



Fourth Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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The Honourable Louise M. Dacquay
Speaker*



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.
DRIEDGER, Myrna	Charleswood	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.
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STEFANSON, Eric, Hon.	Kirkfield Park	P.C.
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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.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 11, 1998

The House met at 1:30 p.m.

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Rail Line Abandonment

Ms. Rosann Wowchuk (Swan River): Madam Speaker, I beg to present the petition of P. Cayle, S. Peters, S. Ross and others praying that the Legislative Assembly of Manitoba request that the provincial government go on record requesting that CN and CPR do not proceed with any discontinuance of lines until the record has been tabled, that being the Estey Grain Transportation report.

READING AND RECEIVING PETITIONS

Rail Line Abandonment

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

WHEREAS affordable transportation is a critical component of grain production; and

WHEREAS under the Crow rate benefit, Manitoba was the cheapest place on the Prairies from which to ship grain but became the most expensive following the abolishment of the Crow rate; and

WHEREAS the Canada Transportation Act proclaimed on July 1, 1996, gave railways the ability to discontinue and scrap branch lines without public input; and

WHEREAS several lines were targeted immediately by CN for abandonment; and

WHEREAS CN gave notice on May 6, 1998, that the Erwood Subdivision will be discontinued in 1998; and

WHEREAS the loss of this line would severely impact upon the communities of Bowsman and Birch River as well as surrounding communities; and

WHEREAS in 1997, western grain farmers lost millions of dollars due to backlogs and delays by the major railways; and

WHEREAS as a result the federal government set up the Estey Grain Transportation Review which is scheduled to release a report later this year.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba request that the provincial government go on record requesting CN and CPR to not proceed with any discontinuance of lines until that report has been tabled.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Committee of Supply

Mr. Gerry McAlpine (Acting Chairperson): The Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

I move, seconded by the honourable member for Pembina (Mr. Dyck), that the report of the committee be received.

Motion agreed to.

* (1335)

INTRODUCTION OF BILLS

Bill 202—The Protection for Persons in Care Act

Mr. Dave Chomiak (Kildonan): Madam Speaker, I move, seconded by the member for Swan River (Ms. Wowchuk), that leave be given to introduce Bill 202, The Protection for Persons in Care Act; Loi sur la protection des personnes recevant des soins, and that the same be now received and read a first time.

Motion presented.

Mr. Chomiak: Madam Speaker, this private member's bill has been introduced largely in response and arising out of the situation that occurred at Holiday Haven and other potential situations in nursing homes. Basically the essence of this bill is that it makes mandatory the requirements on employees and others to report any kind of abuse in an institution. It also provides protection for employees and others who are employed in that institution from any action that may lie against them from management and others with respect to the reporting of that abuse. It is similar to legislation that is in effect in other jurisdictions, and given some of the circumstances that have occurred in the past in Manitoba, we think it will be a useful addition to the protection of people in care, be it personal care homes, hospitals and otherwise in the province of Manitoba and will be useful for those caregivers and others who are in those institutions. I look forward to its passage in the Assembly. Thank you.

Motion agreed to.**Introduction of Guests**

Madam Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the gallery where we have this afternoon fifteen Grade 5 students from Holland Elementary School under the direction of Mrs. Shelley Wallis. This school is located in the constituency of the honourable member for Gladstone (Mr. Rocan).

Also, seated in the public gallery, we have with us today the Honourable Robert Ssebunya, Minister of Health, Kingdom of Buganda, Kampala, Uganda.

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

ORAL QUESTION PERIOD**Community Colleges
Enrollment Rate**

Mr. Gary Doer (Leader of the Opposition): In 1990, Mr. Mauro chaired a committee dealing with skills training and development here in Manitoba. He

condemned the low enrollment in Manitoba community colleges. He said, and I quote: this is a tragic waste of human talent, and we have an increasing demand for skilled workers here in the province of Manitoba. He recommended that we proceed quickly to higher enrollment rates in our community colleges to meet the rising demands of skilled workers in our economy.

I would like to ask the minister responsible or the acting Acting Premier: why has the government not implemented the Mauro recommendations, and what has been the impact on young people and on the economy of Manitoba?

Hon. Linda McIntosh (Minister of Education and Training): The member is correct in that there is a growing demand for graduates from colleges. To that end, Madam Speaker, we have substantially increased our funding to colleges. The Council on Post-Secondary Education, in co-operation with college presidents and industry leaders, is working together with people from Industry, Trade and Tourism to help identify and speed up the process of producing certain high-demand trades that are growing very rapidly in our strong economy here in Manitoba.

We have, as well, a new apprenticeship model, which has been acclaimed widely throughout the province by all involved groups, that pledges to double the number of apprentices in Manitoba within the next three years. Many of those trades training, of course, take their class component in colleges, and those demands for skilled labour are again becoming ever increasingly prevalent as our economy becomes more and more strong in a very rapid way. Thank you, Madam Speaker.

Mr. Doer: Madam Speaker, after Mauro reported, the government took a Tuxedo chainsaw to the community college program and eliminated and cut some tens of millions of dollars in community college support. In fact, the number of people enrolled in community college has, according to the latest Stats Canada report, declined from 5.9 percent of kids between the ages of 18 and 21 here in Manitoba to 5.6 percent.

Other provinces, like B.C., have gone up over 15 percent; Alberta is over 18 percent; Ontario is over 20 percent. Why have you failed to implement the Mauro, and why do you have so many young people that want

to be trained and so many employers who need skilled workers? Why are you failing those people in terms of not implementing the Mauro recommendations?

Mrs. McIntosh: It is very theatrical to be dramatic and overstate your position, and that is done frequently on the other side. The fact is that a joint committee between Industry, Trade and Tourism and Education and Training has indeed been identifying and working with industry and people to ensure greater and greater enrollment in high-skill-demand occupations for training.

Madam Speaker, the member talks only about those up to age 21, knowing as he should full well that the majority of people entering apprenticeship training, for example, are in their mid to late 20s, just one statistic that he might want to add to his list to give an accurate assessment of how many people are interested in obtaining training for skills in the trades.

Madam Speaker, we are committed to doubling the apprenticeship training. We have substantially increased our funding to colleges, and I think if he talked more closely with some of the people involved in the colleges, he might see a different picture emerging than that which he cares to present today.

*(1340)

Mr. Doer: These are Stats Canada numbers on community colleges that show that some provinces in Canada are going ahead in terms of skilled training and some provinces are falling behind. Regrettably, this province is falling behind, and we hear it from young people who are waiting in lines every day. We hear it from employers who cannot get skilled trainers every day. What planet is this government and this minister on? They talk about drifting committees, Madam Speaker. What we need is some strong strategy to have a global economy that deals with a trained and well-skilled workforce, not the failure of the low-wage policy of members opposite.

I would like to ask the minister: in 1993, former Premier Duff Roblin reported to the people of Manitoba that we must double the participation rate in community colleges—the statistic that I quoted—within five years to keep up with the growing demand for skilled workers.

It is now five years. Has the government doubled that rate, or has it again failed the people of this province for the future economy?

Mrs. McIntosh: You know, Madam Speaker, I find it very interesting that when our apprenticeship announcement was made last month, to overwhelming acceptance by all facets of the community, with an intent to double in the next three years, which is entirely possible under the plans that have been laid down, having input in the design of that strategy from all facets of labour and management in both sides of industry, high-trades training, I find it ironic that at the time the members of the opposition had nothing to say because it was such a good-news story.

The other thing I find interesting, Madam Speaker, is that not one question on this supposedly important topic to them was asked in the Estimates of expenditures by the opposition. We had a brand new apprenticeship model; we had an intense increase in funding to colleges; we have a demand for high-skills training, and not one question, when we had time to explore it, was asked in Estimates on this topic.

So I say, Madam Speaker, that I question why this is coming forward at this time, other than a desire to be on the record in a way that implies they have a concern and interest in this topic.

Community Colleges Waiting Lists

Ms. Jean Friesen (Wolseley): Madam Speaker, the bottom line for young Manitobans is that in this province, community college enrollment is going down. Elsewhere across the country, if I can get this across to the minister, it is going up. It is going down here; it is going up elsewhere. The Minister of Education and all her many predecessors have in fact left us with a system which cannot meet the needs of young Manitobans and cannot meet the needs of employers.

I would like the minister to explain today why, at Red River Community College alone, there are over 880 people on waiting lists.

Hon. Linda McIntosh (Minister of Education and Training): Not accepting any of the member's

preamble as accurate and correct, I would indicate that if the member is talking about the current waiting lists at colleges, which I presume she is, as a person who says she knows a lot about education, she would know that at this time of the year the waiting lists are swollen because we have students applying for three and four different courses and programs, and they will take one of them and drop the other three once all the applications are in. So, at this time of the year, we expect to find swollen waiting lists. Then, as time goes on and people are accepted, those lists will change.

Those lists, of course, are traditional. There always is a swollen waiting list at this time of year. The Council on Post-Secondary Education and colleges use those lists as an indication of student interest. They compare them with the interest in admitting to the demand in the marketplace for those occupations.

Madam Speaker, this is not a new thing that she is talking about, but perhaps since she did not take the chance to ask questions in Estimates about this topic, she would not have a chance to know that.

Ms. Friesen: Madam Speaker, could the minister explain why Red River Community College alone has 99 students waiting for the computer training program, 45 waiting for cooks, 51 on a motor vehicle technician list, 47 pipefitters, 78 welding positions—each of those a high-demand occupation, according to the minister's own list. Why is that happening?

Mrs. McIntosh: Madam Speaker, obviously people are applying for those courses because they want to take them. That is the short answer to her question. The member may not realize—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Mrs. McIntosh: Thank you, Madam Speaker. What the member is probably unaware of is that the Council on Post-Secondary Education has approved funding to enhance many of those existing college programs, including computer technology, including health care aide, including geographic information systems, including swine technicians and some of the new demands that are coming on stream. They have others

under consideration as they review the expressions of interest by students and the market need that is shown compared to the numbers of students interested in taking part. As well, they check to see how many of those names are on three or four different lists, because we do know that students have traditionally and historically and still do apply for more than one program and then will drop off some once they have been accepted in one of the others.

So there are a lot of things that we use those stats for. I indicate, as well, that extra funding has been put into a lot of these programs in response to perceived and real need.

* (1345)

Government Initiatives

Ms. Jean Friesen (Wolseley): Madam Speaker, I would like to ask the minister to explain, because it is puzzling, why her government refused to accept Mauro's recommendation of a planning process to identify skills and education, why they ignored Roblin's five-year plan that was offered to them, and why, after two years of interim committees and transition committees and Council on Post-Secondary Education, the only plan that this government seems to have for the community colleges is a 68 percent rise in tuition fees to the year 2002.

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, the members opposite are always wanting to say that there is no plan and there has been no action, and that is wrong. In terms of colleges and—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Mrs. McIntosh: Thank you very much, Madam Speaker. Colleges moving to self-governance have, themselves, laid in place plans which have been shared with the Council on Post-Secondary Education. There is always a constant analysis of market needs at the college level, at the board level, which are now self-governing boards and—[interjection] Oh, really. This is unconscionable.

Working in partnership with the council, the council itself has been identifying, particularly with computer technology, where those high needs are. The money that we put into colleges has continually been increased. As well, not just with colleges, the council has also been in communication and partnering with universities on the need for things such as computer technology at a higher and more sophisticated level.

Madam Speaker, many of the member's assumptions are erroneous, and I do regret, and I must say again, that we had ample opportunity to go into intense detail on this in Estimates, and she did not ask one single question to indicate this now sudden brand new interest she has in colleges.

Introduction of Guests

Madam Speaker: Order, please. Prior to recognizing the honourable member for St. Johns (Mr. Mackintosh), with the indulgence of the House, may I please introduce a school that has arrived.

I would like to take this opportunity to draw the attention of all honourable members to the public gallery where we have forty-four Grade 5 students from Dr. F.L.W. Hamilton School under the direction of Mrs. Atsumi Odaguchi. This school is located in the constituency of the honourable Minister of Highways and Transportation (Mr. Findlay).

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

Crown Attorneys Resources

Mr. Gord Mackintosh (St. Johns): Madam Speaker, to the Minister of Justice. First it was the victims, then the prosecutors, law professors, even defence lawyers, and now the Associate Chief Justice who have publicly expressed frustrations and warned about this government's—that self-proclaims it is tough on crime—lack of support for Prosecutions.

Would the minister, who said just last month that the government has consistently provided the Crowns with the resources that they require, tell us what it takes for a reality check for this minister?

Hon. Vic Toews (Minister of Justice and Attorney General): I can point to a very concrete example of the support that this government gave to prosecutors by increasing the number of prosecutors substantially as a result of the Lavoie inquiry, and that process is proceeding. Indeed, other supports have been provided to the prosecutors which are being put in place through the review. In respect of the correctional aspect, we are in the process of building a maximum security unit, and this government continues to be very, very supportive of the Urban Sports Camp Program, which we have just recently announced the opening of a new one in West Broadway.

Mr. Mackintosh: After that answer, would the minister tell Manitobans what is it: did he in fact know about the real state of this government's anticrime efforts but hope to rely on cover-ups, denials, the latest being his denial of what prosecutor Ed Sloane said: you are setting trial dates in January 1999, or does he just not know what is going on?

Mr. Toews: Well, Madam Speaker, that is a very interesting question. I have here a letter from his colleague the member for Burrows (Mr. Martindale), who addresses the Director of Public Safety, talking about our Crime Watch program, saying: it is my understanding that the rural Crime Watch programs have been very successful in rural Manitoba.

I would indicate that, again, that is one program where we have demonstrated, even to the satisfaction of the member for Burrows, that these programs are proceeding very, very well.

* (1350)

Mr. Mackintosh: We will sure sleep soundly tonight, Madam Speaker.

A question for the minister is, and it is on the minds of Manitobans: is the minister now hiring another lawyer at our expense to broker a deal, this time with Associate Chief Justice Jeffrey Oliphant, so he can speak on his behalf from now on?

Mr. Toews: As I indicated in my interview with one of the media, I know that it is not up to me to put words in the mouth of a judge—

Some Honourable Members: Oh, oh.

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

Mr. Toews: What I am always concerned about is, if there is an expression of concern from the bench in respect of a particular issue, that my department responds to it in a timely fashion. I understand in this particular case the judge expressed some concern over an issue about an application not being signed by the Attorney General or the Deputy Attorney General, which is done in this province. I am advised in fact that the case law and the practice here has been that necessary consent is not signed until after the dangerous offender's application is in fact started, and that is consistent with the provisions of the Criminal Code.

Sayisi Dene First Nation Housing Shortage

Mr. Eric Robinson (Rupertstland): I rise on some very important questions for the Acting Premier. Half of the members from the Sayisi Dene First Nation at Tadoule Lake have had to leave their reserve because of the critical housing shortages that they are experiencing in that community. This winter, because of the mild weather that we have had, and we raised this last week I believe, 12 units were not able to get up to the Sayisi Dene community because of the condition of the roads. I would like to ask the Deputy Premier or the Acting Premier whether or not this government will work with the First Nation of the Sayisi Dene at Tadoule Lake and the federal government in addressing this very important issue.

Hon. David Newman (Minister responsible for Native Affairs): Madam Speaker, of course we will work with the Sayisi Dene in this situation in relation to the federal government. We have not been approached in this connection at this time, but I welcome intervention by myself and my department in any efforts to work in a partnership way with the Sayisi Dene in this connection.

Mr. Robinson: Madam Speaker, last week we raised the issue about the cost of living in northern Manitoba and the high cost of fuel, perhaps 100 percent greater than it is in the city of Winnipeg. I would like to ask the same minister that responded to my first

question—in Tadoule Lake, because of the lack of a winter road this year, only fuel went to the community and no food went to this community this spring. We have elders, youth and citizens in this community, and it cannot be termed anything less than a crisis situation. I want to ask the same minister what assurances he can give to the First Nations with respect to deeming this a crisis situation in Tadoule Lake.

Mr. Newman: Madam Speaker, I welcome all the considerations, all the factors, all the circumstances to be brought to my attention at the earliest opportunity in my role co-ordinating matters on behalf of aboriginal people within our government. I will be very pleased to then ensure that the information is taken up with the appropriate departments and indeed other governments, the federal government in particular, and that appropriate and prompt effective response is encouraged to deal with what is obviously, in the mind of the honourable member for Rupertstland, a very serious and urgent matter. I can appreciate the significance of godlike intervention in access to communities in the wintertime and how this lifeline being disrupted can cause very severe consequences to any one of these remote communities.

* (1355)

Meeting Request

Mr. Eric Robinson (Rupertstland): Madam Speaker, I want to give the minister that opportunity. Chief Gladys Powderhorn of the Sayisi Dene First Nation is in the gallery this afternoon. I would like to ask the minister if he will meet with her immediately after Question Period.

Hon. David Newman (Minister responsible for Native Affairs): Madam Speaker, I would welcome the honour and privilege of meeting with the representative from the Sayisi Dene, and I would certainly invite the honourable member for Rupertstland to accompany me on that visit. I would be available at three o'clock, after 2:30 maybe.

Life Leases Property Taxes—Education Levy

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

Stefanson) or possibly the Minister of Housing, whoever chooses to answer the question. Manitobans acknowledge the responsibility of paying taxes is important. What they do ask is that government apply fair taxes. My question to the minister is: under the life-lease program, I was informed that in fact they are exempt from having to pay in some situations the school portion of the property tax. I am wondering if I can get confirmation on that fact.

Hon. Jack Reimer (Minister of Housing): I believe what the member is referring to is the eligibility under what they call the EIPH Act, Elderly and Infirm Persons' Housing Act, that allows them to be eligible for not paying school tax on that property.

In last year's legislation, if the member recalls, there was a change in the EIPH Act in which we restricted the sizes of units that were eligible for the eligibility to apply under that act, which gives them the ability to go for a school tax rebate. If the units that are built comply to those size regulations, they still would be eligible to apply for the licence. The licence itself is then brought forth to get the eligibility for the rebate on the school tax. If they are above the square-footage size, they are not eligible.

Mr. Lamoureux: I look to the Minister of Finance (Mr. Stefanson), and I ask the Minister of Finance if, in fact, he supports that seniors in one category, of the same financial capabilities, not having to pay a school portion of a tax while other seniors that live in residential homes have to pay a school tax. Does this Minister of Finance support that?

Mr. Reimer: I believe that there is a rebate available for seniors that are in their housing and in rental accommodations. I believe that there is that set up for the seniors right now.

To reiterate what the member is referring to in regard to the life-lease situations, if there were existing licences granted under the old act, they would be grandfathered and would stay in effect. It is not the intent to punish or to relinquish these acts—pardon me, the conditions that are under the existing act, under the previous ones. It applies to new construction under the life-lease philosophy, and their size restrictions are the

ones that will dictate whether or not they would get a licence under the EIPH Act.

Mr. Lamoureux: Madam Speaker, a very simple question, and I ask for the Minister of Finance to answer the question. Do we have seniors in the province of Manitoba that are not having to pay property tax towards the school, and at the same time individual seniors of the same financial income that do have to pay it? Is that in fact the case?

Hon. Eric Stefanson (Minister of Finance): Madam Speaker, I think, as the member for Inkster knows, there are various programs that do affect people in different ways. Obviously, the life-lease initiative was a program to encourage and promote the development of housing for seniors. I believe that has worked reasonably well in our province. Some adjustments were made in the last session of the Legislature, as the Minister of Housing has already outlined, but that is part of the purpose behind the life-lease initiative.

So there are various initiatives that do affect people in different ways, sometimes depending on income situations, sometimes depending on the type of accommodation they choose and so on. That is nothing new to any governments, whether it is here in Manitoba or across Canada, the objective being to provide proper, affordable housing and accommodations for all Manitobans.

