, adequate and stable funding for the Evergreen Women's Resource Centre and other women's resource centres in the province to ensure that the vital services provided by these organizations are continued.

MINISTERIAL STATEMENTS

National Wildlife Week

Hon. Harry Enns (Minister of Agriculture): Madam Speaker, on behalf of the Minister of Natural Resources (Mr. Cummings), I have a statement to make to the House.

Madam Speaker, this week, April 5 to 11, is National Wildlife Week. It is during this week every year that Manitobans, along with all Canadians, work together to raise awareness about the importance of wildlife and wildlife conservation across our country. National Wildlife Week also brings us in touch with our abundant natural heritage which contributes so much to our quality of life. This year's National Wildlife Week theme, "Give wildlife an edge; protect our shorelines" focuses on the shoreline habitat and the need to protect these important areas for wildlife.

I am pleased that this theme was forwarded by Manitoba because of our interest in the conservation of riparian habitat and was accepted by jurisdictions across Canada. The theme emphasizes that wildlife depends on shorelines, be they streams, rivers, lakes or oceans, and need our help to protect or improve habitat so they can continue to flourish in a healthy environment.

National Wildlife Week was created in 1947 by an act of Parliament to commemorate the late Jack Miner, one of the founders of Canada's conservation movement. It is also the time of year when Canada geese, a species which Jack Miner was closely associated with, return in great numbers to our province. These harbingers of spring are already

attracting people to Fort Whyte and the Oak Hammock Marsh Wildlife Management Area Interpretative Centre.

During National Wildlife Week, the Canada Wildlife Federation, a national nonprofit organization, works with federal, provincial and territorial wildlife agencies in the promotion of this special week. In Manitoba, a variety of conservation organizations will have displays at the Polo Park Shopping Centre in Winnipeg on April 8, 9 and 11.

I ask all Manitobans to think about the importance of wildlife and wildlife conservation to our province and to this nation during this special week.

* (1335)

Mr. Stan Struthers (Dauphin): I thank the government for bringing forth this ministerial statement today on National Wildlife Week, and I join in praising the importance of setting aside a week to recognize wildlife as an important part of our ecosystem here in Manitoba. I want to point out and make perfectly clear, however, that every day is an important day to think of wildlife and not just a specific week. I want this government to reflect on such policies as capturing elk and capturing falcons and different wildlife out of nature to be used for monetary gain, as this government has been wont to do in the past. That does not fit in with the objectives of the National Wildlife Week, but I want to remind the government to every day keep in mind the principles of wildlife conservation.

I want, Madam Speaker, to make sure that we recognize those groups in Manitoba who are making a legitimate contribution to wildlife in Manitoba, including conservation districts which are doing some excellent work in rural parts of Manitoba. We commend the work that is being done by local people on boards of conservation districts throughout rural Manitoba, local wildlife federations of which I am a member in our area who have done some excellent work in conservation of wildlife as well. I want to give kudos as well to bands and band councils as well who have taken wildlife conservation steps and done some serious work in that area as well.

So, Madam Speaker, I thank the government for bringing this ministerial statement forward, and I am

pleased to support Manitobans who think in terms of real wildlife conservation.

INTRODUCTION OF BILLS

Bill 28—The Employment Standards Code and Consequential Amendments

Hon. James McCrae (Government House Leader): Madam Speaker, on behalf of the Minister of Labour (Mr. Gilleshammer) and seconded by the honourable Minister of Family Services (Mrs. Mitchelson), I move that leave be given to introduce Bill 28, The Employment Standards Code and Consequential Amendments (Code des normes d'emploi et modifications corrélatives), and that the same be now received and read a first time.

His Honour the Lieutenant Governor, having been advised of the contents of this bill, recommends it to the House. I would like to table the Lieutenant Governor's message.

Motion agreed to.

ORAL QUESTION PERIOD

Manitoba Telephone System Privatization—Financial Analysis

Mr. Gary Doer (Leader of the Opposition): My question is to the First Minister. When the Premier broke his word and proceeded to sell the Manitoba Telephone System after the election campaign, he refused to table in the House the various studies and analysis that the government had commissioned and had kept secret from the people of Manitoba.

I would like to ask the Premier: did his government undersell or undervalue the Manitoba Telephone System when they proceeded to break their word and privatize our formerly owned Manitoba Telephone System?

Hon. Gary Filmon (Premier): Absolutely not, Madam Speaker. In fact, the amount that was ultimately paid for the Telephone System was more than a hundred million more than the best price that financial analysts said it should bring at the time.

* (1340)

Mr. Doer: Of course the Premier has never released the financial analysis, Madam Speaker. He has only stated that brokers, who gained some \$35 million in commission, were the ones that established the price for this government. So we do not believe the Premier when he gave his word that he would not sell the Telephone System. How can we believe his word today when he says that they got a hundred million dollars more?

I would like to ask the Premier: did the government sell the shares to Manitobans and Canadians at a discounted rate?

Mr. Filmon: No, Madam Speaker.

Mr. Doer: I would like to ask the Premier: who is telling the truth, the Canadian CRTC commission, which stated on March 5 that the Manitoba Telephone shares were sold at a discount rate, or the Premier in this House today who maintains a position that he is maintaining the truth when it is opposite to the CRTC? Who are we to believe, the Premier or the CRTC?

Mr. Filmon: Madam Speaker, I have indicated to the member opposite and to any of those who wish to pursue it that we sought the best available advice, and we followed the best available advice from those who are paid to make those judgments. The advice that we followed was to put the share price as it was to ensure that we were able to receive a fair and reasonable price for the Telephone System. We did that.

Mr. Doer: A new question to the Premier. The CRTC is now saying what a number of analysts also stated before, during and after the time that the phone system was sold, particularly after the price was established, that this was a, quote, price that was geared to sell this corporation in a very quick time. Dunnery Best was quoted and other analysts were quoted as saying these shares will sell very quickly because they are very, very low prices.

I would like to ask the Premier: why did you sell this Telephone System, a Manitoba publicly owned asset, at a discount price, and what cost has that been to

Manitobans by your giving this phone system away to the private shareholders?

Mr. Filmon: Madam Speaker, the member opposite reminds me of the young lad who in the wintertime tells everybody what a great baseball player he is and in the summertime tells everybody what a great hockey player he is.

When the shares were priced for this issue, he did not allege that they were underpriced. It is only afterwards, as the market has been dealing with them for more than a year, that he has the great knowledge of knowing what the market will pay for those shares. At no time did he or his colleagues say that was an underpricing of the shares because, in fact, we were going by the best advice available to us by those who are paid to make those judgments, the people from the brokerage companies and the market, Madam Speaker.

Mr. Doer: Of course the Premier will remember that time after time after time we asked the Premier to table all the analyses and all the information that the government had in their hands, table that information. The government refused to do so. We asked the government to have a referendum or a plebescite of all Manitobans to decide the future of their own Telephone System. The government refused and only listened to the brokers that they paid \$35 million to, and then the government closed down this House, Madam Speaker, closed down the debate in this Legislature. How dare the Premier now talk about these issues.

How can the Premier justify selling a phone system for \$900 million when the book value at the time was \$1.2 billion, and now the shares are worth close to \$1.6 billion? Is this not the greatest transfer of public assets, which were owned by Manitobans, to private shareholders that reside outside of the province in the history of this province that has been conducted by the Premier and the quiet Tories opposite?

Hon. Eric Stefanson (Minister of Finance): Madam Speaker, not surprisingly, the numbers and information that the Leader of the Opposition puts on the record are absolutely wrong when he refers to the value being less than the book value. He has to recognize the gross proceeds on the sale were \$910 million combined with

\$428 million of debt that Manitoba Telephone System assumed, bringing the total price up to in excess of \$1.3 billion. Based on our analysis, the best information we had available, it was a very fair price for the value of the company, and that is serving us well today, that the net proceeds have been put to use here in Manitoba retiring some of the debt related to our health care facilities and so on. At the end of the day, it has been a very positive initiative not only for the Treasury of this government but for Manitobans who chose to invest in Manitoba Telephone System.

* (1345)

Mr. Doer: Madam Speaker, then to the Minister of Finance, who, according to the former Minister responsible for the Telephone System, now holds the golden share, the golden share of the Manitoba Telephone System, I would like to ask him: who is telling the truth, the Tories opposite or the CRTC, an independent body that states that the Telephone System was sold at a discount rate? Who is telling the truth, the Tories who have a history in this world of underselling public assets or the CRTC that says you sold it for less than it was worth?

Mr. Stefanson: Again, I think the Leader of the Opposition is putting his own spin on what the CRTC has said relative to this issue. I think, as I have already indicated to him and as the Premier (Mr. Filmon) has indicated to him, the best information we had from three independent firms analyzing the value of this company is that we received a very fair and reasonable value for this company, and it is reflected today in terms of the net proceeds that we received as a government, as well as the benefits that have been flowing to individual Manitobans as a result of investing in the private sector company.

Manitoba Telephone System Privatization—Stock Option Plan

Mr. Tim Sale (Crescentwood): Will the Minister of Finance, the minister responsible for Manitoba Telecom system now, explain to Manitobans and to the 450 laid-off staff of MTS why it is ethical or moral that his brother, the chair of MTS, has received a million dollars worth of stock options?

Hon. Eric Stefanson (Minister of Finance): I am not the least bit surprised that this question would come from the member for Crescentwood, based on his past performance in this House on other issues, Madam Speaker, so I certainly am not the slightest bit surprised by the tone and the accusations that he makes, and obviously, to say the least, I am very offended by them.

I think if he were to look at the history of the Manitoba Telephone System and if he were to look at the annual meeting held in May of 1997, he would see that a stock option plan was approved by the shareholders, individual shareholders who are Manitobans, Manitoba organizations, other individuals across Canada who approved the stock option plan allowing for up to \$3.5 million of shares to be issued, turning over the direction for the allocation of those to the board of directors and the human resource committee of the board of directors. They have come forward with their proposal. That is also a proposal that will be put before the shareholders again of Manitoba Telephone System, and that is the process of accountability, a process of accountability under a private sector company that I think members opposite are not all that familiar with because, based on their past practice, they chose to intervene in public sector operations like the MTX fiasco, like MPI, and so on.

Mr. Sale: Madam Speaker, will the minister confirm that the process of accountability is the board of directors, of which his brother is the chair, recommending to the annual meeting of shareholders that a stock option plan be approved, and the stock option plan was detailed to the shareholders and that the shareholders did indeed approve it? They approved it on the recommendation of the board of directors, of which his brother is the chair. Is that not in fact the accountability trail?

Mr. Stefanson: Madam Speaker, I think members opposite do need a lesson in private sector companies. There are annual meetings held. The board of directors present information to the shareholders, and that is the opportunity—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. The honourable Minister of Finance, to complete his response.

Mr. Stefanson: Madam Speaker, the process is that the board of directors present certain information, make certain recommendations to the shareholders, and that is the opportunity for individual shareholders to hold that board of directors accountable, to select the chair, to select the members of the board and so on. That is a process that takes place under MTS, under all private sector companies that are created here in Canada, and it is the long-standing process that is meant to hold individual board members accountable to the people who choose to invest in that particular company. I have a great deal of confidence in that process, whether it relates to MTS or any other private sector company.

* (1350)

Mr. Sale: Madam Speaker, did the four MTS board members appointed by this government and under the direction of the Minister of Finance who oversaw their appointment, brought their names forward for appointment, spoke at great length in support of the legislation privatizing this company—did the four directors appointed by Manitoba vote in favour of the share options for the officers and directors of this company?

Mr. Stefanson: Madam Speaker, the process from the board of directors, I understand, is, as a rule, they try to find consensus on issues. They work towards consensus on the recommendations that they make. It is the nature of their board of directors, again not uncommon to boards of directors, not uncommon to caucuses, not uncommon to cabinets, and if the member for Crescentwood is suggesting that people like Robert Chipman, Ashleigh Everett, Donald Penny and Sam Schellenberg are not very reputable people who will make the best decisions on behalf of individual shareholders and the citizens of Manitoba, then I say shame to him, because those four individuals have made a significant contribution to the province of Manitoba in many, many areas, and for him to cast aspersions on them and their decision making is absolutely unacceptable.

Mr. Sale: On a new question, Madam Speaker. Will the Minister of Finance table in this House minutes of the meeting of the board of directors at which the stock option plan was approved and put forward as a recommendation to the shareholders, or is he telling this House that there were no minutes, nothing was in

writing, there were no motions, there was never any paper trail until it suddenly got to the shareholders? Will he table those minutes showing who voted for and who voted against?

Mr. Stefanson: Madam Speaker, I am certainly prepared to undertake to provide members opposite with information from the circular providing information on the stock option plan, obviously minutes of the shareholders' meeting that was held on May 30, 1997, ratifying a stock option plan for MTS. I am certainly more than prepared to provide that information, which is public information by the way.

Mr. Sale: Madam Speaker, this is a very serious matter. The minister did not answer the question. I would ask the minister to answer my question. Will he table the minutes of the board of directors meeting at which the stock option plan was approved and put forward to the shareholders? The minutes he is referring to are the minutes of the shareholders' meeting. I did not ask about those. Those are public anyway.

Madam Speaker: Order, please. The question has been put.

Mr. Stefanson: Madam Speaker, I have already indicated to the member that my understanding is the board of MTS, in most cases, operates on the basis of consensus. Consensus was reached on the merits of a stock option plan. In fact, in the circular that was distributed almost a year ago—it says very clearly in the circular, for the benefit of the member for Kildonan (Mr. Chomiak), that on the recommendation of its human resource and compensation committee, the board of directors of the corporation has approved the implementation of a stock option plan.

It goes into detail to talk about the stock option plan that had been approved by the board of directors of MTS and recommended to the shareholders at their May meeting, in May of 1997. At that meeting, the shareholders of MTS, many thousands of Manitobans from right across our province, ratified a resolution approving a stock option plan which, by the way, for the benefit of members opposite who care to listen, is something that is very common. I am sure the member

for Concordia (Mr. Doer) knows it is very common in the telecommunications sector. If you look right across that sector, most of the telecommunication companies, if not all, in Canada today have a stock option plan. It is also very common in all kinds of other business operations. It is not something new or unique to MTS and not something that does not exist elsewhere.

* (1355)

Mr. Sale: Madam Speaker, the Finance minister is now confirming I believe, and I would ask him to confirm, that the board of directors in fact voted unanimously for this plan, including the four members of the board under his direction appointed by his government, voted for a plan which would make his brother a millionaire. He apparently has confirmed that by talking about consensus. Is that in fact the case?

Mr. Stefanson: Madam Speaker, first of all, again, I think the member for Crescentwood puts a great deal of misinformation on the record, which is a pattern for him, unfortunately, and does not do service to discussing any issue in this Chamber.

In terms of the issue, I have already outlined very clearly that the board of MTS made a recommendation to the shareholders to adopt a stock option plan. That has been ratified by the shareholders right across the system in terms of the thousands of Manitobans who are shareholders in MTS. But I want to make it very clear to the member opposite, in terms of our relationship with the four members who are appointed to represent us, my first and foremost responsibility as Minister of Finance is to ensure that the debt that we took back on behalf of the taxpayers of Manitoba is in fact repaid by MTS, and when MTS was privatized on January 7, 1997, the debt stood at \$426 million. Today that debt is down to \$239 million, a repayment of almost \$200 million against that debt. Those are the kinds of responsibilities that I have. I do not get into micromanaging or providing direction to our appointees, unlike members opposite when the member for Concordia (Mr. Doer) was responsible for MTS and was micromanaging the fiascos like MTX here in Manitoba. There are operational decisions that are made by the board, and I have confidence in our four appointments, Madam Speaker.

Pharmacare Drug Treatment Approval Process

Mr. Gary Kowalski (The Maples): Madam Speaker, my question is for the Minister of Health. This government has a history of dragging its feet when it comes to approving new drug treatments. Betaseron is an excellent example of the slow and cumbersome process a new drug treatment faces even when it has been approved by the federal Health Protection Branch. The drug Aricept, a treatment which offers relief for sufferers and families of Alzheimer's victims, now faces a similar struggle.

Given that the approval process for Manitoba for the drug Betaseron has taken over two years, and in all likelihood, the approval for Aricept will take even longer, can the minister indicate if a two-year waiting period for new drug treatments is standard government policy?

Hon. Darren Praznik (Minister of Health): Madam Speaker, yes, the member's question is a good one. I can assure him that it is not the intention of this minister or this administration to have undue delay in the approval under Pharmacare of drugs that have a value to patients in the province of Manitoba.

The process that we use for approval of drugs under our Pharmacare program, after they have received their medical approval from Health and Welfare Canada, is to have them considered by our Pharmacare Advisory Committee that assesses the drugs for their benefit, a pharmaco-economical analysis of that particular drug, and they make their decision based on the best information that is provided to them.

We have taken some steps, coming out of the Betaseron story, to improve the operation of that committee, including giving them more options in their approval for a yellow-light process where they can recommend a pilot project for a particular drug on which they may be uncertain.

Mr. Kowalski: Madam Speaker, will the minister explain why the pilot project for Betaseron that was promised to start in March has not yet started?

Mr. Praznik: Madam Speaker, with respect to Betaseron, a great deal of effort has been underway

between the ministry and the MS clinic, who will be the host for that particular project. The committee to design the reference for the assessment has been working away. It does take a little bit more time sometimes than one would anticipate initially, but I do know, compared to some of the other provinces that have gone through the same process, it has taken many, many months, not two or three, and we have consulted with them and garnered information on how to make that process work as quickly as possible. Hopefully, it will be available through the MS clinic in the not too distant future.

* (1400)

Mr. Kowalski: Does the Health minister have any plans to speed up the approval process for new drug treatments or will he continue to rely on ministerial intervention?

Mr. Praznik: Madam Speaker, I am glad the member has flagged that particular issue because I do not think anyone would suggest that the best way to do these approvals is to have the ministers themselves make the approval. There should be a process based on scientific information and the benefit of the drug in terms of its effect and reduction in cost for the patient, and that is why we have that committee. I have worked with that committee over the last number of months to put a green-light, yellow-light, red-light process in place, which does give them the option to recommend pilots where there is a kind of a balance that may result in a denial, and we also have taken steps to more regularly update our formulary to ensure that the ability to get new drugs on is much faster.

Blood Supply Compensation—Hepatitis C

Ms. Diane McGifford (Osborne): Madam Speaker, this government has agreed to compensate persons living with HIV-AIDS who acquired the virus through tainted blood. Time lines were not a factor and played no role in this agreement, and this is right and proper just as it should be. But given this precedent, I want to ask the Premier (Mr. Filmon) why his government has agreed to a compensation package which excludes those infected with hepatitis C acquired through tainted blood and before 1985.

Hon. Darren Praznik (Minister of Health): I truly do want to thank the member for this question because this has not been an easy set of issues with which to deal, and I know members opposite have followed this whole process of a compensation package for those with hepatitis C acquired through the blood system.

The current compensation package which was agreed to by provincial governments and the federal government is based on compensation for a period of time in which there may have been negligence on the part of the blood system. The period of time was determined by and large by the work that was done by the federal government in preparing for this particular time, and there are other issues that I am sure we will discuss in Estimates around how we structure compensation for things that may go wrong within the health care system. I can tell members that the federal government offer of some \$800 million towards that plan was based on the principle of only compensating those for the period in which the blood system may have had negligence.

Ms. McGifford: Madam Speaker, I want to ask the Premier (Mr. Filmon) if his government recognizes a moral and ethical responsibility to all victims of hepatitis C who have already been betrayed once by the blood system.

Mr. Praznik: Madam Speaker, the issue here—and I appreciate the question and the concern around compensation, and this was the issue that we had to wrestle with as provincial and federal ministers—is the issue of how do we compensate, and to what degree individuals who may suffer damage or loss because of things in the health care system that do not produce the desired result, whether there be negligence or not be negligence involved in the system. It does raise a whole host of questions about that kind of liability within the system.

I am looking forward to that discussion in Estimates, because it is a rather involved one, and I would like the opportunity in greater detail to discuss it with members opposite.

Ms. McGifford: I want to ask the Premier (Mr. Filmon) if he will do what the majority of Manitobans consider his ethical and moral responsibility and agree

today to offer compensation to all victims of hepatitis C, even those who were infected before 1985.

Mr. Praznik: Madam Speaker, just to put this discussion into context, the blood system which was operated by the Canadian Red Cross Society and which was regulated by the national government had the provinces as by and large the purchasers or funders of this particular system. By far the bulk of the liability for any malfeasance or negligence in that system rests with those other two partners, and that is why when we developed a national compensation plan for that particular area it was the federal government that took that lead and did put some \$800 million on the table. My criticism is they did not recognize the \$1.6 billion in medical costs we as provincial governments will have to bear for the medical cost piece of hepatitis C.

I certainly think the initiative must rest with the national government to take the lead in this particular issue, and if there is to be an expansion of this program, there are some issues that have to be dealt with on principle. Certainly the federal government would have to be at the table with a sizeable amount of money to make it happen in a practical way.

Canadian Wheat Board New Crop Inclusion Clause

Ms. Rosann Wowchuk (Swan River): Madam Speaker, last week the Senate committee was in Manitoba to hear views of farmers on Bill C-4, the amendment to the Canadian Wheat Board. Although I was not allowed to make a presentation, farm organizations did. One section of the bill that they did support was the inclusion clause, which creates a mechanism by which new crops can be added under the Wheat Board jurisdiction. However, this Minister of Agriculture, who also made a presentation, is once again out of step with Manitoba farmers. I would like to ask the Minister of Agriculture why he will not listen to Manitoba farmers and why he is so opposed to the inclusion clause which, if farmers choose, would allow other grains to be included under the Wheat Board.

Hon. Harry Enns (Minister of Agriculture): Madam Speaker, I am not aware of a single farm organization representing agriculture across western Canada that requested the inclusion clause to be in the act in the

first instance. So if it is a question of being out of step, I am pleased to join those people like the Manitoba Canola Growers Association, the Pulse Growers Association, all of whom have prevailed upon me, and I might add upon my First Minister (Mr. Filmon), to in fact make this clearly known to Minister Goodale with respect to Bill C-4, that the inclusion clause adds uncertainty to the situation and uncertainty is not something that we need to have at a time when we look for value-added opportunities and investment dollars.

Ms. Wowchuk: I would like to ask the minister: given that there is an exclusion clause where there is ability to take grain out from under the Wheat Board through a democratic vote—they can have them removed—why is he always so opposed to an inclusion clause which would give farmers a democratic vote? Why is he so afraid of giving farmers a say? Does he want to control everything they do?

Mr. Enns: Madam Speaker, for the benefit of the honourable member, allow me to remind her, the exclusion clause was put in there by Minister Goodale who had it recommended to him by his own committee, if you recall, that studied the Canadian Wheat Board situation prior to any amendments coming in. He had it put in there because he recognized that there may well be certain crops, organic wheats and others that ought to be excluded from the crop.

Now, Madam Speaker, because an honourable member of Parliament from eastern Canada, Prince Edward Island to be exact, thought it would be nice to have balance—if we are going to have an exclusion clause, then you should have an inclusion clause—that is no cause for us in western Canada to be so directed and to be so misguided.

Ms. Wowchuk: I would like to ask the Minister of Agriculture if he is more interested in producing cheap food for processing or he is more interested in allowing farmers who grow the grain have a fair return for his product. Who is he standing up for, the farmers or the processors?

Mr. Enns: Madam Speaker, therein really lies the tragedy, that the honourable member refuses still to not understand what is happening and to pit one section of agriculture against the other section of agriculture. All

our interests are served if we can move up the food chain ladder, if we can process our primary production here in this province and we can benefit from it. So it is difficult to continue to try to make that point with her, but I will tell you one thing: I feel comfortable that I am in step with the growing, growing number of progressive farmers in Manitoba.

* (1410)

Manitoba Telephone System Privatization—Stock Option Plan

Mr. Steve Ashton (Thompson): Madam Speaker, we are now seeing that what we suspected for a long time is true, that the sale of MTS was the biggest rip-off in Manitoba history, and there were four people who were the key players in this: the Premier (Mr. Filmon), the Minister of Finance (Mr. Stefanson), Jules Benson and one Tom Stefanson, connected right to the heart of this government who now may cash in on up to a million dollars from that rip-off.

I want to ask the Premier: since this government still has shares with MTS, still has a special share in the ownership of that, what action will he take to make sure that Tom Stefanson does not cash in on a million dollars at the expense of the Manitoba public?

Hon. Eric Stefanson (Minister of Finance): First of all, Madam Speaker, I would encourage the member for Thompson to look at the documentation submitted by MTS, look at how stock options work: that you get an option to buy shares, in this case over a five-year period of time; those share prices fluctuate. They have gone from \$13 and hovered in that area. Today they are at a high of \$23, and they certainly will vary over the next weeks and months and years. But I want to go back to his fundamental point of what is our responsibility as a government. Our responsibility was to get a fair price for MTS and we did that. Our responsibility is to be absolutely certain that we are paid for the entity itself, and we are being paid. I have outlined very clearly that the date for the debt, the \$426 million of debt, that MTS has now paid almost half of that back in roughly a year and a half.

When it comes to the citizens of Manitoba, whether it is a private company or a public company, MTS has

to go before the CRTC, justify their rates, justify their expenditures. Today MTS has the lowest residential rates in all of Canada, and that is an outstanding performance here in our province.

Mr. Ashton: Madam Speaker, I would appreciate if the Premier would answer my supplementary—to put the Minister of Finance out of a position of a clear conflict of interest. I asked about Tom Stefanson. I want to ask the Premier what action he will take to make sure that Tom Stefanson does not benefit from some of the most corrupt and unethical behaviour we have seen in this province in decades by pocketing a million dollars at the expense of the people of Manitoba.

Hon. Gary Filmon (Premier): Madam Speaker, you know, I find it interesting that members opposite want to put themselves into the gutter and put themselves in a position where—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Mr. Filmon: Madam Speaker, what the members opposite fail to do of course, though, is to compare the operations and the actions of the Telephone System, ones that were approved by a vote of the shareholders at their annual meeting, over 70,000 shareholders from Manitoba represented in that decision.

At the same time, Madam Speaker, the members opposite, who are trying to make a political issue out of this, should look right next door at Saskatchewan where their colleagues in the Saskatchewan New Democratic government have the CEO of their Potash Corporation of Saskatchewan being paid \$10.6 million U.S.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

An Honourable Member: Grant Devine's—

Mr. Filmon: Exactly. You make my point. Exactly.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. The honourable member for Thompson, with a final supplementary question.

Mr. Ashton: Thank you, Madam Speaker. Indeed, the Premier obviously looked to Saskatchewan for the influence of Grant Devine in terms of this government.

I want to ask the Premier, who has not answered this question, what action he will take to prevent one Tom Stefanson, directly connected to the heart of this government, from pocketing a million dollars. This is the person who sat on the board as the chair of the board, as our representative, who engineered through the whole process the sale of MTS and now is getting a million dollars. That is corrupt; it is unethical. What is the Premier going to do about it?

Mr. Filmon: Madam Speaker, Mr. Stefanson is not one of our appointees to the board of directors of Manitoba Telecom Services. Mr. Stefanson was selected by the shareholders. The agreements and the provisions that are being referred to by members opposite are ones that have been approved by the shareholders of the private corporation, Manitoba Telecom Services.

Mr. Ashton: Madam Speaker, on a new question. Is the Premier now denying that Tom Stefanson was appointed by his government to be chair of the publicly owned company, that he was very much involved, as he admitted in committee of this Legislature, in pushing through the sale of MTS along with the other key players, one Eric Stefanson, one Gary Filmon and one Jules Benson? Is he now denying that Tom Stefanson was not the government appointee on the board?

Mr. Filmon: Madam Speaker, the decisions with respect to compensation and share provisions were not made by the public company. They have been made by the private company of which Mr. Stefanson is not one of the appointees of this government. His choice as chair was made by the shareholders of Manitoba Telecom Services, and all of the provisions of the compensation agreement were agreed to and voted on by the shareholders. It is the shareholders who made that decision and to whom all of them are responsible.

Mr. Ashton: Madam Speaker, the Premier has not answered my question. I will try again in a supplementary. Why will the First Minister not admit that Tom Stefanson was appointed by his government to engineer the sale of MTS against the will of the public and that this Premier, this Finance minister and Mr. Tom Stefanson are responsible for the biggest rip-off in Manitoba history?

Mr. Filmon: Madam Speaker, I repeat that the decisions that have been made by the privately owned Manitoba Telecom Services have all been approved by their shareholders in an annual meeting, and the individual to whom he refers is not one of the appointees of this government on the board.

Mr. Ashton: Madam Speaker, I do not know what difficulty this Premier has with answering the question and facing the reality of what has happened to MTS. Will the First Minister confirm that Tom Stefanson has been the chair of the board, was chair under public ownership as well as private ownership, and that he is the one who was responsible for shepherding through the privatization agenda in terms of when it was publicly owned and that now he is pocketing up to a million dollars as a result? Why will the minister not accept that that is not only the fact—

Madam Speaker: Order, please.

Mr. Filmon: Madam Speaker, the decision to privatize Manitoba Telecom Services was made by this government based on a very sound rationale that we have explained and defended many times in this House, and this House passed the legislation that privatized the Manitoba Telephone System. The individual to whom he refers is not one of the appointees of this government to the present board of Manitoba Telecom Services, and the compensation plan was approved by the shareholders at their annual general meeting.

Madam Speaker: Time for Oral Questions has expired.

Introduction of Guests

Madam Speaker: I would like to draw the attention of all honourable members to the loge to my right where we have with us this afternoon Mr. Rick Borotsik,

member of Parliament for Brandon-Souris, and Mr. Peter MacKay, member of Parliament for Pictou-Antigonish-Guysborough. On behalf of all honourable members, I welcome you this afternoon.

* (1420)

MEMBERS' STATEMENTS

Mr. Gord Mackintosh

Mr. Mervin Tweed (Turtle Mountain): Credibility is an issue often debated in this House. However, information has recently come to light concerning the actions of the member for St. Johns (Mr. Mackintosh). Members opposite continually portray themselves as pro-union and pro-labour, and it is disheartening when the Manitoba Association of Crown Attorneys must take the unprecedented step of issuing clarification regarding a number of cases to address comments made by the member for St. Johns, comments, I might add, that failed to note the extremely important role of our Crown attorneys that they play in Manitoba's justice system. On this side of the House, we respect the work performed by our Crown attorneys. They continue to act in a thorough and professional manner, with the best interests of all Manitobans in mind.

Recent comments by the member suggesting that the Crown attorneys office may have made mistakes in a number of high-profile cases are not constructive. His comments on February 10, '98, indicating that the Crown fumbled the ball are—and I am not sure if I can use the word “misleading.” I will say divorced from the truth. I would therefore encourage the member to review the information copied to him from the Manitoba Association of Crown Attorneys and consider withdrawing his disparaging and erroneous statements. I hope the member considers all the facts before making similar statements in the future.

Madam Speaker, for a party that paint themselves as pro-worker, it would appear that they change paint cans depending on the audience they find themselves before. Regardless of what members opposite may think and say, the Crown attorneys of Manitoba continue to pursue the goal of seeing that justice is done in each and every case to the best of their abilities. They continue to make every possible effort within the law

and code of professional conduct to ensure that a conviction is obtained and appropriate sentence is issued. Thank you.

Mr. Tom Stefanson

Mr. Steve Ashton (Thompson): Madam Speaker, I am glad the member for Turtle Mountain introduced members' statements by talking about credibility, because this government has absolutely none, as we have seen evidence in Question Period today. We have a Premier (Mr. Filmon) who in Question Period would not even answer a direct question about the fact that he, his government appointed one Tom Stefanson a chair of the board of MTS, would not address one question about the fact that the government still continues to have representatives on that board and that they are directly responsible for the million-dollar potential benefit to one Tom Stefanson at the expense of the people of Manitoba.

This is of scandalous proportions in this province. This is corrupt and unethical behaviour. Talk about conflict of interest. Tom Stefanson was one of the four key players in the sell-off of MTS. By the way, to the Premier, that did not include anybody in terms of the people of Manitoba. Tom Stefanson now is in the position of getting a million-dollar benefit out of that. Anyone in the province of Manitoba understands how unethical that is.

It amazes me that this Premier had the gall earlier in Question Period to stand in his place and try and deny the connection with Tom Stefanson and even put the Minister of Finance (Mr. Stefanson) in the position of having to answer questions. I believe that, Madam Speaker, should be considered a conflict of interest, obviously. I do not make that as a personal attack. I say to the Minister of Finance, get the Premier to do your dirty work next time. Get him to answer for the kinds of decisions that have led to that kind of rip-off.

For this Premier to talk about the sale of MTS having been passed by this Legislature, let us not forget that this is a Premier who used every single undemocratic, every tactic in the book to ram through the sale. We are now saying: who is benefiting? The people of Manitoba have seen 400 layoffs, higher rates, and Tom

Stefanson pocketing \$1 million. That is corrupt. That is unethical.

Bristol Aerospace

Mr. Edward Helwer (Gimli): Madam Speaker, this morning the Premier, along with the representative from the federal government, announced funding totalling \$7.8 million for an expansion of Bristol Aerospace's Winnipeg facility. This investment in Manitoba's aerospace industry will result in the creation of 225 new jobs at Bristol, which already employs approximately 1,000 Manitobans. This expansion of Bristol's Winnipeg plant is already underway, and the 225 workers will be hired between now and the summer. More than 1,000 additional jobs could be created through local spinoff benefits as the increased workload at Bristol trickles down to other suppliers and other aerospace firms.

Through the Manitoba government's Industrial Opportunities Program, the province is providing a \$4.4-million repayable loan to Bristol. This program offers financial incentives to businesses wishing to create new jobs by expanding or upgrading their Manitoba operations. This partnership with Bristol is another example of our government's commitment to creating a better Manitoba through sound management of our economy.

The civil aviation market is the fastest-growing segment in the global aerospace industry, and thanks to this investment and partnership with Bristol Aerospace, the company can continue to grow and compete. For Manitoba, these rewards include increased employment to a high-skilled industry and an expansion of Manitoba's growing aerospace sector, the largest in western Canada.

So I would like to congratulate the management and employees of Bristol Aerospace for their foresight in developing a new market opportunity in one of the most competitive sectors of our economy. Thank you.

Parkland Crisis Centre

Mr. Stan Struthers (Dauphin): Madam Speaker, I rise today to put a few comments on the question concerning a rather ugly incident that took place about

10 days ago at the Parkland Crisis Centre in Dauphin. I am sure that I can speak on behalf of all the members of the Legislature when I say that our thoughts are with the woman who was assaulted in the Parkland Crisis Centre and that we all share many concerns that this recent incident raised.

The incident has called into question security of women residing in shelters and the staff that work with them. The safety of women and children and the staff in these shelters is paramount to these places truly being seen as a refuge away from domestic violence. There has not been to date provincial adherence guidelines developed specifically to address building and staff security issues. I encourage shelters across the province, including the one located in Dauphin, to work with the government to develop their programs, despite limited resources, particularly in the area of staffing. While we understand that safety audits are now being recommended by the government, I would ask that all members acknowledge the need for adequate resources for shelters, along with comprehensive guidelines to ensure the safety of women in the Parkland and other sites across the province. Thank you, Madam Speaker.

* (1430)

Manitoba Tartan Day

Mr. Gerry McAlpine (Sturgeon Creek): Madam Speaker, it is my pleasure to rise in the Legislature this afternoon and note the significance of April 6. Today, of course, is Manitoba Tartan Day, a day in which we take pause and acknowledge the important role that the Selkirk settlers and the Scottish people have played in the establishment of our province.

Approximately four years ago, with the support of the Scottish community, I introduced The Manitoba Coat of Arms, Emblems and the Manitoba Tartan Amendment Act. I believe that our tartan should be honoured in an annual day of celebration that marks the symbols and heritage which are represented in the tartan.

Our tartan has been registered as the official tartan of Manitoba. Rich in colour and meaning, the tartan consists of dark red squares representing the Red River

settlement and fur trade posts; green squares representing our natural resources; azure green line for Lord Selkirk, founder of the settlement; dark green lines representing the men and women who have contributed to our great province; golden lines representing our agricultural sector; and the white squares that represent our winter snows.