* (1400)

Introduction of Guests

Madam Speaker: Order, please. I wonder if I might ask for the indulgence of the House, once again, to introduce an additional school.

I would like to draw the attention of all honourable members to the public gallery where we have ten Grades 9 and 10 students from Community Bible Fellowship Christian School under the direction of Miss Shelley Dalman. This school is located in the constituency of the honourable member for Swan River (Ms. Wowchuk).

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

Sayisi Dene First Nation Treaty Land Entitlement

Mr. Gerard Jennissen (Flin Flon): My questions are for the Minister of Northern and Native Affairs. The minister admitted earlier this week regarding the Sayisi Dene that the federal government is still refusing to allow any TLE land to be selected outside of Manitoba. Will he table today any correspondence on this issue that he has, along with his proposal for dealing with this issue?

Hon. David Newman (Minister responsible for Native Affairs): Madam Speaker, I do not know for a fact exactly what the position of the federal government is at this moment in relation to the availability of land outside our jurisdiction to satisfy TLE requests. I invite the honourable member for Flin Flon to share with me any information he might have in that respect. In the conversation that I had with the federal minister in relation to that, when we also shared in writing our position supportive of the Sayisi Dene, we were instructed through our respective officials that they were not prepared to look at extrajurisdictional territories to satisfy settlements within Manitoba. If that position has changed, it will be fresh and welcome news to me.

Mr. Jennissen: Madam Speaker, to the same minister: has the minister obtained any indication that the federal government is prepared to act on any of the recommendations of the Royal Commission on Aboriginal Peoples and negotiate with the Sayisi Dene and other First Nations people who suffered incalculable human and material damage when they were relocated against their will?

Mr. Newman: Madam Speaker, I have received no such assurances and indeed no official or informal response as to what position the federal government is going to take in relation to the Sayisi Dene.

Foster Care Temporary Placements

Mr. Doug Martindale (Burrows): Madam Speaker, in February 1997 there were 156 children, on average, every night in short-term emergency placements, although short term is stretching it. Some were there

for up to a year. Today the CEO of Winnipeg Child and Family Services says there are 160 to 190 children in short-term emergency placements. I believe this is a serious indication that this government has done nothing in the past year to address this problem in spite of it being brought to their attention on numerous occasions.

I would like to ask the Minister of Family Services: what is she going to do to implement the recommendation of the operational review from over a year ago that said that increased financial inducements are required to maintain foster parents? Will this minister act on these recommendations and reduce the unacceptably high number of children in emergency placements?

Hon. Bonnie Mitchelson (Minister of Family Services): Madam Speaker, I thank my honourable friend for that question. I know that I certainly do not understand all of the issues surrounding every child that is taken into care, and I am sure that my honourable friend does not understand all the issues either and some of the reasons for some of the placements that are short term and long term. But I want to indicate that it was our government that commissioned the operational review because we knew that things needed to be looked at very carefully and we needed to look at how we could better deliver child welfare in the city of Winnipeg. So it is something that both the agency and my department participated in, and we have not been standing still.

I know that we have been working aggressively with the agency around hotel placements. Very often, if children are abandoned and picked up on the street in the middle of the night, they are going to need some emergency placement until we can sort things out. It is not unrealistic to think that that kind of support is going to be needed for children. I will continue in my next answer to inform members of the opposition on some of the things we have done.

Mr. Martindale: Madam Speaker, I would like to ask the Minister of Family Services what she is doing to reduce the number of children in shelters, which have grown from 32 to 81 per night. Will she do something in a proactive way, other than announcing another pilot project, to help foster parents, to keep children out of

emergency placements? What is she going to do about this serious problem of children, most of whom are under 11 years old, in emergency placements?

Mrs. Mitchelson: Madam Speaker, I think it is important for all Manitobans to understand that the reasons children are apprehended are because they have been left alone, abandoned, neglected or abused. The key for us is to try to ensure that kind of thing does not happen, that parents have the tools that are required to parent in a way that is not going to lead to the need for children to be apprehended. That is exactly why we are putting all of the money into early intervention. We do not want children to become someone's case in the Child and Family Services system. We want to prevent them from ever getting into the Child and Family Services system.

Physician Resources Statistics—Winnipeg

Mr. Dave Chomiak (Kildonan): Madam Speaker, for a number of years we have known that there has been a serious shortage of physicians in northern Manitoba and rural Manitoba. The provincial government, the associate deputy minister has said publicly that there are enough physicians in the city of Winnipeg in fact. I want the minister to confirm whether or not the minister agrees with his own report prepared by the Centre for Health Policy and Evaluation, a report prepared for the Physician Resource Committee, of which the minister's department is a part, that in fact Winnipeg has a surplus of 102 to 124 general practitioners.

Is the government planning on that kind of basis with respect to that report?

Hon. Darren Praznik (Minister of Health): Madam Speaker, with respect to that report or any others, they obviously are snapshots in time, and there have been a host of factors that affect physician supply in any one particular part of the province. The infusion of doctors this winter into rural Manitoba and northern Manitoba after our recruitment drive obviously stabilized that situation. Changes in physician remuneration around the country in a very competitive marketplace have changed the situation somewhat in Winnipeg. So these

are not static situations. They do change from time to time, and we have to respond accordingly.

Recruitment/Retention Strategy

Mr. Dave Chomiak (Kildonan): Madam Speaker, after several years of false starts, is the minister prepared to outline for all Manitobans and for this Legislature what the government plan is with respect to physician, not just recruitment, but something very, very crucial that has not been looked at, physician retention in the province of Manitoba?

Will he release the unreleased secret physician resource plan? Will he outline what the plan is specifically for the government? Because people not only have trouble getting doctors in northern and rural Manitoba but now they are having trouble getting doctors in Winnipeg.

Hon. Darren Praznik (Minister of Health): Madam Speaker, one of the elements in the retention issue, particularly of family physicians, which we flagged over the course of the winter in our discussions with the Manitoba Medical Association is in the decisions that they took with respect to allocation within the fee schedule. This advantaged many of our family practitioners and was in fact one of the reasons why we have had an exodus in this particular area as physicians leave for more lucrative places to practice medicine.

We have attempted to address that, and we trust that it will be addressed as a priority within the arbitration process that we have now entered into with the Manitoba Medical Association. As I have indicated, I think what is key to dealing with physician resource issues is developing a system with the regional health authorities that will be far more responsive in our recruitment efforts to fill gaps and to develop the kinds of immediate needs, whether it be remuneration or other supports, to assist in retaining physicians when we have them here.

* (1410)

Foreign-Trained Physicians

Mr. Dave Chomiak (Kildonan): Madam Speaker, can the minister explain to this House why the minister has

yet to reply to our plan of six months ago in order to train foreign-trained but Canadian physicians to occupy positions, why the minister has not replied, why there has been absolutely no movement on this front? Can the minister explain why this year I am advised that there were no positions available for Canadian foreign-trained doctors in terms of the residency programs?

Hon. Darren Praznik (Minister of Health): Madam Speaker, I want to make sure my answer is accurate to the House. I have some advice that that may not be an accurate reflection of the residency positions, but I will undertake to track that down to provide that to the member for Kildonan.

First Nation Communities Housing Shortages

Mr. Steve Ashton (Thompson): Yesterday, in addition to attending the CRTC hearings with my colleague the member for Rupertsland (Mr. Robinson), where the absence of the government minister was very noticeable, we also had the opportunity to talk to housing co-ordinators from all over northern Manitoba, from First Nations communities.

Madam Speaker, to say there is a crisis in housing in First Nations communities is an understatement. What I would like to ask the Acting First Minister, or I guess the acting Acting First Minister, is what action the provincial government will be taking to work with the MKO and other aboriginal organizations to get the federal government to recognize that we are facing a crisis situation where it would take a minimum of \$450 million to deal with the backlog of 4,550 homes on the waiting list in First Nations communities. What action will this provincial government take to speak on behalf of First Nations?

Hon. David Newman (Minister of Native Affairs): Madam Speaker, we have indicated that we are prepared to partner with the First Nations leaders in relation to the federal government and indeed to work within the provincial government on this issue.

I might say, in a meeting at which Grand Chief Bushie, Grand Chief Flett and others, including Chief Ron Evans, were present, before we left Quebec we made that offer and in fact offered to take that to the

federal meeting and sought them to prepare a briefing of the representatives that would be going with our delegation. They opted not to and opted also not to have us bring that to the table. But when they are ready, we are going to be there with them.

We agree that housing is the most significant priority issue in relation to First Nations people in this province at this time, and we want to work with them in resolving that issue as quickly and effectively as possible.

Northern Affairs Communities Housing Shortages

Mr. Steve Ashton (Thompson): As a follow-up question, Madam Speaker, I would like to ask what the provincial government will be doing with the very difficult circumstances facing Northern Affairs communities, which are directly under the jurisdiction of this government. I would like to ask the Minister of Housing what programs the Minister of Housing is going to both enhance and implement in Northern Affairs communities to ensure that they can also deal with the desperate need for adequate housing, this, in the year 1998, when many people are living in Third World conditions in northern Manitoba.

Hon. Jack Reimer (Minister of Housing): I think we on this side share the same concerns that the member for Thompson has in the fact that housing and the priority of housing in the North is something that we have tried to address through the federal government through the Minister of Northern Affairs. I have had the opportunity to meet with some of the ministers on various occasions on the national level, and this is a topic that has come up for discussion. I have also had the opportunity to meet with the Minister of Housing federally, Mr. Gagliano.

It is a topic that we bring up constantly because of the problem, and the biggest problem is that the federal government has pulled itself out of the housing participation market in all of Canada. It is something that we have lobbied the federal government to get back into, in a sense of recognizing their responsibility to be part of the housing problems and to be in partnership with this. At this time, the federal government has said that they are in fact withdrawing or trying to withdraw completely out of the housing and the public housing

market, but it is something that we have talked on, on a national basis.

Madam Speaker: Time for Oral Questions has expired.

MEMBERS' STATEMENTS

Manitoba Robot Games

Mr. Gerry McAlpine (Sturgeon Creek): Madam Speaker, I am very pleased to inform members of the House about some very intelligent and creative students of Sturgeon Creek High School. Recently at the Manitoba Museum of Man and Nature, Sturgeon Creek entered 12 robots into the Manitoba Robot Games, and they placed first and second place in both the Sumo Wrestling and the Atomic Hockey categories. They also placed first in the Seek and Capture category.

Two students, Michael Alexander and Chris Johnson, were the designers and operators of the first-place Sumo Wrestlers, and they received \$500 in prize money to attend the Western Canada Robot Games in Calgary in November of this year.

John Sparham, a Grade 11 student who placed first in Atomic Hockey, said that "the Manitoba Robot Games provide an ideal opportunity for students to gain valuable job readiness skills."

Madam Speaker, these students and their teacher, Mr. Yakimoski, worked through their lunch hours and after school to come this far in this program.

On behalf of all honourable members, I would like to wish these students the very best of luck as they prepare for the games in Calgary. Thank you, Madam Speaker.

Phone Rates—Northern Manitoba

Mr. Gerard Jennissen (Flin Flon): The CRTC hearing into phone service in a high-cost area, namely northern Manitoba, was very important, given the move towards full-cost recovery for rural and northerners.

NDP MLAs Eric Robinson and Steve Ashton both presented briefs, noting that northerners are most at risk. MTS, when it was publicly owned, as a policy, ensured that local phone rates were the lowest in North America. Since 1995, as a result of privatization, local phone rates have gone up nearly 50 percent and are

scheduled to go up even further. Over 80 percent of the population is unemployed in many of our First Nations communities, with the majority of people living on social assistance. Basic telephone service is a luxury item for the thousands of First Nation residents who face Third World housing conditions, food costs as much as 90 percent higher than Winnipeg, and social assistance cuts of 21 percent. The actual costs of providing basic monthly phone service to most northern communities range between \$40 and \$55 per month. If full cost recovery occurs, the numbers of people having phones will drop even further.

Communities such as Pukatawagan, Lac Brochet, Brochet and Tadoule Lake must put up with spotty telephone service now. Granville Lake only has a single pay phone. Virtually every telephone call that people make from these communities is a long-distance call. For all of these reasons, northern Manitobans were strongly opposed to the sale of MTS. Now even the Manitoba government admits that service needs to be improved in rural and remote areas and that local rates need to be protected.

Having sold off MTS for at least \$500 million less than it was worth, the government of Manitoba now says it is up to CRTC to keep rates low and improve service in rural and remote communities. The communications advances of the past few years have the potential to truly give some of our most isolated communities in the country the ability to reach the outside world. So far, much of the revolution is not reaching the North because of costs. South Indian Lake, for example, has trouble accessing the Internet because of the long-distance charges.

As presenters told the CRTC this week, telecommunications—

Madam Speaker: Order, please.

* (1420)

Manitoba Seniors Week

Mr. Jack Penner (Emerson): I rise today in honour of the seniors in Manitoba. This is Manitoba's Seniors Week, and we celebrate the initiative that seniors are taking to be part and become part of our community and community development. As we all know, our forefathers came to this country and opened up our country. The seniors that we honour today were part of

setting an historical pattern in this country and specifically in this province, developing rural communities as well as urban communities, establishing them and establishing systems such as education, health, and all those kinds of things to ensure that our quality of life would be enhanced.

Altona celebrated, on Tuesday, an event which some 300 seniors from across southern Manitoba attended and celebrated not only their being there but celebrated the economy and celebrated the wealth of this nation and this country. So we honour today, and I ask all members to join me in congratulating the seniors and the tremendous amount of work and effort that our seniors have put into this province in ensuring that our future generations will in fact have a home that is second to none in all of the world. Thank you, Madam Speaker.

HUG Program

Mr. Daryl Reid (Transcona): This morning I was honoured to attend the Westview Elementary School to participate in the HUG program. This exchange program began in 1986 and involves the English/Hebrew, the English/Ukrainian and the English/German bilingual programs. The HUG exchange program is hosted each year by one of these participating groups. This year Westview Elementary played host to this important event. There were hundreds of students from five schools, including Donwood School, R.F. Morrison, Margaret Park, Brock-Corydon and the host, Westview Elementary School.

I would like to thank the Westview principal, Jason Jones, and Mr. Albert Christ and the organizing committee of HUG. We are proud of their efforts in bringing students of these bilingual programs together to share their language and culture, to appreciate one another's uniqueness and to build greater friendship through a mutual understanding of our collective heritages.

ORDERS OF THE DAY (Continued)

House Business

Hon. James McCrae (Government House Leader): Madam Speaker, since Bill 36 has passed second

reading in this House, since it has been passed, there will be a meeting of the Standing Committee on Municipal Affairs on Monday morning, 9:30 lasting till 12:30 to deal with that bill. There are a number of presentations to be made. That committee will also sit at 7 p.m. on that day to deal with Bill 36, June 15, 1998. Then, if necessary, that committee would sit on Tuesday evening at 7 p.m. to deal with Bill 36, as well.

Madam Speaker: For the information of the House, the Standing Committee on Municipal Affairs will meet on Monday, June 15, 9:30 a.m. to 12:30 p.m. to consider Bill 36, and again at 7 p.m. on the evening of the same day, Monday, June 15, and, if necessary, again on Tuesday, June 16 at 7 p.m.

Mr. McCrae: Further to that, at 12:30 on Monday, June 15, if there is a presentation half completed or not yet completed, I would like this committee to have the mandate to allow the sitting to be extended beyond 12:30 to allow the completion of a person's presentation, and maybe I need to say that here now. I do not know if the committee can decide that on its own if we give it a mandate to sit until 12:30 p.m. That is why I raise it, Madam Speaker. I simply would like to see that flexibility in there.

Madam Speaker: The Speaker will not repeat that directive. That is not required. The committee has the autonomy and authority to establish the extension of the time line mentioned by the honourable government House leader.

Mr. McCrae: Well, that certainly makes it better, does it not, Madam Speaker?

I told you this would not be happening, but here we go again. I wish to obtain the unanimous consent of the House, notwithstanding the sequence for consideration of Estimates as outlined in Sessional Paper 142 tabled on March 24, 1998, and subsequently amended, to consider in Room 254 the Estimates of the Department of Health, transferred from Room 255, on completion of the Estimates of the Children and Youth Secretariat. This change is to apply until further notice.

Madam Speaker: Is there unanimous consent of the House to alter the sequence for consideration of the Estimates in Room 254 to deal with the Department of

Health, transferred from Room 255, on completion of the Estimates of the Children and Youth Secretariat? This change to apply until further notice. Agreed? [agreed]

Mr. McCrae: Sometimes it is a good thing the little comments of the Leader of the Opposition (Mr. Doer) are not on the record, because one might be tempted to respond to them and—

An Honourable Member: And you just did.

Mr. McCrae: No, I did not. Anyway, we attempt to deal with these matters in a co-operative fashion between the House leaders, and I think thus far we have made some progress.

Madam Speaker, I move, seconded by the honourable Minister of Agriculture (Mr. Enns), that Madam Speaker do now—[interjection] Oh, yes.

Committee Changes

Madam Speaker: The honourable member for Gimli, with committee changes.

Mr. Edward Helwer (Gimli): Madam Speaker, I move, seconded by the member for Pembina (Mr. Dyck), that the composition of the Standing Committee on Municipal Affairs (for Monday, June 15, 1998, at 9:30 a.m.) be amended as follows: the member for Niakwa (Mr. Reimer) for the member for Ste. Rose (Mr. Cummings); the member for Charleswood (Mrs. Driedger) for the member for Roblin-Russell (Mr. Derkach); the member for River Heights (Mr. Radcliffe) for the member for Brandon West (Mr. McCrae); and the member for St. Vital (Mrs. Render) for the member for River East (Mrs. Mitchelson).

Motion agreed to.

Mr. George Hickes (Point Douglas): I move, seconded by the member for Broadway (Mr. Santos), that the composition of the Standing Committee on Municipal Affairs be amended as follows: Osborne (Ms. McGifford) for Kildonan (Mr. Chomiak), for Monday, June 15, 1998, for 9:30. Thank you very much.

Motion agreed to.

* (1430)

Mr. McCrae: —leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

Madam Speaker: It has been moved by the honourable government House leader, seconded by the honourable Minister of Agriculture (Mr. Enns), 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. Agreed?

Some Honourable Members: Agreed.

Madam Speaker: Agreed and so ordered.

COMMITTEE OF SUPPLY (Concurrent Sections)

CHILDREN AND YOUTH SECRETARIAT

Mr. Chairperson (Gerry McAlpine): Order, please. Will the Committee of Supply please come to order. This afternoon this section of the Committee of Supply meeting in Room 254 will resume consideration of the Estimates of the Children and Youth Secretariat.

When the committee last sat, it had been considering item 34.1. Children and Youth Secretariat (a) Salary and Employee Benefits on page 20 of the Estimates book. Shall this item pass?

Ms. Marianne Cerilli (Radisson): I just want to pick up where we left off yesterday. I think the minister had been giving some explanation to my question about the priorities that had been set for the Children and Youth Secretariat. The decision, as she was explaining it, was to focus on early years, early childhood, and I was asking about the other areas that had been identified by her working groups, those being youth gangs, prostitutes, juvenile prostitutes.

* (1440)

Also, the care and protection committee had made a number of recommendations, and it is interesting that

the member for Burrows (Mr. Martindale) is here right now, because, of course, this is an area that he has been asking the minister questions about in the Family Services Estimates and all the problems that are occurring with the high number of children in care in Manitoba.

It was initially the intention of the Children and Youth Secretariat to deal with gaps between departments and different agencies providing services for children and youth. Their initial mandate was to try and better co-ordinate services for youth, youth who are already in the system. I am wondering what the Youth Secretariat is doing, first of all, to address the needs of those children who are already in the system through Child and Family Services. That was one of the priority areas identified through the working group process.