While there are a number of cultures that came together to build the province of Manitoba, today is the day we celebrate the Scottish element of our rich cultural mosaic. So as a proud member of the McAlpine clan, I encourage all honourable members to join me in this important salute to all Scottish Manitobans, past and present. Thank you, Madam Speaker.

ORDERS OF THE DAY

Hon. James McCrae (Government House Leader): Madam Speaker, I move, seconded by the honourable Minister of Highways and Transportation (Mr. Findlay), that Madam Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

Motion agreed to.

* (1440)

COMMITTEE OF SUPPLY (Concurrent Sections)

URBAN AFFAIRS

Mr. Chairperson (Gerry McAlpine): Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Urban Affairs.

Does the honourable Minister of Urban Affairs have an opening statement?

Hon. Jack Reimer (Minister of Urban Affairs): Yes, I do, thank you. I am very pleased to introduce the Department of Urban Affairs Estimates for 1998-99.

The government of Manitoba is committed to supporting the development of a strong, healthy and

vibrant city of Winnipeg which provides its residents with a high quality of life and contributes to a prosperous and sustainable Manitoba. Within the provincial government, the Department of Urban Affairs provides leadership in helping to make this vision a reality.

The department's leadership role is reflected in the many programs, policies and initiatives in which it is engaged. Let me begin with our funding policy. Unlike other provinces which have reduced their funding to municipalities in times of fiscal difficulties, Manitoba has delivered on its financial commitments to the City of Winnipeg. Despite reductions in federal transfer payments to the province, the government of Manitoba has refused to fight its deficit on the backs of local governments. Indeed, in the 10 years since our government came to power, provincial funding to the City of Winnipeg, excluding social assistance, has increased by an estimated 44 percent.

The government of Manitoba remains committed to sustaining a strong fiscal support to the City of Winnipeg. In fact, in 1998-99, the annual provincial operating grants to the city will be increased by over \$1.8 million to \$90.6 million, which is a rise of 2 percent over last year's level of funding. Included in this additional funding is a 29 percent increase in Urban Affairs contribution to the city's Dutch Elm Disease Control Program. Winnipeg's urban elm forest contributes enormously to the quality of life in our capital city. This enhanced funding will assist the city in protecting and preserving Winnipeg's elm trees, which at this time represent one of the largest last remaining stands of elm trees in North America.

Our commitment to Winnipeg's development is clearly demonstrated by the commencement of the third Urban Capital Projects Allocation, or UCPA III, which was announced in 1997. The program, which is unique in Canada, provides the framework for a long-term financial partnership between the province and the city to support the renewal and the enhancement of municipal infrastructure. During the next six-year term of the program, the province will provide the city with \$96 million, \$30 million in unconditional funding for capital works which are city priorities and \$66 million for cost-sharing capital works which are joint priorities of the province and the city. Some examples of joint

city-provincial projects which have already been approved for funding under UCPA III include the construction of the South Transcona Land Drainage project, construction of the Main and Norwood bridges and the purchase of 25 low-floor transit buses. In 1998-99, the province will be increasing the funding available to cash flow against Urban Capital Projects Allocation commitments to \$18 million, an increase of \$2.5 million over the approved '97-98 budget.

This increase in UCPA expenditures is being provided to support the city's efforts to complete several major projects in time for the Pan-Am Games, including the York Avenue-Forks Access project, the South Transcona Land Drainage project and the Bishop Grandin Boulevard-Kenaston Boulevard connection project.

It also gives me great pleasure to advise that we are making a one-time allocation to the city of \$5 million for residential street repairs. Together with the city's matching expenditure, these fundings will help to rebuild a substantial number of residential streets in Winnipeg and will simultaneously stimulate job creation in the city.

Of course, the Department of Urban Affairs does much more than simply provide funding to the city. It collaborates with the city in numerous ways to create a better life for Winnipeggers. One of the major co-operative initiatives is the Winnipeg Development Agreement, a partnership between the City of Winnipeg and the governments of Canada and Manitoba.

Over its five-year term, the WDA will directly inject \$75 million into projects which support the sustainable development of Winnipeg's economy in three key areas, community development and security, labour force development and strategic and sectoral investments.

The leadership demonstrated by Manitoba through the WDA is promoting impressive levels of private sector investment in the city. To date, every dollar invested in Winnipeg through the provincial WDA funding has been matched by approximately one dollar from nongovernmental sources.

My department is co-ordinating the province's involvement in WDA and has been directly

administering several WDA programs, including the North Main Economic Development. The program will provide matching funds for storefront facelifts for businesses on Main Street between Sutherland Avenue and St. John's Avenue. Door-to-door discussions with every business in this area are currently underway.

* (1450)

Urban safety is another initiative. To date, this program has funded 14 projects for a total commitment of \$1.3 million. This includes the Downtown Watch Ambassadors' program, the Downtown Business Improvement zone and the ALIVE program which provides safety education programs for youth through the Winnipeg Police Service and funding to expand the work of Rossbrook House and the Winnipeg Boys and Girls Club.

The Neighbourhood Improvement program has shown that funding for renovations and improvements to 11 community clubs and two recreational facilities has recently been approved under the program with a total commitment to date of \$384,000. More announcements of projects for 1998-99 are forthcoming.

Riverbank Development: To date, three projects have been approved with a total commitment of \$568,000. These include The Forks Low Line Bridge, a nature trail along the Seine River and the development of a riverbank park in North Point Douglas. Under Strategic Initiatives, four projects have been funded for a total commitment of \$337,500. One of these projects includes a three-year initiative to develop a midcontinental trade and transportation corridor strategy, currently in its second year.

Several noteworthy developments have taken place over the past year in the WDA programs, and these include funding for the development and the piloting of new approaches to management training in the health care products field, under the WDA Training and Emerging Growth Sectors Program administered by Manitoba Education and Training.

A commitment of \$3.6 million to the Winnport International Air Operations Start-up Project through the WDA Transportation Program is administered by

Manitoba Highways and Transportation. This project, which holds great promise for Manitoba's economic future, took a major step forward recently when it was announced that Winnport Logistics Ltd. has been awarded the Canadian rights to provide scheduled all-cargo service to China.

Also worthy of special mention is the Urban Sports Camp at Turtle Island Community Club in Winnipeg's north end, which is sponsored by the Winnipeg Native Alliance. By providing sports and recreational activities every day on a year-round basis, the project has not only created an attractive alternative to youth crime and gang activity but has allowed mentoring relationships to develop between at-risk youth and adult members of the community. One extremely positive sign is the flood of adult volunteers who want to be part of the solution to the programs facing our youth today. Since the Urban Sports Camp started, major crimes in the area have been reduced, with 179 fewer incidents reported between January and August of 1997 compared to the same period a year previously. Manitoba Justice, which administers the WDA Sports Camp Program, is currently examining the possibility of expanding the sports camp model to other parts of the city.

Another major co-operative initiative between the province and the city which my department initiated is the Partners in Public Service project. It is designed to provide better services to the public at comparable or less cost. In May of 1997 a task force was established which included the mayor of Winnipeg, a city councillor, the Minister of Finance (Mr. Stefanson), and myself.

Under the direction of this task force, city and provincial government departments have identified areas in which the two levels government could co-operate to serve the public better. To date, over 40 suggestions for increased co-operation have been received from provincial government departments alone. Proposals from both levels of government are currently being examined by a joint administrative co-ordinating committee and soon will be reviewed by the task force.

Another program which has demonstrated the spirit of co-operation by the province and the city is the

Manitoba-Winnipeg Community Revitalization Program. Although this program officially concluded last year, implementation of projects in the designated neighbourhoods is continuing.

Our government, through the Department of Urban Affairs, is committed to establishing a new community revitalization program in partnership with the city. A proposal for a new provincial-city program is currently being developed by my department, based on the report of an independent consultant and internal evaluations of the now completed MWCRP program. This proposal will serve as the basis for discussions with the city, expected to begin soon, on a new community revitalization program.

The Department of Urban Affairs is continuing its commitment to Winnipeg's downtown through its involvement in initiatives such as The Forks North Portage Partnership, the CentrePlan Committee, the Portage Avenue Working Group, the Downtown Streets Working Group, and the North Main Task Force. The government of Manitoba has firmly established itself as a player in Winnipeg's downtown. Whether you consider our \$31-million investment in the renewal of The Forks or our \$27-million investment in the redevelopment of the North Portage area or the over 2.2 million square feet of downtown office space which we lease or own, our commitment is clear.

In the area of legislation, my department has again demonstrated leadership in supporting local government autonomy in their decision making to the greatest extent possible, while protecting provincial interests.

In keeping with this approach, I will shortly be bringing forth amendments to The City of Winnipeg Act which are consistent with Winnipeg City Council's decision to reorganize the city's administration. The amendments will give the city greater flexibility in responding to the challenging changes and the needs of its residents. As well, the amendments will provide a legislative framework which facilitates the implementation of new approaches to municipal service delivery.

Finally, my department, in partnership with the Department of Rural Development, is working with 16 local governments to support the development of a

strong Capital Region. The region plays a significant role in our province. It is where the majority of our citizens reside, work, play, and raise their families. It is crucial that the municipalities in this area work together toward the common goal of an attractive and prosperous region. For this to take place, the province must assume a leadership role.

Under the chairmanship of the Minister of Rural Development (Mr. Derkach) and myself, the Capital Region Committee has worked hard to ensure that all municipalities in the region have been given a voice in developing a strategy which will serve the interests of all residents in the area and will benefit all Manitobans. The next step in this process is developing a plan on how to implement the many policies and actions contained in the Capital Region Strategy.

Recently, we met with the Capital Region Committee and received their endorsement of a proposal to establish an independent panel to conduct the Capital Region review. This review will examine the existing legislation, policy and decision-making processes guiding land use planning and the provision of services in the region. Consultation with the municipalities and the public will be a crucial element in this process.

As I look forward to the coming year, I see exciting and challenging times ahead. My department will focus on the increased co-operation with the city in several key areas.

First, the Winnipeg Development Agreement will be hitting full stride as it marks the halfway point in the agreement's implementation. Manitoba Urban Affairs will continue to work closely with other provincial departments, Canada, and Winnipeg in implementing the Winnipeg Development Agreement in a manner which will encourage participation and financial contributions from nongovernment sources, as well as creativity and innovation in building the long-term sustainable future of this city.

Second, my department will build on the success of the previous Manitoba-Winnipeg Community Revitalization Program as it continues to work for development and implementation of a new community revitalization agreement with the city.

Thirdly, my department looks forward to the Capital Region review. This review offers opportunities to discuss options for implementing the Capital Region Strategy. We will all be challenged to think of new ways to forge partnerships among the many interests to ensure that the region becomes an even better place to live, to work and do business.

Fourthly, in partnership with the city, my department will continue the process of developing a legislative framework which supports effective and efficient local decision making, fits with the city's new administrative structure and is appropriate for the challenges the city will face in the new millennium.

Finally, through the Partners in Public Service initiative, Manitoba Urban Affairs will forge partnerships with other provincial departments in the city as we search for areas in which collaboration between the two levels of government can improve services and reduce costs for provincial and city taxpayers.

This concludes my opening remarks, Mr. Chairperson, and I look forward to discussions on the Department of Urban Affairs for 1998-99 Estimates. Thank you.

Mr. Chairperson: We thank the honourable minister for those comments.

Does the critic for the official opposition, the honourable member for Wellington, have an opening statement?

Ms. Becky Barrett (Wellington): Not really. I will be asking questions in virtually all of the areas that the minister has outlined in his opening remarks and would just like to ask again, as has happened in the last couple of times, if we could go through fairly free ranging since it is a small department and without sticking too closely to the line by line in the Estimates book, if that is acceptable.

Mr. Reimer: Agreed. I believe that it speeds facilitation, and having staff here, we can try to answer all the questions as we come to them. Sure.

* (1500)

Mr. Chairperson: We thank the critic for the official opposition.

Under Manitoba practice, debate of the Minister's Salary is traditionally the last item considered for the Estimates of a department. Accordingly, we shall defer consideration of this item and now proceed with consideration of the next line.

Before we do that, we invite the minister's staff to join us at the table, and we ask the minister to introduce his staff present.

Mr. Reimer: I will introduce my staff. With me, I have my deputy, Mr. Bill Kinneer; my assistant deputy minister, Heather MacKnight; one of my senior directors, Marianne Farag; and, my other senior director, Mr. Jon Gunn.

Mr. Chairperson: I thank the minister.

We will now proceed to line 1.(b) Executive Support \$230,100 on page 129 of the Main Estimates book. Shall this item pass?

Ms. Barrett: I have a couple of follow-up questions from last year's Estimates, if I may. They kind of fall into some of the statements that the minister has made in his opening remarks. The minister said last April that in order to ensure effective communications with the city, provincial cabinet ministers meet formally and informally with the mayor and the Executive Policy Committee on a regular basis. I am wondering if the minister can tell me how many times, formally and informally, the cabinet ministers met—the cabinet ministers that have anything to do with urban affairs—with the City of Winnipeg.

Mr. Reimer: While staff maybe is trying to find the exact number of times that the Urban Affairs Committee of Cabinet met, I can just give the member some background. As to my involvement, I do meet regularly with the mayor, at least once a month on an individual basis, just the mayor and myself. I also meet with EPC at least once a month for a breakfast meeting. We have had those almost steady except for breaking in the summer months usually. We do not meet through July, August and September. So there is a fairly close contact between myself and the mayor and EPC.

UACC meetings are usually four or five times a year, and that is where it is the Urban Affairs Committee of Cabinet, which is all members of the—not only cabinet ministers but the members in other areas of the city of Winnipeg. Other urban members are also invited to those meetings, too. So those meetings are open to the members of government.

Ms. Barrett: On that Urban Affairs Committee of Cabinet being open to urban members—and I believe the minister and I discussed this briefly in Question Period one day—what the minister means is that it is open to urban members of the governing party, not urban members of the government at large. Is that not correct?

Mr. Reimer: The meetings that have been called, a lot of them are called at the request of the city. City Hall and the mayor have requested the meetings with the members for the city when they are bringing forth—for example, when they brought forth their program called Reshaping Civic Government, when they brought forth their budget, when they brought forth an update, and they are the ones that requested the meeting with the urban members. It is called together under the auspices of the Urban Affairs Committee of Cabinet. That is the name that is given to it, but some of those meetings that I referred to were called by the city to meet with urban colleagues. Their suggestion was that we call a meeting for not only the urban cabinet ministers but all urban members to which the city wanted to make their presentations. So some of those meetings were at the call of the city.

Ms. Barrett: Those meetings that were at the call of the city, who chaired those meetings?

Mr. Reimer: I would be the chairperson.

Ms. Barrett: So, while the request for a meeting may have been, at some point, sometimes by the government and sometimes by the city, the meetings themselves were always chaired by the government.

Mr. Reimer: If the city called a meeting, I would introduce the mayor, and then she would take over the meeting to bring forth the presentations and answer questions. But, if they called a meeting, they would more or less set the format and set the agenda for it.

We would be there more or less just to listen and to try to facilitate, and we would provide the space for the meetings, which we usually held in one of the rooms. We would have them come, and they would set up the screens or their projectors and they would make the presentations.

Ms. Barrett: The second part of my question was, you talk about urban members, but what you really mean is urban members of the governing party, not urban members of the Legislature of which there are 31, many of whom are not part of the governing party. So, when you talk about meeting with urban members, you mean urban members of the governing party.

Mr. Reimer: Yes, that is true. I think that, just as we have had presentations made to our caucus by various groups, we have also known that these same groups have made presentations to the NDP caucus along the same lines. So there is a similarity of when we talk about making a presentation to the members. I guess, as I talk about the members, I talk about the members of government; and, as the member for Wellington (Ms. Barrett) would talk about members, she would talk about the members of the NDP caucus. I am sure that there have been presentations made by councillors to the NDP caucus, too, that have been made to us. So the presentations are made usually to the two parties by the same groups.

Ms. Barrett: Did the city make a presentation to the government caucus or government members on their recommendations for implementing the Cuff report?

Mr. Reimer: Actually, when the Cuff report came down, they did come forth and explain all the various amendments or recommendations that Mr. Cuff had made to City Council. They requested a meeting with us to show what they were considering. It was more of an information-type of setting that they had set up with us to go over the Cuff report, but they did make a presentation on the Cuff report. In fact, as has been pointed out, Mr. Cuff himself was at that meeting and made the presentation too.

Ms. Barrett: When the city requests a meeting and the Urban Affairs Committee of Cabinet sets up a meeting, is it sometimes just the cabinet members who meet, or is it always with the urban government MLAs?

Mr. Reimer: The invitation goes out to all the government urban MLAs.

Ms. Barrett: So if the member is—say, it is the member for Springfield (Mr. Findlay) or La Verendrye (Mr. Sveinson) who have rural and urban components to their constituencies, would they get an invitation? They would not necessarily get an invitation to these meetings then.

Mr. Reimer: No. It is usually just the urban members—yes, just the urban members.

* (1510)

Ms. Barrett: Carrying on again from the Estimates from last year. The Capital Region Committee—and I may be mixing things up, because it seems to me there are things changing all the time in the Capital Region in the attempts to deal with the issues that are facing the Capital Region—but there still is a Capital Region Committee. How many times has it met since, say, last April?

Mr. Reimer: To give a little history on the Capital Region, the formalization of meetings actually started in 1996. In 1996, I believe there were three meetings of the Capital Region Committee. Actually, there was a meeting at the end of, I believe, 1996; they were already scheduling meetings into 1997 for the spring of 1997. The flood came along, and it knocked out any type of effort in trying to get people together because of the flood conditions. There were attempts to have some meetings. In fact, I think they have tried to call at least twice in the early part of 1997, but the attendance would have been—the members had said that they were just too busy with the flood, so no meetings were scheduled. We got into the whole flood scenario and the cleanup almost went through the whole summer, so in truth there were no meetings held at all of the Capital Region Committee in 1997.

Since that time though—one of the last things that was on the agenda in 1996 was the formation of a task force. A task force was meeting, was set up, and they did meet. I believe they did meet in 1997. [interjection] I was just getting some clarification. One of the recommendations that came out in 1996 was a task force to be formed to look at ways to implement the

Capital Region Strategy. They also did not meet in 1997. I thought that they did, but they did not.

They did get together in the early part of 1998. In fact, they had two meetings, and from those two meetings, it was decided to make a recommendation to the Capital Region Committee in whole of an effort to come up with setting up of a panel of five people. The solicitation of these five members would come from the members of the Capital Region Committee, to come forth with five names that would—their primary objective would be to go out and talk to the elected officials in the communities, not only in Winnipeg but in the surrounding municipalities, to come up with a way to implement the Capital Region Strategy and set that in motion.

So this year, in 1998, we have had two meetings with the task force and one meeting of the Capital Region Committee.

Ms. Barrett: So, in effect, the task force was created in '97, but it was unable to do anything until 1998 where it has had two meetings, and then one meeting of the Capital Region Committee as a whole.

Mr. Reimer: Right.

Ms. Barrett: Can you tell me the names of the task force members?

Mr. Reimer: On the task force there was myself, the Minister of Rural Development (Mr. Derkach), Mayor Bud Oliver from Selkirk, Reeve Dave Oster from the Selkirk district area, Mayor Dave Lethbridge in Interlake Planning District, Reeve Rodney Burns from Macdonald, Reeve Phil Rebeck from the R.M. of East St. Paul, Springfield and Tache.

There was an alternative in case Mr. Rebeck could not come. Mr. Bill Danylchuk would serve in his place. The other person was Reeve John Curry from the Municipality of Cartier, and the City of Winnipeg's representative was Councillor Shirley Timm-Rudolph.

Ms. Barrett: So did you and the Minister of Rural Development participate in the two meetings that have been held of the task force this year?

Mr. Reimer: Yes.

Ms. Barrett: What is happening with the task force? I know you said they talk with elected officials, but—well, let me back up one minute. The task force itself did not meet in 1997. Was there any preliminary work done on what the task force would be asked to do or enabling the task force to function during 1997 on the part of either department, or was the whole thing just put on hold until after the flood?

Mr. Reimer: I guess relatively speaking, there was very little formal contact or consultation. There were some preliminary discussions but nothing of a formal nature during 1997 at all.

Ms. Barrett: So, in effect, it is really beginning its work this year. What will its work be? Can you be a little more explicit than you were in your earlier comments—talk with elected officials, and it said in last year's Estimates, make recommendations respecting the enhanced operation and structure of the committee and also the effective implementation of the Capital Region Strategy. How will that be fleshed out?

Mr. Reimer: I should point out to the member that the names that I gave the member were the members for the task force. These were not the people that will be part of the panel that will be doing the consultation out in the field. The task force's main objective was to try to come to some sort of understanding of where the Capital Region should go.

Their recommendation was that they appoint an independent panel. Instead of them doing it and being part of the process, their recommendation was that five independent people be appointed to do the searching of goals and directions that the Capital Region should be going.

That is what they brought forth to the Capital Region in whole, and the Capital Region in whole endorsed that principle. What we are now waiting for is names and recommendations from the various municipalities and elected officials in and around Winnipeg to decipher and come up with five people that they will agree upon that we can use to do the work. But the task force itself has more or less absolved itself back into

the Capital Region Committee. Their function was to come to a direction and an understanding of where the Capital Region should be going. Their recommendation was a five-member panel, so, in essence, I guess to a degree their work has been done. The task force will stay and can be resurrected possibly for other projects or consultations of sorts. Instead of getting the whole Capital Region together, the small nucleus of the task force can come together.

Now what the five people on the panel who will be appointed will be doing, will work through their actual—The proposal that they have been given is to—I will just possibly read it in a bit of their mandate if you want to call it—appoint an independent panel of experts to undertake a review and make recommendations respecting the effectiveness of the existing legislation, the policy and the procedural framework, the guiding land use, planning and the development and the provision of services in all 16 municipalities in the Capital Region.

The objectives of the panel would be to ensure, in making the framework, that it (1) reflects the principles inherent in the Capital Region Strategy; (2) has the capacity to resolve regional issues; (3) incorporates balance and sensitivity among local, regional, and provincial interests; (4) provides maximum opportunity for intermunicipal co-operation; and, (5) encourages building partnerships advancing the vision of the Capital Region.

That will be the framework that the panel will work under and with in trying to come to some resolve. Through that process what they will be doing is talking to the elected officials in the 16 municipalities. They will also be holding public meetings to get public input as to what people are concerned about and where they feel that there is need for direction. Then the report will be compiled. It will be then presented to government.

* (1520)

Ms. Barrett: I think you answered one of my next questions, which was: what are the terms of reference for this task force—no, not for the task force, for the independent panel? Independent panel to task force to Capital Region to government.

Mr. Reimer: Right.

Ms. Barrett: Thank you. I think I have it. I would like a copy of those terms of reference, if I may have one.

Mr. Reimer: We can get one.

Ms. Barrett: Who is going to hire, appoint, or determine who the five independent people will be?

Mr. Reimer: The appointments will be made by government.

Ms. Barrett: They will be made by government through Order-in-Council.

Mr. Reimer: I imagine that will be the procedure.

Ms. Barrett: You probably told me this before, but who is going to make the recommendations to government about who gets to try and implement this task force?

Mr. Reimer: What we have asked, we have asked the municipalities to come forth with names. We are looking for people who have got broad experience in not only planning of municipal governments or municipal land use, but, also in areas of social planning and environmental planning. Hopefully, we will have a good cross-section of names to choose from, and we can get very capable people that would be able to represent the various components and areas of concern. So the names have been forwarded, I guess, to our department, and we will work with those names as they come in.

Ms. Barrett: What is the time line, understanding that this is an estimate and not carved in stone?

Mr. Reimer: We just recently sent out a letter to the municipalities to get their feedback, reviews and recommendation for names. I would guesstimate that we would start to get the names back within the next—seeing that a lot of those councillors only meet once a month—hopefully within the next couple of months we would start to get names coming to us. Then it is a matter of trying to make sure that we get as

many names as we can and work towards an earlier than later implementation of the program.

Ms. Barrett: Well, it sounds like this has the potential for being quite extensive in time and figuring out what exactly to do. I mean the terms of reference, the first one—these terms of reference are very good in the sense that they seem to cover a lot of the concerns that have been raised by the members of the Capital Region Committee, and they also, one would hope, would deal with some of the issues that were raised, although you know my feelings about the Capital Region Strategy report. I am trying to determine which principles are in there, but that is another discussion.

Mr. Reimer: As Martha would say, it's a good thing.

Ms. Barrett: Oh, dear, and I understand what the minister is referring to, too; this is very bad.

But this is a lot of work. This is a huge undertaking. I am fumbling through my material here. I think there was a newspaper article outlining some of this—the task force and the five independent—the independent commission or—I will call it that to just differentiate it from the task force. My recollection is that you were quoted or there was some discussion in that article about this whole process being concluded by the end of the year—I cannot seem to find it; I will look for it—but I do not see that happening. If you are talking about maybe getting names by the end—say at the end of June, just to give some timing, then you have to appoint them, and then they have to get together and then they have to start. I just think this is a very—it is a big proposal, and I am wondering if perhaps time lines are going to have to be extended a bit on it.

Mr. Reimer: They may have to be. I can recognize where there is a bit of a concern, but I think the direction and the feeling that we did have from the Capital Region Committee and from the public was the fact that they do want to see some sort of strong leadership role by the province in trying to come to a direction and a consensus building around the Capital Region. I think that it is better to try to work within those frameworks of co-operation and consensus building and to make the time available for consultations, for review, for public presentations so that when there is a direction or a formulation of

direction that comes from this, there is a feeling of comfort by all those involved that indeed it is a program that we should be operating.

As just a bit of a sideline, I did some research on often heard of—what they call the Portland experience with planning. I took it upon myself to do a little bit of reading on that, and I was surprised to learn that it is an ongoing process. It is not something that is just like a snapshot in time. Actually, they started in 1973 to get their house in order, if you want to call it. It is very, very efficient. It is very effective, and it is working very, very well, but at the same time it is something that they are continuing to work on.

So I am not suggesting that we are looking at a process of that long in magnitude of time, but I can see how it does warrant a fair amount of consultation with the municipalities, with the elected officials, with the public itself. What is going to compound it to a degree also is the fact that municipal elections are coming up this fall or this October, and that will also possibly skew some of the findings that would have to be revisited and redefined because of difference in municipal elections and that.

So it should be something that I think that we should be cognizant of and try to work towards getting a good solution instead of a fast solution. I can agree with the member on saying that it may take a little longer than putting a restrictive time frame into it.

Ms. Barrett: I have found my documents. My filing system comes forward again. This is the article by Aldo Santin in the Free Press on Friday, March 20, and the last comment is—not in quotes—but it is: “The minister said the panel will meet with elected officials as well as hold public consultations before it brings forward its recommendations by the end of the year or early 1999.”

Now I am wondering if the minister is sort of revisiting that time frame in the light of—

* (1530)

Mr. Reimer: I am not exactly sure how the reporter quoted me on that because I think that he was looking for a definitive time that everything would be wrapped

up and presented and possibly a *fait accompli*. I was trying to give him some indication of process, and in process I think I was referring to some of the consultations with even the elected officials along those lines, recognizing that there was an election coming up in October. I believe I was referring more to the fact that there would be consultations with the elected officials in the fall because who they talk to in June may not be the same people around at the end of October. So it would facilitate coming forth with even more recommendations.

I would not want to rush any type of public consultations for the sake of getting a report that has to be in by, say, January 1. I am not putting a timetable on it or a guideline on it.

Ms. Barrett: Yes, I appreciate that on the part of the minister, and I think that is true. I do know that there is a huge sense of frustration in the Capital Region, and as the minister was quoted in this same article saying there has been a lot of animosity between Winnipeg and the rural communities in the past, and we do not want to see that approach taken again. But it does seem as though there has been spinning of wheels, if I can say that, and I do not really mean that. I mean, I know there has been a lot of work done in the last few years on the issues of the Capital Region, and just putting the Capital Region Committee together is a very important step. I can imagine how hard it would be to get a group that disparate together, No. 1, and agreeing on anything, No. 2, and perhaps something needs to be looked at in that regard. But I do think that there is the possibility that this will just be another fairly drawn-out process that will look at public consultations, et cetera, and will talk about decentralization and monitoring and coming forward with ideas to make things work better, but that in the end it will end up being more of the same.

I do not mean to be sounding too negative. I am very concerned about this. This is a huge issue for everybody in this whole part of the world, and we need to have people on it and terms of reference that can be accomplished. Let me ask a question about the specific terms of reference or rather, sorry, the objectives.

The objectives would be to ensure that there is a legislative policy and procedural framework guiding land use planning and developments and the provision

of services in all 16 municipalities in the Capital Region that will—and then there are the five objectives, right? So it is the framework that is going to ensure these principles, right?

Mr. Reimer: Yes.

Ms. Barrett: Okay. I see huge challenges in all of these five objectives, just in mere implementation, who does what, never mind the getting 16—although I believe it is now 15—municipalities agreeing on what constitutes the specifics of any of these objectives. They are huge objectives on the face of it, even if you had a group of three or four people, all of whom agreed on everything, trying to implement No. 2, for example, that this decision-making framework will have the capacity to resolve regional issues.

Okay, let me ask you in this one. Does this group have carte blanche within these objectives to come up with recommendations that would range from the province will make all decisions regarding land use policies, will establish plans for each municipality—I mean, that is one huge extreme that nobody would suggest as reality, but that is one extreme. Two, each municipality will have total control over their own land use planning, and there will be no provincial overseer or oversight committee or anything. There will be no role for the provincial government at all.

Now, theoretically, that is a response to resolving regional issues. Is the government saying or the committee or whoever saying you can come back with whatever you want and then we will look at it and pick and choose, or are there some frameworks for the framework document?

Mr. Reimer: I guess what comes to mind is the quotation that “we boldly go where no man has gone before” type of thing, because I think what is happening with the Capital Region Committee and the City of Winnipeg is a recognition that—and Manitoba is very, very unique in the sense, because Winnipeg is the centre of a large concentration of population with the Capital Region around the city of Winnipeg, which would encompass I believe it is something like well over 80 percent of the population within this Capital Region in and around Winnipeg—and I think that there is a growing awareness that there is more to be gained

by working in co-operation with each other and having a single entity in trying to resolve problems and look at directions, not only economically, but socially and environmentally, in trying to resolve problems.

It has been forced, in a sense, upon us because of the fact that what is happening in other areas of Canada is there is more of this regionalization and this concentration of municipalities together to form economic blocs or planning districts for trying to be the betterment for all of the district instead of just the small individual towns or municipalities. I think that this is becoming more evident by the conversations that I have had not only with the City of Winnipeg but in the Capital Region membership and the reeves and mayors in the area. They are saying that we cannot compete, in essence, in providing all the services that we want to give unless there is a sense of sharing and co-operation between all of us. So they themselves are coming to recognize that we have to try to pull together. This is where the connotation and the statement of strong provincial leadership, they are asking us to do that. Now, how that leadership can be defined and whether it should be defined in the paternalistic or try to work within a framework of providing the catalyst or provide the fertile ground for this type of movement is something I believe that I would rather pursue.

I am not a firm advocate of the strong directiveness that government deigns that this is the way it shall be and you shall now be part of this or that district and this is the way it shall be. I would think that there is more recognition, and I sense that in talking with the elected officials, that they do want to come together. They recognize that there is going to be a give and take. They recognize that there is going to be a sharing of goals and aspirations, but it is all for the betterment of the entire region, because when you look in comparison to the Capital Region of say about a million people or whatever it is, when you are comparing other parts of Canada and other parts of the United States where you are in competition for not only services and economic growth but even the social amenities that we treasure, the efficiencies of scale say that we should be trying to not, each one of us, reinvent the wheel when we want to look at something.

Granted, as the member has pointed out, the objectives are fairly broad in essence, but I think that

they do form a basis to work together to try to come to some sort of an understanding and acceptance by the Capital Region that if there is an acceptance of these broad principles and recognizing that they have to work within them and try to bring forth a lot of their planning or their decision making within these frameworks, I think that the more that they think this way on an individual basis, the better that all of them will be thinking that way and go for it.

* (1540)

Is it an overnight thing? No, I do not think it is, but I think that it is something that can be worked towards, because I get a sense and I get a feeling that the Capital Region Strategy is saying to me, we want to be part of this change. Let us just make it so that we can all benefit from it. I do not sense a reluctance or a hesitancy or an outright rejection of the Capital Region Strategy by any of the committee members. The member refers to the one that decided not to get out, but I understand that—I have not talked to them personally—there are overtures that they may reconsider to come back in because they recognize that it is better to be in the tent than to be out of the tent, in a sense. So I understand that there is a reconsideration on their part.

It is something that I think we should work towards as a provincial government in trying to build this consensus within the Capital Region, because it can only benefit Manitoba, it can only benefit Winnipeg, and it can only benefit all the municipalities. So it is something that, granted, will take a little time, but I would rather be working on the pages that we have now before the Capital Region Strategy and the sense of wanting to co-operate than to try to build consensus where there is confrontation and there is an animosity.

As I mentioned before, that is of no benefit to anybody and all it does really is just impede any type of structural change or social change or economic change and possibly even be environmentally harmful if people or municipalities are just doing things on their own. So it will take time.

Ms. Barrett: Now, you say that the members of the Capital Region Committee all endorse this. Has there been a meeting of the Capital Region Committee?

Mr. Reimer: Yes. Yes, there was, and this was presented to them and it was unanimously endorsed.

Ms. Barrett: I would like to go back to the review and get a little more information on some of the information that is here. Under Phase I—Issue Identification, you talk first about the distribution of an informational pamphlet to various groups in the general public providing general information about the review and its objectives. Number one question: has that pamphlet been put together yet? What is the time frame on that?

Mr. Reimer: It has not been formalized as yet. It is still under review and under formation. One of the ideas behind using it this way was the direction that Rural Development, when Rural Development was doing the review of The Municipal Act, they got very good feedback on this type of format, so it was felt that we could utilize that type of format with this panel, and that is why there was the suggestion of having a pamphlet for the municipalities and other local groups. What it would do was just give a bit of a review and the objectives of what the panel was looking for.

Ms. Barrett: Is this going to be provided by the province, written by and distributed by the province?

Mr. Reimer: Yes, it would be.

Ms. Barrett: I will ask a question later about where that will come in in the Estimates. In the second item under Issue Identification is the discussion document. I think here, when I look at this, this sounds to me a very important part of it. The discussion document would frame the issues and focus the public consultation phase. Who will be putting together that discussion document and when will it be put together?

Mr. Reimer: Part of the formation of the task force is having a secretariat involved, and he or she would be involved with the compilation of the framework. The idea would be to bring it together, represent it to the Capital Region Committee itself for their endorsement, if you want to call it, and their involvement with discussions, so that by the time it would go back in for public consultation and for further discussion, there would be an input brought by the Capital Region Committee itself.

Ms. Barrett: Again, here is another spreading out of the time line on this, because clearly it will take some time for the staff to put together a document framing the issues, and secondly, taking it to a Capital Region Committee and getting consensus on that. I would like to be a fly on the wall at that meeting, I think, and coming back, so that clearly extends the time line.

The staff secretariat that is referred to in phase two consultation, this is the same staff secretariat that would be doing the draft of the document, the framing of the issues document?

Mr. Reimer: Yes.

Ms. Barrett: Has that staff secretariat position or positions been filled?

Mr. Reimer: Not to date, no.

Ms. Barrett: I guess just a general question here, and I am sorry to be going back and forth on all of this, but this information is excellent and it leads me to all kinds of questions as I read it. Has the government process been completed? This has gone through whatever government steps that need to be undertaken in order to get permission for you to do this, or do you have the authority to do this on your own without going to cabinet?

Mr. Reimer: This has been a government directive, and it has been put in place with the sanction of our government as to what we want to, or how we would like to proceed with this, the resolve of this. The funding of that, that is a process that goes through its normal funding appropriations, through treasury board and things like that, but the direction, the implementation is what we want to see happen.

Ms. Barrett: Any time line estimated on when the staff will be hired or seconded or put in place?—more to the point.

Mr. Reimer: I think that what we are trying to do is we would like to have a formalization of it sometime within this summer, you know, to have someone in there to be part of the implementation team and to be part of the formation of the information pamphlet so that we can get the process in gear, because I expect

that the names will start to come in like I mentioned before, hopefully, within the next two to three months so that we would want to have someone in place then to get things going.

* (1550)

Ms. Barrett: Okay, we have got a couple of lines going here then, it seems to me. You have got the staffing line of the secretariat who is going to do the draft framing of the issues and focusing the public consultation document, which is going to go then to the Capital Region Committee for input before it is finalized, before it gets publicly disseminated to frame and focus. That secretariat will be hired hopefully by summer. That is the end of June just for purposes of figuring out the process here.

You have said earlier that the task force members—
not the task force members—

Mr. Reimer: Panel members.

Ms. Barrett: The panel members. The five-member committee will be in place you hoped by the end of June as well. So, say over the summer, the staff and the panel will work together to frame the issues and focus the public consultation, or will the staffperson be doing that and the five members will be taking that document out? I guess I am asking what input the five members will have on this discussion document.

Mr. Reimer: I should point out too that staff will be possibly even seconded from Urban Affairs and from Rural Development to help so that it is not as if it is a one-person show in a sense. I would be more in line with saying that the panel's primary function will be to get out and to be involved and to talk to the elected officials, to talk to the various components in the Capital Region and to be involved actually with the public meetings and that.

The brochure or the informational pamphlet that will be produced will have in it a lot of what the member sees before her right now regarding the objectives so that it will be providing the general information, it will be providing the review of the objectives. So it will have some broad parameters involved with it in the brochure itself. The panel would not be involved so

much directly with making up the pamphlet. They would be more or less involved with the hands-on approach to talking, to getting out into the field and talking with people. The pamphlet would be used as a starter that would go out before them and be out there for handouts so that they could read it over.

Ms. Barrett: There are two documents; there are two pieces of paper in phase 1. The pamphlet is simple, comparatively speaking, and that is, yes, I would assume it would include basically the time line and the process and da-da, da-da, da-da and to whom this is going to be distributed, et cetera. I do not have any problem at all. That could be worked on right now because government has already given its imprimatur for this to happen.

The discussion document is a very different kettle of fish here. When you use the words "frame" and "focus" in talking about a discussion document, those are very powerful words. Those are the words that say this is what you are going to talk about. You and I very well know how you can see something and you will have one view of it and I will have another view of it. You can have the view that it is too much government interference to have any kind of overarching plan and messing up people's choices to where to live, and I can have the view you need to have an overall plan in place so that everyone is able to deal effectively with concepts of urban sprawl, just to take one example.

This document, which sounds like to me is going to be drafted by a staffperson hired by or seconded by the Department of Urban Affairs with very little input by the panel members—there is some possibility here. I know you have said that the document will go to the Capital Region Committee for input, but it seems to me that basically what is going to happen here is that this is a very critical part of the process because it will frame the debate. I guess I am a bit uncomfortable with that if basically it is the staff that is doing it, not the panel having an input at the beginning part of this process.

Mr. Reimer: I do not think that the member should be too overly concerned regarding—you know, I think what the discussion document would be looking for is, when I say, you know, the framing of the issues and the focusing of the public consultation, I guess we are

talking about in broader terms as to try to bring forth all the issues that could be put under consideration. I guess you could put out a large net and try to satisfy everything or you come down to focusing of main items or main areas of concerns that need review or action on. I would think that using that in the perspective instead of using, like the member mentioned, the framing of the issues or the focusing of them, I guess it is a matter of interpretation as to the severity or the degree of how that could be interpreted. I do not see that as an impediment to trying to get as much public consultation or discussion that we would want out of it. I think that there would be some guidelines set in in regard to all meetings or asking for discussions, but it is certainly not meant to stifle or to inhibit the openness that you would want to get back from the consultation, whether it is with the public or with the elected officials in the various municipalities. I do not think that it has too much of a detriment to the way that the process would proceed.

Ms. Barrett: Okay, well, I think only time will tell when we see the document and see what happens. I think, as I have said before, it will be very interesting to see what the Capital Region Committee itself has to say about this, because they have been unable to function very effectively as a committee for a whole bunch of reasons, but part of it is just by the nature of the Capital Region. We have the city. It is not an evenly distributed population base even now. You have issues such as—let us go back to BFI, for example, where the City of Winnipeg, almost for the first time in recorded history or certainly one of the very few times on a matter of major public import, voted unanimously against the selection of the R.M. of Rosser for a landfill site for BFI. The R.M. of Rosser was then selected by the Clean Environment Commission to have a landfill put in place there.

I do not think you would ever get consensus out of the Capital Region on that issue, so I think this is an example of one of those. Maybe that No. 2 objective has the capacity to resolve regional issues. I do not think that issue was resolved. Of course, maybe there was no resolution to that issue, because if BFI had not gotten its landfill in Rosser, they might have tried somewhere else or Rosser would have been really very much probably annoyed at the loss of that revenue. So I just think there is a whole lot of stuff here that looks

really good on paper, and I hope it works. But I have a lot of fear because you are using, frankly, basically the same group of people, the Capital Region Committee, and they have not been able to function effectively before. Hopefully, that will change.

Maybe we are not down far enough the road to be able to get a specific answer to this, but in the consultation phase it says: the panel would consult with other interest groups and the general public and conduct a number of public forums. Do you know how many there will be of these forums, or are they going to be in each municipality? How many would be in the city of Winnipeg? Do you have any sense of those, how that would play out?

* (1600)

Mr. Reimer: I think what we would look to is some direction from the panel itself as to what they felt comfortable with in how many public consultations and in what areas and at what times they would want to hold them. I would rely on some of their discretion and their direction as to what they felt was required. I would think that from the limited amount of exposure we have had so far there would be public interest in there. Some of the groups that have already advocated public meetings, they would be out. I guess the panel would be able to gauge whether they continue with the public meetings or where and how they do it, so I would look to the panel for their recommendations on that.

Ms. Barrett: Would you give the panel ultimate decision-making authority as to how many and where these public hearings would be held, or would you hold the final decision making? If they said, well, we will hold one in Selkirk and one in Winnipeg, and that is all we feel we need to. We will hold the Winnipeg one at the Convention Centre, so there is lots of place for the hordes to come, and we will hold the one in the Selkirk arena or whatever. So we do not need any more than two. We are busy people; we cannot do it. Would you say, now wait a minute, that is not good enough?

Mr. Reimer: I would be very, very surprised if there would be only two. I would think there would be more than that. I would think that we would try to look at—try to space them around through the Capital Region.

As for numbers, whether there are two or there are four or whatever it is, I think that sometimes those are some things that the panel would have to decide on.

I guess there is always the—you look at the voice of reason and the general feeling that, if it requires a meeting in Selkirk and one in Beausejour or—not Beausejour, but I mean in and around different areas or whatever it is—then they would call these meetings. I do not know whether I want to stick my neck out and say that there shall only be three meetings or four meetings when there may be need for—the panel may say that we need more or we do not need to go down to this area because there does not seem much interest or something. So it would be a little bit premature to say exactly how many meetings should be held.

Ms. Barrett: Oh, I agree that it is way too premature. I am just trying to figure out who has the ultimate decision-making authority in saying there will be X number of public hearings and they will be held in the following communities. Do you hold then in reserve the power to say, wait a minute, you guys have missed something here, and I am adding another one or I am taking away, you do not need 25 meetings?

I am assuming that the panel will be deliberate and will be positive in that regard, but I think you always need to have in mind the fact that sometimes that does not happen. There are 15 or 16 communities or municipalities represented, and only five people are going to be on the panel. They are going to have to be representing not only their area of expertise, but they are going to have to be representing a number of the municipalities. There is a possibility that there will not be fairness as far as you can see. Would you say that you could add or subtract or recommend, if I had a complaint, would I go to them rather than to you?

Mr. Edward Helwer, Acting Chairperson, in the Chair

Mr. Reimer: I would hope that the selection of the panel would be of a calibre that they do recognize the need for various inputs that they want for their review. I would be surprised if they worked in an atmosphere where they were not willing to listen to the public demand for meetings, or the public consultation, or the fact that the elected officials that they were supposed to talk to did not get a chance to talk to them, because they

will be dealing with areas where elected officials have are the primary people to make decisions.

I would think that it is like anything. If elected officials are not heard, they will make it known that they want to be heard, and there would be voices made or overtures made to our department saying that, hey, listen, there is a group out here that wants to be listened to, and we would have to listen to it.

Ms. Barrett: I know I am belabouring the point, probably far more that it should be, but it is not just municipal officials that will want to have an input into this process, nor should it be, because municipal officials already have an avenue theoretically through the Capital Region Committee, and that has not worked, or it certainly has not worked to the extent that it needs to. I want to say that it is important that this process be as open and as user-friendly and as widely ranging as possible, because if we are starting on a time line that looks more like Portland's than a year and a half, we need to ensure that every part of that process is well understood and as open as possible so we get the largest number of ideas, because these are huge issues that are going to be very difficult to address.

* (1610)

While I think there are probably some problems with the process, the TransPlan 2010 process, which took two years and talked to I think over 2,000 people, maybe has some similarities with this, although I think it was quite complex, but it did allow for a large number of people and groups to have input into it.

I think those are pretty much all my comments in that area. I will be looking forward to how it plays itself out, particularly by the end of June, to see what processes and progress have been made.

On a semirelated topic, and this is something that actually was in the Free Press on Saturday, the 21st, after the article outlining the task force and the panel, where the editorial writer had an interesting comment, and I am wondering if the minister has some ideas on it. They say that the boundaries of the Capital Region currently are unrelated to human and economic realities. Then they go on to say that Komarno is part of the Capital Region, but Steinbach is not, and that the

review panel should be free to start from data and not from political preconceptions in deciding where the Capital Region lies. The main thing is that 750,000 people who live within an hour's drive of Portage and Main have a shared interest in the efficient, democratic management of development and public services.

I just wonder how you think about that. I mean, I can see where, I cannot remember what municipality Komarno is at the far end of—Lockwood—so it is a problem because its population expands outward and it is like pies, where it is more populated closer in, and you could not include part of an R.M. and not the rest of it, but I do think the concept of Steinbach, in particular, is very interesting, because they have many of the same issues on a much smaller scale with urban sprawl and exurban development that Winnipeg has with its surrounding municipalities. Have you given any thought to broadening the Capital Region Committee?

Mr. Reimer: We have not given any thought to expand the region. It is interesting, the comment that was made, because it is similar to the effect of, even within Winnipeg, when you look at saying that the people out in St. Norbert have very little to do with the people out in The Maples, in a sense, because the difference in location and your social services and your sphere of influence and your grouping of friends and everything and services that you support are different, and even in Winnipeg you have the differences that they are not common.

I guess in looking at the Capital Region, when you look at a place like Komarno and Winnipeg, the fact that they are in one of the municipalities that is part of the Capital Region does not mean that everybody within that municipality necessarily shares the same type of goals and aspirations as a large region like Winnipeg, but I think that it does point out that there is more benefit for the people of Rockwood to recognize that there are the resources and the facilities and the sharing of such within themselves and with Winnipeg so that they can all benefit from it. So the article in the paper is saying that they have nothing in common, but at the same time the distances and the sharing of resources and services is really not that far apart in a sense of wanting what is best for the community.

Granted what was said in the article that they may not have anything in common, but the comparing of a small little town like Komarno to Winnipeg is really unfair in the sense that they are—the individuality is there because of the fact that that is just part of their community, but they are part of Rockwood which is close to Winnipeg, so there is a sharing of some sorts.

Ms. Barrett: I was not arguing excluding Komarno at all, and I am not sure that the editorial is either. It is unclear from the editorial, but the point that was made there is that areas like Beausejour, Ste. Anne, Steinbach and Morris, which are within an hour's drive and where people commute to Winnipeg to work and to shop, part of the commuter shed, are not included in the current Capital Region structure. It is not so much the exclusion of communities like Komarno, but what are we going to do about the inclusion of communities like those that are referenced? And I think most particularly Steinbach, as I said, which has many of the same kinds of concerns, I think, they all are part of the Capital Region in any way you really look at it these days, especially with the twinning of—not twinning of 12. It is not Steinbach, but Morris. You know the one—

An Honourable Member: 75.

Ms. Barrett: Thank you, 75. These communities are very close to Winnipeg. So it is just a question. I am just wondering if you have thought about it or if the panel would be able to look at that kind of change.

Mr. Reimer: As I mentioned, I do not know whether they—there is no mandate to expand the Capital Region at the present time, but I would think that through discussions and possibly various other components, if there is a willingness that they want to be part of the Capital Region, I do not know why they would not be welcome to join. If they can bring something to the table and they recognize the merits of it, I certainly would think that they would have the ability to become part of the Capital Region Strategy.

Ms. Barrett: I am wondering if the minister can—changing topics here—give us an update on a couple of the other reports that are due out, well, I thought were due out this spring. One is the Strategic Infrastructure Reinvestment Policy. The other is the Committee on Tax Reform.

Mr. Reimer: On the first one, the Committee on Tax Reform, that is a City of Winnipeg initiative. They are the ones that are initiating that one. My understanding is that they are looking at trying to get the report out before the end of the summer on that one.

The other one, the strategic infrastructure program that the member is referring to, I believe that they are in the final draft. That again is a City of Winnipeg initiative. I believe they are in the final draft, and indications are that it will be presented within four to six weeks.

Ms. Barrett: Still back at last year's Estimates, and I think this is probably going to be another exercise in futility, but the infamous suburban growth study. I think we have discussed this in each of our get-togethers annually, and the latest from last April was that the minister had received a letter from the city indicating they had been in contact with the Urban Development Institute and that those two partners concur that the study be held in abeyance and that you were not made privy to how and why they came to that decision and that if there was a willingness on their part, i.e., the City of Winnipeg and UDI to revisit it, that would be how it would come up again. That letter was January 8, 1996, over two years ago. So I am assuming that the government has not done anything to try and restart the suburban growth study or the joint provincial-city study of the costs and benefits associated with development in Winnipeg. Is that an accurate assessment of the situation to date?

Mr. Reimer: Yes. I think that if I remember now, and of course in conversations last year about the Growth Management Study, that at that time it was indicated that the City of Winnipeg and the UDI, Urban Development Institute, indicated that they did not want to proceed with it. They did not find that it was of any interest to pursue the study.

So the member is right. We have not pushed forth for it, or we have not, you know, advocated if the other two partners are not in agreement on it. So it has not moved, as the member has indicated. Nothing has happened.

Ms. Barrett: So I take it that the government feels that this is not an issue that is of importance to the people of

Manitoba, that there be a study to determine the actual costs of development in the city of Winnipeg.

* (1620)

Mr. Reimer: It has been pointed out to me that the City of Winnipeg is now focusing on a review of their development agreement parameters and is drafting a subdivision standards by-law to ensure that all development applications are dealt with in a fair and equitable manner. It has been pointed out that public hearings on the draft by-law will be held in the fall of this year. So the City of Winnipeg is developing its own development agreement parameters. So they were pursuing it on their own.

Ms. Barrett: I am wondering if the minister can repeat the phrase about the by-law subdivisions.

Mr. Reimer: It is focusing on a review of their developmental agreement parameters and a drafting of subdivision standards by-law to ensure that all development applications are dealt with in a fair and equitable manner. Again, it says the public meeting shall be held in the fall of 1998 on that.

Ms. Barrett: That is all well and good, but in not knowing the context or more information—and I appreciate getting this information, and I will check with the city on this. But it seems to me that subdivision standards does not necessarily reflect the same concern that a growth management study would, which would talk about the actual costs and benefits to subdivisions within the city of Winnipeg.

Again, this is a case where the city and the province, according to my reading of the situation, where the senior members—UDI was there to provide information as to the draft terms of reference. In the '95-96 annual report, it stated that city and provincial staff met on a regular basis and completed the draft terms of reference for the growth management study, and decisions relating to them and the implementation are pending, decisions to be made by the city and the province.

Now it seems to me that what the provincial government has done is they have used the excuse that UDI and the city could not get together when the city—to say, fine, we will not do anything, when

according to your own annual report of '95-96, there were draft terms of reference established. A lot of time had obviously been spent on this by staff at both the city and the province. You are a partner to this. Why did you not go and say, hey, what is going on here, what can we do to facilitate this, this is important?

You talk about taking a leadership role. You speak about that all the time; the government talks all the time about a leadership role in working with the City of Winnipeg. Here we have an issue that has been decided years ago by both the city and the province that was an issue worthy of discussion, was an issue worthy of study so that we know exactly what we are talking about when we talk about costs and benefits to development, an issue that I would think would have a great deal of relevance to what is being discussed in the Capital Region task force and review panel, and here, '95-96 and we are now in '98-99, nothing has been done. There has been no communication by the province to the city since January of 1996 where there were no reasons given as to why the city did not want to go ahead with it. It sounds like the province said fine, you do not want to do it; well, we do not really want to do it anyway, and here is our easy excuse not to have to do it.

So once again, I am bringing this issue forward, and I would like to suggest that the provincial government dust off those draft terms of reference, go back to the city and say, how can we work together on this; what does your by-law have to say about this; is it an overlap, and if not, let us start working on it again, because it is essential that everybody knows how much the residents of one part of the city of Winnipeg are subsidizing services, if they are, to another part of Winnipeg. I should think the city would want to have that information too, but if the city does not want to have it, it is incumbent upon the province to say, yes, we do. So I would like to suggest that the minister take a look at that, and asking if the minister would undertake to revisit those draft terms of reference of the urban management study.

* (1630)

Mr. Reimer: Staff do meet fairly regularly with the City of Winnipeg, and one of things that has been brought up before was the growth management study.

But there is no harm in following on the member's suggestion that this be pursued and find out where it is and what, if anything, has transpired and whether there is a willingness to look at it and to see what the position of the other two players is on it. We can instruct our department to take a further look at that and see where it is and whether there have been any further deliberations between the city and UDI on it and find out if there is a willingness to work on that. Sure.

Ms. Barrett: Would the minister undertake to advise the critic of the outcome of that investigation?

Mr. Reimer: Yes.

Ms. Barrett: I would like to go to the '96-97 annual report, if I may, for a few moments. I will start with page 38. The permanent voters list—would the minister give me an update on the permanent voters list process?

Mr. Reimer: Mr. Chairperson, what has happened with the permanent voters list—the study was completed in 1997, and it was presented in that same month, in December of 1997. At the same time, the federal government have come out with a permanent voters list. It has been found that in working with the availability of the federal voters list that it is a benefit for the City of Winnipeg and municipalities to apply to the federal government to get the permanent voters list. In fact, as a basis of comparison of costs, I believe that the enumeration in the city of Winnipeg for an election was close to \$600,000 and that if it is done by using the federal enumeration list they can get it for \$2,000. So there is a significant saving. The City of Winnipeg already has made application, I believe, for the permanent voters list. In fact, they have made some sort of deal with the federal government that they get a thousand dollars back, so it is actually only costing the City of Winnipeg \$1,000 to get the voters list. What it is is the net cost to the city of obtaining the federal list is \$1,000, because they will purchase it for \$2,000 and then they sell it back to the feds for \$1,000, so it only costs them \$1,000. The municipalities will also have that available to them. I do not know what that cost is on a municipal level, but they can also use the federal list for enumeration.

Ms. Barrett: Yes, I know, and I assume—maybe the minister can tell me if I am wrong—that the next set of

elections will be municipal in nature rather than provincial. So it makes the most sense that the municipalities in the city would take a look at this. Has the province looked at utilizing the permanent voters list?

Mr. Reimer: I have just been informed that I guess the province cannot use the federal enumeration list. We have to do door-to-door enumeration when we do our election.

Ms. Barrett: Yes, that is the current legislation in The Elections Act, but I believe the changes to The Elections Act also allow for looking at the possibility of utilizing a permanent voters list. Basically I am wondering if this study could shed any light, and would it say to the province, you should look at changing the legislation to go with the permanent voters list, because I think the election—when was this study finished?

Mr. Reimer: December of '97.

Ms. Barrett: Yes, the study was finished in December of last year and The Elections Act changes were brought down and obviously had been worked on before that. So they would not have had the results of this permanent voters list study. So I am wondering if there is anything in there that should be shared with Elections Manitoba that you might want to take a look at moving more in that direction, depending on what that study said.

Mr. Reimer: Yes, Elections Manitoba actually is fully aware of the implications.

Ms. Barrett: You may have answered this question already, but in the annual report it talks about the City of Winnipeg's Inter-Governmental Affairs committee. Is this the group that actually meets with the Urban Affairs Committee of Cabinet, which is mayor, deputy mayor, chairpersons of the then four standing committees, now the EPC? Is this the group that meets with the Urban Affairs Committee of Cabinet?

Mr. Reimer: Yes.

Ms. Barrett: Thank you. You mentioned in your opening remarks, and I apologize in advance for not having written it all down in as much detail as I should

have, but I would like to ask a bit more about what is happening with the Partners in Public Service situation. I spoke with the deputy minister in January, who said that the committees had been set up and discussions are going reasonably well. The city restructuring and all the to-do that occurred in the late fall after the Cuff report pushed aside the meetings, but they began again and the province and the city are shortly to begin review of projects and then will initiate the undertaking. So I would like to get some further update on that if I may.

Mr. Reimer: Just to sort of refresh the member's memory, when I was speaking on that particular topic of the Partners in Public Service, I was referring to about 40 initiatives that were identified. Some of them were short term; some are long term; some of them are initiatives that may take more than long term to initiate. What we have been trying to do in the last little while is narrow things down to the doable in the short range and what we can sort of get going and get some results generated between the two partners. There are about just less than half a dozen of these, about five different items that have been identified for further discussion to start beginning to in some sort of direction. They are still in the negotiation stage with the City of Winnipeg as to how and when and what types of implications there would be. I am not sure exactly which ones they are. I cannot share that exact information with the member, which those five were, because, as I say, the city is still negotiating with us on those.

Ms. Barrett: Five, you are saying there were—and you did speak earlier about over 40 suggestions, some short term, some long term. The five that you are talking about now, are they the ones that—I am unclear as to what those five are, not the specifics, but are they short term, long term, or are they the ones that you are actually looking at now?

Mr. Reimer: These would be reasonably short-term initiatives, like I mentioned, that we could try to build upon and get going. These were, like I say, part of the city's list and part of the province's list.

Ms. Barrett: It says in the May 1997 press release and accompanying article, the members of the task force would be yourself, the mayor, Finance minister Eric Stefanson, city councillors Amaro Silva and Mike

O'Shaughnessy and Charleswood MLA Jim Ernst. I am wondering if the minister can tell me who the current members of this task force are.

* (1640)

Mr. Reimer: The one change is the Charleswood MLA is now the member for St. Norbert, Marcel Laurendeau.

Ms. Barrett: When the task force finishes—well, when will the task force's work be finished?

Mr. Reimer: I would hope that it is ongoing, because I believe that there is a fair amount of notification and review that we would want to be part of. It is a process of looking at various components within the public sector and looking at where there is the overlap and the duplication between the two governments. So I do not see any foreseeable disbandment, if you want to call it, of that panel in the short term.

Ms. Barrett: I probably did not phrase the question the way I wanted. Well, I know I did not phrase the question the way I wanted to. I do not see in here, in the press release or in the article, any outlining of whether the task force, what powers the task force has. Does it have powers of recommendation or powers of implementation? When you get an idea that makes sense, what happens to it? Does the task force recommend to the city and province some things, or can you carry me through just what the process would be?

Mr. Reimer: The task force will give direction in the Partners in Public Service project by including the approval of the services that are to be reviewed, providing some direction for the service review process and in the co-ordination of the communications between the two levels of the government. That is more or less the task force's direction.

It then goes to the co-ordinating committee, and then the co-ordinating committee—I am not sure whether the member is familiar with the make-up of that, another committee under that one, yes, the co-ordinating committee which will co-ordinate the review of the tasks. The membership on that committee will be the Deputy Minister of Urban Affairs, the secretary to the Treasury Board, the Assistant Deputy Minister of

Urban Affairs, and from Winnipeg it will be the chief administrative officer, city auditor and the chief financial officer. So you have a task, the political end, and then the administrative end.

Ms. Barrett: Oh, it was going to be a simple question.

Mr. Reimer: I should not have told you about the co-ordinating committee.

Ms. Barrett: No, you should not have.

Okay, here we go. We have got the politicians, and they decide—they have got 40 little suggestions in the suggestion box. This committee of which you are a member takes a look at these 40 suggestions and says, oh, please, if we had a billion dollars, we could do that. Aha, here is one we could perhaps implement quite easily. Here is another one that we both think should happen, but it is going to take a little more time, short, medium, long, easy to do, medium to do, hard to do, you kind of put them into some kind of a grid, I assume, and you have five of these suggestions right now on the front burner, I assume. The politicians come up with a suggestion that says this should be implemented. Then the politicians say to the co-ordinating committee: implement.

Mr. Reimer: When the direction was first started, the idea was that we would go to our various departments in the province and in the city and look for ways of where there could have been overlap or duplication or the amalgamation of services, and what they would suggest as for areas of further discussion. That is where the 40 suggestions that I alluded to came from.

The idea is that the co-ordinating committee would then go through those and decide for that list, which is a combination of not only the city's but the province's priorities and where they figured that they can make some changes. It will be up to the co-ordinating committee to come up with the list that would then come up to the task force for consideration and direction, so the co-ordinating committee will be there to bring it all together, say: these are the doable ones, these are the short-term ones, these are the long-term ones. Here is the list, it goes to the task force. The task force says it is okay, you know, let us go ahead and do

this, and then it goes back down for the implementation.

So, when I say four or five, we are talking about areas that we feel that we can make some positive impact with. Let us start with them and look at what we can do with the other ones, too, and possibly put them into a system of possibly a long-term strategy or interim strategy. The process goes up and it comes to a pyramid, and once it hits the pyramid it starts to come down again for implementation.

Ms. Barrett: Okay. So, for example, I have here a report of the city's Executive Policy Committee of January 21, 1998, about amalgamation of the provision of environmental health services in the city of Winnipeg, and the EPC referred this item to the chief administrative officer with directions that this be included in the overall negotiations and discussions with the Partners in Public Service initiative and the EPC granted a year extension, which happens all the time, to consider this matter. So this is an area where the city obviously has said, all right, I am taking this; this is an area where we want to look at possibly working together on this issue. The CAO and the rest of the co-ordinating committee talk about this. They say: yes, this is a good idea technically and then take it to the task force and the task force says: yes, we will agree because we are the politicians; we are the ones who have to put in place the Orders-in-Council, make the by-law changes, make the changes to legislation to have this happen, and then so that is a political decision, and then that goes back down to the co-ordinating committee to make it so.

Mr. Reimer: Exactimundo.

* (1650)

Mr. Chairperson in the Chair

Ms. Barrett: Does the task force have the power to say, make it so? Or do you have to then take it to cabinet, and they have to take it to the council and get that other little area undertaken, right?

Mr. Reimer: I think what I would do if it is something that is an agreement between the two departments, two entities, let us put it that way, and there is a willingness

to make it happen, and there is direction given by the task force that it can happen, it will happen. I would think that if it is a very major redirection between two entities, I would think maybe then it would have to maybe go to cabinet or to Treasury Board, but that is something that would be of very, very major consideration. But I think the idea of a lot of things that can be done can just be done by the agreement between the two departments and the recognition on the political level that it is happening, and it can happen that way.

Ms. Barrett: So a group of six people, three people from the city and three people from the province can make very big decisions, without—yes, you can make the decision, but it has to be implemented. For example, if we were going to amalgamate the provision of environmental health services, assuming that is a small thing, which I do not think it would be, but assuming it is a small thing, you would still have to have by-law changes and regulation changes. I have not seen the amendments to The City of Winnipeg Act, but I do not think they will include giving the mayor and the EPC or the CAO total power yet. That may be next year's decision. The implementation would go through the channels that it would have to go through.

Mr. Chairperson: The honourable minister, would you like to put that response on the record?

Mr. Reimer: Yes.

Ms. Barrett: Any time lines—again, this is another very important proposal that is being undertaken here, and I do not think anybody has any cause to be concerned about the concept of one organization doing something that two normally did, if in fact it is efficient and effective and provides a good level of service. The problem for me is that I do not have any idea and nobody does at this point, what are some of those suggestions other than this amalgamation of the city environment thing. So the rest of us are operating in a vacuum here, and it sounds like from one of the minister's earlier comments, you are not completely sure about what some of these suggestions are either. So I guess I am asking when we will have a public update of what is going here.

Mr. Reimer: I think this is something that we do want to ensure that there is an understanding and an

acceptance, because as the member pointed out, we are dealing with—and sometimes with people with various positions and various functions in their endeavours, whether it is in the province or in the city, and we have to make sure that there is an understanding and an acceptance of what we are trying to do. I would think that is one of the prime factors and one of the primary functions of any type of strategy that involves a union of sorts, or the amalgamation or doing something together between the city and the province. I would think that we would expect that, as these develop and unfold, there will be public awareness and there will be announcements made as to what these endeavours are.

The member mentioned the environment. There is also—I think she is aware that we are looking at amalgamating the inspections, the health inspectors, the health inspection in the city of Winnipeg. We are working on the family services program, that she is aware, the welfare program. That is an area where we are taking over jurisdiction. I think we are looking at one other area and some other types of inspections. I am not too sure which one it is now. I think there was one other that I—medical officers—[interjection] Oh, under the authority—the nursing and the medical health officer too. Those things are happening under the partnership. Other ones are—as they unfold we will certainly be making announcements on them, because we would want to make sure that the public is aware of what we are doing.

Ms. Barrett: I am wondering if the minister could clarify the nursing and medical health officers situation that is under the—is it under the Winnipeg Health Authority? Is that what is happening?

Mr. Reimer: I may have confused it or clouded it a bit, and I apologize for that. Under the RHAs, the public health and the health nurses are all coming under the RHA now, so that is what I should have been referring to and not this here.

Ms. Barrett: As I read the press release which does actually explain—if I had read it carefully enough the first three or four times I read it—the process going from the co-ordinating committee up, and I apologize for not having done that. Then at the bottom of the first page it talks about the types of initiatives to be considered could include stuff, and it includes legislative changes

to enhance efficiency or joint provincial-city partnerships with the private sector. I am wondering if you could put some meat on those bones, please.

Mr. Reimer: One of the initiatives that could be looked at, as has been pointed out, is what we call space management partnerships, trying to find out where the best utilization of space is that we may need or the city may need and the compilation of a database, so that there is a better utilization of the accommodations that various departments might be looking for.

I guess there is also the ability—I think there were legislative changes that had to be implemented for the Charleswood Bridge when the Charleswood Bridge was brought in. We had to give certain legislative amendments to the city so that they could proceed with that type of partnership, trying to accommodate various factors in trying to utilize the concept of partnerships.

So there might be some legislative changes that may have to come into effect, and I guess those would come through with realizing which way any type of partnership would lead us, that it might need some sort of legislative changes.

Mr. Chairperson: The hour being 5 p.m. and time for private members' hour, committee rise.

HEALTH

Mr. Chairperson (Ben Sveinson): Will Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Health. Does the honourable Minister of Health have an opening statement?

Hon. Darren Praznik (Minister of Health): Mr. Chair, I have had the opportunity to speak with my chief critic from the opposition, and I think because we get into so many issues and discussion of issues, I think, if he is prepared to waive his opening remarks, I am certainly prepared to waive mine in this process in the interests of time and getting to the issues of the point. So I am prepared to do that if the critic is also prepared.

Mr. Chairperson: We thank the minister for those brief comments.

Mr. Dave Chomiak (Kildonan): I concur on the comments of the minister.

* (1450)

Mr. Chairperson: We thank the critic for those brief comments.

Under Manitoba practice, debate of the Minister's Salary is traditionally the last item considered for the Estimates of a department. Accordingly, we shall defer consideration of this item and now would proceed with the consideration of the next line.

Before we do that, we invite the minister's staff to join us at the table, and we ask that the minister introduce his staff.

Mr. Praznik: As is practice, because of the size of this department, we will be having a number of people through over the days as we advance through the various issues, so I will be introducing staff as they arrive. To begin with, today, I have of course no stranger to this committee, Mr. Frank DeCock who is the Deputy Minister of Health. Joining him are the three associate deputies of Health: Sue Hicks who is the associate deputy for External Programs and Operations. In essence, she is responsible for the delivery of health care services outside of the Ministry of Health through regional health authorities. We have Roberta Ellis, also no stranger to this committee, who is the associate deputy minister responsible for Human Resource Planning and Labour Relations. As we discussed last year, this is an element we have built into the department to manage just the mammoth package of labour relations issues, negotiation issues, and for the benefit of my critic, also the lead on part of the department for physician remuneration and negotiation issues, as well.

Third, I have, also no stranger, long service to the people of Manitoba, Mr. Don Potter who is the associate deputy minister responsible for Internal Programs and Operations which, in essence, is by and large the operations of the Ministry of Health and the services—the financing, accounting, standard-setting areas, as well as programs that are run province-wide through the ministry such as Pharmacare and air ambulance, et cetera.

Also joining us, an addition to this department, a very welcome addition, no stranger from my days in the Ministry of Labour, is Mr. Jim McFarlane. He joins us at the back of the room. He is currently a special adviser in the department, and he is reorganizing a number of our operations and today has responsibility in the area of insured services or insured benefits, and there will be other responsibilities that he will be taking on.

Of course, with Frank, Susan Murphy who is the director of Finance and Administration and probably knows more about the intricate operations of this ministry than anyone else alive in all its complexity. Also in addition to our staff working with Jim McFarlane is Jessica Benjamin who is a lawyer by trade and is working on a host of our areas as we revamp some areas of our department. So I welcome them here to the committee today.

Mr. Chairperson: We thank the honourable minister.

Mr. Praznik: Mr. Chair, before we begin, I have had the opportunity to speak with the member for Kildonan (Mr. Chomiak). I think last year we developed, I would hope, if I recall, a very amicable and I think productive way of dealing with these Estimates, and I hope and expect that we will be able to do the same this year.

What I would like to ask formally on the record—and him and I have had some discussions in this vein—is that if he can provide somewhat in advance, I do not expect that today but over the next few days a list, hopefully a couple of weeks or so in advance, of the issues he wishes to cover so I can arrange to have appropriate staff here, and with the committee's indulgence, again, and perhaps it would be appropriate to get, Mr. Chair, this approval at the outset, I would like, as we did last year which was somewhat innovative in our Estimates committees on technical matters—matters of policy are certainly mine to answer and I accept that responsibility—but on a number of the very technical issues that arise, if the committee would give agreement now that we could have those questions answered directly by the appropriate staff, I think it makes for a much better process to have those kinds of exchanges with people who are much more familiar with the intimate technical details of various areas, rather than have me convey their answers to the committee.

Mr. Chairperson: Is it the will of the committee to allow some staff to answer some technical questions on technical matters?

Mr. Chomiak: Mr. Chairperson, I concur in that recommendation as well.

I might add just further to the comments of the minister that I think that is a more appropriate way of dealing with issues. With respect to the scheduling, we did have an earlier discussion, and I also think it is more expeditious to let the minister and the staff know in advance where we are going. So I am going to endeavour to get a schedule as best I can, subject to, of course, daily occurrences and weekly occurrences of matters that may arise, but subject to that, we will try to move through as expeditiously as possible.

Mr. Chairperson: I thank the honourable member for Kildonan.

Mr. Praznik: Yes, Mr. Chair, just by way again of housekeeping before we begin this process, I take it then if we are going to use that schedule that we will not necessarily follow through on the Estimates book, and we will deal with issues on that schedule and then upon completion of our discussion pass through the Estimates. Is that the member for Kildonan's intention?

Mr. Chomiak: Actually, that is an interesting suggestion that I had not—I have tended to always go through the Estimates book religiously. I had intended to provide the schedule in line with that, but it might be more expeditious to do it on the issue schedule basis. Perhaps, if I could think about it and discuss with the minister tomorrow, we can work that out in terms of how we will deal with the Estimates book.