Hon. Bonnie Mitchelson (Minister of Family Services): Mr. Chairperson, of course, this is a very timely topic as we go through a significantly high profile around the Child and Family Services agency in Winnipeg with the inquest that is ongoing right now. There has been lots of activity since a couple of years ago when the reason for this inquest, the death of a baby, took place. Although I cannot comment specifically on what is being said at the inquest right now or what our comments might be when we are called to that inquest in the fall of this year, I can indicate that there certainly are some issues that we have been discussing with the Winnipeg agency over the last couple of years.

The operational review was one of those things that both the agency and we agreed to, to try to determine what the flaws in the system were and to see how we could work together to better address them, and, of course, there have been recommendations as a result of that operational review, and there is a steering committee with the Winnipeg agency and my department to look at implementation of those recommendations and how we can better serve children.

One of the issues, of course, that I think that my honourable friend is interested in is the co-ordination of services and supports for those within the Child and Family Services system that presently exist. One of the significant undertakings or things that we have initiated,

of course, is the closure of the Seven Oaks Youth Centre and the implementation of the Emergency Youth Crisis Stabilization system that has been put in place and is working extremely well.

Certainly the Children and Youth Secretariat was involved in the devolution of the Seven Oaks centre, the closure of the Seven Oaks centre, and the whole process of setting up the crisis stabilization system. I would like to spend a little bit of time just discussing exactly what that has done, how many referrals there have been and how we have been able to work with families to try to ensure that we go right into the home if there is a crisis occurring to try to work with the family to see whether there is the ability to keep that family together. If not, there is the ability then to move them into our Crisis Stabilization units, and there is some information I can get for my honourable friend on the numbers of children, number of referrals to that system that have occurred and what we have been able to do to resolve the problem.

So I want to indicate that the Children and Youth Secretariat was involved in that. Mental Health was involved because we needed the psychiatric swing beds available for those youth, and we do have those, and there is stable funding now through the Department of Health for those beds. I guess I do have the numbers here. Just a moment.

Okay, there is the youth emergency services, and this is our experience since January 15 of this year and up until April 30. There were 574 requests for service. Of that 574—and this is a central referral line to youth emergency services—121 cases were able to be resolved by telephone intervention. So that was someone on the other end of the line helping people find out where the supports were in the community and resolving the issues so that no other intervention at that time had to be taken. But in 453 of the cases, the mobile crisis teams which have been established under this process were dispatched and sent out. I guess, out the 453 cases where the crisis team went out, there were 365 different children involved. In 88 cases, the mobile crisis team went out more than once to serve the same children.

Out of those 453 cases that the mobile crisis team responded to, 122 of those families were served in-

home with supports to prevent family breakup. Those who had to be referred to the Crisis Stabilization Unit were 54 admissions to MacDonald Youth Services boys stabilization unit and 89 admissions to the Marymound girls stabilization unit.

I think that we have had a significant amount of success in preventing families in crisis from having to utilize some sort of separation within those families, but we have been able to work with them in their homes and keep families together. In cases where there was no ability to do that, we do have the resources and the beds available to admit youth to those stabilization units and try to develop an individual case plan. So there has certainly been some success, and the Children and Youth Secretariat was involved in that, pulling the money together from different departments to ensure the success of this program.

I would hope my honourable friend would agree that this is much better than warehousing kids at Seven Oaks. But the issue, of course, around warehousing kids comes up when we look at the issue of hotel use, and any amount of hotel use is unacceptable. When we were made aware last year that the Winnipeg agency was using that kind of placement as a way of dealing with some of their issues, we did become very concerned and indicated to them that we wanted to work very closely and very co-operatively, that we needed to find an approach that we could both work together to try to ensure that hotel placement was not the option of choice for treating children and youth.

I do know that we had some success in the first few months of this year in ensuring that the number of children who were placed in hotels reduced significantly. The ideal number, of course, would be zero. I am not sure whether we are ready to be able to say that we can achieve zero, but I do know that there were nights within the months of April and May where the number of children in hotels was down to nine per night. It fluctuates on a day-to-day basis, and I do know that there are different reasons. I know that maybe on a Saturday night when a Child and Family Services worker is called because parents have left to go out for the evening and left their children alone and unsupervised that children are picked up. Very often, there is a need for a place for them to be for a short period of time until we determine whether, in fact, it

was just a one-night circumstance and that it was safe to put the children back in that family and work with that family.

Point of Order

Ms. Cerilli: Mr. Chairperson, I just want to ask, on a point of order, if the minister would just answer the questions more succinctly, perhaps. I asked specifically what the Children and Youth Secretariat had done in the area of care and protection of children, kids in care. I think you answered that by describing the services provided through the transition of the Seven Oaks centre. With all due respect, I think now you are getting into other areas in a lot of detail.

* (1450)

We do not have much more time for this committee, so I would just ask, with all due respect, that if you could answer the questions that I am raising quickly, and we will get on with it. There are a number of other programs in the Children and Youth Secretariat that I want to ask questions about.

Mrs. Mitchelson: Mr. Chairperson, on the same point of order. I have to apologize if my honourable friend thinks I am taking too much time, but I do recall in her questions, the question about placement of children in hotels, being raised. I think very often there are many within our community who think there is a very simplistic approach to finding places and knowing where children are best served. So I thought that I should explain a little bit about the situation around hotels. But if my honourable friend would like to continue on and have me end my answer there, you know, I will have lots of opportunity to debate the issues around hotels, but I do know it was something that she did ask in her questions or made in her comments.

An Honourable Member: Yesterday?

Mrs. Mitchelson: No, just now. You talked about children in hotels.

Mr. Chairperson: Order, please. The honourable member for Radisson (Ms. Cerilli) does not have a point of order. It is a dispute over the facts.

* * *

Mr. Chairperson: The honourable minister, if you wish to finish your response.

Mrs. Mitchelson: Thanks, Mr. Chairperson. I think in my point of order I did indicate clearly that these are complex issues. There is not any one issue around children. Reality is what we are seeing is the need for support for children after families become dysfunctional, and children are abandoned or abused or neglected. Quite frankly, all of the things that the Children and Youth Secretariat has been doing has been trying to focus on keeping kids out of care.

Ms. Cerilli: Getting back specifically then to the secretariat's initiative with the Seven Oaks centre, I guess, just to start off with, it seems like there has been an either/or decision made here. The centre has been closed, and maybe the minister can clarify for me with her staff the number of units there or beds that were available for youth at one time. But those have been closed, and now you have opted for this Emergency Crisis Stabilization unit which can work well, but from the community I have also heard that there is a need for a secure place where youth can go as a cooling-off period, as a sort of temporary shelter.

So I am wanting the minister to clarify for me if she does not think that is the case, that it is not an either/or here, that the Crisis Stabilization Service may be well and good, but there still is a need for a secure shelter for kids that are in crisis. At times they cannot go home, and I have run into this issue both in dealing with constituents as well as in dealing with some service providers. So I am wondering now if we can get some explanation of the number of beds that were closed, and if there has been any other increase in other places for that kind of secure supervised shelter for youth in crisis, or if as the minister has described for me, the referrals are to the existing services with Marymount or with MacDonald Youth Services.

Mrs. Mitchelson: Mr. Chairperson, no, these were not the existing sources within Marymount and MacDonald Youth Services. These were dedicated new beds at both facilities, six to eight beds at Marymount for girls, six to eight beds through MacDonald Youth for boys, and four beds in the youth psychiatric facility at Health Sciences Centre. So those were the new beds that were created, so that there was proactive

treatment for children, case planning and individualized work, rather than—so these in-house beds are replacement. But also besides that we have the mobile crisis teams that are available 24 hours a day, seven days a week to deal with families, to work with families as a crisis occurs, hopefully preventing the kind—some of the kids that ended up in Seven Oaks because there was not that kind of service available for families in the past, or those that might have gone to Seven Oaks would now be going to the new beds at MacDonald Youth and Marymount.

Ms. Cerilli: And how many was that replacing at the youth centre? Previously, I recall, the number 34 is in my memory. I am not sure if that is correct.

Mrs. Mitchelson: I think there was accommodation for 32 beds, but the average annual use was 22 beds.

Ms. Cerilli: I guess that is what happens when you have emergencies though is that they are not always full but that sometimes there is a demand that is greater than what is available. That is the nature of dealing with kids in crisis.

So the minister has explained to me this new system that is in place, and I think that it is reasonable and it is a good idea to have a kind of intervention that will go into families' homes. I am wondering if these are mental health workers, or are they CFS staff, or is it a combination.

Mrs. Mitchelson: It is a multidisciplinary team, so it is mental health workers, social workers, psychologists that are part of the crisis team. So that is another area where there is some co-ordination where everyone who has some experience in dealing with different issues surrounding youth in crisis is involved in the treatment plan.

Ms. Cerilli: So the staffing at the team is how many staff then? Again, how does that compare with the staffing levels that were at the youth centre?

Mrs. Mitchelson: We have contracted with MacDonald Youth Services to run the program, so they do the crisis stabilization piece. We redirected all of the resources that we were spending at Seven Oaks Youth Centre to the new system.

Ms. Cerilli: Okay. So other than this initiative, what are the plans in the secretariat for other services co-ordinated for kids that are in care? What is the next step, either with research—is it consultation? Are there plans to implement some of the other recommendations that were in the working group report? If not this year, then you are looking down the road that there is a high need in this area? These, I think, are the kids and the families that often fall through the cracks. They go from one agency to the other, all the kinds of things that the Children and Youth Secretariat was going to try to address.

Mrs. Mitchelson: Mr. Chairperson, I know the Children and Youth Secretariat has been working around the issue of training for FAS, for ADHD children. I know that there has been some ongoing dialogue and discussion around what the needs of foster parents are in respect to training around the issues of ADHD and FAS and that kind of activity.

I do want to indicate that the innovative and preventative child and family services piece of the Winnipeg Development Agreement is being co-ordinated and looked at through the Children and Youth Secretariat. There will probably be some announcements as early as next week around some of the initiatives that will be undertaken in that respect. I do know that in some of those announcements, there are partnerships with the Winnipeg Child and Family Services agency and other community groups to deal with the issues around prevention.

* (1500)

So there will be some announcements upcoming, and we will continue to work on some of the issues. I do know that we indicated that the urban sports camps have been started, and some are up and running. The Department of Justice is now taking the lead. The Children and Youth Secretariat will be doing the evaluative piece on that, but that is one of the issues that will deal with youth gangs in the city of Winnipeg.

Ms. Cerilli: I want to also ask some questions, then, about the EarlyStart program. A budget of \$525,000, and that is just for this year for that program—

An Honourable Member: Which one?

Ms. Cerilli: The EarlyStart program which, in your explanation yesterday, you said that it was going to be run out of daycares and a couple of the sites have already been selected, and there are going to be additional funded sites announced throughout the year.

I want to get some explanation of how this is going to work in terms of reaching children who are beyond the numbers that are in the child care centre itself. I mean, as I understand it, this program is not intended just for the children that are in the daycare centre where it is going to be run. So how are the other children going to be identified?

Mrs. Mitchelson: I know that, as we start with both BabyFirst and EarlyStart—BabyFirst is the one that deals with prenatal to aged two, that program. I indicated yesterday, as we identify each child as they leave the hospital, or before if we have the opportunity, and put significant supports in around them, we will certainly be ensuring that, if there is additional support that is required once the child reaches the age of two, they will be referred to an EarlyStart program.

I guess the issue around how child care centres will access other children in the community, we do know, and child care centres have indicated to us, that very often they understand the need in their community. There are many special social needs children in our daycare system, and what daycares are doing is developing community networks. When they identify families that need additional support right now—and I do know that there are many examples. The very first project that we started up, one of our very first announcements, was the one at Victor Mager School where the daycare centre is in the school. They also have a drop-in centre; they have literacy programs for adults. The community is extremely involved in that facility.

So it will be a matter of outreach by the daycares. They will have the ability to hire additional staff and home visitors who will go into homes and work directly with families and children, trying to ensure that some of the skills that they have as early childhood educators are passed on to parents who might need to understand how they can interact in a more significant way with their children.

So I know that we will be, sort of, watching every step, but it is based on the Perry preschool program that was started in the States and has been very successful. We are looking at the same kind of activity that happened there. I think there is much community support for it. I think we will have to, as we move along, ensure that we are accomplishing the objectives that we set out to accomplish.

Ms. Cerilli: Well, in answer to my question, it seems that the minister is saying that there is going to be a reliance on the sort of informal network that the daycare has established in the community. I am assuming that would mean that referrals would come from other agencies, if the daycare is in the school. Perhaps, from dealing with, then, older siblings, they would find out about two- to five-year-olds that would need support through the program or families with those aged children. Would Child and Family Services then be referring to this program? My focus here is looking at how all of these programs are going to interrelate and hang together. So my question is: how are children going to be brought to the attention of this program that are outside the enrollment of the child care centre?

Mrs. Mitchelson: I think there will be many referral points. That is why we have included and heightened the awareness within all of the professional community and the community organizations the implementation of EarlyStart. Through the BabyFirst program, if a mom is identified at the hospital or prenatally that she needs some support for her and that baby, if she has older siblings, if that woman already has older children, the BabyFirst program would be referring to EarlyStart for those older children. So, along with working with the newborn and the mom, EarlyStart could play a role for older siblings.

You may have children in the school system who teachers identify as having younger children in their families at home that could be referred to the EarlyStart program. So if there are other types of drop-in activities already happening within the community and workers in those facilities, it could be a public health nurse that has the call. It could be the Winnipeg Child and Family Services agency that sees the need for some sort of intervention and work within the family. That referral could be made to the EarlyStart program. So there will be referrals coming from all different areas.

The lead will be the child care facility that has the program, and the home visitors will be hired by that facility to go out into those homes and work with families. So I think the referrals will come from all areas and all other professions, those dealing with younger kids in the family, those dealing with older ones or those that have some association with the Child and Family Services system. Physicians, also, if they saw a family that was in need, could make that kind of referral, so the key of course is to ensure that everyone out there knows that these programs are available and monitor where the referrals are coming from. If we see that in one area, whether it be through the education system or the Child and Family Services system, that referrals are not coming, I think what we need to do is ensure that the awareness is created and the referral is encouraged.

Ms. Cerilli: So the minister is clarifying that definitely the intention of this program is to reach beyond the population of children just in the child care centre. It sounds that there will be some reliance on just an informal network to make those kinds of referrals, as well as some of the professional agencies.

Am I understanding it correctly then to think that the child care centre will become like a home base? There used to be successful parent-child centres that were funded that were a very nonthreatening sort of resource centre. I am wondering, one of the other things that we hear from child care providers is to sort of expand the options for parents just to bring children there for respite child care. Is that one of the things? What is going to be there to sort of draw in the parents and the children that are not part of the regular child care program?

I am also wanting you to let me know if you have already identified the additional sites that are going to be part of the program, and how you are identifying the child care centres that are going to be part of the EarlyStart program.

* (1510)

Mrs. Mitchelson: We are working at identifying the sites, certainly looking at high-need areas within the city of Winnipeg where we know there are a significant number of low-income families, significantly high

aboriginal populations, where there are a high number of subsidized spaces, child care spaces, where there are a high number of special social needs children already enrolled in the child care facilities. So we are looking at identifying those centres that are there, looking to see whether they are interested in partnering with us. We are in the process of identifying new sites right throughout the province.

We do know and I indicated yesterday that in the North we have been working with Frontier School Division, and because in some areas in the North there are not a lot of child care facilities, we are working specifically with Frontier School Division. There will be a little different model there, and it may be based out of schools. So we are trying to adapt the program and ensure that the whole province has access. If there are not formal child care structures, it might be family daycare homes. If there are not child care facilities, it might be through the school system.

We do know that Frontier School Division is very interested, and we are working with them around a little bit of a different model. Same focus on what we want to accomplish, but it may have to be run in a little different manner.

Ms. Cerilli: I think the other day you mentioned a number that were going to be outside the city of Winnipeg. The amount that you have budgeted in the information you gave me yesterday was \$525,000. That is just for this upcoming year, but what is that money actually going to go to? Is it going to go to staff? These home visitors, are they going to be paid?

Mrs. Mitchelson: Mr. Chairperson, the \$525,000 is predominantly for the hiring of home visitors, and there is a little bit of training dollars included in that figure, too.

An Honourable Member: So that is just for this year.

Mr. Chairperson: Order, please. I have been watching this very carefully, and this is not a conversation between the critic and the minister. This is the process of Estimates, and I would remind all members of the committee that any comments would be made through the Chair.

Ms. Cerilli: Perhaps you can watch to see when we are ready to speak.

Mr. Chairperson: Order, please.

Ms. Cerilli: Here we go. Mr. Chairperson, Sir, I am interested to hear that it is going to work with the Frontier School Division, and that is going to be primarily in the North. Why are you not working more with schools in the city of Winnipeg for this program if the intention is to reach out to children who are outside the child care centres?

Mrs. Mitchelson: Mr. Chairperson, the program is targeted to those aged two to five to get them ready to enter school, both more ready to learn and socially adapted to learn at school. We do know that early childhood educators, through our child care system, have the skills and the tools that are needed to work with children at that age. I have had many discussions with early child-hood educators and certainly believe that they have the qualities and the skills. They also have expressed concern in the past that they have been dealing with kids sometimes in isolation of families, and they would like to play a greater role in the community and working with families.

So we thought it was a good place to start and that they would certainly be able to find mentors right within their community that they could hire to go visit with families, work with parents. So this is making more of a connection between the parents and the child care facility and ensuring that parents are involved.

Ms. Cerilli: Okay, I think I will ask some questions now about the FAST program. That is the school initiative for young people aged four to nine. I guess this is one of the examples of why we are concerned that a lot of the initiatives from the secretariat are pilot projects. This one definitely is, you know, targeted for a four-year period, 132 families, you have referenced in the notes you have provided. I would think that this program is going to work. Again, it seems like you are going to target it to areas, I am assuming, similarly to the way you are going to target the other program that we were just discussing.

My concern is that some of these programs, I think, would benefit children who are high risk, who we

would find in all areas of the city and of the province. So I guess what I am looking for is a little bit more of an explanation about this program of the kind of intervention that is going to occur, and why it is that you have selected to target it in this way or to conduct a program in this way for over a four-year period.

Mrs. Mitchelson: This is a program that has been up and running a little longer than the ones that we have just announced. I think I have made it fairly clear over the last number of years that I have been the Minister of Family Services that governments, I guess of all political stripes right across the country, are looking at outcomes and measurements on how successful we are being in the programs that we start and we implement. In the past, I know when resources were increasing in significant ways year after year, governments just kept adding new programs onto old without evaluating, without knowing whether the programs were having any positive impact or what the outcomes were. We ended up with program on top of program, and nobody knew whether they were doing anything or not or we were seeing healthier families and children as a result.

So every government now is looking at measuring outcomes and evaluating programs and seeing whether they are, indeed, having a positive impact. So when you hear the word "pilot project," very often our pilot projects are based on one site being a demonstration site and evaluation site and trying to ensure that as we move through the evaluation of the program, if parts of it are working and parts are not, we need to revamp the program a little bit to get the maximum effect and impact for families. So the FAST program is a pilot in a sense where we started the program and a four-year evaluative process, all the initial evaluations are saying that it has been quite a successful program. I will certainly indicate that if the results are positive at the end of the evaluative term, that program will continue. We are looking right now at how we might look at some sort of a universal model that could be expanded right throughout the province.