Mr. Praznik: I appreciate the flow from the Estimates book. The member may want to work around that, but I have often found there are issues that come up. There is availability of staff and those type of things. I am certainly prepared to have a little bit more flexibility. It has always served me well in other departments I have administered with my critics. As long as we have something in advance, not just a day, but, hopefully, if I could have a week or so in advance or a couple of weeks list ahead of me so that we can arrange for staff, particularly for those who are not part of the ministry,

then it would certainly make it much easier to accommodate the member's questions.

Mr. Chairperson: This kind of co-operation is admirable. I would ask that, perhaps, the minister and the members of the committee could let me know as we go then what sections we can pass at the time.

Mr. Chomiak: Thank you, Mr. Chairperson.

Mr. Chairperson: Just if I might interrupt. We will now proceed to line 1.(b)(1) Executive Support (1) Salaries and Employee Benefits \$498,300, on page 71 of the Main Estimates book. Shall the item pass?

Mr. Praznik: Mr. Chair, I understand that today the issue of hepatitis C was of priority to my colleagues. I have no difficulty dealing with it here. In fact, we have arranged for Mr. Ulrich Wendt, who is our federal-provincial person, to be here. He should be arriving shortly. So I have no problem with dealing with that today in this particular area.

Mr. Chairperson: I thank the minister. We will basically just start off on that point, and from what I understand, we can move around as you see fit.

Mr. Chomiak: Perhaps, we can commence then by the minister following up on his comments in the House this afternoon as to elaborating on his perspective with respect to the agreement that has been entered into and announced last week.

Mr. Praznik: I believe from the questions from the member for Osborne (Ms. McGifford), who joins us today, and the question from the member for Kildonan (Mr. Chomiak), the real issue is an extension of the currently announced program to individuals who are outside of the 1986 to '90 window. The logic behind that particular window in the agreement—and I should add that this was right from the outset of the understanding and consensus of all Ministers of Health, of all political parties. Our provincial organization is chaired by the Honourable Clay Serby, the minister from Saskatchewan. It was also the position of the federal government, Mr. Rock, at our table, that what we were attempting to do in this particular package was to provide a compensation program for those individuals who contacted hepatitis C through the blood

system in the period in which there was a very strong potential or potential liability on the part of the blood system.

The reason why that approach or that principle was taken is because it was recognized that in the course of providing medical or health care to Canadians through our health care system, there is risk regularly in the method of treatment, in pharmaceuticals, side effects, types of surgery. Each day health care workers, health care providers, physicians, nurses make decisions as to treatment, appreciate the risks involved and understand that in many of the things we do in a health care system there is risk. The risks are weighed and decisions are made on the best available knowledge of the day and that not always do the results of those procedures, pharmaceuticals, whatever, result in the desired effect, that from time to time, people are particularly maybe made worse because of a course of treatment, knowing that that is part of the risk of that treatment. As a consequence, we, as a health care system, have not directly provided compensation to those individuals in that particular circumstance.

* (1500)

The group between 1986 and 1990—and, again, my information is based on that provided by the national government, from their work on this particular matter, and there was a very strong sense that there was a potential negligence on the part of the blood system because a test for hepatitis C was starting to be used in North America. It had developed to that point. It was not used everywhere, but it had moved into the realm now of starting to become part of that standard of care.

The matter of principle that I spoke of in the House today is if we move beyond that particular principle, and we may as a country want to, we have to be prepared then to deal with other people who may have their position worsened by the treatment they receive in the health care system where there is no negligence, where risk is taken on and assumed because the alternative of not doing anything may be worse, and do we do that? If we do, what is the cost, what is that liability to the system?

I believe, and I think my colleagues, nationally, believe, without fully appreciating the advancement of

that principle, we may get into an area that could potentially make our health care system far more expensive and perhaps unaffordable. So that was the logic behind the particular discussion and the principle on which this was based.

On a practical matter, the national government, who in the blood system have the responsibility for regulation, for imposing the standard of care by way of regulation and bears a fair bit of liability in this particular issue of tainted blood, and the Red Cross, who were the operators of the system—the Red Cross, by the way, does not have very much in its financial kitty. Most of it will end up in selling its system to the new blood agency, will go towards the hepatitis C compensation as the plan now stands. But the national government came to the table for compensation for hepatitis C for this particular period based on the argument of liability of that system, and they brought to the table, at the end of the day, after some very tough negotiation, some \$800 million.

So if one were to take it into the next realm of compensation, I believe two things would have to happen. One is we would have to have that debate on the principle of what do we compensate, which I think should be a public debate, and we would have to have that consensus that, yes, we want to move into that area, and secondly, we would have to see the national government come forward with I believe a significant amount of financial support to make that possible.

Mr. Chomiak: Mr. Chairperson, I want to break down the minister's statements into a couple of areas. It seems to me that initially what we are dealing with both in terms of the language that was used by the minister and in terms of the resolution is effectively legal arguments. The question of liability, the question of negligence, the question of precedent, and to use another legal term, the minister did indicate that ab initio, coming to the table, the conclusion was made that the period of time would only be '86 to '90.

Is the minister saying that in the negotiations, the only framework under which the negotiations took place was the compensation would be dealt with only for those individuals for the period '86-90?

Mr. Praznik: Mr. Chair, the member asks some excellent questions. Just to put it in context before I

answer directly his questions, when we looked at this period in the blood system, there are really three parties involved in the blood system: the Red Cross who administered it, the federal government who regulated it, and the provinces who were in essence the funders or purchasers of the blood. In the finding that there were problems and negligence in any sense of that term on the part of the blood system—I think that is very clear—our Canadian blood system for a period of time was not well run by the Red Cross. It was fraught with problems, and many Canadians have died or are suffering today because of the decisions in the way that system operated.

As provincial governments, we looked at this and said, well, who is responsible for this? Well, obviously those who operate it and those who regulate it bear, by far, the greatest brunt of that responsibility. Provinces—I just want to separate provinces from the other two for a moment—came at this and said, wait a minute, by and large we are the purchasers here, and yes, there was a blood advisory committee that had really no legal status, that kind of co-ordinated things across the country among the provinces. The operating decisions, particularly those on regulation and requirements, rested with other parties, and in a normal world of everyone being solvent, the liabilities here would have been borne by and large—in fact, some legal opinion that I have heard of would indicate entirely—by those other two parties. If there was any responsibility by the provinces, it was minimal at best. So we looked at this and said, coming into this whole process, where are these other two parties in accepting the responsibilities for their actions?

In the case of the Red Cross, their resources are minimal. They have somewhere between \$100 million and \$150 million of ability to contribute. They would be insolvent, or are insolvent, if they had to meet all of the liabilities for their actions, which means any financial responsibility falls on the other parties. The federal government acknowledges—and we are told that the federal cabinet, I should say, does not acknowledge in any way the financial costs for the health care services that provinces now have to provide.

So we as provinces came to this meeting first of all saying, yes, we are prepared to be part of a national program, but we want to ensure that it is paid for by

those who have the responsibility for what happened. When we did come in to that process—and there were discussions between officials—the national government, the federal government in their work in preparing for this case, and I understand Mr. Ulrich Wendt has now joined us, but I look to him, I understand that most of the legal assessment was done by the federal government. That's right. Coming to the table, in their discussions—from my first meetings, the assumption on which they came and which provinces came was that there is a legal problem here, there is potential negligence.

We have in three provinces, I think there are class action suits having been filed. People were going to court and either these cases could proceed to court or a settlement could be offered. So that was the basis on which governments came together to deal with this particular issue. I have to underline to the member that the provincial governments came somewhat reluctantly, not from the point of view of wanting to settle our responsibility, but reluctant in that we saw the federal government and the Red Cross by and large dumping their responsibility onto us for matters that they had care and control of during this period.

So when we did arrive at that table and when we did start that process of discussion, the federal position as I recollect it was that this was the period in which there was a liability from '86-90 based on the work that their legal people had done, and we entered the discussions on that basis. That was very much assumed by everyone at the table.

* (1510)

Where this matter, in my opinion, got off the rails somewhat is that after our discussions, the federal minister made statements publicly about a settlement on the basis of compassion and led people to believe, in his words, that this was not based on law and on negligence and responsibility in the system. I think he was trying perhaps at that time to give an appearance and that has caught up with him. But from the perspective of others who were at that table, that was an issue on which, my recollection is, we came to the table trying to deal with that specific area because of that principle that I have talked about, of what do we

provide for in our system where things do not work out as intended.

Ms. Diane McGifford (Osborne): I wanted to ask the minister about his comments on negligence, and I know the minister spoke in the House today, but my understanding then is that the minister believes his government, the federal government and the Red Cross are only responsible for people infected after 1985 because it is only then that a test became available which would allow blood to be screened and allow authorities to ascertain whether or not that blood was infected with hepatitis C.

Mr. Praznik: Mr. Chair, first of all, this is not necessarily a personal belief. It is the position that was developed and agreed to by governments all across the country, including Saskatchewan and British Columbia and the Yukon were at the table.

Just by way of background information, and I can say this because I am a lawyer by trade, and I know the member for Kildonan (Mr. Chomiak) will appreciate this, when we use the word negligence in a legal sense, what it means is, to have a negligence, three things are required. One is that a duty of care is owed. It is obvious that if you have a blood system you owe a duty of care to the people who use your product. Secondly, you have to prove that you have not met the standard of care in exercising that duty. Thirdly, you have to prove that damages resulted.

Well, we know that there is damage and we know that there is a duty of care. The issue then evolves around what was the standard of care at the time, and this comes back to my larger principle. Did the blood system meet the standard of care that was available and known at the time? Now, prior to '86, and again my information is coming by and large from what the federal government analysis has done here, so I may at some point stand to be corrected, and I flag that today, but I act on the best information that was provided to us as provincial ministers.

Leading up to that particular time in 1986, tests were being developed. One, I think, was in use somewhere else. There was a debate as to whether or not that test was effective. Hepatitis C actually is a relatively new virus, I guess is the correct term. So there was a lot of

work going on. It was in 1986 that the test I understand started to be used in North America—not everywhere, in a number of states. So it is arguable that at that particular time it had crossed over from sort of the test or assessment stages as a test into becoming potentially part of the standard of care within the blood system.

So the rationale for the '86-90 was that this was in the period of time in which the Canadian blood system, again run by the Red Cross and regulated by the federal government, could have reasonably been expected, potentially, to have adopted the hepatitis C test. Prior to that, that was not really in terms of the review. It may have been, may not have been, but the balance probably would have gone the other way.

The reason why this becomes important again is at what point in providing health care services to citizens, most of which have some degree of risk, do you assume—everyday health care professionals with patients make decisions on treatment knowing that there is risk and if things do not work out as intended, if the risk turns out to result in someone being injured or their immediate position being made worse, the procedure does not work out the way intended, and they have suffered damage, do we then compensate that? That is really the principle that is of great concern. We may decide to as a country but, before we embark on that as health ministers, that should have a public debate and that is why the separation took place.

Ms. McGifford: I thank the minister for the mini-education on negligence. I appreciate that. Is the minister then saying that prior to 1985 there was no negligence because the blood care system met the standard of care?

Mr. Praznik: The member asks an excellent question because that is very much part of the result of the policy. The date we used in '86 was January 1 of 1986, so up until 1985, based on the analysis of this issue, the very in-depth analysis I understand that the federal government did. The reason they took the lead in there is because they—I think it was identified—have a lion share or a significant share of the responsibility here because they were the regulator.

I think Krever identifies them as having a significant share of the responsibility, so they took it upon

themselves to do a very thorough analysis of this issue, and that was presented to us as provincial ministers. We did not have that capability within our own system, so we very much relied on the federal information. What they have advised us was prior to that period, that the developing test for hep C which was used, I think, in Germany and was starting to be proven and have some value, it is around that time that it became acceptable or started to be used on a regular basis in some of the blood systems in North America. So that was viewed as a point in which one could argue that it had become part of the standard of care.

Ms. McGifford: It is interesting that the minister brings up the name of Horace Krever who, of course, is on the public record as saying that he believes there should be compensation for all people who acquired hepatitis C as a result of tainted blood.

Was it then on January 1, 1986, that a test was instituted that would screen for hepatitis C?

Mr. Praznik: We would have to get exact dates for you, but my recollection is that it was beginning in '86 that some U.S. states and their blood systems started to use that test. So, in determining the dates, we decided if we are going to err, to err on the more generous side; in essence, to sort of pick a period that really was beginning of the year in which the test started to be used in some blood systems in North America as the period where it worked into the standard of care.

The end date in 1990, which I believe is July—there is a date for compensation, I think, in 1990, July—I do not recall the date. That was the period in which the test was adopted in Canada for our blood systems. So that is where the window was determined when it started to be used in some systems. It was not widespread in the United States, my understanding, but it started to be used. So we decided to err on that side of it, to have as wide a window as was possible within that principle.

Ms. McGifford: The logic is the test was available on January 1, 1986. So, although it was not used, it was available and therefore there is some “negligence,” because our blood care system was not meeting what the minister referred to earlier as the standard of care.

Mr. Praznik: Essentially, yes, but because many read this transcript and there is litigation going on, the test started to be used in early January, I believe, or early part of 1986. So to pick a beginning date, we thought January 1 was one that clearly encompassed that.

Like all cases of standard of care, the standard evolves, changes, and develops as it grows and its acceptance grows. Often it is very difficult to determine an exact date. So January 1 of '86 was determined because, if I recall correctly and I may be wrong here, it was in 1986 that the test started to be used, which date, where, I am not sure, but that is why we picked the date. But essentially the member's observation that that is when a test more or less became available and it was adopted in 1990 is the reason why that window is being compensated.

Ms. McGifford: Is it not possible then the test was actually available in December 1985 or even November 1985? Why then are those particular persons, the persons who would possibly have acquired hep C as a result of tainted blood in those months or even earlier in 1984, why are they not covered under this package?

* (1520)

Mr. Praznik: The member asks an excellent question. These are the debates in essence in a real life story here. But the debates we sometimes have in law school, we discuss these issues of negligence, when does the standard of care change, and in hindsight, it is always easy to pick a particular date because you can tell if a test has worked, is it effective, does it get the result.

When you are developing a test—and again my recollection of hepatitis C is its identification, the understanding of it. I know Mr. Mark Brown joins us in the committee. He knows far more about this than I do in terms of the detail, but it is as identified virus relatively new as opposed to hepatitis A and hepatitis B. The test was one that was being developed like all tests. They go through stages in development until they become accepted by the medical community as a test that should be used. So where in that continuum of sort of early stages of development to general acceptance do they become part of the standard is often not an easy period to pick, but January 1 was picked, if I recall, on

the advice of the federal government because it was viewed as encompassing on a reasonable basis the adoption of the test within several jurisdictions of North America.

Ms. McGifford: Is it not true that there was a test as early as 1982 that could have protected about 40 percent of people using blood from being infected?

Mr. Praznik: Mr. Chair, as I indicated, the test was one that developed over time. It was used, I believe, in Germany or some place in Europe before it was adopted in North America, but like all medical standards and test, there is a period of development and acceptance by the medical community. The advice on which that date was picked was the advice that was developed and prepared and offered to us by the federal government.

I am not intimately involved with all the details in that development, but when they came to the table with a sizeable amount of money and actually initially the threat to develop their own program and go it on their own, that was the window that they had identified from their own work. So one has to rely on that because they are closest to it and had a large number of very able people working on it. It may not prove to be accurate. It is probably debatable on that continuum. I do not pretend for one moment to be an expert on it, and we may stand corrected at some point, but ultimately that was the recommendation of the work that was done by the national government.

Ms. McGifford: Mr. Chair, I understand that the 1982 test was in fact developed in the U.S. I understand that the test that was available in 1982 was not developed in Germany, not that this particularly matters I suppose, but that it was developed in the U.S. and that it was used in certain jurisdictions in the U.S. Again, it could have protected about 40 percent of the people using blood from being infected.

I heard the minister say that—well, perhaps the minister could comment on this.

Mr. Praznik: Mr. Chair, just pointed out to me, my staff, that the work that was done on that particular date, I also understand it mirrored the class action suits, the first ones coming out on the work that was done on

those class action suits as well. That was part of the consideration in the period in which those suits felt that they could make a case for standard of care.

The law is not a science as to exactly when these things fit in. It is very much an art. The detail, as I said—this work was done by the federal government, was presented with a logical base. It was the class action suits filed in a number of provinces which had also done the same work on assessing standard of care issues. Obviously, for filing a class action suit, they want to ensure that they have covered the time period in which they can make the case for standard of care mirror that period.

So that is the work of a lot of legal and technical and medical minds in putting that together, and I certainly do not want for one moment to give the impression that I am able to debate that one way or another. The basis on the decision of ministers was on that expert advice, by and large led by the federal government.

Ms. McGifford: I appreciate that deciding when the standard of care changes, I appreciate that this is not a science and that it is an art. That is one of the reasons that this very firm cutoff date for compensation bothers me because the date makes it appear very much that there is a science that separates persons infected and one period from another.

Mr. Praznik: Like all situations where you have a particular, either claim—you are making a claim in court, and you have to pick a period in which you are going to demonstrate the standards of care were not met, or you are offering an offer for settlement, none of it is easy, and it is always very debatable about the window which you pick, either when you are launching a legal action or you are making a settlement.

It is a difficult one, and as I said, we have—and I know the member appreciates this, the difficulty of us as laypeople arguing these particular issues, but we did rely, as provincial ministers across the country, on the significant amount of work that had been done by medical and technical and legal people on preparing these options for us.

Ms. McGifford: Now, there was not a time line fixed to compensation of persons who were infected with

HIV, and I wonder if the minister could explain the differences and the reason for there not being a time line in the one case but there being a time line in the other case.

Mr. Praznik: The member raises a very excellent point, one I have struggled with because there is an inconsistency, and I think a number of things is, one, at the time the AIDS package was being dealt with, it was, I believe, a smaller group of people that was being discussed in total.

You did not have a national program, really, being developed, and, again, I was not there at the time and I was not intimately involved in the details and the development of that program and have only heard sketchy parts of it, so my information should not be taken as an expert, but my recollection of the discussions that I have heard about this on the AIDS compensation program was that there were a number of things that happened—one, a smaller group of people, so the issue of the principle of what one compensates really did not enter, regrettably did not enter into the discussion because now it has put it over to this particular issue. Is that fair? Probably not, but I wish the principle had been discussed then. It was not part of public debate.

Another issue is that there was a split between federal and provincial governments in dealing with the program, that there was not a national program, that all governments did not stand together on the particular matter.

Now, my expert who was around at the time is scribbling a note to me. There were also issues—and another point that my staff raises is that the AIDS program primarily applied to hemophiliacs at the time who get blood on a regular basis, and I am looking at my note here, so it was difficult to determine exactly when the infection would have taken place.

I know that this issue—and if I may just deal with it for a moment because there is a bit of a difference with the hemophiliac community because of the need—and the discussions that I have had with some people who are involved in that, and I understand the association in Manitoba is attempting to determine how many hemophiliacs, for example, would be covered under

this plan and who would not be because probably the vast majority received blood or blood products during the window.

* (1530)

I should say to the member that all one has to have done in these cases is to have had blood or blood products during that window, and for hemophiliacs who are regular receivers of the product means that the vast majority will be covered in that particular group under this plan. Some discussions I have had with people from the society here in Manitoba, we have asked them to give us, and they have indicated they have been trying to track down the number of people who are in their organization who will not be covered by it, and it is probably a very small number. I look to some who are here today in the audience. I imagine that work is still going on to track down the number of people who would not be in the window, but I suspect it is very, very few, but that is part of that difference.

The general question that the member asks though is why the difference? Ultimately, I say this only as an observer of the first one is that there was not a national program advanced that did break down in those discussions, and I do not think at the time the principles of where things were going were fully canvassed and discussed. It was the first time, and I think governments at that time thought it would be the only issue that would rise out of tainted blood.

What we do know is that the blood supply is not totally risk free, probably never will be. So as we have seen more and more happen and we know that viruses change and develop, and blood is an excellent carrier for viruses, that there is future risk, and how do we deal with that? That becomes part of the principle as it develops as these issues tend to grow. So is it consistent? No, it is not, but as governments have moved forward in compensation, the principle continues to stick out at us, but how far do you go and what to you do in managing a blood system or health care system? I know that is not necessarily a very good answer. There is an inconsistency there, and I admit that totally.

Ms. McGifford: I just wanted to make sure that I understood that inconsistency correctly. The minister

is saying that people living with HIV-AIDS who appear to have been affected before 1985, the number was extremely small, and therefore compensation was given in their case. I suppose the other part of that argument or the other part of that corollary would be that the number of people infected with hepatitis C infected before 1985 was large or larger and therefore this appears to be the only distinction, the small number in one case, a larger number in another case. The minister has already said that this particular policy was inconsistent, but I would say it is not only inconsistent, it is frankly unfair.

Mr. Praznik: No, I appreciate fully. These are issues and questions that I have put to those who have been involved in the process back when the other issue was dealt with. I think one of the things that happened is when the AIDS issue and compensation package was put together, it was the first time that the blood system had been exposed to this kind of problem and the way it operated. Its difficulties were exposed. It had a problem here and it made some very bad decisions. I think there was a push to provide a package to deal with that issue, believing, perhaps, that there were no others on their way. Here we find ourselves years later with the next blood issue, and yes, clearly a period where there is a potential negligence, a period where there is not.

What has come to the forefront in discussions we have had is this principle, because it is the second time we are into this. We know that there is the potential in the blood system even meeting the full standard of today, the best standard in the world, there is still potential risk in the blood system. There are changes in viruses and new things that can be carried and borne through blood. As we go through the process, and I say this very sincerely to the member for Osborne (Ms. McGifford), as we go through the process now as provincial ministers in setting up the new Canadian blood agency which has been sort of been dumped on our lap with real failures of the Red Cross, we are very cognizant of these issues of insurance: what are we compensating or what are we insuring? Yes, you have to insure your negligence, where you have not taken all reasonable steps to ensure the safety of that supply.

But when you start looking at, do you insure problems that may be outside of your ability to prevent,

legitimately be out of your ability to prevent—if a new virus developed and passed on through the blood system, we had a massive infection, and we had people infected before we even knew we had the problem—can we afford to bear that kind of compensation? That becomes a very real issue in building the new Canadian blood system. This is why I think this principle of compensating where the system has clearly been at fault or potentially at fault versus not providing special compensation when the system could not have prevented it.

There may be arguments around the dates, and I accept that. I mean, it is not an exact science, but that general principle becomes very important because, if we say we will deal with any difficulties out of the blood system or health care system even when the system has done all reasonable things possible to prevent it, then the potential risk becomes so great, how do you estimate or manage that blood system?

You know, I just put this into context again. It is not as if anybody within our social safety—we do have a social safety net and albeit it has problems in it. But when someone is injured and there is no negligence, when they are injured, when we fall ill through no fault of our own or we do assume a risk in health treatment and we come out worse than we expected to be and we cannot work or we need other care, our Canadian social safety net does provide for that medical care, does provide for ancillary care like home care, and through things like Canada Pension Plan, disability and other things do provide some level of income assistance.

The hepatitis C program that we have put in place comes on top of that, so it becomes, in essence, an add-on to that existing social safety net. I do not leave the impression that those who are not in that program are left totally out in the cold.

Now, there are some things around the edges that do not work well in that social net, for example, being self-employed based on income. I have had discussions with some individuals about that and that is where this net may fit in. But, if we are to top up that existing social safety net for areas where there has not been a malfeasance, where there has not been some negligence in the operation of anything in our health care system, that kind of cost potentially could weight down our

health care system to make it unaffordable, and that is the real kind of issue that we are struggling with.

The difference between now and a few years ago when we did the AIDS issue, two things: I do not think people expected another one, another compensation plan for another illness; secondly, governments were not in the process of taking over and building a new blood system and having to figure out how we are going to insure and what are we going to insure for. So those have made a difference, the principle again comes out, and it is worthy of a good public debate.

Ms. McGifford: Earlier when the minister was speaking about law, he talked about precedence as being a principle of law, I believe. I wonder if the HIV settlement, agreement, package, does not set a precedent and by not extending that same kind of coverage or compensation to persons with hepatitis C, infected in similar circumstances, there is a violation of precedence.

Mr. Praznik: Well, the principle of precedence means that the operation of the law in one situation, once refined, should apply equally to similar circumstances in another before the courts. Gratuitous decisions or noncourt settlements do not necessarily become precedence in law that are enforceable, but the member makes a very good point that, yes, there was a public policy precedent of compensating everyone.

At this particular time, health ministers across the country, and again the second point I make has to be re-emphasized, is the federal government with the lion's share of the liability and contribution, when they came to the table, only put dollars on the table for that window. So for provinces to say, we want to move beyond that, we have to first deal with the principle, but even if you accept it and said, we will deal with the principle, yes, we are going to provide that, we are going to follow the precedent of the other situation, there was no federal money on the table with which to make that offer. In that case it became not practical.

So the principle is important and the dollars are important. So if this were to expand, and I say this very sincerely to the member for Osborne (Ms. McGifford), the government that has to make that decision has to be the national government, who would have to be its

funder. But you still have that principle issue, and perhaps why ministers of Health are more cognizant of it today is because we are building that blood system, we are dealing with those issues, and we also recognize as government is taking over more and more of the operation of the health care delivery system—you know, up until a few years ago most health care delivery was very much a private matter of private organizations, independent hospitals and boards who provided that, although we often provided their liability insurance or it would cover those costs.

There was a bit of a buffer. Today we are much more directly the providers of health care, and rightly so, in my opinion. We have to be cognizant of those issues. So we have accepted, if you are going to do top-up compensation to what the safety net allows, where there is no negligence or malfeasance on the part of the system, do we want to provide that? I guess the worry is, if you do provide it in this case, then what is the next one that comes, and of course the moral precedent or the operational precedent that the member flags becomes much stronger.

What we do not know, none of us do as legislators, is what potential cost are we looking at and is that a risk we can afford as a society to bear. It is a very real problem. I know the member flags that and it is worthy of this discussion debate, but it is not a simple answer to it.

Mr. Chomiak: Mr. Chairperson, I do not want to take this discussion down the legalistic route because it has been canvassed. The minister made reference to the post-Krever period when the standard of care issues have been already raised, and I just note that the law of negligence grew out of, and government programs grew out of deficiencies in the law of negligence, and I am not sure, in principle, whether or not we want to make decisions as governments based on the law of negligence.

* (1540)

Having said that, I am certain that all of these issues were canvassed by the ministers and their officials at the meetings. The minister in his last response to the member for Osborne (Ms. McGifford) discussed the issue of compensating, leaving aside the legal issues,

and did point out that if there was compensation it would be on a moral basis or whatever term he used to characterize it, and that it would not necessarily be precedent setting.

Is the minister saying that the provincial government of Manitoba will not come to the table to deal with those outside of the '86 to '90 period unless the federal government comes to the table with money?

Mr. Praznik: Well, Mr. Chair, one of the lessons I think that we have learned out of the HIV program is I think it is very important to have a national program, because this really was a national issue. The blood system was regulated by the national government. They bear the lion's share of responsibility, and I agree, I do not want to get on the legal issues. The only point I make, though, is if we did end up in court, if there was no package and we went to court and a court had to assign liability, from all accounts the provinces would range from zero to 5 percent, 6 percent, 7 percent probably, in someone's wild dreams maybe 20 percent.

But the vast majority, 80 percent plus of the liability for what went on rests with the Red Cross and the national government, so as a provincial minister, I have a responsibility to protect the province's position and the province's resources because those who have that responsibility should be the ones paying for their actions. I think we all agree on that principle.

We have always been part of the table, and I am not trying to rely on that, but I say it just to flag our involvement vis-a-vis the federal government and the Red Cross. The Red Cross is bankrupt or virtually bankrupt. It has far more liability than it has assets, so, in essence, it boils down to the two levels of government to deal with this, and I know the member for Kildonan (Mr. Chomiak) appreciates those principles.

We have come to the table. We will always be at the table. We believe in a national program, and we will be there to work with our colleagues however this moves forward, but I say to him, as we develop this, we as provinces today—and this is not meant in any way, and I want to be very clear on how I say this—we have talked about what our additional health care costs will be for dealing with hepatitis C, and I am not trying in

any way to include that in a compensation package. If we did not have a medicare system, if we had a total private system, those costs would be actionable in law, but we pay for them. We have estimated as provinces and got agreement, and the federal government has used these numbers, that the additional cost to people's health of treating hepatitis C over the lifetime of the people who have it is estimated, in today's dollars—we used today's dollars rather than inflate, et cetera—would be about \$1.6 billion.

Now, we have to pick this up as provinces, so we are already paying significantly for what went wrong in the blood system, and that \$1.6 billion I would argue the federal government pays nothing towards because it is at the margin in our transfer payments. If we did not have the hep C situation and we did not have that \$1.6 billion in costs, we would still get exactly the same amount of money from the national government, so this is a 100 percent provincial contribution.

That was the argument that we continued to make with the federal government in putting a package together, and the federal cabinet, by the way, would not acknowledge one penny of this as being a cost to the provinces. The Prime Minister, we were told, would not acknowledge it.

Now, having said that, we did not want our battle with the federal government to interfere with getting a package because it was not fair to people with hep C. Whether you agree on the window or not, it was not fair, at least to the people in the window, not to have a package, so we did agree to provide additional dollars, but it was the federal government, who today spend nothing on this, who had to come with the sizeable amount of money for this top-up package. They came forward with initially \$700 million, and we negotiated them up to \$800 million. We put in \$300 million, and we expect the Red Cross will contribute \$100 million from the proceeds of the sale of their assets, which should create a pool of around \$1.2 billion.

But if we were to expand that program, obviously that regulator who bears the lion's share of the responsibility has to take the lead in coming to the table with the additional dollars, so my answer to the member for Kildonan (Mr. Chomiak) is we will be at whatever table this is that is discussed, but ultimately

the party with the lion's share of the responsibility has to be there with the dollars to do that.

The provinces do not have the capability financially, and I know the member appreciates this with the stresses on our health care system, we do not have the ability. If in fact this doubled the number of claimants, we do not have the ability as provinces to raise \$1.1 billion or \$1.2 billion amongst us for a package that in essence would be picking up the national government's liability.

Now, if the national government decides to move and comes to the table, they will say: we will be there if the provinces put in some money and we will be there to discuss that. But at the end of the day, if there is to be an expansion of that program—and again, you have to deal with the principle first and get over that hurdle, and it is a big one—but if you got a national consensus that, yes, we are going to get into that realm, then the national government would have to be there to pay its share, which is a very significant amount of money. So even debating the principle becomes somewhat academic if the national government is not there with the dollars to support their share.

I do not hear the members opposite. I appreciate this is a complex issue, but I have not yet heard anyone saying that the provinces should be picking up the national share of any liability or any plan here.

Mr. Chomiak: Would the Minister of Health, on behalf of Manitoba, be prepared to contact all of the provincial ministers and the federal minister and suggest that, in fact, a plan be put in place to compensate those that fall outside of the present agreement?

Mr. Praznik: The process by which we have been working is: the chair of the Provincial Council of Ministers of Health, currently Mr. Clay Serby from Saskatchewan, convenes our meetings, et cetera. We were to have a conference call this afternoon, which was cancelled because it was not possible to get all of the players on at that time. I suspect we will be talking again. If you are asking specifically where I am on this, we obviously have to deal with the principle first, because there are ramifications to that principle that become, perhaps, unbearable by our health care costs.

Before I would recommend we advance beyond that principle, we would have to have a much better understanding of those ramifications. That does not mean we do not go through that process and try to do it.

* (1550)

Secondly, the national government would have to be there with the kind of dollars to support that program. I know Mr. Rock—this has been a matter of great public debate in the House of Commons. I know there are discussions. Some premiers have made comments about it, and I guess over the next number of weeks we will see how things develop. But what I find somewhat regrettable about the public debate that is raging today is that the principle of what we compensate for and why has not really had much play in that public debate. I think before a decision is made, it should. We, as Canadians and Manitobans, may decide that is the route we want to go, but we should at least know where we are going before we go there. So I advocate more discussion and debate of the principle absolutely, and I would like to have a better understanding of those ramifications before I offered my opinion, personal or policy-wise, on the particular issue.

Mr. Chomiak: What I am hearing from the minister is that in fact, and he can correct me if I am wrong, he does not believe that it is in the—he is not convinced that the principle is worthy of expansion. Pardon me, I will rephrase that. He does not agree with the fact that compensation should be expanded based on the principle that was arrived at in the agreement that was reached between the provincial government and the Government of Canada.

Mr. Praznik: No, Mr. Chair, my view is before one would advance on that principle of compensating beyond areas in which there is negligence, that that must have a very thorough assessment of its ramifications, and, I believe, because it is public money in an area for which there is not a liability, it must have a public debate because it is a matter of setting priorities, and if that is the priority of the citizens of Manitoba after a thorough discussion, then I would be supportive of it. If it was not, after a thorough discussion, then that is the position that one should take, but I think because it does get us into an area where we have not gone before in health care, we must have a better sense of those ramifications.

We have some; we do as ministers, but we must have the public debate that goes with it and not in the realm that we have today which is one of being humane or not being humane, of compensation for some versus compensation for all, but really the reasons behind that compensation, and all I am advocating is that be the subject of a public debate and a full understanding by those who are giving advice to me as a minister. I think that is only fair to ask, given its ramifications to our health system in the long term.

Mr. Chomiak: Then the ramifications are what is at stake, and we know that there is some issue of financial ramifications, and I want to get to that shortly, but I sense, from earlier comments of the minister, that the real issue of ramifications is the issue of liability, which gets us back to the legal issue. Is that not correct?

Mr. Praznik: The issue is this. Every day in our health care system, in the course of the treatment for illness, for disease, for injury, health care providers and professionals make decisions on courses of treatment. Many of those, almost all of them to some degree, have risk involved, and they make those decisions on assessing that risk on the best available information of the day, the standard of care, and sometimes that risk—things do not work out as intended, and people suffer injury, worsening condition, et cetera, but that is part of the risk of what is medicine and treatment.

If they are injured in a manner in which they are not able to earn a living or suffer other pain and suffering, worsening of condition, do we provide compensation for that, because if you think it through and you say, yes, we are going to, then do you take those risks, and if the costs of that compensation and more riskier procedures or more riskier drugs grows, you will choose not to use it, and you will let nature take its course, whatever it is, and often that might be death, with no hope. That is really what the principle is about, and that to me is a very, very serious principle, and the member for Osborne (Ms. McGifford) flagged the fact that we have one precedent, we do another. Does this become our standard practice in our health care system?

You know, if you look at the blood system, just for example, and we are, as a member of the new Canadian Blood Agency, a shareholder in this new agency, we

know that the nature of viruses, of disease being spread by blood, there is a risk. We do not or never will likely have 100 percent risk-free blood.

If, with all the best science, there is still the spread of virus or injury through the blood system, a new strain of virus that we do not know about, and if we have to build that into the cost of running of our system, we cannot afford a blood system. It is very possible we cannot afford a blood system. So then we say we do not do blood anymore, then who does it, under what risk, and the ramifications, when you think them through, are very, very significant. My thought is, I do not think they were entirely thought through the last time, and maybe it was the nature of a small number of people and the dynamics of a first time in dealing with problems, and big problems in the blood system, but as we look to the future, this is a very, very significant issue.

Just look at pharmaceuticals and some of the drugs we have discussed, Betaseron and others, that have some very adverse side effects, and as we see the development of new pharmaceutical products, there is a risk with those side effects, and if some of those side effects turn out to be very harmful to that individual, do we compensate for that?

Now, I imagine there are some ways to separate this out. Maybe that can be done, but it is the path that we are going down, and I am saying to the member for Kildonan, in all sincerity, I am not pretending to have the right answers. I am flagging the problem today, and this is the problem that we flagged as ministers of Health. It is a real one, and I think he has to acknowledge that. Is this difficult? You bet it is difficult. It is very, very difficult, but in the context of Canada we do have still a pretty significant safety net system. We as a society do not let people entirely down who have been injured through no fault of their own, or ill through no fault of their own, or no fault of anyone else. It is not as if we leave them totally out of the picture. We do have other means. Perhaps some of those have to be strengthened, but those are the kinds of things that really have to be discussed out of this.

I think we often make bad public policy when we make it without a thorough discussion of what its ramifications are, and that is really all I am trying to

say. We have to have that discussion. It is not happening nationally because I believe Minister Rock tried to make what was, in essence, the settling of a potential legal issue into a humanitarian effort. The result was he was caught in the inconsistency of his statement, but that was not the intention of the provinces when we sat at the table to develop a plan.

So Mr. Rock has to explain that and take the heat and deal with it, but the ramification and the extension of this do get into an area that, if we are going to do it—and I am not saying that it is not going to happen—it should be at least thought out and have that discussion as to what does it mean and how are we going to handle it in other circumstances as we move forward. That is all I am really saying, and I must say I appreciate the advice and the thoughtfulness of the member for Kildonan (Mr. Chomiak) and the member for Osborne (Ms. McGifford) and others because this is a very serious issue. I do not make light of it in any way. It has lots of ramifications, and I suspect over the next number of weeks and months it is going to develop further. How it will end up, I do not even want to predict today, but we will be at the table for whatever discussions take place.

Mr. Chomiak: I am having a little difficulty getting an exact grip because the minister, and I appreciate it is a difficult issue, went one way and then towards the end, at the latter part of his response, ended up on a different course. Fundamentally, as I interpret what he said, basically the federal minister made a mistake in not justifying the decision based on the issue of negligence, if I can characterize it like that, and the minister would like a public discussion before that principle was extended, but the minister, if the public discussion was favourable, would be prepared to extend coverage beyond that principle should it be favourable. Is that a fair assumption?

* (1600)

Mr. Praznik: Yes. Just on the first part of the member's comments. At the meeting we held—I believe it was in—we have held so many here now, we had one cancelled in Vancouver and we were in Toronto, and then in Toronto again. At the second last meeting in Toronto where we made tremendous progress in getting the principles around an agreement, we had a large

crowd of people involved in this issue expecting announcements that day, which, I think, was somewhat unrealistic. It takes more than one meeting to resolve these issues.

Mr. Rock in speaking, along with Mr. Serby, made comments about treating this on a humanitarian basis. All of our discussions were around the window period and based on the fact that there is a potential negligence in the system and that it is being left to us as provinces because of the inability of the Red Cross to deal with the results of their own decisions and work. He went out and made public statements, and it made him sound very compassionate in the eyes of many, but it was not reflective, I think, of the discussions that we had had. Then, of course, when we did make the announcement in Toronto the week before last, and we had our press conference, there were many in the press corps who had heard his initial remarks and challenged him on it, and rightly so, and said, you said the program was supposed to be for this and this reason, now you are limiting it. That does not make sense.

I know many of the comments and statements that have come to the members in this committee stem from those different statements, but at the meetings we had there was no inconsistency anywhere in this on the course in which this was being discussed. The consequence was Mr. Rock has now had to answer for what appears to be a change in his position, which is in reality I think a change in his message, but his first message was not, in my opinion, accurate with respect to our discussion.

Now, on the second part of the member's question, what I am saying is in all of these things positions develop. We went into our discussions in this plan that we wanted to have full credit for the \$1.6 billion that we were contributing. We felt, as provinces—and by the way, this was not just Darren Praznik in Manitoba, this was many other ministers representing a variety of political stripes. In fact, I think western ministers were very strong. British Columbia was very strong on it. There were New Democrats, Conservatives and Liberals in the group and Parti Quebecois as well. We felt very strongly that we wanted to get the federal government to ante up to their share of the total cost, even if you did a 50-50 split and give credit for what we are spending.

We fought that issue very, very hard. I think it resulted in the federal government putting some more money on the table, but at the end of the day we did not want that to be a reason why we did not get a package. So we came to the table with some additional dollars to make that package. We did not want it to end in no agreement at all, and the importance of having a national program is very evident. But why I raise that now is, I am one, we are one, of 13 jurisdictions dealing with this, and over the next few weeks—I have seen the federal government change its position and mind many times, and if it were to do that and others were to do that and the whole country was moving in a particular way, we would certainly be at the table, and we would be part of those discussions.

I do not know where this is going to end up, but I do say this. I think, for the good of all and the good of our health care system, there needs to be a public debate on that principle of what we compensate in our health care system. I would hate to see any decision made one way or the other without that thorough kind of public understanding of what we are debating.

Mr. Chomiak: What if we were to propose that a public discussion and public debate or some kind of forum be held and the issue of the principle be debated in whatever context, whatever forum, and secondly, that all governments accept and adopt the principle as already concluded in the agreement but in a nonprecedent setting, as the minister has already indicated, move, if the federal government were to come to the table with additional funds, would Manitoba sign—and I am not talking about other jurisdictions—be prepared to sign an additional agreement with those few hundred, if it is that many in Manitoba, individuals who fall outside of the period '86 to '89, would Manitoba be willing to sign an agreement with them?

Mr. Praznik: I know this may not satisfy the member today, but obviously I do not have the authority to indicate a yes or a no to the member. I would have to wait to see what in fact the terms of that were, and I would have to take it for discussion with both our Treasury Board and our cabinet for a decision.

I know the member appreciates that that is the process for approval. There is a lot of dynamic

involved here. There are other issues involved somewhat in terms of relations with the federal government. If the federal government said to us, we are prepared to put a significant amount of additional money into a compensation package, but, oh, by the way, it is going to come out of reduced transfers to you, well, that would not be acceptable. So there are a lot of issues that I am sure he would want to have worked out.

I guess what I am saying to the member today is that I have been around this not that long but long enough to know that dynamics happen in issues and things move forward. I cannot predict today where things are going to be two or three weeks from now, but I can assure him that we will be at the table and we will attempt to be reasonable in whatever happens. We have attempted to be that way now, and that has not always been the case with our federal partner.

Mr. Chomiak: Mr. Chairperson, I appreciate that response. In principle, therefore, would the minister be amenable to that kind of a solution?

Mr. Praznik: The difficulty that I have as minister in making a recommendation to this committee or cabinet or my colleagues or the Legislature or the people of the province of Manitoba is that one really needs to have an assessment of what other risk areas there are where one gets into compensation for injury or damage outside of cases where there is negligence, where it is the assumption of the risk, particularly potential risk in the blood system, nonnegligent risk, as we take over the blood system. We are only beginning to develop that, I guess, and get a sense of our insurance risk.

I am prepared, by the way, to share those as we go through Estimates and other times, because I know we have meetings and discussions scheduled as we set up the blood system. So whatever is available publicly, I am prepared to share this, and I am sure that is a rational and reasonable way in which to assess this. If the member is asking me for a viewpoint today, yes or no, I cannot give him either. The reason, quite frankly, is that I asked for the assessment and we are in the process of kind of getting a sense of that.

If there is a willingness by governments to revisit this and look at it, I think we as Health ministers would all want to have a much more thorough assessment of that

principle of the risks that we are taking on for other precedents, and I would certainly want to be willing to share that with him and his colleagues so that we as a province went into any change with full, open eyes as to the consequence.

Mr. Chomiak: Mr. Chairperson, so is the minister saying he would be willing to review that, he would be willing to go to the table?

Mr. Praznik: Mr. Chair, I am a member of the Council of Provincial Ministers of Health and, where this issue is discussed, I will be at the table as long as I get a pair to be at the table.

Mr. Chomiak: Mr. Chairperson, is it correct to say that the provinces are putting \$300 million into the \$1.1-billion or \$1.2-billion portion of the compensation package?

Mr. Praznik: Mr. Chair, the finances of the package are this: the federal government is contributing \$800 million; the provinces are contributing \$300 million; and as we finalize our negotiations with the Canadian Red Cross Society for the transfer of their assets, we expect that there will be approximately \$100 million or so available from the Red Cross towards this package. Now, if I remember correctly, the federal government dollars are contributed this year, this financial year. The provinces will make their contribution over a three-year period I think beginning next year—we are still finalizing those details—and the Red Cross upon transfer of their assets. That is still part of those discussions.

* (1610)

The intention of the fund is to really create a pool of money that would be managed by a group acceptable to the recipients, and it would pay out on the basis of really two not criteria but two basic ways, some initial lump-sum payment and, secondly, a payment based on the severity and need of the individual, which I think is a federal bureaucratic way of saying income replacement.

I know in some of the discussions that I have had with people in the hepatitis C community here, the two issues that they raise are that they want to make sure their health costs are covered, which they will be, and,

secondly, that if they cannot work that there is a reasonable income replacement there to support their families, and that is really what people have been boiling down to, what they are looking for. So Manitoba has always pushed this view that this fund, by and large, should be supporting an income replacement top-up, because many of these people, not all, but many will be entitled to CPP disability and other income replacement, but this would provide some level of top-up. So if an individual with hepatitis C is able to work today, and many are, they would not access the fund when they are not able to work; they would access the fund on whatever basis that is agreed to.

So that is the way we are looking at structuring this. The pool, of course, would be managed. It would generate revenue on an annual basis and would be able to provide for the actuarial assessment of what is needed to take people right through their working years, over their lifetime.

Mr. Chomiak: What portion of the \$300,000 is Manitoba going to be contributing?

Mr. Praznik: Yes, \$300 million; we all tend to make that mistake. We are working on—our percentage range will be between 3.8, I believe; yes, somewhere between 3.8 to 4.4 percent, and we are still working out, with our provincial colleagues, as to how this is being split on the basis of the population of province or population of cases. We are still working out those particular numbers, but that is the range from lowest to highest based on numbers, population, whatever formula we use. We expect we will pay into this fund.

Mr. Chomiak: So, if I understand correctly, although the basis of the formula has not been finalized, we are talking about something like \$12 million over a three-year period, is that correct?

Mr. Praznik: Somewhere from \$12 million to \$13 million, somewhere in that range over three years, yes.

Mr. Chomiak: The minister outlined some of the details of the compensation aspect of the package. Is there an agreement, per se, that outlines these criteria?

Mr. Praznik: No, we agreed in principle to these criteria. What is fundamental to the package, there are three provinces in which class action suits have been

filed and, again, that is one of the things that precipitated the development of the package. The mandate of the group administering this is to negotiate with the various class action groups, hepatitis C community, et cetera, to develop the terms and details of the package, and then have it accepted or reviewed by various courts for its acceptance. Obviously, it has to be acceptable to the courts dealing with the three class action suits, and we would want to assure that it is court reviewed and acceptable in order to be fair and be validated.

Mr. Chomiak: Is there an agreement that the minister can table with this committee?

Mr. Praznik: Yes, Mr. Chair, the principles, I think, were outlined in our press statements. We have not signed an agreement or document, but they were agreed to by us and they were outlined in the press conference. I think there were some fact sheets circulated on the detail, but the details of an actual offer have to be worked out with the various parties. They have to be court approved, and when, of course, that happens, I would be pleased to provide him with that detail. But there is not a document that I can provide today to him.

I just should indicate, in some of the discussions I had with people, hemophiliacs in Manitoba, who had been involved with this—and I have tried to keep them involved throughout this process and to seek counsel from them, a number of these people on various issues. We talked a lot about how one could administer this package and who would be administering it.

What I am happy about is that there is a lot of ability here for those affected to have a role in putting this together, tailoring the program and including its administration. So it may be somewhat frustrating for those who want details today, but I think it gives a lot better opportunity for those involved to sort of tailor their future to where they want to be.

Of course, there is a whole gamut of ideas as to how this fund should be administered between those groups, and they have to do some sorting out among themselves as well.

Mr. Chomiak: Do we have any estimate of the figure of the number of Manitobans that are eligible for

compensation, as well as the number of Manitobans who potentially have been affected through tainted blood and have not developed hepatitis C?

Mr. Praznik: We believe it will be somewhere around 800 Manitobans who would likely be in those criteria. With respect to hemophiliacs, and I raised this, I discussed with the member for Osborne (Ms. McGifford), in discussions I have had with some people involved with the Hemophilia Society they thought initially that there might be about 15 people who would not be eligible. I think they have narrowed that down to five or less, so I just want to put in perspective that in terms of hemophiliacs, by far the vast majority will be eligible because they received blood or blood products during the window.

I know Mr. Brown has been involved in that, and others, about sorting that out. The last time I spoke to him he estimated that it could be five or less who would be excluded hemophiliacs from the program, so you can tell we are getting down to refining those kind of numbers.

Mr. Chomiak: The 800-odd figure the minister just gave, is that the estimation of the number of individuals who would be compensable for the period '86 to '90?

Mr. Praznik: The numbers of 20,000 to 22,000 were arrived at by the federal government again doing the calculations on a national basis and doing estimates as to the percentage in Manitoba. Obviously there might be some changes or variations in that as we actually go through the program, but that is the basis on which the federal government developed that information.

Mr. Chomiak: I understand that they also estimated there have been figures as high as 40,000 to 60,000 of those individuals who may have contacted hepatitis C outside of the '86 to '90 window, and it may be as low as 30,000. Does the minister have any figures as to how many fall in the excluded category from '86 to '90?

Mr. Praznik: One of the questions I have asked is the ability to find out who are potential carriers, et cetera, who have had blood, and I am advised one of the difficulties in doing the look-back, check-back is that hospital records end up being destroyed after a period of years, Red Cross records for blood transfusions are

not necessarily the greatest, which is part of the problem with the Red Cross. So it is very difficult to ascertain exactly how many people are likely to be in that category.

Mr. Chomiak: Can we break for five or ten minutes now?

* (1620)

Mr. Chairperson: Is it the will of the committee to take a five-minute break? [agreed]

The committee recessed at 4:20 p.m.

After Recess

The committee resumed at 4:28 p.m.

Mr. Chairperson: Order, please. We will reconvene in the Estimates of Health.

Mr. Chomiak: Mr. Chairperson, just to conclude the line of questioning that we had ended on just before that short break, I understand there is roughly 800 or so based on the federal government percentage of 22,000 and those are roughly the amount, the number of individuals, who fall within the '86 to '90 period, but we do not really have statistics or figures on those that may potentially fall outside of that period.

Mr. Praznik: Mr. Chair, if we do, they are not very good ones, as I said, just because of the system of records. That is one of the dilemmas, if one does agree to expand the program, is being able to get accurate information on even costing it out. That is not the reason why you do not do it, but it is a logistic reason, a logistical problem if you do agree to go there.

Mr. Chomiak: Mr. Chairperson, just for the record, I am of the view that the program will be expanded. I think that there will be a movement towards that, but that is a personal view based on how I see the issue developing.

* (1630)

I would like the minister, however, to perhaps in more detail—he has outlined the compensation scheme. I wonder if he might outline for me the other specifics of the deal. We know what the financial figures being offered are and we know what the compensation—I just want to understand a little bit about process because at this point what are the next few steps that are going to take place, and what process is going to be put in place to develop the package as it presently exists?

Mr. Praznik: Mr. Chair, just a comment. The member's statement and his opinion as to where this would go just triggered with me a thought or an observation about the nation of Canada. When you are a province with about 4 percent of the population or 4 percent of the dollars in a program, you are never likely the leader in that particular program. I say 4 percent of the provincial share of anything. When you add the national share, that diminishes even smaller.

One of the dynamics of any federal-provincial process, of course, is that the provinces that are large by way of population—Ontario, Quebec, British Columbia even, and Alberta—have a much greater ability to influence events because they have much more dollars on the table. So we are able to make points, we are able to lead the fight to some degree for a fair share of federal funding to this particular program, but at the end of the day, it is the governments that are putting the lion's share of the money on the table that are going to influence the outcome one way or another. Whether the national program expands or does not expand will be a decision that will be made in cabinet rooms in Ottawa, Quebec City and Toronto as opposed to Winnipeg, Regina, Fredericton or Halifax, I suppose, so sometimes you can have more of an impact than your dollars, but they tend to be more the exception than the rule.

I know the member appreciates that. That is why I have said to him that it is likely at the end of the day whatever happens, you know, Manitoba is always at the table with the other provinces for discussions and we will be there. We will have to see how things develop.

I understand Mr. Rock issued a press statement today that some members of the media shared with me that he was not prepared to see that open up again and move

forward, but again in politics and public life there are always things that happen that we do not always expect.

With respect to the details of where we go from here, we have had a working group in place among the provinces and federal government and territories who have been working through this as we move through. Mr. Ulrich Wendt is our member of that particular working group. That group, who has framed our options and given us options on principles and data, now will have that responsibility of working with the various organizations and groups to frame the details of the program that ultimately will go to court.

So as a consensus is reached on those and positions are advanced, anything that is in the public realm I certainly have no problem sharing with members of the committee, because it is an interest to all of us as this thing progresses. But, it really now, in the detailed form, is a work in progress.

What we attempted to do as ministers is agree on really two things: the framework of a national program which we achieved at our meeting in Toronto, I guess it was in February that we met, or in March—[interjection] February. Then the next issue, of course, was how we would divvy up the payment of that program. Just by way of process—I know it is not directly on point of the member's question—despite what came out of the national media, that is how, in fact, we did it. We got agreement on the framework of a proposal including sort of the global amount we would like to see there, and once we got that agreement, then we worked as ministers on how we would pay for it, who would pay what share. That was not the way it was reported, but it was the way that it happened in fact.

So the working group will now be moving forward and dealing with the various organizations and ultimately, whatever is worked out will have to go before a judge in the appropriate courts, I imagine, to have this settlement approved. At least three jurisdictions have class action suits where that is an absolute requirement. I imagine there will be other court requirements in other provinces, so that will be the process. How long it is going to take, I do not really know, but I hope it would move somewhat expeditiously.

Mr. Chomiak: Of the \$1.2 billion that is going to go in the compensation portion, if I can term it in those words, how was that figure arrived at?

Mr. Praznik: That is a very good question. The dynamics of discussion, I think, the working group spent a lot of time—if I may, Mr. Chair, one of the difficulties when you announce \$1.2 billion and potentially 22,000 cases is people, the media and potential claimants do quick math and come up with a number and say, well, that is not enough money.

This program in terms of the principles behind it was never designed to, in essence, produce sort of a divvy-up payment. It was designed to become an income fund, that between capital and earnings over a 30-plus-year period would be able to support the income enhancement needs of people with hepatitis C; their health care needs, of course, already looked after by the health care system. It would be, in essence, a top-up, I would expect tax-free top-up of the CPP disability earnings and other potential liability. So it is part of the whole package to anyone who is disabled or totally disabled by hepatitis C.

It comes back to the principles that I learned very clearly from the table with dealing with people from Hemophilia Manitoba, that they were looking for insurance that their health needs would be met, and that there would be some income replacement to ensure that they could support their families and not have to go onto social allowance but support their families in a reasonable fashion if they were unable to work. That is what the expectation level was.

How the number was arrived at? We talked about what we were attempting to achieve, the population grouping, and I imagine the working group did some calculations on what would kind of be needed to meet the goals of that fund. Now, of course, the actuaries and technical people have to do further refinement as this is put together, but it is hoped and expected that it will be able to meet the need.

* (1640)

Do we know exactly that it will do it today? I do not expect so, but we will have to see how this works out over the next while, and we trust that the advice we got

on that amount of money would meet that particular need. Also, what was contemplated is what we could probably raise between us and what would probably be needed to meet the need on that kind of basis of a supplement.

So, is it exact? No, it is not. It requires a great deal of actuarial work once you know the people who are applying, their state and conditions. There are just so many variables within it that you cannot be totally exact.

Mr. Chomiak: Is it therefore a definitive part of the package that, in fact, the compensation portion will be an income supplement or an income replacement? Is that the bottom line definitive compensation that will be offered?

Mr. Praznik: From my recollection and expectation, I think the principle was that there would be some degree of lump sum payment, initial payment, and the remainder paid out on the basis of need. I think one can fairly translate that into income need. It may vary a little bit from province to province depending on where you live because there are different degrees of home care service. In a province like Manitoba, for example, there are a lot of things that we provide that other provinces do not.

So I do not know how those nuances are going to be managed, but that is part of the work of the working group, and, ultimately, court approval for this will have to be granted.

Mr. Chomiak: The minister can correct me if I am wrong, but just as the criteria for those that were covered for HIV was somewhat different than the hepatitis C coverage, is not the compensation package therefore significantly different in terms of how it is going to be applied than the HIV package, and if that is the case, why?

Mr. Praznik: I am not totally familiar with all the details of the HIV package, but I understand that there is an annual payment made to individuals, an annual income payment, plus they received a lump sum. I imagine part of the difference, if I properly recollect our discussions as ministers and the advice we received from the working group, was that the life expectancy of

people with hep C and their needs are considerably different than those with HIV.

There will be a percentage of people with hep C who should be able to have a completely normal working life, so their financial needs will be very different from those who are struck in such a manner with this illness that they will not be able to work for a long period of their life. So the prognosis on cases has a great variance as opposed to HIV where the results tend to be very similar within a very short period of time.

So there is a great deal of difference here, and, again, the expectation in people that I know I talked to here in Manitoba was that the real concern, the medical care, was important, Pharmacare for drugs, et cetera. That is part of our responsibility, various drugs as they become available, to deal with our Pharmacare program. But it was the income replacement, the income top-up, because that becomes important, to be able to support your family if and when you are unable to work. Many people said to me that as long as they are able to work they are not expecting to draw out of this fund, but if they are not able to work, become disabled, they want to know that the fund is there to support them to a reasonable level of income.

The other piece—and I say this to the federal government if they should ever read this and we are certainly saying this at the working group—is they are going to have to do some work on their CPP disability because a complaint I get is that there is almost an automatic denial upon application, and then people have to go and appeal. Surely to goodness, if you are in this hepatitis C arrangement and you reach the point where you are unable to work, you should be quickly processed through the CPP without an appeal in order to get those benefits which are obviously part of the total income replacement package.

Mr. Chomiak: I am looking at a document that was provided. I do not have another copy with me, but I will just briefly relate. These were the components of the proposed package as recommended by the Canadian Hemophilia Society in a presentation of approximately a year ago, but basically I will just highlight.

There were six proposals, a lump sum of \$30,000, financial compensation for extra health expenses, a

death benefit of \$20,000 for a minimum of five-year payable, a \$4,000 annual payment per dependent child, nontaxable, and basically those were the five main components. I take it from what the minister said that those recommendations were not accepted with respect to the package that is now being proposed to go back to the courts and to the various individuals for acceptance or rejection.

Mr. Praznik: Mr. Chair, Mr. Wendt just pointed out to me that the hemophilia society is only one of the groups that represent people with hepatitis C, that there are a number of organizations, and that their requests or recommendations varied, some considerably I am advised. So consequently to pick one and not others, that is part of the negotiation that will now have to go in on with respect to the fund and how it will be delivered.

Obviously when you have this process of federal and provincial ministers looking at a compensation program, you are going to have groups putting out their particular bargaining positions and expectations, et cetera, and it is a bit of a bargaining process that goes on. Now, instead of it being largely in the media in a void somewhat, at least now this fund is in place and there are numbers around which to build a very real program with real dollars attached to it. As I am sure the member can appreciate, when you have a number of organizations putting out their proposals as to how compensation should be paid and they are somewhat different, it is hard to pick one over the other and it is the beginning of a bargaining process. Now at least that will be done at a table around real dollars.

Mr. Chomiak: Mr. Chairperson, now I am confused because I was trying to ascertain specifically what the compensation package was. I was under the impression that it was geared toward an income replacement or income based, and now the minister is saying that it is part of bargaining, unless I misunderstood him. I am trying to ascertain where we are going.

Mr. Praznik: Mr. Chair, I apologize to the member if I sounded somewhat confusing to him. The principles we have agreed to in this fund is some initial lump sum payment, the amount to be determined in negotiation, and the terminology we used is an ongoing availability of dollars I believe for meeting the needs because the

needs vary so greatly. Primarily those needs are income replacement.

* (1650)

In some provinces, depending on what they provide under their health care systems, there may be additional medical needs that might have to be included in an ongoing basis, and that is something to be negotiated. Like, for example, in some provinces they have very limited home care programs and Pharmacare programs, whereas here ours is much more extensive—Manitoba, Saskatchewan, western provinces. So by and large it will be income replacement, some lump sum, and as I said, the parlance that has been used in the documents of special need, I think one can translate it that income replacement, and with that exception that I think I flagged in some provinces, certain health needs that their systems may not pick up, but the details of how you pay, how much do you pay, on what criteria you pay, those things all have to be worked out in the negotiation. The principle is there, kind of how the thing will work, how the numbers actually work out, have to be done in negotiation and with actuaries and those people who are able to structure these kind of plans.

Mr. Chomiak: Mr. Chairperson, I thank the minister for that clarification.

Can the minister outline whether or not, if the \$1.6-billion figure that the minister indicated was the amount of the ongoing pre-existing health costs that are going to be met by the provinces, if whatever portion is Manitoba's is presumably more because of our home care system and our Pharmacare system? Was it taken into account on the \$1.2-billion compensation portion of which Manitoba's is going to be somewhere like \$12 million to \$15 million or whatever that since Manitoba is paying a greater share of the medical costs that there will be more or less money available on the compensation side or vice versa?

Mr. Praznik: Mr. Chair, I am advised that as the working group, that is part of the reason for a range in the percentage of how much this will cost. As the working group works through those numbers, we obviously expect that in some of those provinces where they do not offer as large a range of services and part of

this plan may in fact be used to buy those services for people with hepatitis C that that is balanced out in terms of our appropriate shares.

The member raises a very good point, that it would be inappropriate or unfair to Manitoba citizens to be paying our share and then helping in essence to subsidize costs in other provinces that their health care system does not provide for when ours does. Those are the kind of nitty-gritty details that will have to be worked out and one of the reasons why we have a range.

Mr. Chomiak: Mr. Chairperson, well, how was the \$1.6 billion arrived at, and what is Manitoba's share?

Mr. Praznik: Mr. Chair, again, I am going to ask Mr. Ulrich Wendt to describe the process by which the \$1.6 billion was arrived at. He was part of the working group that did the numbers, and these were prepared for our discussions with the federal government in making our claim that we were already contributing significantly to the hepatitis C issue. The instruction we gave to the working group was not to inflate those numbers. We wanted to make sure our numbers were highly defensible, because we knew they were so significant. Even when you add up our contribution, the provinces are paying well over 50 percent of the cost of the hepatitis C issue. So I am going to ask Mr. Wendt if he would go over that process for the members of the committee.

Mr. Ulrich Wendt (Manitoba Representative, Hepatitis C Working Group): Mr. Chairman, there were two things that needed to be determined in coming up with this. One was, what are the actual, average health care costs across the country, and then, to whom do they apply?

The difficulty with the hepatitis C disease is that some people can live their whole lives with the disease with no overt symptoms. So we had to use the disease pattern itself as part of the basis. We compared that against actual experiences in B.C., Manitoba, and verified against Ontario data to come up with the estimated likely cost of the disease burden over a 30-year period.

The difficulty is that we do not have a full history of this disease yet, because it is a relatively new disease.

So some of this has been extrapolated upward into a 30-year period. That is where the \$1.6 billion came from in today's dollars, not discounted for the past cost and not inflated for future. This is all incremental dollars in addition to what the health care system would normally be paying. So, for instance, we did not count the total cost, just the costs for people with hepatitis C. We discounted that against the cost for people, what their normal experience with the health care system would have been. So this was an add-on cost.

Mr. Praznik: One other point that I think would be of interest to members of the committee and this is why this issue may not yet be settled with the federal government is because we agreed to get on with the deal between us, and we still have a day of reckoning on these issues. They should be fought out between governments, but if the Prime Minister of our country took the view that this is health care costs the provinces would have anyway—so there is no value to this. Well, if the blood system had acted the way that the hepatitis C committee argues it should have, then we would not have had hepatitis C in that group, at least from '86-90. We would not have had that \$1.6 billion in costs. Those people would not be sick.

In many other circumstances in our health care system that the member is very well familiar with where there has been a malfeasance, and I hate to use legal terms, but I know the member for Kildonan (Mr. Chomiak)—we share that background in the law and he appreciates the use of that term—where there has been a negligence or a malfeasance, we today already go back as a health care system to recover our costs. If an individual is injured in an automobile accident through a formula, the Manitoba government collects money from Autopac. The cost of health care for automobile injuries is borne not by the general taxpayer but by the payer of insurance premiums.

If you are injured in the workplace, the cost of health care is not borne by the general health care system or the taxpayer, it is borne by the employers through the WCB fund. The province of British Columbia today has launched a lawsuit against the tobacco industry to recover the cost of treating victims of smoke-related illness, because they view that industry as committing a malfeasance that has cost the health care system.

So, conversely, in an ideal world, I guess, or even a legal world, I would argue that we would potentially have a claim against the managers of that blood system, the Red Cross and the regulators, for a share of this \$1.6 billion if there was a malfeasance or a negligence they were responsible for. I know in the discussions we have had with the federal government, and the member appreciates this argument—[interjection] Yes, absolutely, a very cunning comment by the member for Kildonan, but in our discussions with the national government, to be told that this had no value, that they had no responsibility was downright insulting to provincial ministers in that this was not recognized.

So it just gives you a flavour of the kinds of discussions that we had on the two stages of this, getting agreement on what a program would look like, and, the second part, how we would divvy up the costs.

Mr. Chomiak: Just by way of administrative, my guess is that we will, perhaps, at most, have a few more questions when we reconvene tomorrow, but not extensive, and that I guesstimate that we will go into the normal course tomorrow without anything—just the normal course going through the flowcharts, going through some of the first few expenditure items, but no significant variation tomorrow.

Mr. Chairperson: The hour being 5 p.m., it is time for private members' hour. Committee rise.

EXECUTIVE COUNCIL

Mr. Chairperson (Marcel Laurendeau): Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates for Executive Council.

Does the honourable the First Minister (Mr. Filmon) have an opening statement?

Hon. Gary Filmon (Premier): Mr. Chairperson, I do have some introductory comments on issues in Executive Council Estimates.

The 1998-99 total for the department is \$3,280,700, an increase of 3.1 percent over the Adjusted Vote for 1997-98. The number of staff years remains unchanged at 44. The amount of the increase in the appropriation

for Executive Council for 1998-99 is \$97,600, most of which represents changes in salaries and employee benefits attributable to the general salary increase and reduced workweek adjustments.

I am pleased to point out that the total also includes a \$25,000 increase in the amount requested for the International Development Program of the Manitoba Council for International Cooperation. During last year's review of Executive Council's Estimates, the Leader of the Opposition (Mr. Doer) was particularly complimentary about Manitoba's international development initiatives and has indicated, I believe, that he and his colleagues would have no difficulty endorsing an increase in the overall amount provided for the many projects around the world which are receiving support from the people of Manitoba through the Manitoba Council for International Co-operation.

Mr. Chairperson, I am pleased to say that the \$25,000 or 5.6 percent increase in international assistance brings the total vote for that item to \$475,000, the highest level ever, and slightly above the previous high levels at the beginning of the decade. I believe that the citizens of our province can be justly proud of the very fine work which is being done with these funds.

Manitoba's international assistance projects are grouped into three broad categories: relief and rehabilitation; development projects; and what are called theme projects. Appropriately, the theme for the last two years has been peace building and reconciliation.

A list of some of the projects which are underway or which have recently been completed gives a sense of their scope—blankets for malnourished children in Sudan, flood relief in Ecuador, along with a hygiene project, irrigation and sustainable farming in Zambia, AIDS education in Nigeria, literacy in India, training and employment in Nicaragua and Uruguay, community health in Haiti and a wide range of other projects in Africa, South America, the Caribbean and Asia.

As members are aware, Manitoba's financial support complements and backs up outside support from various independent agencies to make all these

initiatives possible. Earlier this year, one of the projects supported by our matching grant program, a support project for a network of women's groups involving 3,000 women from the most disadvantaged urban neighbourhoods in Benin, was chosen by a papal committee in the name of His Holiness as one of the best international development projects worldwide. It was one of only two projects chosen from the Canadian Catholic Organization for Development & Peace which was our sponsoring and implementing partner in this program. This is a notable achievement by this organization, and we are pleased that the contributions of the people of Manitoba are being put to such good use.

I have had a chance to visit some of our province's international projects during trade missions over the years and have never failed to be impressed and proud and especially proud of the respect and admiration in the host countries for the expertise and commitment of the many individuals and groups in Manitoba who are involved in relief and development work. Many of our fellow citizens do not know how well known Manitoba is worldwide in the relief and development fields and how much our assistance has meant, especially in the Third World.

Manitoba has received a great deal of support in our times of difficulty and natural disasters, but Manitobans are active year-round every year in more than returning that support and generosity. These Manitobans are every bit as important as ambassadors for our province as the public servants who are participating in various government projects around the world and the private and public sector members of the trade and investment missions which have been so helpful in making Manitoba's name even better known in major markets around the globe.

* (1440)

Manitoba is involved in a number of governance projects around the world with sponsorship from the federal government and various international organizations such as the World Bank. These projects are designed to help officials in new democracies establish the programs and practices they need to meet their new responsibilities.

In the past, the Leader of the Opposition (Mr. Doer) and I have agreed on the importance of these initiatives and particularly on the merits of Canada's efforts to support the new government of South Africa and its provinces. The members opposite will share our pride, I know, in the fact that our co-operation agreement with the North West province of South Africa continues to serve as the model for other provinces' agreements. In the last year, for instance, there have been several two-way exchanges, and these are expected to continue for at least another two years. In November, seven of Manitoba's directors of finance and administration visited North West to assist them in improving their management and budgeting practices, and I am told their assistance was very timely and helpful. We expect another group of officials from North West to visit Manitoba in the spring.

As members know, this program is financed largely through Canada's International Development Research Centre while Manitoba covers our staff's wages and time for the exchanges. All exchanges are organized in line with priorities set by our North West partners. In some ways, this is the ultimate example of co-operation: a federal-provincial partnership in Canada working alongside a federal-provincial partnership in South Africa. There are, no doubt, some lessons to be drawn from this success.

Another good example of partnership and co-operation is the Team Canada approach to trade and investment promotion. The last Team Canada mission in January of this year was particularly successful for our province. A record number of business delegates participated from Manitoba, and next year's Pan American Games were among the major themes of the mission and the presentations we made to business and government leaders in Mexico, Brazil, Argentina and Chile. Every Team Canada mission so far has enabled Manitoba to build on existing relationships and to expand them. Often Manitoba is already one of the most well-known Canadian jurisdictions in the nations we have visited, thanks to previous Manitoba missions, and we have been able to build on that head start.

As members may know, the federal government continues to be interested in pursuing other federal-provincial co-operative trade missions. The Team Canada concept has helped our country build new

bridges and open new doors in very important markets. Some of its novelty may have worn off in our country, but from outside our borders it is seen as an extremely effective instrument for giving Canada profile and access which other larger nations wish they could duplicate.

As I said, the Team Canada missions have also been among the better examples of a successful federal-provincial-territorial partnership approach to dealing with national key priorities, but it is only one example. Two others which I have cited many times are the National Infrastructure Program and the National Child Benefit. In all three cases, the planning and implementation of these initiatives has been done jointly and co-operatively with the federal government, and the results have been consistently positive.

The federal government has been able to provide leadership, but it has also made most key decisions in a spirit of collaboration. Even when the initiatives were conceived by the provinces, and that is true in all three examples I mention, the federal government has received the bulk of the credit and has exercised its leadership by consensus building. Now, though, the federal government has failed to renew the National Infrastructure Program. It has shown little inclination to follow up provinces and territories proposals for a national highways program, and in Mr. Martin's February budget it effectively ignored an unprecedented and unanimous call by the premiers and territorial leaders to begin restoring essential core funding for health care. Instead the federal government chose to act unilaterally and missed a very important opportunity to demonstrate its commitment to a new approach to its relationship with provincial governments.

Instead we saw evidence of old-style federal thinking and unilateral decision making, a major disappointment for those of us who have seen how much progress can be achieved through co-operation and how the opposite approach, unilateral decisions made in Ottawa, can lead to costly delays and needless duplication. Canadians want co-operation and know that their services will improve when it is the watch word for the relations among governments.