Ms. Cerilli: One of the other questions I have, both for this program as well as the Early Literacy Program, I am looking for in on here. That is the way the minister referenced it in her opening statement, but I am wondering if there is a different name for it based on the notes you gave me the other day.

Anyway, I am wondering if either of these two programs will have a speech and language component. We have heard about the long waiting list for speech and language therapy both for preschool as well as school age. I know that there is one pilot project going on in rural Manitoba. I think it is somewhere out in southwestern Manitoba that is looking at a more comprehensive approach to intervening with language-delayed and language problems in children. I am wondering if either of these two programs have a component for speech and language.

* (1520)

Mrs. Mitchelson: The Early Literacy Program, the \$2.7 million that is available for Early Literacy, is in the Department of Education. That is an Education departmental program, and, yes, it does have a speech and language component to it. I think the other one that my honourable friend mentioned, in the Brandon area was it, is funded by the Department of Health and does have a speech and language component.

Ms. Cerilli: So what is the name of this Early Literacy project based on the notes that you gave me the other day? Where am I going to find this one? They all have such nice names.

Mrs. Mitchelson: It is in the Minister of Education's budget. I think there is a budget line that says Early Literacy Program in the K-S4 side of the Department of Education.

Ms. Cerilli: So it is not on the list that you gave me the other day.

Mr. Chairperson: Order, please. I want to remind all members of the committee that the Chair is here for remarks to be made through the Chair, and I am failing to hear that. I would insist that all honourable members follow the process that is before this committee.

Ms. Cerilli: Just to clarify, Mr. Chairperson, you are requesting that I refer to you at the beginning of each of my questions? Is that what you are concerned about?

Mr. Chairperson: All honourable members, for the benefit of the committee, all members who address anybody make their remarks through the Chair.

Ms. Cerilli: I am wanting the minister to clarify, Mr. Chairperson, if the Early Literacy Program is listed in the notes that she provided for me the other day.

Mrs. Mitchelson: Mr. Chairperson, there were two different sets of information that I gave to my honourable friend. One was the Children and Youth Secretariat, Projects and Partnerships. This is not a partnership between government departments. It is a Department of Education initiative and it is an Early Literacy Program. It is not in the Children and Youth Secretariat's Projects and Partnerships. It is a Department of Education initiative, but when we talk about 1998-99 initiatives for children, the Literacy Program in Education is a new program that benefits children. So it is not a Children and Youth Secretariat initiative, but it is an initiative for children that the Department of Education is doing.

Ms. Cerilli: Mr. Chairperson, I thank the minister for that clarification. Right now, I would like to ask the minister more questions about the nutrition strategy. This one is getting one of the largest funding allocations. It was a major recommendation in the Postl Report. It has been identified in the health incidents working group, and it has \$2.1 million. I would like for the minister to give me a little bit more detail on this program, how it is going to be implemented, the different locations in the community, how those are going to be selected, and how it is going to be targeted.

Mrs. Mitchelson: I would love to be able to give more detail. Right at this point in time we have announced that the final details around the program are just being pulled together and it will be announced, so we have not announced. We have announced that we have put the money in. Exactly how it is going to be spent has not been announced yet, but that will be announced shortly.

Ms. Cerilli: I think this one was also mentioned in the budget or the throne speech. In the budget, the minister has clarified for me. So I am wondering if then we could clarify: this is a funding that has come from the Department of Health, I think is one of the departments, or which departments? Will the program be run at all through the schools in the province?

Mrs. Mitchelson: No, it is part of the reinvestment under the National Child Benefit. It is in the budget of the Department of Family Services, and the details of that will be announced fairly soon.

Ms. Cerilli: The minister seems to be reluctant to give me more details on this initiative because she does not want to spoil her press release or her press announcement. You know, these are the Estimates. This is the time when she is accountable for the money that has been allocated in this budget year. I would like her to clarify for me if that is the reason that she is hesitant to give me more details or if there is some other reason why she does not want to explain, as we have just gone through some of these other programs, a little more about this nutrition initiative, which has a large budget allocation.

I am assuming that \$2.1 million is for this year. It is already going on to July. So has any of that money already been expended in start-up, or is all that money going to be expended this year, and a little bit more detail about how that is going to be done.

Mrs. Mitchelson: The reason I have been able to give so much detail on the other programs is that they have been announced and this one has not been announced as yet. We are putting the final touches on the program.

I want to remind my honourable friend that the National Child Benefit does not kick in until July of 1998. It starts in July, and we are only receiving partial year funding, so we are not behind schedule as such in announcing these programs and initiatives, but the nutrition strategy will be announced, and there is a significant amount of money in it. I am not, at this time, able to give the details around that program.

Ms. Cerilli: Do you have a date when you are planning to announce the nutrition programs?

Mrs. Mitchelson: Soon.

Ms. Cerilli: I think that we could talk for a long time about all of these needs related to children and youth in Manitoba, that we could go into more detail, hopefully, in a lot of other of these projects, but, given the lack of time left in the Estimates, I think I am going to have to

close now. Perhaps we will get to ask some more questions in concurrence.

I am just looking quickly through my notes to see if there is anything that I had identified that I really wanted to ask for the minister's answer to, but I will just close by saying that, while I think that some of the initiatives that the secretariat is co-ordinating and has undertaken are positive and are a good approach, I think that there still are a lot of outstanding concerns, because, at this time last year, there was about half a million dollars. This year there is just over \$3 million that the secretariat has available to it.

At the same time, this government has been making very large cuts into programs for children and youth that are having an impact. So while the Children and Youth Secretariat is wanting to go ahead with some positive ventures in some new directions, the large government programs that this minister as well as other ministers are responsible for have been cut back, whether it in the past has been in child care, whether it has been in allocations for foster families, whether it has been in allocations for social allowance, a number of programs in Education, particularly in a lot of categories for special needs, in the area of Housing, where they cut back the shelter allowance programs for low-income families.

* (1530)

I would say that in pretty much every department. In Health, there are a number of areas where there has not been the investment that is required or there have been cuts in the large, broad programs of this government, and now the secretariat seems to sort of be trying to fill in with some new initiatives that are not going to add up to the amount that has been eliminated in children and youth services over the tenure of this government.

I think that is probably the main concern that I have had about what has been happening with this government in the Children and Youth Secretariat. It does have some positive initiatives, but they are so much smaller in scale compared to the large government cutbacks and redirection that has occurred over the last 10 years of this government.

Mrs. Mitchelson: I guess I cannot close the Estimates of the Children and Youth Secretariat without making

a few comments. I just indicate that the process that we have embarked upon through the Children and Youth Secretariat is fairly new and fairly innovative. It does, for the first time ever, cause government departments to try to work together, to put their heads together collectively, to not protect their turf, but in fact to look at how we can deal with families in a more holistic way.

So very often money gets poured into the system, and I am not about to get into a debate or an argument about cuts because I do know that significantly millions and millions of new dollars into our child welfare system is certainly not a cut. We have always provided that kind of support. The issue is that much of the money that goes into Child and Family is after the fact, and unless we start to put money in at the front end, we are not going to see any improvement in our Child and Family Services system.

It is the first time ever that departments have really come together, put their heads together collectively around the table and developed programs that reduce overlap and duplication and see a co-operative approach. I also have to indicate, too, that we are very much more engaging families and communities in finding the solutions, and I think we have seen many, many times that community organizations, people who live in neighbourhoods and work in neighbourhoods very often have some of the answers that we have never given them credit for before. We are engaged in a very significant way in trying to work with communities, building upon programs that already exist and ensuring that they can deal with the issues right in their own neighbourhoods. I find from time to time that families are much more comfortable when they know that someone who has been there, done that and turned their lives around can offer real help and real solutions to individuals and families and to children. So I am encouraged.

I want to say thanks to the staff of the Children and Youth Secretariat for the hard work that they do and for their connection to community. So very often government departments do not have the kind of relationship with community that needs to be developed. I have said many times and I will say it again on the record that governments cannot do it alone, and nobody wants governments to do it in isolation of what people out there know can work.

Governments do not always have the answers. What government is there for is to facilitate the kind of co-ordination that happens when you really sit down and talk to people, understand what the issues are, and help them to develop the solutions that they believe can fix and build stronger communities and strengthen families. I think that is what we have really tried to do.

It took a little time for the Children and Youth Secretariat to get up and running, but I think we have made a very significant start in trying to deal with some of the priority areas that were identified by the community. We will continue to work, recognizing and realizing that we have to get at the issues before they become a problem or families become dysfunctional. That is the challenge for all of us.

I said earlier in my opening statements and I will say again, we do not want to see a child on someone's caseload in the child welfare system. We want to see a healthier family up front so they do not need the kinds of services and support that families have needed in the past, that children have needed in the past from our child welfare system. So everything that we are doing is focusing on trying to ensure that we build stronger communities and strengthen families in those communities. We know that the communities have the solutions to those. We will facilitate that community consultative process, and we will ensure that the financial resources are available when communities come up with the right solutions for them.

So thanks, Mr. Chairperson, and with that I will end my comments.

Mr. Chairperson: 34.1. Children and Youth Secretariat (a) Salaries and Employee Benefits \$879,300—pass; (b) Other Expenditures \$269,100—pass; (c) Less: Recoverable from other appropriations (\$722,100)—pass.

Resolution 34.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$426,300 for the Children and Youth Secretariat, Children and Youth Secretariat, for the fiscal year ending the 31st day of March, 1999.

34.2. ChildrenFirst Initiatives (a) ChildrenFirst Initiatives \$3,320,000—pass; (b) Less: Recoverable from other appropriations (\$950,000)—pass.

Resolution 34.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,370,000 for Children and Youth Secretariat, ChildrenFirst Initiatives, for the fiscal year ending the 31st day of March, 1999.

This now concludes the Estimates of the Children and Youth Secretariat.

HEALTH

Mr. Chairperson (Gerry McAlpine): The next set of Estimates that we will be considering in this section of the Committee of Supply are the Estimates of the Department of Health.

The Committee of Supply will resume consideration of the Estimates of the Department of Health. When this committee last sat to consider the Health Estimates, the matter under consideration was the motion moved by the honourable member for Osborne (Ms. McGifford), which had been moved on April 30 and which was amended by unanimous consent on May 5.

The amended motion reads as follows:

It was moved by the honourable member for Osborne (Ms. McGifford)

An Honourable Member: Dispense.

Mr. Chairperson: Dispense.

THAT this Committee recommend that the Legislature support the content of the motion adopted by the Quebec National Assembly, and further that the Legislature urge the Minister of Health to contact the Federal Government and press for the existing compensation package for victims of tainted blood to be maintained, and that an extension of the existing agreement be entered into, which would provide compensation for all victims of Hepatitis C infected by contaminated blood or blood products.

* (1540)

Mr. Steve Ashton (Thompson): Mr. Chairperson, I believe the minister will, in a few moments, update us on what has been happening with hepatitis C

negotiations. Given the fact that we are in negotiations currently, what I would like to suggest is that we defer consideration of the resolution certainly for the meantime and certainly for this afternoon, and then we could proceed with other items. I do understand the minister has a statement, and I believe we may have a few follow-up questions, but if we could defer, by leave of the committee, the motion until a later time.

Mr. Chairperson: Is there unanimous consent to defer the amended motion by the committee? [agreed]

Hon. Darren Praznik (Minister of Health): Very briefly, Mr. Chair, just to update members of the committee and for the benefit of the record, we did have our meeting in I believe it was Ottawa some weeks ago. The governments of Ontario and Quebec clearly indicated at that time that they wanted to move unilaterally. The Government of Canada's position was that they wanted to work with the provinces to put some parameters about an extension of a particular program. Both Ontario and Quebec, but particularly Ontario, were not prepared to participate in that process unless of course there was an up-front commitment of federal dollars with which to sit and put parameters around an additional program. The Government of Canada was not in a position or prepared to do that. As a consequence, Ontario announced its course with a unilateral act. I believe the government of Quebec is on a similar course. The rest of us, as provinces, appreciating that there were other things at play between the governments of Quebec and Ontario and the federal government, all, by and large, took the position that we were prepared to enter into discussions with all of us at the officials level to look at all options that were available in this particular area and to be able to flesh out details around them and to come back with recommendations.

That process is now underway. At the officials level there was some attempt to gather provincial and federal ministers together again in early July, but regrettably that was not able to happen. I am not quite sure of the reasons, but I want to say very firmly Manitoba was committed to attend that meeting, and we of course cancelled our arrangements when the meeting was called off.

One of the frustrations that our officials are having, of course, is that in trying to work through options and

details, we have found that whatever documents are prepared or put forward tend to find their way almost instantaneously into the pages of a number of national or specific newspapers. That has made it very difficult to conduct any type of negotiations or discussions or explore options. I am not entirely sure where those leaks are coming from, but it has to a large degree made it very difficult for all of us as parties to participate in those discussions when one's documents and positions are leaked almost simultaneously. So I just flagged that as a difficulty we are having.

I would reconfirm to this committee the position that our Premier (Mr. Filmon) has clearly stated and I have made at this table that, should a national program develop in this particular area, of course, one that is a reasonable program, Manitoba is very much committed to being part of a reasonable national program that may in fact develop.

I only put that caveat of reasonable because sometimes things may happen that become beyond the realm of reasonable. I do not think anyone would expect a province to be committed to that, but our province is very much committed to seeing a national program and being part of a national program.

When the politics, I think, of Queen's Park and Quebec City and Ottawa tend to settle and the respective commitments of those governments and the national government are fleshed out, then the remainder of us will probably be asked to be participants in that program. Of course Manitoba would not want to be left out of a national program.

So that is my update. I am sure we will be keeping members informed as this progresses, however long it takes.

Mr. Doug Martindale (Burrows): I would like to thank the minister for his statement. I have some questions on hepatitis C, rather specific questions, not dealing with the minister's statement.

I recently took part in a family group conferencing. There were quite a few Child and Family Services issues but also health issues, and a public health nurse provided information to all the people present about how someone with hepatitis C needs to look after themselves. The individual about whom we were

meeting has been recently diagnosed with hepatitis C. The public health nurse said that he would be seeing his family doctor at a clinic, who would be referring him to a liver specialist at the Health Sciences Centre, and that there was a six-month waiting list to see this specialist.

Subsequent to the meeting, one of the parents phoned me and expressed the fact that she was quite upset because in the past the family and the adolescent have done a lot of waiting on the Child and Family Services system, and now they feel that this is one more case where they have to wait in this case because of waiting lists in the health care system.

I am wondering, first of all, if the minister can confirm that there is a six-month waiting list to see a liver specialist at the Health Sciences Centre.

Mr. Praznik: I do not mean to answer a question with a question, but, by way of clarification, is this a particular matter that was raised in the House or was raised in an article in one of the Winnipeg papers about a diagnosis and a long period to get in to see the specialist again at the Health Sciences Centre?

I recall a case that may or may not be this one that had a story in one of our papers, our daily papers, recently. If it is that particular case, then I have some additional information. If it is not, then it is not helpful. I would just ask the member if he is aware if that is the case.

* (1550)

Mr. Martindale: As far as I know, it is not. It was just raised at a meeting on Tuesday of this week by the public health nurse, and she was providing it as information.

Mr. Praznik: One of the issues, and Ms. Hicks makes the point with me that on any urgent matter or emergent matter, like all waiting lists, and I cannot confirm what an individual physician's waiting list is or how many people are on lists to see specific specialists, but, given the urgency of the matter at hand, it will usually result in the placement on the list.

As Ms. Hicks has pointed out to me, that if someone's family practitioner sees this as an extremely urgent

matter, then the recommendation would be to see them very shortly, and they would move up on the list. The lists of most physicians are not kept on a first come, first served basis. There is movement on them based on the urgency of the matter. So I would suggest that perhaps some discussion with the family physician take place, because one of the issues on hepatitis C is that it can be years before the liver is actually affected, if at all. It may be that the length of time here is more related to the progress of hepatitis C or a cautionary referral to a specialist as opposed to an immediate need.

I would make this invitation to the member for Burrows because I think it is obviously important to this individual. If he could provide, privately after this meeting, Ms. Hicks with the specific information, we will endeavour to have that checked upon, and if the matter is more urgent than the specialist office is aware, it is likely that person will be readjusted on the list to see the specialist on a more timely basis.

Mr. Martindale: Mr. Chairperson, I would like to thank the minister for that answer, and I will follow up appropriately and also inform the family.

Mr. Tim Sale (Crescentwood): Mr. Chairperson, I want to go back to the evolution of plans to deal with the various pieces of the Misericordia plan. I wonder if the minister could update the committee on plans for the various pieces that have been reallocated. I am aware of some of the overall reallocations of plastic surgery and hip replacement surgeries to various places, but perhaps the minister could provide an overview of that, and then we could move on to talk about some of the time line and other questions.

Mr. Praznik: Mr. Chair, regrettably—and I appreciate the dynamic of the latter part of the 240 hours of Estimates—I do not have Dr. Postl with me today, who is much more intimately involved in these details than I. Ms. Hicks would not be able to give an exact update. The reason I say that is as the details around these programs—we do have a working team with Misericordia, between the WHA, the Ministry of Health and Misericordia, and it has been meeting. I believe it is meeting again tomorrow morning, and they are putting together the details with respect to these programs.

I know in the area of the breast program, which has been one of great interest to a number of communities and certainly to the public generally, that the various interest and support communities around it have been invited into this process of planning in detail and have been very much involved in it. So as the details are being worked out, they are getting a sense of the overall plan, and they are having input into a number of the decisions that are being made. So I do not have an update. I know they have been meeting fairly regularly.

I know the issue was raised about—the member raised it, in fact, in the House with respect to the urgency care centre and primary health care. I had a chance to check the document that he referred to, and I can appreciate the concern that he raised. I do not think the Winnipeg Hospital Authority's communications people quite accurately—perhaps did not use the right term, but the intention of the government and of the Winnipeg Hospital Authority is to ensure that centre is both a centre for primary health which is important, a good community clinic, but also has an urgency capacity.

I know there are some issues around beds available and some issues around observation beds that are being worked out in detail, and I leave that to those who have to put this together. But the intent of the government and of the WHA is to make that not a diminished centre but one that is very active and well used and functional. In fact, within our planning, we see that as an opportunity for us to deliver a variety of seasonal programs, a flu clinic, for example, that will take pressure off of emergency rooms. So it will be a very vital part of the Winnipeg Hospital Authority, not just another clinic for that part of the city.

I would invite the member, actually, because I know of his interest in this particular area—I think just because we are of different political parties in this House, I see no reason why he should not avail himself. I actually extend the invitation, that as some of this planning goes on, to invite him to spend some time with our people, and he may have a contribution to make in direction that he may be more aware of in serving those needs than perhaps I obviously do, since it is not near my constituency of services, my particular community. So I make that as a sincere invitation to him.

Part of what is also going on now in the assessment, I know that on the capital side of the project, Mr. Bartman, the last time I spoke with him, indicated that there is a possibility that we could be in the ground on almost the whole project this fall, not just the first hundred beds but perhaps the whole 280, that there were plans the Misericordia had developed some years ago to put a new tower of beds in and that they have taken those off the shelf. It may be possible, with some refinement, to be able to adapt them to long-term care needs which would save us a great deal of architectural work on the non-Furby Street, on the main site where there is a fair bit of work to be done.

So I do not know the status of those today. They are being worked through. I know I have had a chance to speak with Councillor Glen Murray ever so briefly as we passed at an event, and he assured me that the zoning would eventually be worked through. There were some issues that he had about potentially moving houses onto vacant lots and other things that would have to be worked out locally. So I suspect those things will be worked through.

Also, I was just briefed this morning by Ms. Hicks that there is still some space that will remain in the complex, even after the renovation, quite potentially, that may accommodate some other services within the Winnipeg Hospital Authority, may be very ideal space for that service, and it is being explored, as well, now.