Our government and I believe those of most of the provinces and territories will continue to emphasize the

benefits of partnership, not only for programs and services but also for the unity of Canada. Some commentators are saying that the federal government must act alone and deal directly with Canadians through new social and other programs in order to assert its legitimacy and increase its credibility, especially in the province of Quebec. I believe that is a highly debatable proposition, especially outside Quebec, and especially when virtually all provincial and territorial governments remain fully prepared to ensure that the Government of Canada gets the credit it deserves for program support.

The National Child Benefit remains the best recent example where the partnership concept in joint federal, provincial and territorial leadership have produced a new national program with great potential and with substantial credit and visibility for the Government of Canada. An equally important initiative and possibly even more important is under negotiation now, the proposed framework agreement for social policy. That work was initiated formally at the First Ministers' meeting in December and a June, July deadline has been set for its completion.

My colleague the Minister of Family Services (Mrs. Mitchelson) is representing our province in the negotiations. It is our hope that the federal, provincial and territorial governments can develop a new master agreement which will guide the development and implementation of social programming over the long term. We believe such an agreement must confirm the spirit of partnership and respect for jurisdiction which is the basis for our federation, in line with the Calgary unity framework. The agreement should also set out provisions for joint resolution of intergovernmental disputes and, at a minimum, some solid guiding principles and commitments concerning federal financial support for national social programs including health care into the new millennium. The work on the framework agreement will be a most important test of the federal government's commitment to the partnership principle and to a co-operative approach for setting and meeting essential national priorities.

I believe it would be extremely unfortunate if the federal government were to turn its back on this opportunity. Now with our fiscal houses much more in order, governments all have the chance to work

together to direct our resources and scarce tax dollars towards the most important needs facing Canada. That is how we can get the most done and avoid the kinds of costly and wasteful confrontations of the past.

Again, we will continue to stress the need for partnership and the fact that it has proved time and again to be the best way of making our Canadian federation work better.

Before concluding, I want to touch briefly on our government's efforts to help renew and revitalize the public service. I know members opposite share our interest in this goal as Manitoba and other Canadian governments deal with changing demographics, and particularly the aging and retirement of our workforce, including many of our senior managers.

One very successful initiative is our new Management Internship Program which is entering its third year and beginning its third intake of highly qualified young people. Those in the first year of the program are now finding permanent positions in the civil service. They have already made valuable contributions to the departments with which they have worked, and their talents will ensure that they will provide important leadership for our province over the course of their careers.

I also want to commend the efforts of my colleagues and our existing civil service, which I continue to believe is unequalled in Canada. I want to express my appreciation as well to the members of Treasury Board and their staff for the many hours of work which went into the preparation of this year's Estimates.

Finally I want to thank our own staff in Executive Council. Their dedication, commitment and professionalism continue to be a great support to my cabinet colleagues and to me in my duties as Premier. I believe the people of Manitoba are being well served by their efforts.

Mr. Chair, I look forward to the comments and questions of members opposite.

Mr. Chairperson: We thank the First Minister for those comments. Does the Leader of the official opposition have an opening comment?

* (1450)

Mr. Gary Doer (Leader of the Opposition): Yes, I do. Just a brief statement today. I look forward to the debate on the Premier's Estimates and the matters, of course, that would be under the responsibility of the Premier as the head of government.

Many items we have asked in the past and many items we will ask today and potentially this week will deal with matters that are of his responsibility as they deal with his job as the chair of cabinet and the head of government here in the province of Manitoba. We certainly support the idea of an enhancement to funding to the International Development Fund in the Premier's Estimates. It is a very positive proposal. I think it is very important for Manitoba to continue to work on community economic development projects across the world based on need.

I think the oldest saying that we all have learned is you give a person a fish and they eat for a day, you teach him how to fish and they eat for life. Obviously that is the genesis of many of the community groups that are involved in these community economic development projects. I have had a chance to visit—not around the world these projects but rather around the corner when they have their displays here in the Legislature. I have always been impressed with the volunteers and staff of these organizations that put so much into making our world a safer place to live and a better place to live for our citizens of the world.

I note that the government is continuing its partnership with South Africa. I would say to the Premier that oftentimes when delegations of people from South Africa visit here, they are often spending a lot of time with organizations that may be tied to the kind of national and governmental formal structures. There is still a large community of volunteers in the anti-apartheid movement here in Manitoba that worked hard over the last 20 years that want to meet with the people from South Africa and conversely many people from Mandela's party that are in the state governments that would like to meet with the activists that have been working around the world, some of them that reside here in Manitoba. So I would encourage that kind of contact as well because there certainly is an international community in Manitoba that has spoken

out and fought for the rights of people in South Africa to have votes and economic opportunity in their country, and any work that can be provided by this government to the North West province is certainly worthy of support by certainly our side in terms of Manitoba's initiatives.

We have a number of concerns about people that also live in fairly deprived conditions here in Manitoba as well, and we will be continuing to raise the issues of our own communities that are less than Canadian in terms of its standards of water, sewer, health, our First Nations communities, some of which are remote and some of which suffer from great numbers of infrastructure and health disadvantages and economic and educational disadvantages, and of course those are also concerns that we would have, as would the Premier (Mr. Filmon).

We have a number of questions of the government on its role in dealing with the federal government. We would support the government's position that the first priority of the federal budget should have been to reinstate some of the cuts that were made in medicare. We, of course, have raised since the time we were in government in the early '80s the issue of federal cutbacks. We warned about the slippery slope of federal cutbacks in the mid '80s. I believe that the former Minister of Finance, the Finance critic, Mr. Ransom joined with Mr. Schroeder in the early '80s to warn the Mulroney government about the cutbacks, and of course the odd invitation was made to the Premier to join us against the Mulroney government's initiatives on cutting back in health and post-secondary education. Regrettably those cuts continued, and some of the predictions that were made 10 or 11 years ago about the amount of money that the federal government would be paying into medicare and the danger it would represent to a two-tier health care system regrettably are coming true. We would certainly support that the first priority for the federal government should not be programs that have red colouring on it or blue colouring on it in terms of its announcement, or dare I say, some day federally orange colouring, but rather make sense for people in their own communities in terms of health care and post-secondary education. I hope that there is some success.

It is kind of ironic that the Premier of Quebec, who wants to break away from the country, is now the one

negotiating with the federal government on the millennium project in terms of its application. But certainly, I think, we are really out of touch with the Canadian public when we have one set of programs being announced from Ottawa that do not make sense in terms of federal-provincial co-operation on the major priorities for people in our own communities. Health care, certainly, is a major concern. However, we do believe that the government has had choices through this period of time, and we are certainly willing to debate that and discuss that with the government as we proceed through these Estimates and other Estimates that are concurrent to these Estimates today.

We are concerned about the social framework. We think we missed a major opportunity again that was a major opportunity in Canada to look at some major ways of having a national floor for people on, dare I say, looking at bold new programs like minimum income programs when you look at Workers Compensation, when you look at social assistance, when you look at Unemployment Insurance or now Employment Insurance, when you look at the social assistance to the provinces. When you look at all the myriad of programs, it seems to me that we continue to have four or five different jurisdictions and five or six different standards and ten different programs, and the more and more the federal government withdraws from their support on social programs, the less and less we have an opportunity to have a national floor, a national program administered with provincial co-operation, which would be our view of how we should proceed into the 21st Century, rather than have, as I say, separate franchises with decreasing amount of money from the federal government.

I understand that committee is being chaired on the federal side by Anne McLellan, and I am not sure who else is on that from the federal side, but we will look forward to the assessment of the Premier (Mr. Filmon) on that. I know he has the Minister of Family Services (Mrs. Mitchelson) involved. I certainly know the different provinces have different representatives on that committee. Andrew from British Columbia I know is on it, and I believe Mr. Wiens from Saskatchewan is on that committee. I wish it well, but I hope it is not just another committee to consult about what we are going to do, and then at the end of the day the federal government keeps retreating for both its rural

responsibilities and basically withdraws from what I consider it to be their responsibility, and that is a floor across Canada for people. I think we should be spending less money on administering these programs and more money on the national floor for people on the social side. It may mean some co-operation, as I say, from other programs that are provincially administered today.

In health care we have a number of questions specifically to the Premier (Mr. Filmon) between the co-ordination between one minister and the other. We have numbers of questions on federal, provincial and municipal infrastructure programs. Where are all the programs at, what does it mean for the people? Are we going to see another program shortly or are we going to see a program just announced before, dare I say it cynically, the next federal election campaign. It seems to me that these tripartite programs make sense on an ongoing basis. I remember we were trying to work with the former federal minister responsible for these programs, Mr. De Cotret when he said no to it, and I was glad that the federal Liberals promised it, but I think the logic of doing it, the logic of having a federal-provincial program, municipal program is inescapable, and we have a number of questions about that.

We support the provincial government's position on a gas tax rebate from the federal government to the provinces to deal with the road situation. The double whammy on transportation here in this province of pooling of the Crow rate changes is too much already for our roads; the weights that are on those roads are creating significant damage to our infrastructure. We need help from the federal government who, as I say, has withdrawn from their responsibilities under rail transportation and has put nothing, literally nothing in place as a transition strategy or a long-term strategy.

We have a number of questions about the continuing erosion of population growth through emigration, and we will be raising that under the federal-provincial section of these Estimates. Education: we have a number of questions about the involvement of the minister's advisory committee in the decision making of the government and the tax burden on property taxpayers that has developed particularly after a period of time that the Premier (Mr. Filmon) has obtained a majority. We have seen a massive erosion, we think, of

support for public education and its impact on the taxpayer here in Manitoba.

We have a number of questions and concerns about the flood of '97, but also the former floods in western Manitoba in previous years. I believe '95 we had flooding on the west, and we will have questions about flooding situations in Manitoba. I was surprised we did not have a statement today about any current potential flooding challenges that we would have. Obviously, we wish the people in eastern Canada or central Canada, for that matter, well as these rivers swell in Quebec and in parts of eastern Ontario and New Brunswick. We certainly trust that those citizens that are going through some of the trauma that Manitoba's citizens went through are adequately protected and have adequate federal-provincial programs to allow them to get back on their feet.

* (1500)

We have questions on Child Benefit and a number of other federal-provincial issues, the Pan Am Games, we want updates on that issue in terms of these Estimates with the Premier (Mr. Filmon), and a number of other matters that we feel are important. These are just some of the questions that we will be raising along with others. The member for the Interlake (Mr. Clif Evans) has a couple of questions specific to his constituency, but those are some of the issues we want to raise today and give you an alert to your staff that we will be in turn raising them as we proceed with these Estimates.

Mr. Chairperson: We thank the Leader of the official opposition for those remarks. I would like to remind members of the committee that debate on the minister's salary, item 1.(a), is deferred until all other items in the Estimates of this department are passed.

At this time we invite the minister's staff to take their places in the Chamber.

Mr. Filmon: While the staff are coming in, if I could just ask for clarification, if the Leader of the Opposition prefers to do as we have in the past and that is not go line by line but just continue to ask his questions, to have the exchange of information and then at the end put all of the lines to the votes.

Mr. Doer: Yes, that would be our preference as well.

Mr. Chairperson: Okay, then we will just pass it after we are done the questioning. We will just wait for the staff.

Is the First Minister prepared to introduce his staff members present at the committee today?

Mr. Filmon: Yes. If I may begin with the Clerk of the Executive Council, Mr. Donald Leitch; as well as Mrs. Karen Hill, who is director of finance administration; my chief of staff, Mr. Taras Sokolyk; and the cabinet secretary for intergovernmental relations, Mr. James Eldridge.

Mr. Chairperson: The item before the committee is item 1.(b) Administration and Finance, Executive Support (1) Salaries and Employee Benefits, but with the understanding of the committee, we will be open-ending the questions.

Mr. Doer: We have asked this question before about the salaries of all the staff. You have been able to table that. We have the copies of the Orders-in-Council but not all of them include specific salaries.

Mr. Filmon: I will provide the listing of salaries. I do not have the Orders-in-Council.

Mr. Doer: I have those.

Mr. Filmon: Oh, you do. Okay.

Mr. Doer: I try to keep track of them.

Mr. Filmon: All right then, this is a listing of salaries for the people who are in Executive Council.

Mr. Doer: Can the Premier indicate which staff under his responsibility are in the regular civil service pension, which staff have a separate agreement and which staff have an agreement on pensions beyond the civil service contribution level of 7 percent from the employers' contribution share?

Mr. Filmon: The only person who has a pension agreement that is beyond any normal contribution limits is the Clerk of the Executive Council whose contributions are the same as it has been for I believe the last five years or more, which was a \$13,500

contribution made on his behalf to a pension, an RRSP pension fund by the government.

Mr. Doer: Has any other staff since our last set of Estimates been approved at cabinet to have—I believe it was Mr. Benson, Mr. Leitch and some others that had the special pension payment. Are there any other staff that have been approved since our last Estimates on the higher rate than the—as I say, it looks like three different pension plans in the Premier's office, one is the special rate, the higher rate; the second one is a registered retirement savings plan in contract at seven and seven, which is similar to the MLAs, and the third one would be within The Civil Service Act. Is there anybody else that has been approved at Order-in-Council level to be on a similar level in the pensions?

Mr. Filmon: No, Mr. Chair.

Mr. Doer: In light of the fact that MLAs have gone through a public review on their pensions and it was deemed by the public, and I think successfully, to get rid of preferential pensions and go to something that is closer to the private sector, something that started in Saskatchewan, something that has continued on, was initiated in 1995 here in Manitoba, has there been any thought, given the public's views on our elected officials' pensions, that the pension plans for other senior civil servants would be changed consistent with what has happened to those of us who are accountable to the public directly as elected representatives?

Mr. Filmon: The Civil Service Commission does a review across Canada periodically to see how we stack up against others in the country. We are generally at or below the middle range of the types of levels of pension coverage, and certainly we would be at or below the middle range in salary levels with most of the provincial governments in Canada and certainly well below the federal government, so we have no reason to undertake a major review at this point since we do not seem to be out of step with the norm.

* (1510)

Mr. Doer: And of course we were not out of step with the norm before on our preferential pension plan here in the Legislature, but it did not mean to say that we would carry it on indefinitely. The public's view was

that the pension funds for MLAs and for cabinet ministers and those of us who were in other positions, elected positions, were wrong to have a pension fund that was so generous in light of the private sector pension plans, and so the logic of our staying on with what the federal government did was not what determined how we would change things. I would cite an example for the Premier.

I recall reading a minority report signed by Jules Benson on judges' salaries, which the majority report was signed by Mr. Green, I believe, and I thought it was kind of curious that he was writing this long minority report about preferential pensions when he was clearly in a position of having preferential pensions himself. Now, I do not know, perhaps it is useful that sometimes not everybody understands—in these arbitration cases there are these separate processes that go back to the Legislature—what is actually going on, but I thought it was rather ironic that somebody who himself was getting a pension plan that was beyond the level which the Premier was getting, who is underpaid relative to other premiers, and the Minister of Agriculture (Mr. Enns) was getting, who is probably underpaid and underworked compared to—or overworked, of course, compared to other ministers of Agriculture—I thought it was rather ironic that he was writing this minority report on behalf of the government, and yet he was arguing one way in the minority report and was actually himself getting a preferential treatment.

I have no difficulty. I had a report that the former Minister of Finance tabled on CEO compensation. I even stuck my neck out when there was a critical point of a CEO for a Crown corporation, the MPIC, getting a salary. I actually supported it, which is not necessarily politically popular, but I would rather have the salaries up front rather than the benefits being preferential.

Does the Premier not think it is difficult for the chair of Treasury Board to argue in a so-called independent process in a minority report one way and be clearly in the opposite situation himself?

Mr. Filmon: I think that all of us have to abide by a test of reasonableness as opposed to a test of what makes good politics. I know that the Leader of the Opposition and particularly his colleague from Thompson, who is mumbling from his seat, may try and

make allegations that they think will get them great political credit about people's compensation.

The one thing I do know about the individual that the member opposite has cited, and I might say that he is not on this list of Executive Council and he is not one of the employees of Executive Council. So we are essentially off my Estimates here, but I will respond to him by just simply saying that we are in a competitive environment, and there are special arrangements made to compensate people whom we expect to come to work for government, who have the talents and skills that we need. Even with and looking at the entire package for the individual that the member opposite has cited, his entire compensation package is still less than two-thirds of that which he was being paid here in Manitoba as a practicing chartered accountant, so you have to compare it to what a person's earning capability is or else you are not going to be able to get good people to come and work for government.

We made that same determination obviously in hiring, for instance, in the past, deputy ministers with specific skills. I know that the government, of which the member was a part in hiring a doctor for a specific role, would have to pay that doctor in some cases what he was capable of getting, even though it may well be beyond the range that the government provided for, and so contracts were entered into on a secondment basis to provide for some of the funding to come from the university in some cases, or some of it to come from other sources. People were paid well in excess of what the range would be in the normal compensation.

In this particular case, the total compensation package for the individual to whom the member refers is not out of line with somebody with the responsibility of being secretary of Treasury Board. I guess the best evidence of that is the fact that it is less than two-thirds of what he was earning in the private sector as a practicing chartered accountant.

Mr. Doer: I would note that the hiring of Mr. Benson was in a press release issued by the Premier. I would assume that the hiring and firing of the secretary of Treasury Board is the responsibility of the Premier. The recommendation to hire that individual rests with the Premier, and that is why I think it is completely within the jurisdiction of the Premier's Estimates.

I just keep raising this issue because, as the salaries go up in the provincial public service, and they are, particularly at the senior levels, I think that we should practise what we preach with the senior public service the same way we practise what we preach with ourselves. I just believe that the argument—I have always believed with the former government and when I had a brief tenure looking at these salaries and got a report written, which I think that some of the—and gave it—the former member for Morris was the former Minister of Finance. I always believed that the so-called benefits should be consistent with the rest of the public service and the salaries should be equal to comparable salaries in the public service to compete, and I still have not changed my mind on that. I believe that some of the perks that were available for Crowns in the past and senior public employees in the past in our government were wrong, and I said so in the report that we tabled and a report that was somewhat implemented by the former minister responsible for Crown investments.

I do think that there is a problem. Eventually there will be a problem with somebody representing the government saying one thing about one other group of professionals who will argue the same way, that we are two-thirds the salary that we could have got in the private sector, all these other arguments that you hear. You always hear these arguments, I could have got more in the private sector. There are lots of members of this Chamber who took pay decreases. Some people maybe did not, but there are lots of people over time who have taken decreases in salary. [interjection] What is that?

An Honourable Member: The member for Thompson (Mr. Ashton) certainly did not take a decrease.

Mr. Steve Ashton (Thompson): Oh, you want to bet? I was working underground at Inco and made more money than I did here.

Mr. Doer: Well, you are still continuing on Question Period here.

Well, I just think there are some people in this Chamber that have taken pay cuts, and some people have taken comparable pay from where they were before, and sure, there will be some people that got a

pay increase. I am just saying that it is really hard to send a representative out to argue against another group of people that is arguing the federal government and other provinces and then arguing against the pension plan if that person has a more generous pension plan than the people they are arguing against. I think you have a lot of gall signing a minority report when you are not practising what you are preaching yourself, and some day your representative is going to get caught at it. I just give you that advice.

Mr. Chairperson: Order, please. I hate to interrupt the member when he is in full flight, but could I ask members to refrain from having discussions across the way. It makes it difficult for me to hear the honourable member when he is putting forward his questions.

Mr. Doer: So I have given my view and I disagree with the Premier, and we will continue to disagree on the generous pension plans that some individuals have obtained from the Premier and cabinet, and we will just continue to disagree with the government.

In terms of the Health department, the Premier was quoted as saying last year the Treasury Board and he had believed that \$10 million would be saved in the privatization initiative of home care. Has the Premier revised his view on the privatization of home care? Does he now believe he was wrong in the House and wrong in the public to say we would be saving \$10 million with the privatization initiative that he obviously approved and was proceeded with in the '96-'97 and '98 year?

* (1520)

It is a fairly important item, Mr. Chair, and I would ask the Premier to state what is the present situation with the privatization of home care and what is the present analysis of the so-called savings the Premier alleged over the last couple of years.

Mr. Filmon: I would recommend that for more detail on this, the Leader of the Opposition do speak to the Minister of Health (Mr. Praznik) in his Estimates, which are going on concurrently right now. What I will say is that the \$10-million figure was the estimate that was provided to me by staff in the Department of Health.

Mr. Edward Helwer, Acting Chairperson, in the Chair

I have not seen any review of the trial that has been conducted with respect to privatizing some elements of home care within certain quadrants in the city of Winnipeg. That analysis is being prepared, and based on that analysis final determination as to our course of action will eventually be made.

Mr. Doer: Yes, the Department of Health provided the information, but the Treasury Board also reviewed the information and proceeded with a recommendation. In fact, we tabled the Treasury Board document. Did the Treasury Board review the assessments of the Department of Health and conclude that the \$10 million could be saved, proceeding to a private profit home care system in the four quadrants of Winnipeg as initially proposed by Treasury Board?

Mr. Filmon: Mr. Chairman, I have not been on Treasury Board since 1993, so I could not answer that question.

Mr. Doer: Well, does the Treasury Board still report to cabinet?

Mr. Filmon: The only thing that happens to cabinet is that there is the minutes of Treasury Board come to cabinet as part of a normal process, Mr. Acting Chairman.

Mr. Doer: The government and the Premier (Mr. Filmon), who likes to be accurate on his numbers, went around for two years saying we are saving \$10 million with proceeding to the privatization of home care. I would assume that the Premier did not just—we think that they just grab the ideological proposal out of thin air because it was obviously contrary to their own advisory committee. It was contrary to even Connie Curran, whose other recommendations they have implemented. It was contrary to most other recommendations that had been made to government, as I say from their own appointed advisory committee, from Dr. Shapiro and others, so where did the Premier get the \$10 million from, and it could not have survived in the Department of Health, I would think, without the Treasury Board providing the overview of whether the numbers were accurate and proceeding with the recommendation that we tabled in this House to

proceed with the privatization of all four quadrants. Surely Treasury Board, which reports to the Premier (Mr. Filmon), to cabinet, would have reviewed these numbers.

Mr. Filmon: Like every committee of cabinet, Treasury Board does report by virtue of the Chair, sitting as a member of cabinet, and the minutes being approved on a regular basis. I will say that the information was provided to me, as it would have been to Treasury Board by the Department of Health, and I would assume, since the member opposite has said that he has seen the copy of the Treasury Board approval, that the Treasury Board did think it was a valid number. I assumed it to be a valid number, which is why I used it in public responses, Mr. Chairman.

Mr. Doer: In December of 1997, the new Minister of Health (Mr. Praznik), the third Minister of Health under this Premier (Mr. Filmon), said that there are no savings in the privatization of home care. The Premier has said he has not seen any review of home care yet. How would the Minister of Health know something that the Premier did not know about the so-called savings of money in the home care privatization initiative?

Mr. Filmon: I am sure, Mr. Chairman, that the minister would be privy to work in progress, information that was not yet formally assembled for presentation to Treasury Board or cabinet. I have certainly not seen anything of that nature. The member opposite makes some sort of issue of the fact that I have had three ministers of Health during a 10-year period in office. I do not know what the comment is related to. I know that during the Pawley years in office, time when he was sitting on this side of the House as a member of cabinet, that there were at least two Ministers of Health, Mr. Desjardins, and Mr. Parasiuk, so I do not know what the relationship is to having three ministers of Health in 10 years.

Mr. Doer: Well, the relationship is only the one was going gung ho to privatize and the other one is going gung ho to stop it, and I want to know what the numbers were, and I want to know what process is taking place, so I would ask the Premier (Mr. Filmon), is the Minister of Health (Mr. Praznik) saying that they are going to stop the privatization in the city of

Winnipeg? Is he saying that without cabinet approval, or did he have approval of the Premier?

Mr. Filmon: Mr. Chairman, this matter has not been brought to Treasury Board to my knowledge or to cabinet. The only thing that I heard the minister say was that the evaluation was taking place and he had the impression that there were not savings to be made, but I have not seen any document that details that.

Mr. Doer: So is the Premier saying there is no final decision on the privatization of home care in the city of Winnipeg?

Mr. Chairperson in the Chair

Mr. Filmon: Mr. Chair, the member would have to ask the Minister of Health for that, and I do repeat that he is sitting in another room undergoing his Estimates review, and this is an appropriate question for him.

Mr. Doer: Well, you are the head of government and I am assuming that you ultimately make the final decision about to proceed with privatization of the telephone system, with privatization of home care. If the government is going to reverse its position on home care, I assume that you make the decision, that the Minister of Health would recommend to cabinet, and you chair cabinet, is that not correct that you will make the ultimate decision?

Mr. Filmon: I am surprised that the member opposite who has been in government does not know that the process is that some decisions are made by cabinet and many, many, many decisions are made on the basis of delegation of authority to ministers and departments.

Mr. Doer: So if the Minister of Health wanted to privatize all of home care tomorrow, he could do so without your approval?

Mr. Filmon: We are playing games here, but I will play the game with the member because he obviously does not have anything better to do, Mr. Chairman. The fact of the matter is that significant public issues generally are discussed, and I would consider this to be a significant public issue, but I have told him I do not know at what stage in the process it is, so he cannot try to put words in my mouth by saying it is or it is not

being privatized or it is or it is not being cancelled. I have told him it is a process that was talked about when the decision was made to put out certain elements of home care for bids in certain quadrants of the city of Winnipeg. It was said that we will put it out, we will evaluate it based on the results that we have, and based on that evaluation, we will make a decision as to what we do in the next step. That is exactly the process that is taking place, and I have not seen the evaluation and I have not seen a recommendation, and I cannot give him any more information until I do.

Mr. Doer: Well, thank you very much, then, the Minister of Health's statements in December 1997 do not carry the approval of the Premier and the cabinet. He is just speaking, so to speak. Controversy comes up, he takes a position, Mr. Chair, and this is what we are trying to determine, because we know the Premier approved the original plan, and we know that he also stated it would save \$10 million. In December of 1997, the Minister of Health then said the experiment did not work and we were not saving any money, and therefore we are not proceeding to maintain this private contract.

* (1530)

We are not trying to play a game; home care is not a game to us. The proceeding to sell off assets and staff contrary to the wishes of the public, contrary to the wishes of the patients, contrary to the wishes of the Manitoba seniors organization, contrary to the advice of the Manitoba advisory committee, this is not a game to us, these are real flesh and blood decisions that affect real people. So we want to know where it is at. We want to know whether the department and the Minister of Health is just off making a glib statement somewhere, and we think we see the Minister of Health doing that from time to time. In fact, I could cite chapter and verse. We want to know whether it is a real decision or whether he is just flapping his gums, so to speak, because he is asked a question by a reporter. I want to know where it is. We have asked this in Question Period before. We want to know what is the state of play.

The Premier is saying there is no final decision made on the privatization of home care here in the city of Winnipeg, and that is contrary to the public statements made by his Minister of Health in December of 1997.

So I would assume that the Premier obviously has the authority to make the statement and that the Minister of Health does not have the authority to make the statement. I think I have already got my answer, that he, you know, sees a microphone, makes a statement, and that it does not necessarily reflect the decision of cabinet. I also know well enough—and the Premier says being in government—that you are supposed to get approval for what you say on major policy issues before you say it, from the person who is running the government. People that tend not to do that over a long period of time tend to get themselves in a little trouble.

Mr. Filmon: May I just say, Mr. Chairman, that the member is playing games in the way he is trying to twist words. He put on the record two items which I believe to be false, saying that we sold off assets and we sold off people in the home care area. Both of those statements are false. It is game-playing on his part. He has been told by me and by the Minister of Health that the final evaluation is not in; it is in the process of being done, so he need not put words in the mouth of the Minister of Health either about that. He also should not imply that somehow ministers who make determinations in government or make statements in government are always in a position where they are subject to censure by their Premier.

His former leader, the former Premier, used to say that he had absolutely no control over cabinet, that all he was was one vote in cabinet, something that I thought was a shocking statement, but that was the statement he made. So he should not go and try and portray these kinds of things as being heavy-handed. He knows the process, that certain decisions come to cabinet, certain policies come to cabinet, other things are devolved authority to ministers and to departments, and it has been that way in the past, it remains that way today, and for the definitive answer to his question, the only person he can go to for it is sitting in another committee room right this very minute prepared to answer it I am sure.

Mr. Doer: We believe the buck stops here on these issues, and that is where we will ask the question. Is the Premier saying that no home care equipment has been sold off by his government since he became Premier?

Mr. Filmon: I cannot answer that question because I am not sure what he is referring to. I am sure the Minister of Health (Mr. Praznik) could give him a better answer.

Mr. Doer: Well, the Premier just finished saying I made a false statement. I think the Premier should do his homework before he makes statements like that because he just then said he did not know. How could he say I made a false statement if he does not know? You know, he has had a bad day. I do not know why he has had a bad day, but why he could say that—will the Premier then undertake to take as notice the fact that his government has in fact sold off home care equipment, privatized home care equipment, and will he come back to the House and confirm that and apologize for his statement about my making a false statement?

Mr. Filmon: Mr. Chairman, I have had a great day. We were out at the bear pit with the Manitoba Association of Urban Municipalities, and I thought had a good two-way dialogue with representatives of municipal governments in the province. There was half the cabinet and myself there for what I thought was a very stimulating session. We were out at Bristol for the announcement of 225 additional jobs out there and the expansion taking place in our aerospace industry with a thousand additional service jobs attached to that. This has been a terrific day.

Mr. Chairman, the member is not specific, as always. He just sort of floats around the edges with a combination of half-truths and misinformation that generally he thinks makes it look very, very slick on his part. I am not interested in playing those games. If he wants specific information tell us what equipment he is referring to, and I will verify whether his allegations are accurate or not on behalf of the Minister of Health (Mr. Praznik), who is the person who should be answering those questions.

Mr. Doer: I will just verify that the Premier made a false statement, and I will bring back the information to show him that. He should be careful about making personal allegations like that before he has his facts.

Mr. Filmon: Did we sell any employees?

Mr. Doer: Beg your pardon.

Mr. Filmon: You said we sold employees. Did we sell employees?

Mr. Chairperson: Order, please.

Mr. Doer: If a person goes from a public job to a private job—

Mr. Chairperson: Order, please. Could I ask honourable members to wait their turn, and if they want to ask a question wait till they are recognized so we can get it on Hansard, please.

The honourable Leader of the official opposition, to conclude his question.

Mr. Doer: Yes, I have concluded my questions on home care. The Premier has said changes have not been approved by cabinet, and we accept that as the present state of play contrary to the Minister of Health's (Mr. Praznik) public statement.

Can the Premier indicate the present situation with the Winnipeg Health Authority? The former Minister of Health signed, under the Premier's obvious approval, an agreement with the faith-based institutions. It was in the period of time that the government was bringing through all kinds of controversial legislation, the sale of MTS contrary to their election promise. Obviously, they were feeling some pressure from the faith-based institutions, and they signed a memorandum of agreement in October of 1996. It had very specific responsibilities for the government and very specific responsibilities and authorities for the faith-based institutions.

Over the last six months, we have been debating a new Minister of Health who said that he could not live with the responsibility signed off by the former Minister of Health in the area of who is the employing authority. It seems to me in listening to faith-based institutions that they feel that the government, the present Minister of Health was renegeing on an agreement that the former Minister of Health signed off.

Can the Premier please indicate whether they will be honouring the agreement of October 1996 or will they be attempting to change that? The date of WHA coming into play was April 1, 1998, which is already close to a week old, and on Wednesday it is a week since the new program was supposed to begin its responsibilities.

Mr. Filmon: I listened to the chair and the CEO of the Winnipeg Hospital Authority give various interviews this past week. I personally met with some of these individuals, along with the Minister of Health, along with representatives of various boards, and I know that matters are under discussion. The meeting that I attended certainly was a cordial one, and there was an agreement on all parts to try and pursue an amicable resolution to the differences that have been aired publicly on this issue. This was certainly over the past 10 days, and so I could not tell the member specifically where things stand. Again, I think the Minister of Health could probably give him the most recent update on that.

* (1540)

Mr. Doer: Will the Premier be instructing the Minister of Health to moderate his position that he has taken in the House—the Premier has heard him in the House—a position that the WHA must have all the hiring-firing authority, which is contrary to the document signed by his previous Minister of Health? Will the Premier be instructing his Minister of Health to honour the spirit and the wording of the previous agreement as a starting point to negotiate the new direction of the WHA, or will it be the reversal that was articulated in this House by the Minister of Health that will be the prevailing direction that the Premier provides to his Minister of Health?

In other words, is he telling his Minister of Health to live by the spirit of the agreement that was signed, which is contrary to what he was saying in this House, or has the Premier ordered the Minister of Health or suggested to the Minister of Health that he step down a bit from his position articulated in the House in the last three weeks?

Mr. Filmon: My hope, and I know it is shared by the Minister of Health, is that we can find an amicable resolution and a reasonable resolution to the differences

that appear to exist between some of the faith-based institutions and the WHA and Manitoba Health. I believe that there are a number of areas that can be looked at. It is a complicated issue. The member opposite knows that it, to a large extent, involves attempting to work through a minefield of employee relations, that involve different bargaining units, that involve many different employing authorities, and a need to co-ordinate program delivery for the betterment of those who need the health care services provided in our hospital system.

So, under those circumstances, all of us hopefully want to have this matter resolved to the best advantage of all those who rely on our health care delivery system in Winnipeg. I just believe that we have not found or have not explored all of the possible ways that we will see that come to an amicable resolution. Although, from my discussions within the last 10 days, listening to some board members, it seemed to me that we were not far off a resolution. I just say that I remain optimistic. I am sure that the minister will show the required flexibility to have an amicable resolution to the differences.

Mr. Doer: Can the Premier explain why the Order-in-Council dealing with the special supplementary funding to Health was not available to the public until two days after the budget, notwithstanding the fact that it was passed or signed by government weeks before that, and all the other Orders-in-Council that were signed at the time were released publicly save this one?

Mr. Filmon: My understanding is that the Minister of Finance (Mr. Stefanson) explained all of this in the House, that the Order-in-Council was passed and was held for a matter of days until the Minister of Finance could announce the additional funding in conjunction with release of the quarterly financial statement. That took place, and it then became available, but the Orders-in-Council are then sent out, mailed out weekly. It was not until the next mailing of Orders-in-Council that it got mailed out, so it certainly was not any deliberate action. It was just a normal process of how the paper flow works.

Mr. Doer: The Minister of Finance stated on March 10 that he did not withhold the Order-in-Council; somebody else did. I want to know who did it and why.

Mr. Filmon: The minister is correct, I am informed. He did not hold it. It was held for his announcement with the release of the third quarter financial statements. At that time it was publicly announced the additional money having been allocated to health care, and then it became available. It was just a matter of days, and it is the normal requirement that those Orders-in-Council not be released until the ministerial announcement which did take place, and it is done by the paperwork section of Executive Council. But there was certainly nothing deliberate or sinister in the process. It was a normal process of being held until he had an opportunity with the release of the third quarter financial statement to be able to announce it and highlight it. Then it flowed from there. It was just a matter of days.

Mr. Doer: The third quarter statement was released Friday, a week before the budget. I want to know then why on Monday, which would have been March 2, why was that Order-in-Council not released and why was it held till March 9?

Mr. Filmon: I am informed that when the Minister of Finance announced it publicly on the Friday, from that point forward it was available in the Orders-in-Council office for inspection by anybody. It then did not get put into the mail until after it was bundled with the Orders-in-Council from the Wednesday cabinet meeting, which would have been the 4th probably of March and probably received in the Leader of the Opposition's office then in the mail on the 9th, but had he or any of his staff gone to ask for it, subject to the Minister of Finance's announcement on Friday, they would have been able to access it.

* (1550)

Mr. Doer: Our staff access Orders-in-Council on a regular routine basis and this Order-in-Council was not available on Monday the 2nd. It was not available until after the budget on the 9th. It was interesting in terms of the dates of what was announced, and I think we believe it was withheld. We believe that the government wanted to get a \$100-million headline out on their budget day for new funding for health care. We know that in a fiscal year if you increase the amount of money you spend in the given fiscal year it should give you added benefits and added services

within the fiscal year under which it is being added to, therefore it does not mean \$100 million in extra or new money in terms of the base for the '98-99 budget. It means that the money that was allocated in the '97-98 budget, the money that was allocated during the year in supplementary spending authority, and therefore the difference was under \$5 million in terms of what will be real money over what was spent or approved to be spent both in terms of the budget and also the Supplementary Estimates.

Many other health care people out here are saying that we have a crisis already at the existing level of funding by the provincial government, that the cuts that have been initiated by this Premier through essentially two Ministers of Health but partially due to the first Minister of Health in '92-93, put on hold after the by-elections in '93, '94, '95 and then accelerated after June of 1995 have in fact presented a real crisis in health care across Manitoba.

We have many programs that have been paid for by taxpayers that are closed down because of lack of staff, a lack of authority to run various technologies, run various equipment, run various programs. We have a situation where people are very, very worried about their health care, and they tell us they no longer blame the former Minister of Health or the previous Minister of Health or the existing Minister of Health.

The one common denominator is the member for Tuxedo, the Premier of the province. It is quite different than what we used to hear about: oh, it is the former member from Pembina and he is responsible, and therefore he is the one to blame, and everything will be fine now that they have changed the minister. People are no longer telling us that. This is from the public right across the province. Does the Premier feel that the, quote, new money in the budget is going to adequately deal with the present crisis in health care, and the situation which I find unacceptable of patients in the hallways, elective surgery being cancelled and cancelled again, citizens having to go to Grafton, North Dakota, for some of their diagnostic tests if they have the means, and situations I am sure he is hearing about that are unacceptable in terms of the standards under which Manitobans would expect in terms of health care services?

Mr. Filmon: Firstly I want to assure the member opposite that we do not ever assume we can pull anything over the eyes of the opposition. If so, why would the Minister of Finance (Mr. Stefanson) have released that third quarter statement and put that information on the record? It triggered the response that the member opposite gave on budget day. He had that information. It was made public to him, so if we had wanted to hide anything we would have delayed the release of the third quarter financial statement to deny him that information, but nobody was attempting to withhold information.

With respect to the areas that he has identified as areas of critical need, those are precisely the areas that we identified as a government and a cabinet some months ago, and additional funding was lined up to be put in place to address those. In some cases the funding was able to be utilized. In other cases, because of an inability to move programs effectively with the system of seven different acute care hospitals and nine different hospital institutions in the city of Winnipeg, those kinds of transfers either of program dollars or of people were not able to be effectively done.

We are disappointed, for instance, that we were not able to get the waiting list down as rapidly as we would like to in areas of hip and knee surgery, the orthopedic side of things, despite the fact that we put funding in place for Grace Hospital to accelerate the numbers of people they took. It was not able to be done, because doctors were not willing to move their patients over to that institution for the operations. They were content to remain waiting on other institutions for the available time for operations.

Many of those allocations that have been made will reduce waiting lists. I am confident of that for diagnostic purposes, for surgical treatment, for all those things, more money will reduce that. Many of the dollars that were allocated will require a considerable length of time in terms of staffing up beds for people to provide additional medical beds and other things to take some of the pressure off our emergency and intensive care units. Those are things, again, that from the time that dollars are allocated till the effect is felt in the system, we would like to believe would be a matter of just a few weeks. It certainly is evident that it takes months for that impact to be felt. The one thing we can

be confident about is that the money is allocated in this year's budget and is allocated for the entire year of the budget so that the expenditure can take place.

I do not think the member opposite could make the case. I certainly could not make the case that by putting money in at the end of a budget year that you are going to have an instant impact, in five days you are going to get that money flowing through the system. But we have to, because of the budgeting system, recognize that you cannot transfer it out of an existing allocation that might be underexpended. So your only hope of making the impact is by adding some money to the area to try and get more money being spent in these other critical areas. That is what we had to do.

In the end, I would think that comparing dollars spent last year versus dollars spent this year, we will be very close to that hundred million-dollar mark, despite what the member opposite wants to say, because the money this year is in for the entire budget year and will give an opportunity, I believe, for physicians, surgeons to do their work and people to get their diagnostic treatment and more bed allocation, more bed space allocation, other things to be done within the system. At the end of the day—we can have this debate next year—I am confident that the dollars allocated will result in many of the issues that he has identified being able to be better addressed in this coming year.

Mr. Doer: The government promised a considerable amount of capital in March of 1995. The federal budget with the health care cuts over the two years was delivered at the end of February 1995. The Minister of Health at the time, the former Minister of Health, said that these capital announcements would proceed in spite of—in fact he said it twice—in spite of the federal government reductions. The Premier also stated when he made his infrastructure announcement, most of which was for capital for Health, that these decisions would proceed in spite of the federal government cuts. Then the government put these decisions or these commitments on hold for three years.

Does the Premier feel that he misled the people of Manitoba when he made his promise, and does he feel that he directly has had a major influence on the families and neighbours and friends of people who are suffering with lack of privacy, with lack of decency in

our hallways and in our health care system as a result of his manipulation, if you will, of public commitments that he made before an election campaign which he cancelled directly after one?

Mr. Filmon: No, Mr. Chairman, I do not feel I have misled anybody. I feel that the member opposite and his colleagues continue to attempt to mislead the public when they speak of cancelling, because in fact when we made the commitments we made it for the coming term of government and a term of government is up to five years. Our government had to delay in the first years of our mandate some of the construction, but as he can see, that construction is proceeding now very dramatically, and we have more money being invested in health care construction than we have had for a long time.

Most of the commitments that we made, if not all of them, are going to be addressed, and the ones that are not going to be addressed are going to be ones that because of further investigation and recommendations by regional health authorities, may have had to be reconsidered as maybe not the most appropriate investments to make now that we look at things on a regional basis. That is only reasonable I think for us to examine each and every one of those decisions, but certainly the big ones that I know of, some of the reconstruction at Health Sciences Centre, the Cancer Research and Treatment Foundation, the Boundary Trails, Brandon and so many of the personal care homes that we have announced and the conversions of hospitals, those are all proceeding, and I believe that at the end of a five-year term as we look back we will see that we have kept our word and we have done what we said we were going to do as we campaigned in the last election campaign.

* (1600)

Mr. Doer: So the Premier feels he bears no responsibility of freezing those capital decisions that he made in March of 1995, that the freezing of these decisions has had no impact on line-ups in health care systems across Manitoba over the last three years, that he bears no responsibility for that reversal of position that these capital projects would proceed and he has frozen those decisions for three years. Has this not had a major impact on the waiting lists across this province,

and does he not bear some responsibility for the situation?

Mr. Filmon: We have not frozen these things for three years. The pause in the health care construction budget ended more than a year ago when we made the announcement and commitment to the Cancer Research and Treatment Foundation. We have since made other commitments as he knows and, as I said, the commitment to all of those projects did not have a schedule saying that they would be done in '95, '96, '97. It said it would be done in the next term of government. That is precisely what we are engaged in with a very major capital expenditure program that will construct the facilities in accordance with the commitment we made to the public.

Mr. Doer: The Minister of Health (Mr. Praznik) has said over and over and over again that if there were more personal care home beds available there would be less line-ups in hospitals and more appropriate use of beds. So who is telling the people the truth? The Minister of Health, who is saying that this government has not proceeded with enough personal care home beds over the last number of years and because of that we have major line-ups in our acute care hospitals. He is saying that. The Premier is saying a three-year freeze is actually a pause and it has had no impact on the line-ups. I dare say that if, zap, you are frozen for three years in terms of hospital beds with an aging population, this is going to have a major impact on patient care services here in Manitoba. Why will the Premier not take the responsibility of saying one thing in March of 1995 and saying another thing in May of 1995 and it having a major impact on families and communities here in Manitoba?

Mr. Filmon: It is an interesting position the member opposite takes. He referred to a study that was released in I believe it was 1989 or '90 that said that Manitoba was short over 500 personal care beds at that time, a situation which we obviously inherited from his government, because that is the situation that prevailed. I believe the study was released in 1990. So we were behind 500 beds at that time. We have added, in the space of 10 years that we have been in government, close to 1,000 personal care beds, and we are still behind some 500 beds. What that says is that we have had a deficiency of personal care beds that goes back

all the way through his time in office, and we are finally in a position where financially we can catch up on some of these deficiencies that have been left for us, despite having been reduced \$240 million a year in transfers from Ottawa.

Mr. Doer: The Premier did not answer my question about his three-year freeze.

Mr. Filmon: I did answer your question.

Mr. Doer: No, you did not.

Mr. Filmon: We were 500 behind when we took office and we continue to be 500 behind.

Mr. Chairperson: Order, please. Could I ask honourable members to put their comments through the Chair. It will help the decorum. If we start getting carried away, I know where we are headed.

The honourable Leader of the official opposition, to put forward his question.

Mr. Doer: He is having such a bad day, I cannot believe it.

Mr. Filmon: You are having a bad day?

Mr. Doer: No, I said you are. I hope you get a good night's sleep tonight.

Mr. Chairperson: Through the chair.

Mr. Doer: Yes, the report that the Premier refers to, has the Premier read it?

Mr. Filmon: I have not read it recently. Obviously, it was released in 1990, but I know I have seen references to it since then.

Mr. Doer: I think the Premier should read it before he comments on it because he will find that it is a prediction of how many beds we will need over a period of time. He may find the reading of it—
[interjection]

Well, you closed, and contrary to the—I mean, we have a Minister of Health (Mr. Praznik) and his

government running around saying, if the opposition party, if the member for Kildonan (Mr. Chomiak) can find any beds, he would gladly open those beds tomorrow. Of course, he said, if you can find any beds, I, Mr. Praznik, will open them immediately. I will wave my magic health care wand and sprinkle a little dust all over them, and they will immediately open up, and I challenge the NDP health care critic to find those beds.

Well, I do not know what planet the Minister of Health (Mr. Praznik) was on when he made the statement, but we knew that part of the eighth floor at St. Boniface Hospital has been closed down by this Premier prior to the opening up of any personal care beds that were needed. We know that there were sections in Misericordia closed down. We know there were sections in Seven Oaks Hospital that were closed down. We know that beds were closed down all over the province.

I have been in Swan River and gone to the pediatrics section of Swan River Hospital, 22 beds are closed down, and the little children that are in that hospital are congregated in two adult beds in the acute care portion of the hospital. I have seen the little babies in that room, four of them in a room, stuffed into this room by this Premier through his action in Swan River with people down the hall that are in terminal situations.

So, unlike the Minister of Health with his glib comments, Mr. Chair, we know that you have closed down beds. Now, not only did we find beds all over the system, the media went out. One of the media members, I believe CKY, went to Seven Oaks Hospital. All you have to do is ask the janitors. Maybe the Minister of Health can spend less time with his own press clippings and talk to the janitors in the hospitals. They can tell you what is happening with every bed. They can tell you the 800 or 900 beds that are closed down by his government in this city. They can walk you right across the river and show you where beds are closed down.

So, when the Premier says, we did not close down beds, he is being as out of touch as his own Minister of Health. You did close down beds. If this Premier wants to have a tour of the health care facilities of this city and places like Swan River, I could show you

where the closed beds are. Obviously, his Minister of Health with his statement, show me the beds and I will open them, is out of touch with what is going on. It sounds like the Premier is equally out of touch. He walks around with his comments, his Orwellian comments like we had a pause. It was a three-year freeze. It had a major impact on patient care services all across this province.

He also reversed some of the requirements of how capital projects will start. He did not announce in the election campaign this so-called contribution program which had been met by places like Oakbank. I mean, the tumbleweeds are blowing by the sign out at Oakbank that the former Minister of Health, Mr. McCrae, and the former Minister of Telephones, Mr. Findlay, put up. They put up with great fanfare in March of 1995, they put up future home extension here in Oakbank. Well, the tumbleweeds are blown by that sign for three straight years after the Kiwanis Club, I believe it was the Kiwanis Club, raised the money that they were told would have to be raised. So you did not tell the people that you were going to freeze things for three years. You tried to say it was the federal government's fault for a while, but the dates are off. February of 1995 was the federal government's budget; March of 1995 was your own budget; March of 1995 was your own election promise. Those election promises are blowing the same way as these tumbleweeds are out at Oakbank.

* (1610)

So why does the Premier not admit today that he did close down acute care hospital beds, and can he tell us how many acute care beds he closed down?

Mr. Filmon: Mr. Chair, of course our discussions earlier were on personal care home beds and now he has turned to acute care beds, and those are statistical numbers that he will obviously want to ask the Minister of Health (Mr. Praznik) about.

Mr. Doer: Well, I can tell you what the statistics mean to people. I have been in some senior citizens' homes recently, at town hall meetings all across the province, and the people say to me, we have paid for those beds with our taxes over the last number of years. We have paid for the staff to be trained to operate those beds.

How can we pay for beds that are lying empty in facilities at the same time our friends, our family members are lying in hallways? It does not make any sense to people who have paid their taxes to have supported beds being constructed in hospitals and to have those beds closed down before there is any other transition plan and any other beds to meet the needs of the medical patients.

So it comes back to the broken promise of the Premier of three years ago when he promised personal care beds and froze it. Does he not agree with the logic of people, the common sense of people outside of this building, that say why should we pay for a bed and have it lying empty while our husbands are lying in the hallways day after day after day? Does the Premier think that makes sense for the people, and does he think it makes sense in terms of taxpayers' dollars being spent for what they are intended to be, and that is to have people in beds in rooms, not in hallways through our various facilities?

Mr. Filmon: Mr. Chairman, of course I do not want to get into all of the political rhetoric with the Leader of the Opposition. He is welcome to make those speeches next door with the Minister of Health (Mr. Praznik). I do know that I have plenty of clippings that I can recite to him, if he just wants to get into a political free-for-all here, of all the bed closures that took place under Minister Larry Desjardins or under Minister Parasiuk under the NDP. He knows that the health care system is changing and he knows that it is—well, in fact, if you read the headlines from 1987, that was far worse in terms of the chaos under the NDP than it is today.

Reality is that the system is changing because there is a huge change in the way in which we deliver health care today. All across Canada—you know, even 10 years ago you used to do two-thirds of your surgery on an inpatient basis. Today it is two-thirds on an outpatient basis. When we took office, you did not even have any CAT scans anywhere other than in Winnipeg. You did not have them as you do today in Brandon. You did not have dialysis anywhere outside of Winnipeg. They could not get it in Brandon or Thompson or Dauphin or Morden or Ashern or any of these places that we are putting dialysis into. You could not get a mammograph outside of Winnipeg. Now we not only have it in several different locations

within—in fact, it was only at one place in Winnipeg—now you get it in several different places, you get it in either rural communities. You have two rural travelling mobile units that are going to be going out from now on.

All these things are huge improvements being made, and of course all of these are designed to allow people—you have now three times as much money being spent on home care as it was 10 years ago, and that means that people are living longer and healthier and in better circumstances in their home and the system has to change.

It is absolutely unbelievable that the NDP believe that you can just simply get stuck in reverse and want to keep everything going the way it was before in the face of all this new technology, in the face of all this new and better approach to medicine of being able to keep people living healthier in their communities, with better supports in their communities, support services to seniors, all these things, and all they want to do is the way they did it before in 1987, which was a disaster and which everybody said was.

I will bring back my clippings for tomorrow if he wants me to read how bad it was under the NDP. I think it is absolutely foolish that he can go and try and make the case here that all of a sudden it is just because we are making changes that all these things are bad. The fact is that the system does need change. Everybody who works in the system acknowledges it. Only the NDP do not believe it.

Mr. Doer: Well, I welcome the Premier to bring his clippings back. Maybe he could bring his clippings back being critical of taking 100 beds across the whole system and converting all of those beds, not closing them, converting from inpatient beds to outpatient beds. This Premier, as Leader of the Opposition, the beds were not even being closed down. The beds were being converted to out-surgery through '87-88, reducing the waiting lists dramatically in most health care facilities, and the Premier's election promise in '88 was, I will not close any more beds down.

So you bring those clippings, because you were, Mr. Chairperson, the person who proceeded to make a

ridiculous promise. We were converting beds, not closing beds—there is a difference between the two—from inpatient to outpatient surgery, 100 beds that I can show you, the beds and what hospitals they were and of course the Premier's promise in '88, and you bring that clipping along. I will not close—read my lips—I will not close any acute care beds down. So you bring all the clippings, including your own, and we can take a look at them.

We certainly have always initiated change in health care. The original medicare program which was fought against by Tories was, of course, initiated by the NDP. Home care was initiated by the NDP, nonprofit home care. In fact, the last couple of years, what change have we seen? We have seen the government initiate the Connie Curran report saying they are not going to do it, then initiate it in terms of staffing. We cannot hire any staff back in Manitoba. We have seen the government spend a year of our energy to close down every emergency ward in the city of Winnipeg, save one, and close down other emergency wards across the province.

So we wasted a year on something that came out of San Francisco, I heard, in terms of closing down the emergency wards. Thank goodness Christmas was there, because then we had to open it up. In 1996-97 we spent over two years, and we still have not got it concluded, with the government proceeding to privatize home care. Now that is not going forward. That is going backwards. That is going back to a period of time that was prior to a universal health care system, and it is going back to the original concept developed by Ed Schreyer, a program that was the first and best in North America.

So you bring your clippings along, bring your own words along, your own read my lips I will not close any acute care beds, because when we were converting beds to out-surgery, in fact, one little, small, 15-bed ward in each hospital, Concordia and Brandon and all these places, were converted to out-surgery beds—the Premier (Mr. Filmon) was running around as Leader of the Opposition, the sky is falling, the sky is falling, and it was really just a sensible move of conversion into the out-surgery.

* (1620)

Let the Premier not invent something that he criticized in terms of out-surgery and day surgery. You know, when this government has brought in useful and helpful programs, we have actually applauded them in health care and some of the initiatives in mental health. We have made some statements that have been quite positive, but when you start going backwards and backwards and backwards to a two-tier health care system where some people who have the means can go to North Dakota to get their diagnostic tests, I think the bells should be going off.

I think this Premier (Mr. Filmon) is out of touch. I think this Premier has become absolutely out of touch with what is going on in average communities and average families, and I really believe that over a period of time that is what happens to you when you get out of touch. You only want to believe what you are told, but I would suggest to the Premier that he is out of touch on health care. He is radically out of touch on health care, and to try to reinvent himself as the creator of out-surgery and day surgery when he was, in fact, critical of it, I find rather curious.

But moving into 1998 and 1999—I am sure the Premier and I can go back to 1987 and 1988. It will not mean anything to the public. The public are interested in what is going to happen in 1998. They are interested in what is going to happen to their own families that need health care services. The people that are getting cancelled in elective surgery are worried about their health care system next day, next week, next month, and that is what they are worried about. They are not worried about the Premier and I playing duelling clippings like some kind of out-of-touch political automatons in terms of pointing fingers at each other.

So I would like to know from the Premier what is the state of play of the so-called lab centralization proposal?

Mr. Filmon: Mr. Chairman, again, I do want to correct the record. The member opposite says that the Conservatives opposed medicare. In fact, hospital insurance was brought into Manitoba by a Conservative government in 1959, and medicare was brought into Manitoba by a Conservative government in 1969. Just as well for the record, home care was started by the VON in Manitoba in the late '60s. My colleague the

member for St. Vital (Mrs. Render) was one of the administrators of that program in its fledgling state. So the member can try and take what political credit he can. It may show a lack of anything else he can take credit for, but he should at least keep the record straight.

His question was with respect to lab services. He will have to ask that question of the Minister of Health (Mr. Praznik). He would have that right at his fingertips.

Mr. Doer: There are many people who feel that the government was starting at the wrong end of the lab challenge, that proceeding with, again, the hospital lab services as opposed to the privately owned labs was a backwards way of going and to proceed with just one centralization without the other, the savings would not be there.

There was an announcement of the government that they were proceeding with looking at two firms. Has there been any policy decision by cabinet on lab services in the city of Winnipeg? Have the surgeons of Winnipeg been consulted on the implications of any decision making on surgery in our hospitals?

Mr. Filmon: There has been no cabinet decision, Mr. Chairman, and the question about surgeons in consultation should be asked of the Minister of Health (Mr. Praznik).

Mr. Doer: Can the Premier indicate the status report on the social framework agreement with the federal-provincial government?

Mr. Filmon: As I indicated in my opening statement, it is a matter that is under negotiation and discussion now. The Minister of Family Services (Mrs. Mitchelson) is our lead minister for those discussions. She has the resource support of the Cabinet Secretary for Intergovernmental Relations, Mr. Eldridge. She has, I think, on occasion, one occasion at least, taken the Minister of Finance (Mr. Stefanson) with her because of the specifics of financial issues that were on the table, and they are still working towards a deadline that was set by premiers in December, a deadline of June/July for attempting to come up with some agreement.

Mr. Doer: Can the Premier indicate what is on the table, what Manitoba has proposed for this agreement? What is our position going in to these discussions, and is there consensus from the western provinces?

Mr. Filmon: Basically, the position that we take, and I would say to you that it is a unanimous position—in fact, it is one that is supported by every premier of every political stripe—and that is that the federal government has to in the future involve the provinces to a much greater extent in the discussion of all social programs across Canada. We agree that the federal government can and should ensure national standards prevail, but we also believe that, as we are developing new programs, we have to be able to take into account the fact that they may come into—well, firstly, that they will be coming into areas of sole provincial—sorry, this is for programs that are in areas of sole provincial jurisdiction under the Constitution. So, where the federal government is intending to come into those areas, and given that their support for health is now down on a cash basis to about 15 cents on the dollar and, even including the tax point transfers of the late '70s, is still under a third of the cost, the provinces should have a much greater role in the development of these programs. The provinces must be consulted as to how they are going to be implemented, because if, just as a for instance, the federal government—the unanimous position again of premiers of all political stripes is that the federal government should not go into new programs until it has restored its funding to the existing programs.

I am sure the member is as surprised, shocked, and outraged as I am at the position that the federal government is taking, which is that their withdrawal of almost \$7 billion from transfers to the provinces, which amounts to \$240 million a year to Manitoba, has had no impact, no negative impact on the health system, and further that both the Minister of Finance and the Prime Minister are quoted as saying that hospitals are not underfunded, that they are doing just fine. These are just outrageous statements that I cannot believe that they would make, but we are suggesting that they have to put the money back into those areas that we know have critical needs, get the waiting lists down, make sure that we have sufficient beds to look after people in critical care need, and all of those kinds of things. Those are areas of operations that have to be addressed

by having more federal money in it but, if they are going to look at new areas, then we certainly want to be a part of that.

The objectives for negotiation of a framework agreement on our social union are as follows: firstly, a set of principles for social policy that include things such as mobility and monitoring social policy outcomes; collaborative approaches to the use of the federal spending power; thirdly, appropriate dispute settlement mechanisms between governments so that it is not a unilateral decision of the federal government as to whether or not they want to impose a penalty or a sanction against the government, that these things should be based on a proper dispute settlement mechanism that involves both the provinces and the federal government; also, clarifying ground rules for intergovernmental co-operation and identifying processes for clarifying roles and responsibility within various social policy sectors. That is what the framework of discussion is.

* (1630)

That is Manitoba's position. We are obviously very interested in maintaining a strong federal presence in these areas that involves being able to set national standards, but we also want to recognize that when the federal government is only contributing 15 percent on a cash transfer basis and less than a third on a total funding basis, those who are responsible for delivery and are best able to tell the stories directly to the federal ministers, who are not in direct contact on a delivery basis with these services, that we count for something in this whole mix.

That is, as I said earlier, the unanimous position, not only of all governments and premiers but, regardless of political stripe, there is no difference in our position to the federal government on this particular matter.

Mr. Doer: Does that mean that the principles under the Canada Health Act are on the table?

Mr. Filmon: Absolutely not.

Mr. Doer: Can the Premier indicate how much money the federal government is withdrawing from Manitoba on the basis of private health care in Manitoba?

Mr. Filmon: I am sure that the Minister of Health (Mr. Praznik) might have that answer at his fingertips. I will have to take that as notice and bring back the information.

Mr. Doer: As I recall, a health report recently indicated that Manitoba had one of the largest increases—the largest amount of money withdrawn by the federal government to a province was in Alberta. Manitoba was not obviously the highest in terms of private health care, but its increase was one of the highest in terms of provinces.

Can the Premier also indicate the amount of money the federal government has assessed to Manitoba and what the progression of that has been? Has it been going up or is it going down in terms of the private health care system?

Mr. Filmon: I would say that, firstly, our philosophy and our approach to this has not been different than that which was taken by the New Democrats when they were in office. There were areas of, for instance, I think it was cataract surgery in which a tray fee was charged and that continued to exist under our administration.

There were some areas that may have even involved dental surgery, and that was an ongoing thing in which a facility fee was charged. The biggest area of change has been in, and I am operating from memory and I could stand to be corrected, but it is in the Pan Am clinic where certain procedures of surgery were being done. The member opposite I know is a very good friend of the doctor in charge of that clinic and knows that this really is not, in most people's judgment, an abuse of the medicare system but an example of just how medicine is changing and how certain procedures that could only be done in hospitals are now being done in clinics. The question becomes whether or not doctors can charge separate fees for the ability to do this probably faster, more efficiently, and maybe to the greater benefit of the patient.

These things are all still under discussion. Of course, the problem with this is that it is a one-way dialogue. The federal government takes the money, and then says you go prove your case; prove to us that we are wrong. It is a frustrating thing for all governments, and we

would like to get away from this kind of top-down, pound-on-the-head approach that the federal bureaucracy can take on this. That is why we want to have something in place where we can sit at a table and make a joint decision as to whether or not this is in the best interests of the public and the patients.

That is the area I think in which there has been some growth, because it has been a relatively new activity involved in that particular clinic, but I will try and find as much detail. I really would urge the member to get that information from the Minister of Health (Mr. Praznik) rather than forcing me to go through hoops and channels to come here and bring information that is sitting with the staff and the Minister of Health in the adjacent committee room right now.

Mr. Doer: I understand that it may be available in one department, but it is a matter of federal-provincial affairs, in my view. Given the dispute was between province and the federal government on its application, I certainly want to see what they are doing and how that is proceeding. Is this matter on the table then with the federal-provincial committee on social framework?

Mr. Filmon: It is not specifically on the table. It is not our objective to somehow take away any powers from the feds, but I believe that when we contemplate a dispute settlement mechanism, it is contemplated to take care of this kind of thing where both sides can sit down, make their case and have a joint decision as opposed to a top-down federal government order being issued in most cases even by the bureaucracy as opposed to even policymakers. So that is the kind of thing that, yes, we would like to get at in this process.

Mr. Doer: Last May the Prime Minister, as Leader of the Liberal Party, promised to introduce a national home care program in Canada. Can the Premier indicate where that is at in terms of the federal-provincial affairs in this? Obviously home care is delivered by the provinces. Can the Premier indicate where that is at?

Mr. Filmon: Well, not that we would ever turn down federal money coming into areas of provincial delivery of services, and home care is one of those areas that is why we are no longer on a 50-50 basis. It is a part of medicare that was not contemplated when medicare

was set up. It was basically hospitals and drugs and doctors. Hospitals and doctors basically was the formula. So as a result of that, the real growth has taken place in community-based services that are more appropriate to the care of our citizens. Certainly things like home care become a huge area of costs, over \$120 million in Manitoba this coming year.

Those kinds of things are areas that it would be nice for the federal government to contribute some funds to, provided that it did not absolve them of responsibility to put appropriate funding into the acute care side. So as a result of that, all of the ministers of Health I understand, certainly all the premiers, had a unanimous message for the federal government, and that was if you are contemplating putting more money into health care, firstly, it would require a great deal of work and a great deal of bureaucracy to try and put together a common program for home care.

As the member opposite probably knows, Manitoba is regarded as having the best home care system in the country. If you look at the various provinces, there are some pretty poor imitations of what we do in existence, and that would probably mean that either the national standards would be brought up to the Manitoba level or they might be somewhere below the Manitoba level, and it would not necessarily be in our best interest to have all of this happen when at the same time we are being underfunded in the acute care side.

But that is aside from the fact that every single premier said if you have money to spend now, put it into the acute care system firstly, and then if you have money left over, let us sit down and talk about a new Home Care program, but do not put the cart before the horse. It did not matter whether it was a New Democrat or a Liberal, many of them spoke out as strongly as anybody to the Prime Minister and to Mr. Rock to say put the money into the acute care system now, if you have it, and then talk to us about getting involved in home care or Pharmacare or any other new program afterwards, if you still have money left over.

Their response was take it or leave it. If you do not want money, we are not putting any more money into the acute care system. That is not an acceptable response, and I think that the public pressure should

and will grow on them to address their responsibilities in the acute care side.

* (1640)

Mr. Doer: The Premier has partially answered the question on a national Pharmacare program. Is the Pharmacare program again announced last May in the federal election—it is no wonder the public gets cynical about election promises—you know, announced in the federal election, is that promise—where is that in terms of the federal government's announcement?

It looks to me as if they went backwards in the generic drugs issue. It looks like the Minister of Health lost a major battle on the generic drug side of it which is, of course, a loss to Manitoba on the industrial side. It is a cost to us on the health care side, and to compound all of these issues, they promised a Pharmacare program, and we do not see anything on the horizon after we heard it announced last year.

Can the Premier indicate the state of play of a) the generic drug issue; b) the situation with the so-called national Pharmacare program?

Mr. Filmon: I certainly agree and our government agrees with the position that the Leader of the Opposition and his colleagues take with respect to the national generic drug issue.

The federal government completely stepped back from that, and, in fact, we have met with people from the generic drug industry who show us the promises and commitments that the Liberals made in running for office back in 1993, and they have completely rejected and reneged on those promises. Mr. Rock obviously did lose in his battle with his cabinet colleagues. We know that this has been a detriment to the generic drug industry who wanted and were poised to invest further in Manitoba and are not doing it today as a result of the federal government's going back on their promises and their commitments in that area.

Similarly with respect to the Pharmacare issue overall, it is really in the same league as home care. We have taken the position with the federal government that the reinvestment in the acute care system is the No. 1 priority, and then we will sit down and talk about

home care or Pharmacare with them and welcome their dollars and participation in that area but only after they restore their funding to the acute care side.

Mr. Doer: Yes, and I have got a couple of questions, and then we have an issue in Riverton that I know the Premier has been involved in that the member for Interlake (Mr. Clif Evans) wanted to get on the table. I do not expect us to go too long tomorrow, but we do have some questions that may be more convenient to ask today in case the staff have to get information.

The whole issue of the Millennium Fund, what has been the provincial government's position on that, and has there been any attempt to move some of that money into the post-secondary education program generally, which has been again starved by the federal government, rather than have it into a separate program?

Mr. Filmon: You may recall that the premiers responded rather aggressively to the unexpected federal announcement of the Millennium Fund, because at the annual Premiers' Conference in New Brunswick this summer we set as one of our top priorities dealing with the student debt issue and the costs of post-secondary education. Health care was No. 1; this was No. 2. We got no response from the federal government. Typically, the way it works is that they are sent our communiques with our resolutions, and then eventually we have an opportunity to discuss them.

We got no response, but about five weeks later we got, out of the blue, an announcement by the Prime Minister that he was going to have this Millennium Fund. Premiers all took issue with that, saying: when we were urging a co-operative provincial-federal approach to this, why would you not at least have had the courtesy to let us know that you were going to consider this kind of thing and we might have had some ideas that would have improved the focus of the particular approach that you are going to take to making post-secondary education more affordable in the country?

At the time, Liberal Premier McKenna was the chair, and I know he very aggressively made that comment to the Prime Minister, as did every provincial premier. The Prime Minister was somewhat apologetic and

somewhat, I think, embarrassed at the fact that this had happened, and it seemed as though they were not even listening or paying any attention to what was coming out the Premiers' Conference. Since then, there has been some discussion about it. It was discussed in December, and we again reiterated that what we do in attempting to make post-secondary education more affordable for our students should be done on a complementary basis where somehow we agree that maybe we will each allocate funds to debt forgiveness or to bursaries or to interest reduction or any number of approaches that could be looked at, that they would be better done jointly.

There was a tacit agreement to that. In the end, the federal government in its budget announced certain initiatives, and we had to try and fit in our initiatives with their initiatives to be complementary rather than overlapping. It has not worked as well as it should have because the federal government has taken very much of a unilateral approach to this. We are still under discussion. As you probably know, the Premier of Quebec has taken umbrage at the intrusion into an area of provincial jurisdiction; that is the leading edge of his argument.

Having said that, we are not looking at it just from a matter of constitutional clarity or sanctity. What we are looking at is how do we best serve the needs of post-secondary students in the country, and we would certainly serve their needs better if we were able to complement each other by our initiatives in a federal-provincial manner. The matter is still under discussion, and I would say to the Leader of the Opposition (Mr. Doer) that we will continue to look for more federal co-operation and more input to it, but it appears as though they want this to be one of their legacies, and we are not likely to get any results out of the federal government on the Millennium Scholarship Fund as it is.

Mr. Doer: We will hold our Riverton question until tomorrow. Thank you, the Premier, for that answer. I also want to ask a question on the federal-provincial infrastructure program. What is the present situation with the federal-provincial governments on municipal governments on infrastructure? Is it dead for a long time or a short time, or what is the status of it? Is it

under negotiations, and can the Premier advise us on that?

Mr. Filmon: In recent years I have been designated as the lead speaker on the infrastructure issue, both from the National Highways Program perspective and from a federal-provincial-municipal tri-level infrastructure program. We believe very strongly that it is in everybody's interest to have a national infrastructure program.

* (1650)

We believe it from a variety of perspectives, No. 1, being that every study that is done, whether it is by the national infrastructure council or the heavy construction association of Canada, says that we have a deficit. The member opposite in his earlier remarks made reference to the fact that the removal of the Crow rate has resulted in a tremendous offload of traffic off the railways onto the road systems in our province and throughout the West, one that I think will only grow. So we have got that infrastructure deficit to deal with. It is unfair and unreasonable to expect that it should be dealt with by only either the provincial government or the two junior levels of government, especially unfair when you deal with the issue of the fact that they collect something close to \$200 million a year in fuel taxes off our highways and put not one nickel back in. A terribly unfair situation.

On the other side of attempting to convince them as to why it should be an easy decision for them, I brought to the attention of both Mr. Martin and the Prime Minister the fact that economic studies show that the federal government gets \$1 back in taxes for every dollar they put into the infrastructure program because somebody else is putting in two other dollars and so they are getting it back 100 percent basically in tax revenue. So it seems very difficult to understand their reluctance to go into another round.

I will say that I was optimistic prior to last year's federal election campaign. The Prime Minister had privately told me that he favoured an extension of the program, and all that happened was that we got a short one-year extension. Obviously that has not met the needs that we have or that any other province has. I know that it says in the communique that we issued

after the annual Premiers' Conference, the premiers agreed that provincial and territorial ministers of Finance and Transportation should review and report to premiers on guidelines, particularly with reference to future funding mechanisms, fiscal capacity, regional disparity concerns, the guidelines that we wanted them to develop on a new infrastructure program. I think the difficulty with it is that the Finance minister, Mr. Martin, is probably the greatest opponent of this in the federal cabinet, and yet we were asking Finance Ministers and Transportation Ministers to come up with an approach to this and he has been very adamant that he wants nothing to do with another infrastructure program. So it appears as though that is going to be a tough sell, but I can assure the member opposite, as I did the MAUM representatives this morning at their annual meeting, that I will be raising it again at the upcoming Western Premiers' Conference and the upcoming annual Premiers' Conference.

Mr. Doer: Can the Premier indicate the status of the municipal/provincial/federal gas proposals and what is the state of the original announcement that was made by the government? Can the Premier indicate the status report on that original announcement and how that is proceeding in the Interlake and the Parklands region in terms of gas for those communities?

Mr. Filmon: Our initial commitments to this came out of the first trilevel infrastructure program, and we chose it as a strategic priority for Manitoba. I might say that a number of other provinces have looked at us and said that they would like to do the same thing for their province, and New Brunswick and Nova Scotia are two that have talked to me about it saying that it is a great idea and they are looking at it for their provinces.