So as programs and things shuffle and develop, we have always said that the third role of the Misericordia, one being long-term care, the second being primary urgency care for that part of the city, but also to be a host for a variety of programs and facilities or services for the WHA was also that third role. There had to be, obviously, lots of flexibility in that. The central location of the Misericordia makes it ideal for particularly ambulatory services, having a parkade in a central location, far better than a community hospital at any other end of the city which is more inconvenient to those who come from other parts. So we intend to see that happen.

I am going to ask Miss Hicks perhaps to add anything she may have. Do you just want to touch base on any of those?

Ms. Sue Hicks (Associate Deputy Minister, External Programs and Operations Division): No. I think that is good.

Mr. Praznik: So I would say to the member as well that if he would like to arrange a meeting as these sort of flush out, Ms. Hicks would be glad to do that, and we can get him a briefing with—as I appreciate today we are in the last hours of Estimates today and maybe next week, you know—to be able to arrange to have Dr. Postl here to answer these questions if we are not able to do it. I would be pleased to arrange to provide that briefing for him at another time.

* (1600)

Mrs. Myrna Driedger, Acting Chairperson, in the Chair

Mr. Sale: First of all, I thank the minister for the invitation, and I will contact Miss Hicks, I presume—is that the correct contact point—to avail myself of that opportunity. So I thank him for that.

I am also pleased to hear that the patient groups involved in breast care and survivors' groups have been contacted and are, am I to take it, actively attending in the planning process? I think that is a very positive step for those groups, not only because they have a great deal to add to the process from their own experience, but because I think the minister has acknowledged, and I certainly would underline, that I think we know increasingly that so much of healing has to do with attitude and a sense of comfort and a sense of confidence. A great deal of that comes from knowing what is going on and having some sense that you have some involvement in the process. So I think that is health giving, not just for the process, but it is health giving for the people involved as well. If that is what is happening, then I am very pleased to know that.

I gather, Madam Chairperson, that the Misericordia Hospital has signed finally the documents that were unsigned when we last spoke, but the minister was expecting a conclusion. Is that the case?

Mr. Praznik: Well, the number of documents that we referred to as agreement on—pardon me, I am going to sneeze—

An Honourable Member: Bless you.

Mr. Praznik: Thank you. Even Ministers of Health sometimes have to sneeze. This will make good reading some day by some history student in the journals of this Assembly.

First of all, a number of the issues where agreements were reached—one is of course in common medical by-laws, and my understanding is that all of the hospitals have agreed to that and have agreed to the common medical by-laws, which were developed actually by the physicians in the system.

The second agreement that was required—and this is the one his Leader has referenced, and I admit, I think, with some confusion, but I appreciate why because there are many things in play. The agreement that we required was by, I believe it was, the end of April. I wanted to ensure that the hospitals had all agreed in principle to a common employing principle or strategy to allow for the movement of staff with programs and the changes that would go on. I had said to them that that was fundamental to making the system work. They wanted to attempt to achieve that by a negotiated process with the unions involved, which is obviously one option. A second option would be to apply to that status, to the Labour Board, and thirdly, I could appoint the labour commissioner under the act that had the power to create that. They all agreed in principle and signed off on the appropriate letter of commitment to the principle of common employer, and my understanding, is if that is not able to be negotiated with the unions involved, then all those hospitals agree to the application to the Labour Board.

What is in fact happening today is a dual process. The Labour Board, at our request, has begun the process of consolidation of bargaining units within health care in Winnipeg. That did take place this winter in rural Manitoba in the regional health authorities. In fact, the votes on who would be representing those new bargaining units, I think the first votes took place in eastern Manitoba, North Eastman, a couple of weeks ago. South Eastman has voted, and there are others moving forward in that particular process. But the preliminary work on amalgamating bargaining units in health care is already started by the Labour Board on the presumption of having a common employer

relationship. If agreement is not put in place, then the Labour Board will make that decision.

So the negotiating process is going on, the amalgamation process is going on, and at some point that will be brought together. My expectation is that unless something goes terribly off track, there will not be a need to appoint the commission under the act. That is still a power that I have, and it is one I really do not want to exercise if we can do it through the normal labour relations process.

By the way, the amalgamation of bargaining units is a normal part of The Labour Relations Act and process and has occurred in other places. So our preference, my preference as minister, was that we use normal processes to do this rather than the extraordinary appointment of the commissioner. So that is underway, and we have had agreement there.

The third area is the operating agreements for the facilities. Now I want to take Misericordia out of that for a moment, because their operating arrangements are unique among the nine hospitals. Once they have become a long-term care centre, the role of their board in the governance of this facility will be much different than the roles of boards in the governance and operation of the remaining acute care hospitals. So in many ways, some of the objectives of governance that the Misericordia board wanted to maintain, they will achieve and maintain under the long-term care area.

So the agreement that they have to strike, I do not think is completed, and the reason is it will flow out of our transition work that is now underway, because they require to be part of the common employer and the transition in order to help accommodate the movement of acute care staff who want to leave the Misericordia to remain in acute care, but once that is completed, then they will have a more independent role. So that operating agreement for Misericordia is—well, my understanding will come about after all this transition work is done.

With respect to the other eight facilities in the Winnipeg Hospital Authority, I believe that most of their issues have been worked through. I have not been rushing that process because I recognize they are the

first operating agreements. There are a couple of issues that are still outstanding. I believe one of them was the reporting relationships between CEOs and the Winnipeg Health Authority CEO. One or two of the hospitals had some difficulty with there being any formal reporting relationship between their CEO and the WHA CEO, yet I understand under the faith-based agreement, if my memory serves me correctly, there is recognition that there has to be a working relationship there. So it has to be defined and that is being worked on today.

The last report I had from Mr. Neil Fast was that he and Mr. Peter Liba from St. Boniface and several of the others believe that it would probably take a couple of sessions to hammer out the final wording.

Again part of the issue here is that we do not have necessarily a template, we do not have a past agreement. We are really cutting new ground here, so you have to allow that process to take some time, but virtually all of the major operating issues have been worked out to my knowledge.

Mr. Sale: Could the minister relate the purpose of his bill to the resolution of the operating agreements because the minister knows that we have very serious difficulties with the bill that has no appeal process and essentially has the minister making the final decision on a mediation that the minister has control over? So it seems to me that the minister says on the one hand that he is wishing to let this process take its course and it is unique and it is new and it needs time, and on the other hand he has introduced a hammer that has fairly heavy weight behind it. I wonder if he could reconcile those two.

Mr. Praznik: Yes, and I appreciate the opportunity to do that at this committee. First of all, one oversight in that bill and I want to clearly put that on the record today is that—I noted the comments of the member's Leader when he spoke on the bill in the House. This bill is not intended to circumvent the faith-based agreement, and consequently we are working on an amendment to it which will ensure any power to implement an operating agreement or portions thereof cannot offend the fundamental principles of faith of any faith-based facility.

It was never our intention to do that, and when the member for Concordia (Mr. Doer) spoke on the bill, I noted his comments and recognized the shortcoming in that piece of legislation. What this ultimately is designed to be is, yes, it is a means of ensuring that we do have operating agreements. We are talking about the functional operational issues of how facilities relate to their regional health authority.

* (1610)

Saskatchewan, who went through regionalism somewhat earlier than we did, recognized, did not have a process for resolving disputes between facilities and regional health authorities. They brought in a piece of legislation, and I would be more than pleased to get a copy to share with the member and members of his caucus that in some ways did the same thing, although one would argue a much harsher piece of legislation because it does not have the prerequisite of mediation first, but ultimately the authority to set the operating agreements rests with the minister.

In speaking with officials and others in Saskatchewan, it was recognized very clearly that one has to appreciate that our health care system has changed so much from the time in which these facilities were created. As the member well knows, going back to the '40s, '50s, '60s, health care was by and large a private matter with private charitable organizations, different sources of funding. Government, from whether it be capital contribution in the '40s and '50s, operating through medicare in the '60s and '70s until, where today, even at St. Boniface, 99-point-something percent of their budget is public money. So our health care system has evolved where it is truly a publicly funded health care system for which the Legislature and government has responsibility, and I would make the observation I think the public expects us to be responsible.

In moving toward regionalization in the rural parts of the province, virtually all of the municipal facilities evolved into the RHAs. In Winnipeg we still have an independence on the part of hospitals, and certainly personal care homes, there is a need to evolve in Winnipeg, but we recognize that in the provision of public money, without that public contribution, none of these facilities would be able to operate. So ultimately

the responsibility for their operation has to rest with this Legislature, administered through its servant, the Minister of Health.

So what we intended to do with this is to ensure—it was an oversight that we recognized, and in talking with a variety of the chairs who have had independent health organizations still in their areas who are entirely publicly funded, it was recognized that we have to have operating agreements. Sometimes there is a reluctance to give us turf in operations that are essential to the delivery of service. Ultimately, if it is public money—I do not feel that a government or a minister can be held accountable for the delivery of service if ultimately they do not have the means to ensure that service is being delivered. That is really where this comes from. That was the Saskatchewan experience of the New Democratic Party government there, and they brought in legislation after their regional health authorities act, as I understand it. I may be wrong in this, but that is my report from our people. They recognized that ultimately the minister had to be responsible for setting the operational agreements.

The other issue, too, is that in rural Manitoba where all of these facilities have, in fact, evolved, the decisions are made by their regional health authority on how those facilities will operate. We set policy as government, and the RHAs deliver that service, and they direct it. Other than a few areas where there are still some faith-based facilities, they make their decisions, and they implement them, and they follow policy. I would not want to have a double standard in Winnipeg that because of the retention of boards the ability to serve the public need and interest could not be met because of an independent organization whose entire funding base, or significant funding base, was the provincial taxpayer.

Ultimately, in this day and age in the delivery of health care, that is not really a tenable position, I think, to the public. So it was raised with us that this in fact may be needed. I am pleased to say that the operating agreements now in Winnipeg are just about all complete, and it is probably a good time in which to do this. One may argue that, as I flagged with him, the one issue that is somewhat outstanding with some of the hospitals is the reporting relationship between CEOs to Mr. Webster, the CEO of the WHA, on operational

issues. I am sure the member would agree the system would not work if the CEO of a facility did not have some working operational relationship with the CEO of the WHA. If every communication had to go through an independent board to the WHA board and back down again, it would bog down.

This particular issue has been flagged as one of perhaps turf protection by some facilities saying my CEO cannot talk to the CEO of the WHA. If you ask, is that real, I can tell the member that the former CEO at St. Boniface, Mr. Tremblay, was under very strict orders not to speak to the Ministry of Health on any matters at all.

I do not know what restrictions were put on to him with respect to the WHA, but the St. Boniface board would not allow their CEO to really have a functional working relationship. I believe it was untenable. It made it very difficult to deal with St. Boniface, and that was something they imposed. So ultimately in operating agreements, we expect there to be a working relationship. So this is one example that, if this cannot be resolved—I am hoping it will be, but if it cannot be resolved, ultimately, what is in the best public interest? The best public interest requires an operating working relationship. If that has to be imposed, it has to be imposed, and I will have to bear that public and political responsibility.

At the end of the day, it is for best patient care, and that is what it is about. So in drafting this particular piece of legislation, we said: okay, if you are going to have that rather large hammer, let us remember it is public money. In rural Manitoba it is delivered directly through the RHA because there are independent boards still functioning in those cases. The decision has to rest ultimately with those who are responsible to the Legislature with the money, but we did say, in the interest of process, that it was important to have some attempt to mediate these issues. Some of them are very worthy of mediation because they are new areas, and you want to at least have some opportunity to have some reasoned discussions on those issues.

But ultimately the public interest has to prevail, and the public interest rests with the Legislature who votes virtually all the money spent in those facilities. So that is the logic behind it. I recognize very fully that in its

current form the bill could be interpreted as allowing an operating agreement that would offend principles of faith of a facility. That is a weakness in it that I have recognized. We are prepared, and I will introduce the amendment at committee that will ensure the power to impose an operating agreement cannot impinge upon the fundamental principles of faith of that particular facility, which was the whole purpose in essence of the faith-based agreement. So we will bring that amendment forward at committee and ensure that—I would be hard-pressed to see an argument that ultimately any organization who derives its funding from the public not ultimately be answerable to the Legislature and its ministers for the delivery of the services that it is coming to. One wants to be reasonable, but you have to always keep in perspective that the public holds us responsible for the delivery of service, for the expenditure of public money, and ultimately the tools have to be there to ensure that that happens.

Mr. Sale: One last question about Misericordia's evolution. I know that the citizens of my area and the area of the honourable members for Broadway (Mr. Santos) and Wolseley (Ms. Friesen) and River Heights (Mr. Radcliffe), too, will be concerned to know what an urgent primary care centre is because nobody has a clue at this point what that means. Frankly, I do not think that those who proposed it had a clue what it meant either, because I do not think anybody had sat down and figured it out. That is unfortunate, because it then allows itself to have expectations going in any number of directions, and there is no possible way of fulfilling them all because no one knew what it meant when it was proposed.

One of my biggest concerns in this whole area—the minister has heard this before, but I will say it again: a community clinic to the minister is a different animal than a community clinic is to me. The community clinic, to me, is a clinic that the community has a stake in in a functional way. That is, it has a board, it is a route into the community through the roots of the community members that are on its board and take part as volunteers, are its sounding board for services that are needed that have some ability to hold the clinic accountable for the quality of service.

A community clinic has, by definition, in any of the literature that I know of, an advocacy function.

Whether it is a community clinic in Cuba or whether it is a community clinic in Quebec or a community clinic in inner city Winnipeg, the ones that have stood the test of time have had community roots and advocacy function and the ability to engage their community, not over the issues of episodic illness, but over time in trying to produce healthier conditions. The long, long record of Mount Carmel Clinic is probably the one that the minister knows best. But there are other effective clinics that struggle, and it is not easy.

* (1620)

I do not mean to suggest that having community boards is a panacea. I have worked for community boards, and they can be a pain in the butt. There is no question that it is difficult. But it is like we often say about democracy, it is the worst of all possible forms of government except for all the others. I think we have to say that about community clinics, that if they are not rooted in a real and structural way, then they are community in name only. They are essentially primary health delivery units that the health system may value and may in fact provide very good care, but they are not community clinics.

The board of Misericordia has, frankly, as far as I know, shown no interest in engaging the community in the development of the operating program or whatever term is now used for describing what is to be the function of the clinic. I am wondering whether the minister has a concern about that or whether, in effect, the Sisters of Misericordia, through the board, will continue to operate whatever it turns out to be in the same way that they have operated the hospital over the years, that is, with compassion and concern but with precious little contact with the community.

Mr. Praznik: The member for Crescentwood will not know how much I value his comments, because this is, I think, a very honest discussion of this issue. I value his observation more than he will realize, because it has been the struggle that I have had with many of the existing boards that have been in place, and he has flagged it: caring, compassion, mission, a lot of the community issues not often being met.

I know I am a little off track here, but it flagged with me one of the issues we have to face at St. Boniface and the St. Boniface board has to face. It is no surprise

that I have been in a bit of a battle with them over the winter on regionalization and common employer and other issues, but over and over again I hear in the St. Boniface community that the role of St. Boniface to provide Francophone health services or services in French to that community has diminished to almost being irrelevant. The Chartier report pointed that out. So even though the Grey Nuns, who are the owners of that facility, are caring, compassionate people who want to meet unmet needs, the community that they originally have served feel somewhat abandoned in the French language services area.

So I recognize that point, and it is a dilemma. How do you recognize the caring, compassion, and dedication, yet ensure that with public money, because, ultimately, the taxpayers of the Misericordia catchment area are contributing to that facility? The Misericordia board is not running it on donations from the churches. They are not running it on their own investments. They do raise money for the extras, but their operating dollars are public money and the people of the Misericordia catchment area are paying for that service, and they will pay through their tax dollars for the operation of a primary health care clinic.

So although the Sisters of Misericordia may own the property, although they have a tradition and a history and they may be compassionate and want to meet unmet needs, they are not meeting it with their own money. They are meeting it with the public's money. How does the public ensure that is being delivered? That is an issue, and it is a somewhat touchy one, because how do we ensure that there is that kind of public involvement in a successful community health care clinic? This is going to be the issue around this clinic, to some degree.

I can guarantee almost with certainty to the member that as a primary health centre and an urgency centre, I mean, all it takes to build that is people and the money to hire them and put the equipment in place. That we can do. That is no problem. I can do that as minister, and we are working towards that. But the member has flagged with me a very important one. How will that centre keep or develop a contact with the community that it is serving that is really relevant to them? That is going to be a bit of a dilemma here. The challenge for the Misericordia board of directors, who continually

insist on their role in managing these issues, is to impress upon them—and we both perhaps have a role in doing that, myself as Minister of Health and the member for Crescentwood as an MLA from the catchment area—about the need to build that relationship.

I can indicate to him today that I think it is going to be very important that, all partisan politics aside, we are going to have to develop some approaches as MLAs and colleagues to ensure that those things work in. I do know that a number of communities are interested in sponsoring portions of the long-term care facility, that the Italian community in Winnipeg, through Villa Nova and Villa Cabrini—I have met with both their boards—are very keenly interested in being sponsors for at least about a hundred beds of the 280 to ensure that the needs of the Italian community are part of that and being met and that the cultural and religious dynamic of elderly people from their community is met in personal care homes.

I think we should celebrate that because that is very important, that part of care. They will have to deal with the Misericordia board to ensure that their community which is prepared to raise a portion if not all of the community contribution for that hundred beds is also plugged in and part of the process in determining the operation and the policy and how things are going on there.

So the current board at the Misericordia Hospital and the Archdiocese of Winnipeg and the Sisters of Misericordia have a real challenge to be able to work these issues in. I would say to the member for Crescentwood (Mr. Sale) that in the public interest I would be very prepared to work with him and his colleagues who sit in the Legislature from those areas, including my colleague Mr. Radcliffe from River Heights, and obviously members of his caucus, to help ease this together, because it really is a new world for everyone there.

Often in my job, you get very much into all the details and the financing and the construction periods. What I very much appreciate about his comment today is it reminds us about the community linkages which can very easily get forgotten about in this process. His comments have reinforced and reminded me of that,

and I am in a spirit of nonpartisanship today. I think perhaps we should make an effort in the next number of months to ensure that that kind of community connection is meaningful and is part of this process.

I do not for one moment mean to switch the topic, but in a very realistic way that is why one of the reasons for the bill in terms of operation agreements, outside of the principles of faith which I have acknowledged has to be recognized in that bill, but that is one of the reasons why the public—it is public money. The taxpayers who are served pay their taxes to the province. They elect us to administer those dollars, that, ultimately, we have to ensure that what is in place is going to work for the people who are paying the bill and using the service. So I extend that invitation to him and hope we can find some common cause.

Mr. Sale: I thank the minister for that. As well, I will look forward to sitting down with his officials and looking at least at the broad picture and see whether there are some ways in which we can ensure the community voice.

I would just say to him, in concluding my questions, two things. One is that I think you will not achieve what you have said you wish to achieve now, and that is a serious community voice, if the urgent care centre is simply a part of the larger facility. I say to the minister, and I am sure his officials would back me up on this, that the experience, almost universally, is that the demands of operating a major institution will always drive out the opportunities for outreach and prevention and community development, simply because they are more urgent, or at least they appear to be more urgent, and because in sheer financial terms they vastly overwhelm and will always overwhelm the front-end activity.

It has been the experience in child welfare, sadly, that governments have eventually stripped—and I am not talking about particular governments. This is in the literature across North America. No matter what the intentions were of people who put preventive services at the heart of something, if the something is a large institution and has institutional characteristics, those functions get driven out.