However, because there is no formal program or commitment in place, it happened to be a priority that we chose that allowed us to put some money in, and that has given us a jump on other provinces in terms of getting natural gas distribution into underserved areas. So some of those of course have been constructed with I think very positive results, and there are other areas that are looking at expansion. The Gladstone area is doing it on a co-operative basis. The Interlake area is looking at it either on a co-operative basis or with Centra, and there of course the federal government unilaterally announced that they had funding coming

from the WGTA offset funds, and we were invited to match those funds.

Similarly, I think there are some WGTA offset funds going in down around Hanover area, and again we have made commitments to match those funds. Similarly, there were some funds made available, probably from the WGTA offset for Swan River after the original project collapsed and the money was no longer available through our infrastructure program because it had been reallocated.

We are still working with all of these proposals. Our bottom line is it should be an equal sharing and matching funds federal and provincial on these areas plus whatever other funding is available. In some cases, because of the viability or the near viability, Centra Gas is expected to put in more, and in other cases they put in less depending in how the feasibility study works. Local municipalities put in money. Up in Swan River they have asked for funds from Louisiana-Pacific as an additional party to try to bridge the gap between what is available in funds from the federal and provincial governments.

All we are saying, though, is that we are trying to obviously minimize the costs to government to get this done, but we do not want the feds to be off the hook in terms of being able to access their funds. They have to match our funds at the very least. Whatever we are prepared to put in, they have to be prepared to fund, or else the project will not go forward. Local areas are having all their own debates and discussions, and the member probably knows that some municipalities have turned down the ability to access funds and service their areas. Others have decided that it is worth the investment. Our impression is that it has proven to be a worthwhile investment in the areas that have chosen to go for it, but at this point the federal government seems to be very much involved on an ad hoc basis. It has been difficult to pin them down to any long-term commitments to this program.

Mr. Doer: Can the Premier (Mr. Filmon) indicate where the Swan River infrastructure money was reallocated to? What project?

Mr. Filmon: It would not have been specific. There was \$60 million available in the first tranche, and \$60

million was ultimately used up. When Swan River indicated they could not be a part of the first tranche, they were left out of it. Then the feds came up with some money from I believe it was a WGTA offset, and we have allocated money out of REDI, which remains in place subject to the other funds being put together to complete the total package cost. I might say that the package has now changed because they missed the first window. They were going to source their supply out of Saskatchewan; they now have to source their supply, I believe, from south of there in Manitoba and at a greater cost than they originally were projecting. So that is what has delayed it and caused a reallocation, and the money that we now have on the table is greater than our original commitment for that particular reason.

* (1700)

Mr. Chairperson: The hour being 5 p.m., committee rise.

Call in the Speaker. It is time for private members' hour.

IN SESSION

PRIVATE MEMBERS' BUSINESS

Madam Speaker: Order, please. The hour being 5 p.m., time for Private Members' Business.

PROPOSED RESOLUTIONS

Res. 9—Sound Insulation Program

Ms. MaryAnn Mihychuk (St. James): I move, seconded by the honourable member for Wellington (Ms. Barrett), that

“WHEREAS Winnipeg is extremely fortunate to be one of the very few city airports operating 24 hours per day making it extremely valuable as both a centre for passenger and cargo transportation; and

“WHEREAS the Federal, Provincial and City Governments, as well as Winnipeg and the Winnipeg Airport Authority have all worked to increase the volume of air traffic using the Winnipeg International Airport; and

“WHEREAS all 3 levels of Government have made financial investments to increase use of the Airport; and

“WHEREAS with increased air traffic, there is a corresponding increase in noise levels; and

“WHEREAS there are no direct supports for the residents negatively impacted by airport noise; and

“WHEREAS such programs do exist in other urban areas such as Minneapolis, Chicago, Seattle, Kansas, Detroit and many other cities with 24 hour airports; and

“WHEREAS this type of program would have a number of benefits including the improvement of the residents' indoor quality of life, an increase in housing values and the creation of employment; and

“WHEREAS economic development must be sustainable.

“THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba request that the Provincial Government consider a residential noise reduction program for Manitoba.”

Motion presented.

Ms. Mihychuk: Madam Speaker, it is a pleasure for me to rise today to talk about a program which is a program that I have suggested the government investigate for the homeowners who are impacted by significantly increased airport noise due to the very positive developments at the airport. The Winnipeg Airport Authority has been very successful. Winnport has just negotiated a major trade deal with Asia, and the residents in St. James, my riding, are extremely pleased with the positive aspects of the development of the airport.

However, along with the business and the economic development of the airport is a certain responsibility on behalf of government at all three levels, and business I would argue, in a partnership to look at the responsible thing by providing some protection and some improvement for the homes that are impacted. It is not only in St. James that we have seen an increase of noise levels. It is also in Sturgeon Creek as well as Inkster ridings where the runways impact in those neighbourhoods.

We have seen some significant development in the airport, including some cargo transport companies. Purolator and FedEx have both moved in in the last year or two and have done some early morning scheduling where they take off in the early hours causing significant disruption. I have had numerous calls in terms of the air traffic in the early morning.

The idea of the noise insulation program was actually initiated at a public meeting where a local resident cited the American program whereby houses within a certain clearly specific defined decibel level, where the noise level is intolerable when they measure in that certain parameter, and that those homes would be eligible for certain retrogrades, certain upgrading. They include replacement of windows, some air-conditioning units, insulation, doors, windows, and there are specific home renovation or products that are particularly useful for noise attenuation. So the program has been extremely successful in the United States. They are all major cities with 24-hour airports to have such a program. I was able to then bring the program forward to the Minister of Finance (Mr. Stefanson) who asked for details. I provided him with an outline of the American program. I am not suggesting that we adopt it completely, but it may be a model for us to look at and get examples of. I know that Minneapolis would be more than pleased to have us down for an examination of their program.

The program was reviewed by the Minister of Finance and actually referred to the trilevel development agreement. The first phase of the money had been committed, and that organization referred it to the airport noise committee which is a group of people that meets to try to deal with airport noise complaints; however, they do not have the ability to make a program decision like this. In fact, it will be up to the members across the House, and we are suggesting that a unanimous endorsement of this program at our level would lead to also a concurrence by the federal and municipal levels. So it would be a trilevel program that would indeed help those homes and families that are being negative-impacted.

Now, Madam Speaker, I want for the record that the people of St. James are extremely supportive of the airport. Many of them moved there before the airport was further developed. They understand that. They

have lived with airports, airplanes for a long, long time, and there have been recent modifications to aircraft to actually reduce some of the noise levels, and there have been attempts to regulate the way planes land and take off that also minimize noise.

However, the overall impact, because of such a significant development in Winnipeg, is that there has been an increase of noise in the community. There are examples where pictures are shaken off the wall, china has broken, individuals are awakened at night, and I think that it is only reasonable to look at a partnership, a major economic development, we are hoping. Winnport is projected to bring in \$500 million, Madam Speaker, and create, I believe, 5,000 jobs. All hope that is going to develop, and we are very supportive of that. A small investment in the community is not something I think that we should turn our backs on. I am hoping that the members opposite will give it due consideration and, indeed, look to investing in our neighbourhoods.

Madam Speaker, the people in St. James are long-term members. Many of the people have lived there for 10, 20, 30, 40 years. Residents, I am sorry. I called them members of St. James. It almost is like a club when you live in St. James.

The homeowners in St. James have been there for a very long time, many of them. I think that this type of approach would not only help them in their personal lives in terms of dealing with the day-to-day inconveniences of that type of disruption, it would actually help in terms of the whole community because there is a significant concern that this development will have a negative impact, perhaps, when people wish to sell their homes, relocate, when they are looking at the property values in that area.

The City of Winnipeg had, I understand, a program which had a tax benefit. Unfortunately, the city pulled that program and it is no longer available for residents in the area. So I think it is indeed timely that we look at addressing this issue and do it in a fair and comprehensive manner.

* (1710)

The Winnipeg Airport Authority is a group of individuals from the city who have taken over the

airport, as we well know, and, Madam Speaker, I believe that we are projecting—and I have here in the minutes of the airport vicinity development advisory meeting of January 13, I believe, that the Airport Authority is projecting that they will have a very positive financial viability over the next five years, that the WAA is expected to have a strong financial position and projected to have earned a surplus, a surplus of \$33 million after the five years of operation.

Madam Speaker, what we are looking at is a program—and we have not done the detailed assessment but some projections estimate perhaps 400 homes that are severely impacted, that some would describe as would be like living on the runway, 400 homes, and if we looked at a maximum of a certain level in the United States, the refurbishing is up to a maximum level of \$5,000.

Madam Speaker, I think that overall budget of \$2 million given with enough preparation and detailed work, we are not looking at giveaways. We are looking at something that would be fair and reasonable and directed, and I think that would have a very significant impact on the families, the homes and the neighbourhoods in the vicinity of the Winnipeg Airport. Thank you, Madam Speaker.

Mr. Gerry McAlpine (Sturgeon Creek): I look at this resolution with considerable interest, because it is a topic that I have had a considerable amount of involvement with since I have been elected. I know that the honourable member for St. James (Ms. Mihychuk) may not have been around at that time in this Chamber when there were some real issues with regard to noise as far as the International Airport is concerned.

Let me begin by saying that we are extremely fortunate in this province to have the Winnipeg International Airport with its 24-hour operation and also to have Winnport, the people there that are the business minds and the people who are the engines that make the International Airport the profit and impact the whole community in that particular area, as well as the entire province.

The issue that I guess I have some concern with here, though, is that the honourable member is suggesting in

her resolution that we, as a government, take some responsibility for soundproofing and creating the environment that would enable the householders to have a more comfortable environment with regard to noise. I think that if we go back a number of years, we have already gone through this Madam Speaker. The federal government brought in a program and it was under an environmental force that was driving it at that time, and I think that was in the 70s. Any home that was built before 1959 was able to have all these things done: soundproofing, insulation; and the environment aspect of it were met, the standards were met.

Now, the member for St. James (Ms. Mihychuk) is offering something else. I am just wondering under what initiative we are going to do this, because from my point of view, a lot of those homes, every one of those homes, with the exception of a few homes that have been torn down and new ones being built—and they are built to a standard knowing full well the fact that, yes, there is airport noise there—so that those newer homes would have been built to that standard. And the ones who have had the opportunity to insulate and to soundproof their homes would have been able to have done that under the federal initiative that was done quite a number of years ago.

Madam Speaker, I think that what we have to do here, these people have moved. I am also involved in the real estate business and have been since 1974 in that specific area. The people come and they go. And yes, there are people that get annoyed sometimes. I get annoyed at some time with some particular noise, but I have accepted the fact and that is what everybody who lives in that area, accepts the fact that they are living next to an airport and there is going to be some noise occasionally.

In 1991, to give you some background, in terms of where I am coming from, in terms of what we were doing, my involvement at that particular time was, I got a call from a particular individual that was annoyed because of the flight path being changed. That was done under the direction of some committee that was set up at that particular time, and it was done with good intentions, to change the flight path to bear six degrees on takeoff on flying south or to go over the Assiniboine Park Forest or to fly over unpopulated areas, basically.

But when they made that decision to do that, they did not realize that bearing six degrees on takeoff that some days when the wind was 100 kilometres an hour coming down from the south, that their takeoff—they could be six degrees, they would be over Deer Lodge Centre, as an example, or even where they should be going straight out to Mount Royal Street, which is half a mile away.

Those are the things that I think that we have to do in terms of the management of these things. I think that over the long term of this the airports, the airlines are realizing that this is their bread and butter, and it is not going to make any difference whether we insulate and put windows on and those sorts of things, the aspect of the airplanes being less noisy. They are coming in; there is movement in that way to ensure that airplanes meet a certain standard by the year 2000. Beyond that, any airplane that is coming on and being used is going to be able to have those noise standards or meet that certain level.

You know, in my involvement as far as real estate is concerned, if you take a look at that area, St. James, Sturgeon Creek, anywhere where those flight paths are, there are two that are impacted in those areas. In Sturgeon Creek, in the Silver Heights area, there are about 1,200 homes in that area. They were built in the early '50s. Those homes have already been updated, and people have moved in there.

As a real estate broker, I have never had any problem in selling a home in there because of the air traffic. People will choose, will make their own decisions as to whether or not they are going to live there. They know full well that the airplanes are going to come and go. I think that from that aspect what I proposed to the people who are in the operation of the airport is to control the traffic that is coming in because if the wind is at a level of less than 10 knots, the airplane can land and take off in any direction that they want. My suggestion is that, okay, if they are coming in and the wind is under 10 knots, then fly them in, have them landing over the homes because when they are coming in, they are coming in a lot quieter than when they are taking off and have them taking off over the unpopulated areas, which is to the northwest and to the north. That can be done very easily.

I think it is a matter of management. I do not think we have to get into the matter of restructuring the homes in the area or whatever the amount is. The member with her resolution is talking about a tremendous bureaucracy as far as—she references the number of \$2 million. Well, I do not know where she came up with her numbers, but I will tell you, if you offer that initiative, there are going to be a lot of people that are going to be coming to the trough on these things, and we do not know where it is going to end up. How do you limit the number of people who have access to that? The standards, those are things that I think people have to take responsibility themselves, and they have been doing that.

* (1720)

You know, in thinking about the aspect of this program, I could probably go out there, and this could be my election fund for being re-elected in the Silver Heights area and the Sturgeon Creek area. The member for St. James (Ms. Mihychuk) could do the same thing. This is how ridiculous it is because that is all it could amount to. Yes, I have compassion for those people who live in those areas, but they moved there knowing full well. They knew when they moved there because the planes are coming and going, and I as a real estate broker, Madam Speaker, always tell the people, look, you are living next to an airport. Now, if you want to have some experience in terms of what it is going to be like, then come here at certain times of the day when the airplanes are flying and take advantage of that, and then decide whether or not you can live with that. If you cannot, then you go and find a home somewhere else, but you do not go and build a whole matter of restructuring homes in the area just because people want to take advantage of something that government is going to provide.

Madam Speaker, these are things that I think we could do an awful lot more in terms of helping and assisting these people in St. James and Sturgeon Creek or in the area of the airport. The member mentioned another area, the Inkster area, where a lot of those homes are newer homes, and they are built to the standards of two-by-six constructions and R-20 insulation. What more are we going to do with these homes, or what more can she suggest that we do with these homes?

The government is going to be put in that position to come up with these ideas, and it is a make-work project which is not uncommon for the members opposite to do that. Those are the things that they seem to come and think about. It really is amazing but I think that we have to look at things and what we can do as a government, and what I am saying, Madam Speaker, is that we should assist the people by enabling them and trying to have some awareness of what the issues really are, because I found that in my involvement with the people in the area, communication was a big factor there because they did not understand a lot of the things.

If the member were to look back, we have a tracking system at the airport right now, and that came in about 1993. I was very involved with that right from 1991 to 1993, having information nights within the area, covering the whole area over that period of time, and people coming and voicing their concerns about this, but once they understood what was going on and what could be done, they never talked about getting funding for insulation or improvement of their windows. They would be prepared to do that themselves.

I think that is really what I am talking about. Allow them to take some ownership of this. They moved there and I think that they accepted the fact that they are going to be able to have some of these things. It does not matter where you go, there is always going to be something, but they moved there. A lot of the people who live in that area, they work at the airport. They appreciate the convenience. There are a lot of nice homes, and a lot of those homes are in extremely good condition.

Now, the member for St. James (Ms. Mihychuk), I know in terms of some of the areas that she is on the eastern part of that. I just forget the runway that it is, but there is a concern there in some of those areas because on takeoff what happens is—and I suggest that there could be something there with the deflectors, with sound deflectors, because when they have to take off over to the northwest and are flying over the unpopulated area, there is a problem that they back up and they take a run at it. When they rev up the engines, all that sound comes over these homes, and sometimes with the airplanes that are taking off during the middle

of the night and things like that, I can understand how that can be a problem.

There can be deflectors put in there, and the airport says that, yes, they can do that. They could do that. They have not done it yet, but those are things that I think we should be looking at in terms of what the airport is capable of doing to create the environment that is neighbour friendly. I think that with the airplanes that are coming on track now, over the next five, 10 years, the working with the airport, these people are very cognizant of the fact that they have a problem with noise there and they have to have control of it.

So, Madam Speaker, I appreciate the opportunity to put these few remarks on the record, and I think that the honourable member for St. James (Ms. Mihychuk), although maybe her intentions are honourable, I do not think she has thought this resolution out very thoroughly, and I cannot support this.

Ms. Becky Barrett (Wellington): It is a pleasure to get up today and speak on behalf of the resolution brought forward by the member for St. James (Ms. Mihychuk). I was going to speak about the positives that are implied and explicit in her resolution and in her remarks earlier this afternoon, but I must respond to the member for Sturgeon Creek's (Mr. McAlpine) comments. When he says that perhaps the member for St. James has not thought this thing through carefully enough, I think he really means he himself has not thought these things through clearly enough.

In effect, what the member for Sturgeon Creek is saying is that these people, some of whom have lived in their houses for 30, 40 years, who continue to live in their houses, do not have the same rights that anyone in the city of Winnipeg had under the government's earlier program which allowed, if you had \$5,000 to spend on home improvements, you could get \$1,000 back. I fail to understand why it is okay for someone who has an expensive house in Charleswood to put \$5,000 into home repairs when this member for Sturgeon Creek says that communities should be neighbour friendly by saying too bad, caveat emptor. You knew what you were getting when you bought the house, so do not come to us asking for support, do not come to us asking to maintain your home's value so that when you sell it,

you get a fair price for your property, and the city and the province have access to tax money that they would not have had otherwise.

The member talks about how many of the houses in the area are new or have been renovated by their owners, and I would suggest that the member's statement, private member's resolution, does not speak to those houses. If the member for Sturgeon Creek had listened rather than having his preprogrammed responses all ready made out, he would have heard that there are 400 homes that are right on the flight paths. They are on the flight paths for an airport that is a 24-hour airport. These are homes that would be identified individually. Someone would go out from the program, if it were put in place, as happens throughout North America, identify what the problems are and what and if the home would be eligible for some ameliorating circumstances under this program, should it come into place.

That is not the same thing as saying everybody would get renovation work. Of course not. That would be ridiculous, and the member should know that. That is not what this resolution talks about at all. It talks about the fact that we as a community, through our support for a 24-hour airport that is located almost in the heart of the city, are asking residents who live there to undergo, on our economic behalf, very difficult situations where the noise level gets to be untenable.

* (1730)

I know many of us who have lived on the flight paths of airplanes, some to a greater extent and others to a lesser extent, know how uncomfortable it is every once in a while when the plane goes overhead. I remember being able to see faces in the plane as it came through this flight path over my house. It lasted maybe 10 seconds, and it was not a big deal. But, if you are right on the runways, you are not going to be able to say it is no big deal once or twice a day every once in a while when the winds are from the wrong direction. This is an ongoing thing. I think we owe it to those residents to say that we understand that this is a problem. We understand this is a problem not of your own making, because you bought your houses in many cases well before the airport became a 24-hour facility and, certainly, well before the concept of Winnipeg ever was

thought of. We all agree with Winnport. We all think that is a great idea. We all think that the WAA is doing a marvellous job, and if it can come up with a surplus after five years of operation or as they anticipate, this is great.

We know that Winnipeg has the potential for being a hub of international activity. We look at the potential of Winnport when it gets even further along, if it should, where it has an industrial component that will mean far more planes going in and out of the airport than even thought of now, and other runways perhaps.

It is remarkable that the member for Sturgeon Creek (Mr. McAlpine) and, I am assuming, the rest of his colleagues because nothing is said by members opposite in any of these discussion times in our private members' meetings that is not vetted at the highest levels, so I am assuming that the member for Sturgeon Creek is very bluntly and clumsily laying out his government's position on this situation, which will not go over well with the residents in St. James and Sturgeon Creek and other areas in the city that have this problem.

It sounds to me like the member for Sturgeon Creek thinks that this is something that only those social democrats, New Democrats would think up; that people have to learn to live on their own, bring up themselves by their own bootstraps and only in Winnipeg or Manitoba would this happen. Nothing could be further from the truth. Cities like Chicago, Seattle, Kansas City, Detroit and most other large U.S. cities have a program such as this, and I can tell you from experience virtually all of those cities had their airports originally on the far outskirts of the city. O'Hare, if you live in downtown Chicago, it takes you, on a good day, 45 minutes to get to O'Hare from the older part of Chicago. That is where airports were built.

Winnipeg's airport is built right at the outskirts of the inner city. I live 10 minutes from the airport, and I live in an older part of the city in a house that was built 75 years ago. That airport was always much closer to the built-up parts of the city of Winnipeg than the airports in the United States that have programs in place. In Chicago they have a program for people, for the houses of those people who built around O'Hare knowing far more than those whose houses we are talking about in

Winnipeg, that they were near an airport, that they were near a massive airport. Twenty-five, 30 years ago, 35 years ago, O'Hare, even then, was a major transportation centre for North America, and there were houses being built around at that time, even though at that point it was out further in the sticks and you could actually go through farmland before you got to it.

But those communities recognize the fact that people who live there need some assistance to have a quality of life that everyone else has the right to, and for the member for Sturgeon Creek (Mr. McAlpine) to get up and say that neighbour-friendly means no support from the provincial government is quite remarkable, but not at all unusual, either for that member or the government he represents.

It is not okay for the province to say we will help you maintain your quality of life and give you a little handout so that when you try and sell your house you will have a decent return on your home investment, and we as members of the province get some benefit from that too, some financial benefit.

No. No, no, no, we are not going to provide any assistance for these individuals, small in number, comparatively speaking. This is from the same government that Workforce 2000 was a major, major accomplishment, if you can call it that, of this same government. Bob Kozminski, golf courses—

An Honourable Member: Training cashiers.

Ms. Barrett: Training cashiers. It was a slush fund for the Tory faithful.

Some Honourable Members: Oh, oh.

Ms. Barrett: Okay, now that I have got your attention, let us talk about a half-billion-dollar slush fund. Let us talk about the sale of MTS. Thirty-five million dollars go to the brokers, who were also the advisers advising the government to sell MTS. A million dollars goes to the brother of the Minister of Finance (Mr. Stefanson) for stock options making him a millionaire. But, oh, no, we cannot put in place a program that would assist individual homeowners to have a quality of life around our airport. No, we cannot do that. That would not be prudent. But we will provide our friends with a slush

fund that they can dip into, almost at will, with absolutely—that Workforce 2000, there were no accountability criteria built into that money—[interjection]

Oh, and the Minister of Rural Development (Mr. Derkach), the Tory—[interjection]

No kidding. The Minister of Rural Development, when he was Minister of Education had his hiring authority ripped away from him by the Premier (Mr. Filmon), because he was so slimy in his hiring practices, is now saying individuals in the St. James area around the airport do not have the right to some assistance from the province of Manitoba. And perhaps, just perhaps, if something like this does not go through, there will be problems in the future with Winnport.

Does the phrase Rotary Pines ring a bell? What has happened as a result of Rotary Pines was that the government cannot build the kind of high-rise development they wanted to. But who knows, at some point if enough people get incensed enough about a situation like this, some of the big commercial airlines will say we do not need this. If we are going to be taken to court, if we are not going to have access, we do not need this. There are already instances where, because we are a 24-hour airport, planes have come in that should not have come in, that were not cleared for their noise level. So this is already happening.

In closing, Madam Speaker, I hope that the rest of the government side will take heed of my comments and the comments of the member for St. James (Ms. Mihychuk) and support this very positive idea. It is an idea that needs to be looked at very seriously and not just dismissed frivolously by the government opposite, who has a very bad record when it comes to supporting people in the province of Manitoba who are not in their back pockets.

Hon. Glen Findlay (Minister of Highways and Transportation): An interesting resolution, I would like to put a few comments on the record about. I will stick to the positive as opposed to stoop to the negative as the previous speaker just did.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

* (1740)

Mr. Findlay: I do respect the member in her resolution in some of the whereases, identifying the value of the airport to the city and the province, and the value of having commercial activity there involving passenger movements and cargo movements. Currently, we have approximately two-and-a-half million passengers a year going through Winnipeg Airport. That represents about 88 percent of the traffic activity there, and 12 percent of it is recognized by cargo activity. Clearly that is a category that is going to rise in the years ahead.

As we look at the history of transportation, whether it is rail or road or airports, there is always a noise created. Clearly the member talks about Winnipeg and residents of Winnipeg being affected by noise. But railroads run through every town, and they run through the heart of the town because the town was built around the railroads. Clearly the rail activity makes a lot of noise, but you do not hear too many complaints from those people. Clearly, high-volume roads create noise. I guess there is one way to say it: when you have noise, that is good news in terms of economic activity.

But clearly the issue with the airport is a big one, and the noise it creates is going to increase with the amount of traffic that is going to go through there, and there is a challenge to how you deal with it.

Madam Speaker, that is very well recognized by all the players involved in the airport. Clearly, the Winnipeg Airport Authority, which is very successfully operating the airport, does recognize it. They monitor the airplane movements, and they schedule them to try to minimize noise. I can tell you that pilots for the airlines and the management of the landing and takeoff activities of those airplanes is also taken into account, trying to keep the noise at a minimum.

Now I relate a particular incident which drove this point home to me. Approximately two years ago I was coming back to Winnipeg on an Air Canada jet, and the pilot asked me to sit with him in the front between the two seats as we landed, which is an interesting experience. It is a nonevent really; everything runs very professionally. But as we were approaching, the

pilot said to me, so you notice where we are turning, and I says, yeah, you are way out south of Winnipeg. I asked him, why are you turning out here? Well, he says, we used to turn right in tight to the airport, that was the cost-effective way to do it, but as a pilots' union, we have decided, we have said to our companies it is in our best interest as a company and as a pilots' association that we minimize noise by doing our turning activities away from the densely populated area, so that we can cruise into the airport without the turning noise activity overtop of the people.

I give them credit for that, but clearly the Airport Authority recognizes the conflict that might happen with people that does and will over the course of time. They are doing what they can within their constraints to respond to that.

But the biggest initiative that is going on that members opposite have failed to recognize—and this is the opposite way to deal with this problem, not to insulate the houses regarding noise—but the issue is reduce the noise of the airplanes that are taking off and landing.

What was originally the jet aircraft that was in use all over the world were called Chapter One aircraft: very little noise attenuation, high-noise volumes, particularly on takeoff. Currently we have such planes as Boeing 727, Boeing 737 and DC-9 jets, which some of you may think as older jets. They fall into what is called Chapter Two, less noise than Chapter One. Currently, we also have what is called Chapter Three, the modern jets, the A-320s and the A-319s, very quiet aircraft. They are called Chapter Three, which are manufactured with noise bypass to have much less level of noise. They are the predominant aircraft of the future.

Through Transport Canada we have regulations in place which are agreed to by the International Civil Aviation Organization that, currently, we have 50 percent of our jet aircraft in the Chapter Three category, which is the low-noise category, and 75 percent of the aircraft will be in that category by December 31 of 1999. It is a requirement agreed to by all players in the industry. By April 1 of 2002, 100 percent of the aircraft in use at our Canadian airports will be in the Chapter Three category. Now, that means new aircraft being manufactured with the hush kits or the noise

attenuators, and the old aircraft being retrofitted with the hush kits or noise attenuators as they are called. For a 737, I am told, it is about \$1 million to put the noise attenuators on, and that is responsible activity on behalf of the aircraft industry to minimize the noise of the aircraft coming to and from the airport, so that we can respect citizens underneath the airplanes to not have to be subjected to the level of noise that might have been the case in the past.

Clearly, the airport is of incredible importance and the members opposite talk about the airport being close to downtown. That is good for easy access, quick access. It makes it very important also that we maintain that strip west and northwest of the airport without houses out there so the airport has the ability to expand in the future. Clearly, we have a fair bit of air cargo movement, small cargo movement right now with Federal Express and Purolator, a lot of overnight traffic that is coming to and from the airport. In 1997, the average number of aircraft movements at the airport were 38 per night, and the night is from 11 p.m. to 7 a.m. Thirty-nine aircraft coming or going basically is 19 coming and 20 going sort of thing to make your 39.

But, Madam Speaker, I think the aircraft industry and the airport operators right across this country appreciate the noise problem. We as a government promote very strongly the increased economic activity, increased movement of goods, because that does drive our economy. At the same time, whether it is the federal government or the provincial government of Manitoba or the City of Winnipeg, we are all attempting in our various ways and means to be sure that the noise levels that were the case 20 years ago are not the case as close as the year 2002. Information I am given is that moving from Chapter One, the old aircraft, to Chapter Three reduces the noise level by 20 decibels, which is a pretty significant reduction in noise level, and I certainly commend all the players involved in achieving that reduction by the noise attenuators built into today's aircraft and to be put on the existing aircraft that are currently in operation.

Madam Speaker, it is a pleasure to be able to comment on this because there is no way in the world that we as a government or I think any member in this House wants to see the airport restricted in its ability to expand and operate. Other communities, cities that do

not have a 24-hour airport do not have the opportunity for the overnight cargo activity that we have here in Winnipeg, and it is important that we continue to maintain happening in Winnipeg. Winnport would have never happened here without a 24-hour airport, so it is important as we develop our guidelines federally, provincially and as a city that we respect that and work hard to keep the airport open. I hope that the citizens under the flight path respect those activities also, that there are ways and means to reduce noise with the Chapter Three activities that currently are underway.

I would not preclude a further noise reduction capability of aircraft in the future as new technology comes along, but between that technology that is used in the airports plus the management of the arrivals and departures from the airports, there are ways and means to reduce noise to make the standard of living of people around the airports much, much better. As I have mentioned earlier, I mean, we have all lived or have been in communities across wherever in North America where a train is tooting through in the middle of the night, blowing the horn. It does get your attention, and it probably affects your quality of life if you are not used to it.

Winnipeg has had the fortunate ability to have an airport that has developed and will continue to develop, and I think the management at the airport is very astute in terms of respecting the citizens around it and want to live in harmony, and that is why they have in place committees to allow input, to allow discussion, and I hope the member for St. James (Ms. Mihychuk) will appreciate that probably the better way to approach this issue is not to spend money on the homes but to require the companies that fly the planes to put the noise attenuation on. It does not cost the taxpayers money directly to do that, and it improves the quality of life for those people in the flight path of that aircraft.

Thank you, Madam Speaker, for the opportunity to speak on this.

* (1750)

Hon. Linda McIntosh (Minister of Education and Training): I am pleased to rise to place a few comments on the record regarding this resolution.

I was pleasantly surprised with the comments from the member for Wellington (Ms. Barrett) about the value of the Home Renovation Program we had in place a few years back when I was Minister of Housing. Although at the time the member and her colleagues were highly critical of the program, I am pleased to see that in retrospect she feels that that was in fact a good program that provided the opportunity for hundreds of families around this province to renovate their homes and to upgrade them with the very kinds of upgrading the member for St. James (Ms. Mihychuk) is advocating in her resolution.

The vast majority of houses that took advantage of that program were in fact the smaller, more modest homes and the families with lower incomes, and the statistics are there to show that. Perhaps the member for Wellington has not had a chance to read them to see that because she indicated in her remarks today that she felt that program was only for rich people in Charleswood when, Madam Speaker, the statistics show very definitely that they were very much taken advantage of by people who might otherwise not have been able to do those kinds of renovations.

That program was extended at great objection from the opposition. It was extended another year because of its popularity, because of the requests for it to be expanded at the time. We were pleased to do that in order to enable those citizens who had not taken advantage of it in the first year to take advantage of it in the second year. As I recall at the time, one of the reasons we extended it was because people, as the year went on, the first year, were only beginning to discover it.

We had then put in place some advertising to let people know the program was available. Again, that was severely criticized by the member for Wellington and her colleagues opposite, that we should not be advertising this because I think they were concerned, that they thought we were advertising it to make ourselves look good, even though what we were doing was putting out information through the department so people could take advantage of the program as they subsequently did then. The minute we began to advertise, more people did take up on the program to accomplish the very goals that the opposition now in their resolution say they want to see happen.

So I am pleased with her about-face, but I say she has come a little too late to the table to propose doing what we have already done, Madam Speaker. But I do accept her belated support for that program we had in place when I was Minister of Housing. I felt at the time it was a good program and was pleased to go and tour many of the houses that did take advantage of it, and many of them, in fact the majority, were of lower-income, modest homes.

So I address the point that was raised by the member for Wellington, and she spent some time on it. She spent a fair bit of time on it, not as much as I have spent responding to it, but, Madam Speaker, I also want to indicate that, of course, being a child of a search and rescue officer with the Royal Canadian Air Force, I spent all my life living at the end of a runway, and I can testify to the fact that many people who live at the end of a runway do not see noise as a problem, having been one of those people.

Also, Madam Speaker, for many, many years my husband and I lived on Collegiate Street in St. James when our children were young, and Collegiate Street, of course, is right next to Ferry Road. We were in a flight path, and the planes did not pose any problems for ourselves or our neighbours because we knew when we bought our homes, of course, that we were buying near the airport. In fact, we got a good price on our home because we were buying near the airport, and so did many of our neighbours.

So, Madam Speaker, when you go to look for a home location, people such as my husband and I who really had no problem with the airport noise bought a home on Collegiate Street knowing that we would experience that noise and knowing that because of it we would pay less for our home which we felt really was an advantage, and I think if the member takes a look at the statistics which is always a good thing to do before you put forward resolutions, she will see—the member for Wellington (Ms. Barrett) spent a lot of time talking about Chicago and trying to draw a parallels and comparisons between Winnipeg and Chicago. You could do the same with Toronto. Take a look at the number of noise complaints in those cities versus the number of noise complaints in Winnipeg, and you will see a huge discrepancy in the number of complaints that take place.

The airport was there before the houses were built. The number of complaints versus noise are not nearly enough to warrant any concern whatsoever about interrupting the 24-hour availability of the airport. In fact, even when there was the controversy over the Rotary Pines project, we had done some research at that point because we supported the Rotary Club and we supported increased seniors housing in St. James. The research that we did at that time showed that in that square mile between where the Pines would have been located and the airport, there were—I forget the exact number now, but it was many, many hundreds of homes, 458 apartments just between Whytewold and Moray, and of those there had never been a single complaint about noise. There were no vacancies in the apartments, there were waiting lists to get in.

If you take a look at who lives in the area, in that particular area which is the one I have done some quite intensive research on, you find a lot of people who work at the airport. The Pines was never built, but if you take a look at the people who had signed up for the Pines and see where they now live, they got on waiting lists for the other apartments on that strip of Portage Avenue, and most of them have been able to successfully locate in that area which is where they wanted to live. You will find retired air force people, retired aircrew people, retired land crew people, retired air traffic controllers, people who have spent their lives, their careers, working in and around the airport.

In the apartment building where my father lives, many of those, there are several ex-pilots living in his building. They actually sit on their balcony with the binoculars watching the planes come in and enjoy it very much, because it was so much a part of their life.

The new technologies in aircraft do mean quieter planes coming onstream. The routing paths that the Minister of Highways (Mr. Findlay) talked about do mean that the airlines themselves are conscious of reducing noise. I feel that given that we have had the kind of home renovation program the member mentions, ironically which they vigorously fought, that we have already done what the member has proposed. I ask: where were they when we could have used their support for something like this? The plain fact is they were not here. They were opposed to home renovation and could have addressed the very problem she is

putting forward. So I appreciate the abrupt about-face. I do not know why the abrupt about-face came about, but I do appreciate it, but I submit that we have already done that which she asked.

I also indicate, Madam Speaker, that those people purchasing homes in the area know in advance that they are purchasing homes on the flight path and do get a preferred rate on their homes because of it. Living as we did for all those years on Collegiate Street, I cannot ever remember a topic of conversation being that we needed help because of airplane noise. In all the years we lived there, I do not remember one conversation. Now, I do not know where the member lives, but I

warrant that she probably has not lived at or near Ferry Road, and I have. We still have many friends who live in that area. They have never raised a concern about noise to me. I think she should do some looking at the statistics—

Madam Speaker: Order, please. When this matter is again before the House, the honourable Minister of Education and Training (Mrs. McIntosh) will have six minutes remaining.

The hour being 6 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).