So I would say to the minister that I assume and I believe that he is serious about wanting community clinics to be effective and that he is serious about wanting this primary care, urgency care community clinic to be effective, that he must then say quite straightforwardly in the operating agreement that there will be a separate structure evolved, not to exclude the current board but not under the direction of the current board because if it is under their direction, it will be a minor item of business on every agenda.

* (1630)

The voice of the community, even if it is enthusiastic in the first six months, will very slowly, or very speedily, disappear. I have just had enough experience over 30 years of working in community organizations to know that the process of engaging and animating a community is a long, ongoing, continuous process. You never stop. It never ends. The community is never at the point where you can sort of say, well, the clock has been wound up and now it will run.

If we are serious about animating people around the wellness in their communities, we have to be serious about putting community development resources in clinics and supporting them. We have to be recognizing that that will cause us problems as legislators from time to time because they will make demands coming out of their needs, and the easiest way to damp that down is to put them under a large institution, and they will go away. Unfortunately, the problems that they have will not go away, but the people will go away, and it will wind up being expressed in some kind of generalized unhappiness with Health, but we will damp down the dissent. All governments have done that, one way or another over time, because people lose patience.

But I would look for the minister to make a commitment that the governance structure for that clinic will be separate from the governance structure for the hospital and will have a mandated, not an advisory, not a "you can come and talk to us when you want to," but a mandated community component to that structure, so that the community has a governance voice in their primary health care centre.

Mr. Praznik: Madam Chair, I very much appreciate the member's comments. That is one of the things in my tenure as Minister of the WCA, when we were looking at what we really needed to take over operations with our boards, WHA, WCA, and what we did not, that the community health clinics across Winnipeg—for example, Mount Carmel he has referenced; the Aboriginal Health and Wellness is our newest one that I think is growing in its success as it moves forward and develops at its own pace, as it should—that we did not want to remove those local boards from that process and say that the WCA will take over those clinics and run them as clinics. We wanted their boards to continue. Now, they will work with the WCA. The WCA will be their funder and their body as opposed to the Minister of Health, but they will continue.

So that was part of my thinking. So I think the member and I share that same view of the need to engage, and I appreciate his comments that you always have to keep working at it, and there are probably cycles of interest that move forward. But that is part of human development, and if you do not continue to support that, you never move forward. Eventually, things catch up to you and wipe it out anyway.

That is somewhat of what happened, I believe, in our Winnipeg hospital system, that the boards of directors of our nine hospitals—not that people lose touch with the community. I am not suggesting that, but technology and so many things have changed the way you deliver acute care that the structure just was not able to easily accommodate to those changes. So, over time, you end up having to regionalize, and you end up having to force things to happen when you would have wished they could have happened more naturally some years earlier.

I want to say to the member today, this very unique opportunity, I have been dealing with the board of directors, with the owners as represented through the Archdiocese of Winnipeg as Minister of Health in getting the overall objectives together, but I am going to invite—and I want my staff to take note. I think we should invite the member for Crescentwood (Mr. Sale) and some of his colleagues and my two colleagues, I guess, who represent ridings around that, to the member for Fort Garry (Mrs. Vodrey) and the member for River

Heights (Mr. Radcliffe), that we should probably together have some discussions with the board of Misericordia because they are the owners of the facility, and the approach that I have taken throughout this is we have presented them with the concept; we dealt with their board.

It has not always been easy. There has been a lot of learning experience to go through, but if the member is prepared to be part of this, I do not have an objection to involving the local members, because as the member appreciates, I think it is very important that this message be heard by that board from members on all sides of the House representing that community. If the member is prepared to—and I am not asking him to commit today, and I am not going to ask us to flesh out detail as to how we do that, but I am going to invite him to chat with Ms. Hicks at his convenience. Perhaps we can ensure that we talk about this with this board in a meaningful way because it is an opportunity to do it right.

I do appreciate the member's observations about big institutions, and although Misericordia will be working with the WCA, they will be, in essence, on the long-term care side. They will be the largest long-term care facility in the province. The other agreement I guess I did not reference was the agreement that has now been struck with the university, that the operating or the teaching agreement is with the WHA, I guess the WHA and some part with the WCA, as opposed to individual facilities.

I joked with Mr. Bartman about leaving at least some of the geriatric training for the other geriatric facilities, long-term care facilities, because knowing Misericordia's record, I think they will want to become very active in the university program, in the teaching. They will be looking for things to grow their role, and that is a good thing, but it will mean they will be the largest long-term care facility in the province of Manitoba, just slightly larger than Riverview.

So the member's concerns are valid, and I am very glad that he has raised them. I would leave it to him and Ms. Hicks to have some discussion. I may want to join in on that to discuss how we can find some common cause to ensure that—I would much rather have the board of Misericordia recognize this need because

it is coming from the community and it is coming from both sides of the Legislature than have it imposed. That would be my preference. I am not quite sure if the board at Misericordia has fully had this placed before them.

I appreciate the candor of the member for Crescentwood (Mr. Sale) because we have had I think a very blunt and fruitful discussion on this issue, and I thank him for that.

Mr. Ashton: I would like to ask a number of questions in my capacity as deputy Health critic. I would like to begin by asking the minister to explain some of the comments he made just a few days ago on Betaseron. I am quite aware of this issue myself. I know a number of people who have MS. I know the concern that is out there. I am also aware of the minister's comments in Question Period.

But the concern I have is with the time frame. My understanding is that I believe it is four provinces currently are covering the costs of Betaseron. I wonder if the minister would give us some idea when this question of whether this is going to be provided to MS patients in Manitoba is going to be resolved.

I think that if I was to sum up the concern that I know is out there in terms of people who do have MS, there is a frustration about and concern that this may be a further delay, and people want to know. I am quite aware about the minister's comments, but can the minister give us some idea of the time frame?

Mr. Praznik: Madam Chair, first of all, I am just as frustrated as the member for Thompson (Mr. Ashton) and the member for Kildonan (Mr. Chomiak) have been with this because this winter I did have opportunity to visit in British Columbia the MS Clinic there. The staff I had who were putting this together, we attended, we met with the people who run the program. We sought their advice. We reviewed what was happening across the country, and we thought we were moving very speedily, in fact, to getting this into play.

* (1640)

I am going to ask Mr. Potter to give us an update as to where things are, where the delay has been and what

we are attempting to do to ensure that this thing moves ahead speedily. So, with the member's indulgence, Mr. Potter is actually representing us on the working committee with the MS Clinic in putting this together.

The Acting Chairperson (Mrs. Driedger): To remind the committee, it was previously agreed that staff from the Department of Health could answer questions directly during these Estimates.

Mr. Ashton: I just want to indicate that it is not normal practice. In fact, it is not normally my preference that we proceed this way. I prefer to do it through the minister, but given the fact this has happened before and the importance of the Betaseron issue, I am certainly prepared to extend the leave.

Mr. Don Potter (Associate Deputy Minister, Internal Programs and Operations): Madam Chairman, I would like just to give an update of the Betaseron issue. In fact, we made a presentation just this week to the MS Society on this issue, to bring them up to date as to the status. It was an open meeting that was attended by many of their members.

The minister is correct. The intent was certainly to have it up and functioning faster than we have been able to do so, but it has not been a result of any foot dragging or any delays that have been imposed. But simply trying to put the program together has taken longer than we initially anticipated. I can tell the committee that the Betaseron pilot project is now at the MS Clinic. The MS Clinic is the host. We have staff in place; files have been reviewed, and are being reviewed as we speak, by the MS Clinic in terms of the Betaseron pilot project.

We have a doctor, Dr. Tony Auty, who has agreed to participate in the program, and we are attempting to enhance that with further neurologist support. I believe this month, in a week or so, the first screenings will be taking place with the neurologist. So we are very much underway as we speak right now.

Mr. Praznik: If I just may add to that, when we asked the MS Clinic to be the host, and obviously, we needed to have a—the success of the project in British Columbia and other places is that there was host, a place with

nursing staff, to do all the screening and the supports to limit the dependence on a physician.

The MS Clinic, when they undertook to host this, agreed to host, had two physicians, I believe, one of whom has since left, and that has meant Dr. Auty has been the only one to do the physician piece of this. Even though it has been somewhat minimized, he is still the only one, and we have indicated very clearly that, if we need to put some resources in place to attract another to work with him on this project, those would be made available, but it is a matter, I understand, of finding a neurologist who would want to join the program.

Mr. Ashton: So there has been some progress since the last time this was raised in Question Period. I am still wondering, in terms of the time frame, if there is any sense as to when things will be up and operational and the length of time of the project itself.

Mr. Praznik: If I understand Mr. Potter correctly, as of next week, Dr. Auty will be doing his work with patients to get them onto the drug, and he may want to just expand on that. I am not sure how many will be on the list; the prescreenings and things have been underway. He will update us on that.

Mr. Chairperson in the Chair

Our expectation was that we obviously have funding in place for this fiscal year, and we recognize it may take two or three years to do a proper assessment of the drug. So I have given my commitment that we would want to include that in our Estimates for next year. You just cannot do this on one year, take two to three years.

The other thing that we expect is with the approval by Health and Welfare Canada of another batch of MS drugs, that once this is in place, it should be relatively easier to be able to apply the same kind of program using the staff, the clinic, et cetera. So how we set this up now will also be available for additional drugs.

As Dr. Auty pointed out to me, in one of the meetings that I did have with him, some of the other drugs may overtake Betaseron at some point, so there has to be some flexibility here in it. But we do not intend to have

people on the drug and then cut off at some meaningless time period that suits budgets. If we are going through this, we have to have a long enough period to truly assess the drug. There may be intervening products that make Betaseron really a nonissue at some point. If it turns out to have value after a suitable test period, then it would likely be approved generally on the formulary, but the advice that I have had, the clinic today, even being generally approved on the formulary still should require a proper screening for who would it benefit, are they prepared to live with side effects, et cetera. So this is really putting into place the mechanisms that we can use in the whole array of new MS drugs.

Mr. Potter may just want to give some comment on the start time where people will be getting drugs under this pilot.

Mr. Potter: Mr. Chairman, as you have pointed out, the project really is underway now. Over 50 files have been screened through the MS Clinic, and the first appointments with the neurologist are scheduled for this month. I do not have the specific date with me, but the project is underway now. All the infrastructure is in place; the protocols are in place; the evaluation framework has now been in place; all the approvals have been received from the various groups that we need approvals from. So we really are underway.

Mr. Ashton: I appreciate the information, and certainly as I said, I know from personal experience how important this is to people with MS and how much anxiety there has been. I am pleased that it is in essence virtually underway. I think that is an important signal to the people affected, and I certainly thank the minister and staff for that update.

I would like to also raise a follow-up question to questions raised in Question Period on the whole issue of the high cost of drugs generally and the high-cost-of-drugs task force. Saskatchewan has a task force of that kind. What is the minister's plan in this area? I realize the challenge. You know, it is very easy to see the latest drugs develop which are fairly costly in many cases. There is always the question of whether they are effective or not. That often takes time to establish, and more often than not the real question is not whether they are effective but the cost-effectiveness.

I am not discounting that as any part of any decision in the health care system. I mean, obviously everything has to be weighed against its cost-effectiveness. But I am wondering if the minister is considering what they are doing in Saskatchewan, or if he has some other model he would like to look at? The reason I am raising this is I think we are seeing increasingly in recent years more and more advances on the pharmaceutical side, to the point now where we are often not even dealing with one high-cost treatment but several high-cost treatments, each of which could be at a different stage. You know, you can get new wonder drugs come out, and within six months to a year they can be superseded by the more effective drugs. So I am wondering what process the minister either has in place or is considering putting in place for this?

I want to stress again I think the key element often is trying to get the drugs in place that are reasonable to be approved in a quick enough time. The real frustration for many people is when there is a drug available and it is high cost. It is proven fairly early on to be fairly effective, and when people have a serious illness, I am sure the minister is aware of the frustration it causes people when they are faced with a choice of either having to try and pay for it or get it from another jurisdiction in some cases where it has not been fully approved here. But even when it is approved here—the minister is thinking of a certain drug. I do not know if that is high cost, but that is an example. [interjection]

They said there is a new drug coming on the market that will be even more effective. Anyway, I do not have any personal knowledge of the drug the minister is talking about. I find it interesting, by the way, that there is a debate even there that is occurring now as to whether that should be insured by insurance companies. Apparently now some insurance companies are saying they will insure that, but they will not insure, for example, birth control pills, and there is quite a controversy over that. So even insurance companies have to deal with that. [interjection]

I am not asking about that particular drug. I have no conflict of interest on that, so whatever the minister—now he has put me totally off. So anyway, high cost drugs.

Mr. Praznik: I can assure the member there is not conflict on this side of the House either. The member

asks a very, very important and timely question, and I appreciate his comments here because this is going to be the dilemma. The pharmaceutical industry continues to produce new products. We have seen major advances in the treatment of chronic illness with pharmaceutical products, and I appreciate his recognition of the cost-effectiveness issues. I mean, the simple ones become the ones that are high cost, limited value; you say no. The ones that are low cost, high value, you say yes. High cost, high value, yes. You can make those decisions much easier.

But our committee process that we use of experts who currently review these things get into difficulty where you have a high-cost product that is yet proven or proven in a limited way, knowing full well that the next generation of the product may be that much better and the one after that, that much better. These are difficult questions.

* (1650)

What I have tried to do in dealing with this is a couple of things. I recognized out of Betaseron that having a simple yea-nay process by this committee meant that anything in the gray area, which Betaseron is in, would not likely see the light of day on our formulary, that the threshold was high enough that many of those products would not be approved until they had proven their worth somewhere else.

So what I did is meet with the committee. They do have the power, and I have asked them to use it to have what I call the yellow-light process, which is that they can recommend products that are in that gray area the member has recognized be tested before they have general formulary approval. When I say tested, I am not necessarily referring to a small test group, but that their approval be limited and those who require the drug would be entitled to it, but the effectiveness would be monitored. So if after a respectable period of time we realize that this was not having anywhere near the effect that was expected or intended and that the value was not there, we would take it off the list when we have the result. But the key thing was that all Manitobans who would require the drug would be part of the test, and the results would be monitored in a scientific way that would produce results as opposed to anecdotal information.

So that new process, I think, gives us a tool to more readily approve products on our formulary, knowing that they are being reviewed, studied and tested while they are being used. If they meet or exceed expectations, they will continue; if not, they will be removed from the formulary. It is hard to argue against that if you have that process. So that is No. 1.

I should just add, recognizing that new products come into the marketplace regularly, that we also should not be afraid that, if a new product exceeds an old one that is still in the test and it has a total match in terms of its constituency base, we are able to end the program and use the new one. So there has to be a lot of flexibility in that.

One of the reasons why Betaseron, I guess, from our perspective, is taking—I will not say this is causing it to be longer because the issues around physicians have made it a little bit difficult, but we are using the Betaseron to perfect our own template as to how we will do other drugs in similar circumstances. So we are using this as the first one out, and I suspect there will be more in the months ahead.

The second thing that we have done is that we have sped up or increased the number of times a year that we review the formulary. I think it used to be once a year; then it was twice a year. Now we are doing it quarterly, so that, in essence, a product that has received approval from Health and Welfare Canada as being fit for human use can be on our formulary within three months or less, depending on when its approval is there.

Now, what is important to remember is that the manufacturer of the product, who obviously has the vested interest to get it on the formulary, controls to some degree that process because they have to apply and they have to provide the information and make their case.

In doing so, I have also asked the therapeutic drug committee to not just do a paper review. They do have the power, and I have asked them to use it, where that drug may have been tested already in Manitoba or there may be expertise in its use, to invite those people to appear before the committee. I think sometimes one has

a better exchange and can learn more about a product having someone with a good scientific grounding in that product at the committee making the case and having the discussion as opposed to just a paper review. So that is another change to make that committee process work better.

We are not looking, of course, for anecdotal stuff necessarily at the table or groups promoting a product. We want to make sure it is a scientific presentation at that committee. The committee has agreed to that, and I think it has been using it. So, by going to a quarterly review, by allowing expert witnesses or expert information to be provided directly at the committee, we think that we will speed up the process of getting it approved for the formulary after it has received Health and Welfare Canada approval.

The third area that I am looking at—and I admit to the member I have not had the opportunity to advance too far to date, but it is something that I think we should move towards—is a national or at least regional process of doing these assessments. I would love to see all of us as provinces develop a common set of criteria for assessing these drugs, to perhaps have one central agency or committee that would do the review and do the recommendations for our formularies. Therefore, drug companies would not have to go through 10 or 11 processes to get approval across the country, which is costly and time consuming and may, in fact, delay approval.

I do not know realistically if we will be able to achieve that nationally for some time, but I am certainly interested in exploring that possibility with our neighbouring province of Saskatchewan, perhaps Alberta, and be able to do more of this on a regional basis, which, I think, again, would go a long way to speeding up the process.

A critical point in that, though, is that it has been raised with me over and over again that in judging the pharmaceutical economics of drugs, benefit versus cost, there is very little work that has really been done in developing the kind of standards and assessment tools that you should use. There is a lot of flying in the dark in this thing, and that is an area that certainly has to be addressed.

I have raised that in some private discussions with colleague Health ministers across the country, and I know there is certainly, I think, an interest to work in that. That was one initiative I would like to take on at the national level. So I think I would like to give the member a flavour of what we are trying to do to speed up this process, and I hope I have done that.

Mr. Ashton: I thank the minister for that, and it is certainly an area that we will be continuing to raise.

I wanted to also do a follow-up question to a question I raised to the minister in Question Period a few weeks ago in regard to health funding; in particular, the health funding models for the regional health authorities. I can indicate that, following raising that question, I have had the opportunity to talk to people who are with the Burntwood Health Authority and they continue to be very frustrated about the funding formula, as the minister is aware from the correspondence he has received.

There is very real concern about the ability of the RHA to be able to live up to its mandate. I want to indicate that there are certainly areas in the traditional health care side which need addressing. I can get into some detail when we have time next time with the situation at the Thompson General Hospital, which has been subject to significant cuts the last number of years, and it has been well documented in a number of those areas it has created problems. I am quite prepared to provide that information to the minister. I am sure he is already aware of it because the RHA has raised it.

The other concern with the RHA is in its provision. For example, the clinic it has established, I think, is very innovative; it is what regional health authorities should be doing and is what a regional health authority in the North should be doing. Funding is a question; approval is a question. There has been a whole process going through department with that, which the minister is quite aware.

At times I think that the real politics in health is small "p" politics within the Department of Health, believe you me. The minister is probably more aware of that than I am, but I want to urge the minister to look at the concerns they extend into.

I think the next question for the Burntwood Health Authority is that of a personal care facility. I have been arguing for years. In fact, the previous Health minister did commit to a review of the formulas for establishing personal care homes. One of the problems you run into in areas such as the Burntwood Regional Health Authority is there is no facility. There is also no facility half an hour down the road, which is the case that you would run into in the small rural communities in southern Manitoba. So there is a different consequence.

You know, if there is nothing available in Beausejour, you have got the opportunity of going to Oakbank or somewhere that is half an hour drive. If there is nothing available in Thompson, you end up either in Winnipeg or, in some cases, people have ended up in rural communities just because of the simple panelling process on what is available. If there is nothing available in Thicket Portage, you end up in Winnipeg once again, and we end up with this self-fulfilling prophecy that essentially we do not meet the formulas. But one of the reasons we do not meet the formulas is because people either are sent down south for personal care placements, and people leave the North because they say, well, I want to have that available in the community I am living in down the line. My parents, one of the reasons they made that decision themselves in terms of retirement was that if they ever needed a personal care home, they did not want to be relocating 750 kilometres south at the time.

So I want to raise this again, and I realize we do not have time now, but we will have some time in Estimates on Monday. I would appreciate the minister's comments because this is a serious concern.

Mr. Praznik: Excellent. You remind me of the detail on Monday.

Mr. Ashton: I shall.

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

FINANCE

The Acting Chairperson (Mr. Penner): The Committee of Supply will come to order. Good after-

noon. This afternoon this section of the Committee of Supply meeting in Room 255 will be considering the Estimates for the Department of Finance.

This department had been commenced in the section of Supply meeting in Room 254, and in that section of Supply, Resolutions 7.2, 7.3 and 7.4 had been passed. Unanimous consent had also been granted by the committee to skip ahead to line 7.8.(a) where a discussion was being held on the Office of Information Technology. This is where the committee shall now resume consideration of the Department of Finance.

Mr. Jim Maloway (Elmwood): Yesterday, I asked the minister several questions concerning GISMO and the role of Julian Benson and the holding company. At that time, he had indicated to me that there were four directors of GISMO, and it took two of them to sign cheques. Our checking of the Companies Branch, however, shows that GISMO has only one director to date, and that is Julian Benson, so could he clear up this apparent confusion?

Hon. Eric Stefanson (Minister of Finance): Mr. Chairman, you currently only require one director when you incorporate a company, but we subsequently appointed the four directors that I read into the record yesterday for the member for Elmwood. So there are the four directors. I can certainly repeat their names if he requires them again.

* (1440)

Mr. Maloway: Well, then, I would like to ask the minister why the Corporations Branch does not have the four listed.

Mr. Stefanson: Mr. Chairman, I am informed that those changes are provided when you do the first annual return for the corporation. So, again, the process says you can incorporate a company with one director when you file your annual returns for that corporation, which is a requirement, to file annual returns for the company. You then show the total number of directors and who they are at that time.

Mr. Maloway: When the minister says that there is a requirement that there be two signatures on a cheque,

is it a case where it is Julian Benson and one of the other three or just any two of the four?

Mr. Stefanson: Any two of the four is what is required.

Mr. Maloway: I have been told that the SHL contract has been in some way tied to a possible MCI call centre in the province. I am wondering whether the minister can confirm any of this.

Mr. Stefanson: Mr. Chairman, if I understood the question correctly, the contract with Systemhouse has no conditions or requirement for a call centre from MCI.

Mr. Maloway: Is there any work being done, though, on a call centre for MCI?

Mr. Stefanson: Mr. Chairman, an announcement was made a few months back by MCI with certainly representatives from the provincial government in attendance. I believe there were other elected people. I could certainly get the background of that announcement for the member. I think there was a press release done at the time, coverage in the local media. As to the status of that call centre, I am told it is to be opening soon, but not something that falls directly under my jurisdiction. I could certainly undertake to get a status report of that announcement from MCI and provide it to the member.

Mr. Maloway: Mr. Chairman, so is the minister then stating that there is absolutely no connection between the SHL contract, SHL being given the contract and MCI setting up a call centre in Manitoba?

Mr. Stefanson: Mr. Chairman, when the RFP went out for desktop services, one of the elements of it was an indication of what economic development might take place in the province of Manitoba. I am told at that time that Systemhouse indicated the possibility of a call centre being established by MCI. As I have already indicated to the member, that was not a condition of the awarding of the contract to Systemhouse. Systemhouse won the contract on the basis of merit.

Mr. Maloway: I understand the minister's point, and I was not suggesting that it was an actual condition of

the Systemhouse contract that they set up the call centre. The suggestion has been made, though, that there is a connection; SHL got the contract and the requirement is that MCI set up a call centre in Manitoba and that the two are very much connected.

Mr. Stefanson: Mr. Chairman, as I have already indicated, Systemhouse certainly won this contract on technical merit and price, but I have indicated that, when the original requests were called, economic development possibilities were requested, and it was indicated at that time that this was a possibility.

But the contract, there are no conditions relative to the establishment, and, certainly, the awarding to Systemhouse was on merit, on product and on price.

Mr. Maloway: I understand that the government currently operates on WordPerfect and that it currently has a spreadsheet in WordPerfect—the person who developed the spreadsheet is a person by the name of Dale Watson who is no longer with the government—and that the government's budgeting process is contingent upon this spreadsheet working. Now, this spreadsheet evidently has to be converted, as does all of this software converted over to Microsoft Office. I am just wondering whether the minister could confirm that there is a major problem here and how it is being dealt with.

Mr. Stefanson: I think the member is incorrect with most of what he is suggesting. Dale Watson continues to be employed within the department by the government. Systems are being migrated to the new system. That is taking place, will be taking place with the various elements. There will be some adjustments as that is done, but there are no particular problems here that I am aware of. If the member has any more specifics, I would welcome receiving them.

* (1450)

Mr. Maloway: I would like to ask then why the decision was made to migrate, as he says, to Microsoft Office from WordPerfect. If the entire government is on WordPerfect right now, then why would they make the decision to switch over to Microsoft Office?

Mr. Stefanson: Again, the member's information is wrong. WordPerfect is not the only system being

utilized within government. It is one, along with Microsoft and along with IBM Lotus, and it is not the most significant utilization within government. In the whole area of desktop, all three of these are used to various degrees, although we are going to be migrating the entire system to Microsoft.

Mr. Maloway: Well, I would like to ask the minister what sort of problems they are having then, converting this 40-page spreadsheet that handles the government budgeting, what problems they are having in converting it.

Mr. Stefanson: Mr. Chairman, I do not know what information the member is coming with or where it is coming from. There are no problems that I am aware of or being told about relative to the spreadsheets. Even I am not sure what he specifically means when he is talking about the spreadsheet within the Department of Finance. Again, many of the elements in there are not WordPerfect, they are Lotus, so he would need to provide more detail.

Mr. Maloway: Mr. Chairman, I think I will go back to the drawing boards on this one, track down my source and get better details for the minister and come back in concurrence and ask some more questions about it.

I would like to ask the minister a couple of questions regarding the IBM contract with Family Services. I asked him yesterday about this question. My understanding is there are all sorts of problems associated with it. He indicated that the contract had nothing to do with GISMO, and I am trying to understand why not. Assuming that GISMO is such a good idea and that all of the software and hardware under Desktop will be included as part of the GISMO assets, I am wondering why that would not be extended automatically to the IBM contract in Family Services, given that the contract is a \$7-million contract, given that the contract is a four-year contract that just started last year.

Why would it be allowed to operate on its own, and why would it not be included? What characteristics are there of this particular contract that do not make it GISMO-friendly?

Mr. Stefanson: Mr. Chairman, good question, but the answer is that there are at least a couple of reasons why the arrangement with IBM for the one-tier welfare

system that we discussed yesterday does not have to be implemented through GISMO, and that is because the arrangement was entered into prior to the establishment of GISMO. But more importantly, the arrangement with IBM is matching the savings and benefits with the cost, that the payments to IBM are to flow on the basis of the cost and savings being achieved within the system.

Mr. Maloway: Well, that was another question that I had. I was wondering why in the original documentation it indicated that IBM would be doing the project for free and it would be getting its revenues through various means. I was wondering if the minister could explain to me what those various means were.

Mr. Stefanson: Mr. Chairman, IBM will front all agreed-upon costs for the project and be paid from the achievement of operating savings which arise from the implementation of the information technology solution and the realignment of services as a result of that implementation. So again, it is a matching of costs and benefits, which is an issue we discussed yesterday. I am certainly prepared to provide as much information as I can today. Obviously, this project directly falls under the responsibilities of Family Services, but I am certainly prepared to try and provide as much information as I can.

Mr. Maloway: I understand that the base was in 1994, I believe, but can the minister tell us how much money IBM will realize for its efforts over the four years?

Mr. Stefanson: Again, the arrangement is, and IBM acknowledges that the project has an established cost that will not exceed \$8.7 million all inclusive and including, without limitation, IBM financing costs.

* (1500)

Mr. Maloway: I would like to ask the minister then: what is the breakdown there between hardware and software inputs to this contract?

Mr. Stefanson: As I indicated, this is not directly under my responsibility. I will, however, undertake to attempt to obtain that information for the member.

Mr. Maloway: Can the minister tell me then whether the contract is on schedule?

Mr. Stefanson: I think I answered this question for the member yesterday. I do not know if he is looking for consistency or not, but at this point in time the information that I have is that the project is still coming in on cost as expected, but there were some adjustments to the time lines. I indicated to the member yesterday that originally it was expected to have this project completed by this fall, and it is now going to be early in 1999 when the project is completed, but it still meets all of the implementation requirements and adjustments that Family Services are looking at in conjunction with the City of Winnipeg.

So that slight time delay is not a major problem. It is a major undertaking, the changes that are being put in place. It is shifting from, as we know it, a two-tier welfare system today to a one-tier welfare system within the city of Winnipeg, and obviously the technological adjustments are very significant. So at this stage it is certainly coming in on budget, but at the time the implementation was adjusted somewhat.

Mr. Maloway: I would like to ask the minister what the relationship is, if any, between GISMO and the Pan Am Games.

Mr. Stefanson: Again, Mr. Chairman, I am not sure what information the member is bringing, but there is no tie between the Pan Am Games and GISMO. He might be thinking of the whole issue of the implementation of the desktop equipment. There will be a period of time in 1999 where some of either the existing or potentially new equipment will be provided to the Pan Am Games.

That is being worked on in terms of obviously the scheduling and requirements of government being first and foremost, but because of the changeover and the quantity of equipment that is being dealt with here, there is an opportunity to provide some assistance to the Pan Am Games. That is currently being worked on as it relates to the equipment being provided for the Desktop initiative. So that might be where he was coming from, so it has no direct relationship whatsoever to GISMO and the Pan Am Games.

Mr. Maloway: That is sort of what I am interested in knowing is what is actually happening with the IBM contract for the Pan Am Games, and how that is going

to mesh and the amount of equipment that is being used, and what is going to happen to it after the games and questions like that.

Mr. Stefanson: Mr. Chairman, discussions with the Pan Am Games have been on the basis of providing potentially in the range of about 500 units, but that is in the stages of being finalized, as I have already mentioned. If some of that equipment is the new equipment, it will be provided to the Pan Am Games and then come directly to government thereafter and be implemented into our changeover in government. If some of it is used equipment, obviously it would be equipment that would have to be secured first, cleared first, everything eliminated from that equipment provided to the Pan Am Games and then disposed of by government subsequent to those games. So that is in the process of being discussed both internally and with the Pan Am Games. It is in the range of about 500.

Again, we see that as an opportunity to provide assistance for the games where we are either utilizing surplus equipment that is going to be distributed or new equipment that is coming into our system and allowing them to use it for a period of—I think we are talking three months, four months—three or four months leading up to and during the games.

Mr. Maloway: Currently, your rollout program with your desktop plan is a couple of months behind. You are supposed to have 2,300 units in place by July 1. Right now, you only have a thousand in place. You are supposed to have the whole thing out by April 1 next year.

So at that time, if you do catch up, you are going to have 7,200 desktop computers in place next March or April. Then are you saying you are going to take 500 of those away for the Pan Am Games, or you are going to buy another 500 new ones for the Pan Am Games and then meld them back into the desktop?

Mr. Stefanson: First of all, Mr. Chairman, I do not think the numbers that the member provided were accurate. Certainly, the number 2,300 by July 1 is not an accurate number, and I can undertake to provide him more accurate information in terms of the implementation schedule.

But I think the more important issue is really his very specific question. First of all, no, we will not be taking

new equipment out of circulation that has been put in place in Manitoba. That would not make any sense, to have new equipment installed somewhere in government and then take it out for the Pan Am Games. That is why I have indicated to him that those discussions are ongoing, because if it is used equipment, then it is very straightforward because the used equipment has been taken out of circulation. So long as it is secured and all information removed, it can then be provided to the Pan Am Games.

If it is any new equipment, it would only be on the basis if there were any additional requirements within any area of government. So if we had a cause for any new equipment over and above roughly the 7,200 to be coming on stream, that would be the only basis that new equipment would be provided. That is exactly the analysis and review that is being undertaken right now.

* (1510)

Mr. Maloway: Well, how do you plan to provide equipment into the Pan Am Games? If you do not plan to take any of your existing equipment away from the government for that three-month period and you do not plan on buying any new equipment, then how do you plan to provide equipment?

Mr. Stefanson: I thought I was clear. First of all, if it is used equipment, then it is very straightforward, because we will have 7,200 new units in the system by April-May of 1999. Obviously, that means we will have 7,000 old units that can be secured, that can be cleared, and if we use the old units, it is easy, that they go to the Pan Am Games before we ultimately dispose of them on the basis that we will be disposing of old equipment. If we were to use new equipment, as I have already said to the member, it would only be if we have some incremental requirements over and above the 7,200. We will not be taking new equipment that we have installed in the province of Manitoba and shifting it to the Pan Am Games.

We will not be going out and buying any equipment specifically for the Pan Am Games. If it is new equipment, it would be on the basis of new equipment that we would be requiring, and it would only be the timing issue of when we were going to implement it in government. If there was an opportunity to allow the

Pan Am Games to use that equipment for three to four months, they might be able to use some new equipment.

Mr. Maloway: Well, that is a sensible approach to it. I did ask the other day about the used equipment as to where it was going to end up, and the minister indicated that it would be given to some sort of a committee that would then decide which schools would get priority but, in essence, it was going to end up in schools, and it would be done on sort of a lottery basis, I believe. So if the minister could confirm then that after it is used at the Pan Am Games, and then we are only talking about maybe 500 units here out of 7,000, then those 500 will be spread out through the school system, I would think.

Mr. Stefanson: I think the member is basically correct with what he said, that that is being concluded, but the expectation is that the majority of the used equipment will end up in the school system. There is that organization Computers for Schools and Libraries, but there would be a whole time frame of rollout, because there would be certain upgrades, certain adjustments made.

So, as he has already said, the fact is that there will be up to 7,000 units being made available. The conversions will be done over a period I believe of probably about two years. So to take 500 out of the used and provide them to the Pan Am Games would not be a difficult thing to do at all. Having said that, that still has not been finalized, whether it will be all used, all new, or some combination of both, and that is what is being finalized now, but his understanding, if it is used, of how it would work is basically correct.

Mr. Maloway: What remains to be cleared up, though, is the rollout timetable, because the rollout timetable clearly indicates that by July 1 there would be about 2,500, and the department confirmed the other day that they only have 1,000 units in place right now. So they are less than 50 percent of where they are supposed to be. If the minister has some other information, then I would sure like to have it because both his colleague and I are operating under wrong information then.

Mr. Stefanson: Mr. Chairman, I think the member is referring to an original rollout plan and like any plan that is revised continually and continues to be revised continually, I will certainly undertake to provide him

with the most current status of the rollout as soon as I can in the next few days.

Mr. Maloway: There were certain provisions under the SHL contract, though, that demanded that successful bidders provide, I believe it was 500 computers within a week of acceptance of their bid, and this information seems to indicate that IBM did not make good on their delivery commitments. Can the minister confirm that this was the case, and could he tell us whether there were any penalties under the contract that would have applied if that were the case?

Mr. Stefanson: Mr. Chairman, I am told the provision that the member is referring to relative to 500 units was not a provision within our contract with Systemhouse. If there had been any adjustments to the whole rollout of the desktop units over the last period of time, it is as much as a result of our precautions and our initiatives as it is anything to do with Systemhouse in terms of being absolutely certain that our system is ready, that the people are ready, all of the issues we need to deal with. So we are certainly not unhappy with how the system is rolling out into government today.

Mr. Maloway: Can the minister give any indication of how many jobs in Manitoba have been lost as a result of this Systemhouse contract at this point?

Mr. Stefanson: Mr. Chairman, I would not agree with the statement about jobs being lost in Manitoba. I think on an overall basis there would be more jobs in Manitoba, and I look specifically at Systemhouse, which has created the Manitoba operations centre to serve as the headquarters for the help desk services being provided to the government of Manitoba. The establishment of that centre is estimated to create approximately 100 new jobs. That centre is located in downtown Winnipeg. The establishment of the operations centre is expected to increase local consumption through the purchase of supplies and services from local suppliers, in addition to obviously some injection into the Manitoba construction industry during this establishment of their operations centre.

Currently the operations centre is dedicated to serving the needs of Manitoba government, and SHL intends to pursue other clients obviously from the centre, spurring other growth, creating more employ-

ment opportunities. So, on an overall basis, I would suggest there are more jobs in Manitoba's economy as a result of this initiative.

* (1520)

Mr. Maloway: The minister should know that that is just not so, that a hundred new jobs are—they may have created a hundred jobs, but, in fact, 50 percent, or 50 of those positions, as the minister well knows, were simply transfers out of government over to Systemhouse. As a matter of fact, the request for quotation made it very clear that the successful bidder had to employ I think it was 53 civil servants from the government, and those positions were transferred over to the successful bidder.

So at the very best one would see perhaps 50 new jobs created based on this 100 that he is making the assertion on, but the fact of the matter is that these computers, I believe, are burned and configured in Toronto. Is that not the case?

Mr. Stefanson: Mr. Chairman, again, I think to correct the information that the member put on the record, I believe the number of former government of Manitoba employees who accepted job offers from Systemhouse was more like approximately 35, so a hundred new jobs is still a significant increase in net new jobs in the province of Manitoba.

Of course, through the implementation of the Desktop initiative, no individuals lost jobs or lost employment opportunities, so, again, that was an important part of the introduction of the Desktop initiative.

In terms of IBM equipment, and he refers to it being burned or configured in Toronto, I know that that is not done in Manitoba. The product is shipped to Manitoba, but I believe IBM performs those functions in more locations than just Toronto or Ontario.

Mr. Maloway: Well, early on in this process, at least one of the unsuccessful bidders suggested that at least there would be a net loss in Manitoba of a hundred jobs, and since then another unsuccessful bidder has taken issue with the hundred and feels it is more than that. I mean, we are not being excessive here. We are being fairly conservative, pardon the pun, in this

estimate and that, in fact, we have a net loss of jobs as a result of this government's move in this direction.

I might point out, Mr. Chairman, that the federal government has a different method for choosing suppliers, and if you canvass the computer community, you will find that there is general agreement that the federal government process is fine. It is a nonbiased system. It allows the little guys to compete with the big guys. Everywhere I go and whoever I talk to about this, pretty much everyone agrees that the federal government process is fine.

Where they do find problems is with this system that was concocted here to, in effect, cut out the small Manitoba company, and that is what has, in fact, happened. We see here at least a minimum of a hundred jobs lost to Manitoba as a result of this government's bungling in this area.

Mr. Stefanson: Well, Mr. Chairman, I know the member has had this discussion, in part, in the Estimates of Government Services, but I have already indicated to him that there are net jobs of a hundred, net incremental jobs of 65. I have no evidence whatsoever in terms of where he talks about net losses of a hundred or more jobs.

If he has specific Manitoba companies he can point to and they will confirm or attest to that, then he should do that, but I have no evidence to support that at all.

Our information technology community is doing very well in Manitoba today. All kinds of Manitoba companies are doing extremely well, not only in our economy, but distributing services and products outside of Manitoba and outside of Canada.

His suggestion that the system was concocted to cut out small Manitoba companies is absolutely, 100 percent incorrect. Small companies were allowed to bid on the Desktop contract, as they are on all kinds of other contracts, and some did just that. Some bid. As a result of Systemhouse getting the contract, they are doing work with a number of Manitoba companies, both small and large, and I can certainly undertake to provide him with a listing of some of the Manitoba companies that Systemhouse is working with. So our information technology community is very strong in

this province, and rightfully so, because it is very competent, but we also have an open bidding system, and we look at price and quality and all-in costs with many contracts that we award.

* (1530)

Mr. Maloway: There is a lot of concern in the industry about the way particularly the hardware contract was handled because, in fact, unlike Fleet Vehicles or any other tendering process where you simply list your specifications for a product and send it out to market—when GM, Ford, and Chrysler bid on cars, really it is a choice on price. I think when the minister goes out shopping for a computer, he buys it in the same way that he buys a car.

One would hope that he would look at the specifications and he would make certain that they were consistent and get quotes from two or three companies, and it would boil down to price. It would be no different than buying the car. It would boil down to just a simple price question. But the system that they concocted—that is the only other way to describe it that I can think of—they listed as, gave 15 percent for the price. So 15 percent of the points were given for price, yet they gave 25 percent for general qualifications.

Now, general qualifications were described as factors such as vendor stability and vendor presence. Now, good God, you know, when I talked to people that bid on this, I have had people tell me, regardless of what the Minister of Government Services (Mr. Pitura) says about this or the Minister of Finance (Mr. Stefanson) will say about this, these people were not given an explanation of these criteria.

I have talked with more than one of the bidders, and they both—and I am not putting words in their mouth. Through discussions it comes out very clear that they asked for, in some cases, but were not given the information as to what vendor stability and vendor presence, what the definitions of those were. For example, one of them was not given any criteria on the performance bond, and that, by the way, was what cut a lot of the local participation from even producing a bid on this contract.

SHL, in this one case, could not provide the criteria that is required for the bonds. So the bidder simply had

to go in blind and arrange a bond without knowing what their criteria were. They were unsure whether it was supposed to include delivery or whether it was supposed to include failure of the equipment. They were not told how long they would have to hold the bond, because the bonding company would want to know basic requirements as to whether or not the bond would be held for a short period of time or a long period of time.

So, in fact, they were forced to come in with a \$1.5-million bond without any criteria. Without knowing whether they needed a \$5-million bond or a \$100-million bond, they came in with this type of bond without knowing the criteria.

So, you know, clearly there is no question that there are people that are unhappy about how this was handled. The government could have saved itself a lot of trouble by simply adopting the federal program of having a nonbiased system that evidently works well. I am not any expert in this business and I do not have any experience with the federal system, but it is a system that people respect and people like out there, because little operators can get a piece of the contract, provided they are supplying a consistent level of quality equipment to the government. The government right now is purchasing vehicles, and it is purchasing them based on price. You cannot tell me they are not.

Are you telling me that when you send out a tender for the purchase of cars for the government, when Fleet Vehicles does that, that they would say that we are only going to put 15 percent of the points on price? Come on. That is just not the case. So explain to me why these would be any different than buying cars.

Mr. Stefanson: Mr. Chairman, I think what the member is missing in his line of questioning is the total cost of ownership of the system over a five-and-a-half-year period. I think he knows very well that the system is also a very labour intensive system. But beyond that I understand that these exact or very similar questions have been asked in the Estimates of Government Services where they were appropriately asked because they have direct responsibility for the Desktop Management Unit. He has asked questions here which are appropriate relative to GISMO, the Government Information Systems Management Organization, and its

relationship to Desktop and the payment of the bills and so on. But I know that my colleague, the Minister of Government Services (Mr. Pitura), has answered this question in Estimates and answered this question I believe in Question Period probably on more than one occasion.

So I encourage the member for Elmwood to pick up those copies of Hansard and read them again if he cannot recall the answers that were given to him by the Minister of Government Services.

Mr. Maloway: I have no problem recalling the answers because they are just inconsistent, and they are not really answers, that is right. That is sort of the hallmark trade of this government is 10 years of nonanswers.

You know, Mr. Chairman, if he wants to talk about the total cost of ownership, those figures are available for cars as well. There are statistics that come out in the paper periodically which indicate that it costs, you know, total cost of ownership, that concept that he likes to talk about, it is \$7,000, or whatever, in Montreal, I believe it was, and \$6,000 in Winnipeg. That is the total cost of ownership in owning a car. That is the concept that he is employing here with the computer contract.

But at the end of the day, when the government or anybody else goes out to buy toasters or cars or whatever it is, they list the specifications that are required under the contract. What it boils down to is price, provided that the specifications are being met. That is what should be done here. You know, when you go out and buy a computer and you get your quotes from two or three companies, you ask for quotes based on some consistent specifications. You ask for a Pentium 2, 266, certain type of RAM, certain type of this, certain type of that, and that is how the companies quote.

Computer companies, for the minister's information, are used to that. They are used to providing quotes based on certain specifications. If you were to phone Dell or Gateway or Mind or Powerland, any of these companies, they will do that for you. So, yes, it does boil down to price. So it did not take any rocket scientist to figure out that, when the specifications

came out and to the extent that they were even explained at all, price was only given 15 percent of the total points. Well, anybody can figure out that that is going to favour a high-priced producer, and who happens to be a high-priced producer? Well, IBM has never been known as a cheap producer of a product. Let me assure you of that. They have never come on the lower side of hardware costs.

* (1540)

So, right away, the criteria were developed in such a way as to favour a company like IBM. I do not say IBM, but a company like IBM, a company that would come in at the higher end of the hardware quotes. So that was no surprise at all. The point is that the people were treated in such a bad way because, when they were asked for definitions of vendor presence, how do you define? I would like the minister to define vendor presence. I mean, IBM presumably got 25 points out of that, but a Manitoba company in vendor presence would get far less. How could they possibly give one-quarter, 25 percent, of the points to a classification or a criterion such as vendor presence and only 15 percent on price? It is just unbelievable that they would have a system like that in place.

Mr. Stefanson: I guess I have to disagree again with the member for Elmwood (Mr. Maloway). The comparison he makes is not an accurate comparison to compare a car to a Desktop Management Unit, which is a fully integrated system, has many other costs attached to it. In fact, I think he knows that, when you look at Desktop Management initiatives, the capital cost really does only end up representing about 10 percent to 15 percent of the total cost of the contract and the services.

So, again, it is not a direct comparison by any stretch of the imagination. But even having said that, I think people who are buying cars do look at the total cost of ownership. They do look at what it is going to cost them to run a car. They do look at what kind of gas mileage they are going to get, what it is going to cost to insure the car, how reliable the car is in terms of maintenance, a whole range of issues.

So, even though I have discounted his comparison, even attempting to accept it, I think most people nowadays look well beyond just the raw purchase price of a car. They look at all of those things, and they want

to know what it is going to cost them to own and operate that car over the expected period of use that they are going to have it.

So, again, I have already answered that question. I know he has had answers from the Minister of Government Services (Mr. Pitura) which I am certain are very similar.

Mr. Maloway: I would like to ask the minister why the government is replacing its servers without going to tender.

Mr. Stefanson: I would encourage the member to be a little more specific. If he is talking about the servers within the whole Desktop Management arrangement, that is part of the services being provided by Systemhouse, Mr. Chairman.

Mr. Maloway: Well, the complaint that has been made and made more than once is that there was a tender for the hardware, but when it came to the servers, they are being replaced without tender. I believe Hewlett-Packard are providing the new servers, and those are being done without tender. I have not had just one complaint about this. I have had actually two. They obviously do not want to talk to the minister about these things.

Mr. Stefanson: I know within the arrangement with Systemhouse there is an undertaking to obviously attempt to utilize as much Manitoba content as possible and give opportunities to Manitoba companies. I have already indicated that I can provide the member with a listing of a number of Manitoba companies that are doing work for Systemhouse as it relates to the Desktop Management initiative. His very specific question relative to the servers and how the servers were decided and awarded, I will provide him with that information.

Mr. Maloway: I would like to get back to Julian Benson here and the holding company called GISMO. Does it have any connection whatsoever or applications to any of the Crown corporations?

Mr. Stefanson: I think the member should check his list of questions. I think he asked me this question yesterday, and it is the same answer as yesterday. No, there is no connection to the Crown corporations.

* (1550)

Mr. Maloway: Well, Mr. Chairman, I mean, if this holding company idea was such a good idea, one would think that it would apply to the entire government and the Crowns. Why would it not apply to the Crowns?

Mr. Stefanson: The Crowns have their own access to capital, their own financing arrangements and so on to do their acquisition or whatever requirements they have. As I explained to the member yesterday, the purpose of GISMO is that it is a vehicle to fund the acquisition of hardware and software, the system development, the consulting work as the systems are being developed. So it is the vehicle to accumulate all of those costs. Once the system is up and functioning, then it is a matter of taking those costs and spreading them out over the estimated useful life of that system. So within government, we needed a vehicle to do that. We established GISMO.

Within the Crown corporations, they have the ability to do their financing, to establish their assets, and to amortize them, so there is no need for Crowns to utilize Gismo or any other similar structure. They can do it from within their existing frameworks.

Mr. Maloway: I guess I am still having some trouble figuring out why the government has to do this. I mean, I understand in a private business there are tax implications for doing things like this, but why would the government have to set up a holding company to do this? Surely they could have done it another way without going through this route.

Mr. Stefanson: Well, Mr. Chairman, it is an interim step to move to a system that I explained to the member yesterday, where we will be amortizing ultimately all of our assets. What we are talking about here is our information technology, our hardware and our software, with some of the recent developments. I read into the record for him yesterday the positions of the Canadian Institute of Chartered Accountants through their Public Sector Accounting and Auditing Board about their direction on disclosure of capital assets.

We, as a government, have indicated we are prepared to move in that direction. In fact, I expect that we will be ready to move in that direction for the year 1999-

2000, as it relates to capital assets of government across the board. So this is an interim step to allow us to start to do it with the information technology development, to have an entity to capture all of those costs.

Once they are developed, as I said yesterday, they will roll back into government, and they will be amortized over their useful life. It has the support of the Provincial Auditor. It is starting to abide by the direction from the CICA and so on. So that is the rationale, Mr. Chairman.

Mr. Maloway: Mr. Chairman, what other jurisdictions, then, employ this method in Canada?

Mr. Stefanson: Well, Mr. Chairman, I believe most provinces are now moving in the same direction of ultimately starting to amortize their capital assets. How each province is getting there, I would have to check with other provinces and see how they are getting there. But the objective of getting to the stage of being able to amortize your capital assets to match your expenditures with your benefits over the useful life of the assets is something that I believe all provinces are heading to.

But, today, there are a lot of differences out there because some are currently doing some of it, some are currently doing none of it, and some are going through transition. So, again, there is no direct comparison to any other province, and we are going down the path of getting to the point where we will be amortizing all of our assets, Mr. Chairman.

Mr. Maloway: Mr. Chairman, before we get into Y2K, I would like to ask the minister whether he would agree to take a closer look at the federal procurement policy for computers with a view to possibly adopting portions of it for future hardware procurement.

I think that this was a big mistake to go the way he did, but, certainly, this is a long-term issue, and this equipment will have to be replaced in three or four years, maybe even earlier than that. So if he would look at why the federal system appears to work so well and get back to me on that, I would appreciate it.

Mr. Stefanson: Mr. Chairman, I will certainly look at the federal system without prejudging how it is working, but I will look at the federal system and get back to the member.

Mr. Maloway: Mr. Chairman, in the area of Y2K, I would like an update from the minister on what the Y2K committee is doing. He, by now, should have that recent report of the committee to provide to this side of the House, and he may also have the older reports with him at this time, I am not sure. But if he could give us an update as to what is happening with Y2K, I think it would be appropriate.

Mr. Stefanson: Well, we just touched on this at the end of yesterday's meeting, and I did indicate to the member that I am very satisfied with our progress as it relates to the Year-2000 project. I think we are one of the most advanced provinces in all of Canada as it comes to dealing with this issue. That is increasingly being recognized by other governments and other organizations. We have provided some additional information to the Provincial Auditor.

I am currently in the process of reviewing further information, including a final status report and so on. Certainly, once all of our reviews are complete, I will take a look at providing a copy of that information to the member for Elmwood (Mr. Maloway). I know his strong interest in this area; and, as information becomes available, to give him the comfort that I know he is looking for that we are on top of this issue, because we are on top of this issue, certainly I will provide him the information to give him that added level of comfort that we are well underway.

Mr. Maloway: Has he read the Y2K committee's recent report?

Mr. Stefanson: I would be curious what report the member is specifically referring to, but I have read various briefings and status reports on Y-2000 for the Province of Manitoba. I am certainly satisfied that we are in good shape.

* (1600)

Mr. Maloway: I do not agree that the minister's assurances here are of great comfort. I would like to see this report. I know the Y2K committee was producing a report a month ago maybe. I know that, when I was in contact with them, it was going to be out in a few days. They said they would send me a copy, but I am still waiting for it.

Mr. Stefanson: I would be curious who said that to the member for Elmwood. I would expect that, if anybody gave him any direction, it would have probably been to contact myself, that reports would ultimately be made available to myself, and that, after we have had a chance to review, assess them and deal with them, we could then make a copy available to the member.

Mr. Maloway: I think the minister is hiding another report here. I mean, I am aware there is such a report that has been recently concluded, and the minister, I suppose, can sit on these things as long as he wants. There is nothing I can do about them.

I would like to ask him, has he met with the SOS-2000 committee? It is Mr. Alain Desfosses who was in town a month ago representing the federal task force. At the time I know he was busily hunting down the Premier (Mr. Filmon) and the Finance minister and anyone else whom he could meet with and discuss the matter with, but I think their schedules were kind of busy. He was unable to talk to them, so he ended up talking to me and some other people who were around. I would like to know if he has talked to this gentleman.

Mr. Stefanson: First of all, Mr. Chairman, I do not want the member to leave inaccurate information on the record to suggest that we are hiding any report. We are not hiding any report. I have indicated that as reports become available to me and once we have had an opportunity to review them and assess them, unless there is some particular reason not to provide a member with a copy, I will make a copy available for him, or if I am unable to, I will certainly explain to him why it is not appropriate. In the case of the Y-2000, any status reports, I would expect that I can provide the member with those reports at the appropriate time, and, as I have already indicated, I will undertake to do so.

In terms of his very specific question about the SOS committee, my understanding is their mandate is very much focused on issues external to government directly related to businesses. As he indicated, they were in town. I believe they met with the deputy minister of Industry, Trade and Tourism, and Mr. Todd Herron, who is seated here at the table with me, who is with our Information Technology office, participated in that meeting. So we were represented from our Information Technology office.

Mr. Maloway: Well, then, the minister would be aware that they are concerned sufficiently with this matter that they would like to see governments tie loans and grants approvals to Y2K compliance. Is the minister aware of that, and does he agree with that?

Mr. Stefanson: Mr. Chairman, just on the question about the SOS committee, I do want the member to know that we do serve on two separate national committees with the federal government, another government dealing with Y-2000, and that certainly gives us an opportunity to see how we compare to other provinces right across Canada. I want to assure the member that we are preparing very well when it comes to our current status of dealing with the Y-2000.

In terms of the very specific issue that he just raised, that is a position that was put forward at that meeting, to tie any loans or grants to Y-2000 compliance. It is an issue that obviously Industry, Trade and Tourism will be addressing and giving consideration to. So that was certainly a concern raised at the meeting, and, obviously, it is an issue that Industry, Trade and Tourism will be addressing because they are the department within government that primarily deals with our loan programs and any business support programs.

Mr. Maloway: Well, the basic concern here, as I understand it, is that the government can get its own house in order, and it is doing that. Slowly but surely, it is getting itself Y2K compliant, and businesses are being chased around on this issue as well. The banks are making it a condition of loan renewals and so on, that businesses be Y2K compliant, and insurers are looking at the issue now of requiring Y2K compliance before policies are renewed.

So there is this level of activity out there, but people are tending to look inward and look at just their own compliance and not at their suppliers, and that seems to be the major problem here, that the chain is only as good as the weakest link and that you can replace all your old computers with new computers, but if your kid walks in with a DOS game some night and puts it on the machine, it is going to take the whole thing down.

So your fancy \$150-million program here for desktop potentially could be thrown out of whack by some kid

with an old DOS program, because the computers are interconnected. That is the theory behind all of this.

So their case is that the government has to be out promoting the idea. I have taken this up with the Minister of Consumer Affairs (Mr. Radcliffe), and he has been at a couple of meetings in the public. Since this meeting we had, he is evidently now promoting the idea. That is what I am really asking the minister to do, not just worry about his own area here, the government, but what is he doing to make certain that other enterprises are Y2K compliant?

For example, has he made any effort to contact all the nonprofit organizations in this province to impress upon them that they may be out of business January 1, the year 2000? That is why the recommendations of this Year-2000 committee did make—recommendation 11 was that they were asking that all levels of government require their lending bodies and programs to make the existence of a formal Year-2000 plan a condition for securing grants, contributions, loans, loan guarantees.

Now, I would take this up with the Minister of Industry, Trade and Tourism (Mr. Downey), but he is never here. I mean, if he understood the problem, I can see where he could be out promoting it. He would be promoting it in South America or all these countries that he goes to; he is never in town. So I do not expect him to be able to (a) even be able to understand the problem, let alone promote it.

* (1610)

So it is up to the Minister of Finance (Mr. Stefanson), who is here more often than the Minister of I, T and T, and who, I think, has a better grasp on issues, to take some initiative here and kind of get the ball moving outside the orbit of just being in the government here. I would appreciate some sort of confirmation on his part that fully understands all these issues and how important they really are, and that he is going to make some effort to bring this up with external bodies, external to the government.

Mr. Stefanson: Mr. Chairman, I know the member for Elmwood (Mr. Maloway) is very supportive of our Minister of Industry, Trade and Tourism and his

continual performance in promoting our province, helping to help businesses expand and relocate, and attract additional economic development to Manitoba. That is one of the many reasons we are seeing our economy perform so well these days over these last few years.

But in terms of his very specific question, and that is a very important question, the one he does ask, because there is a role for government to play in terms of the whole issue of awareness of the Y-2000 issue, and we are doing just that in a couple of ways. We are doing it completely through our supply chain and all of our affiliates right through government as we are dealing with individual businesses making them aware of the Y-2000 requirements. As well, Industry, Trade and Tourism is working on a sectoral basis with individual sectors of the economy, again, heightening awareness and making these companies aware of the Y-2000 requirements.

They also have some specific recommendations before them that they are looking at like the member outlined, the recommendation relative to any government loans or other assistance. At the end of the day, I think we would agree, it still is incumbent upon the individual businesses and companies to make the adjustments. We fully expect that they will do that and in doing that there are other organizations that are working with companies as well. Obviously, the auditors of individual companies are bringing this issue to the attention of companies right across Manitoba, right across Canada. So it is an important point that he raises about the role we can play as a government. I assure him that we are playing that role and we will continue to do that in terms of our supply chain, our affiliates and other avenues to promote the adjustments required for year 2000.

Mr. Maloway: Would the minister consider the idea of an all-party committee to be set up to promote the idea of compliance with Y2K issues?

Mr. Stefanson: Recognizing the time lines that are required to address this issue and the need for expediency and the fact that we are doing the kinds of things he has already asked about, I think there are other vehicles to do it more quickly, more efficiently and with the direct contact with many of the

organizations without the need for an all-party committee. I am not aware of it being established in any other jurisdictions. I would be curious what information the member might have, but I certainly take note of any suggestions that he makes in this area.

Mr. Maloway: I have a final question of the minister regarding embedded chips. I mean, the embedded chip issue is something that even the Y2K committee was really not too aware of even a year ago, I am told, and particularly as it affects municipalities. I understand from my liability standpoint that municipalities right across North America may find themselves in huge law suits because the traffic lights may not work properly, the sewer system pumping stations and all sorts of other functions of the municipality may not work right. I would like to ask the minister whether he is aware of any major problems the government may have in the whole area of embedded chips and also the municipality issue.

Mr. Stefanson: Well, the member raises just one of the many aspects of the Y-2000 initiative that is being addressed. Part of the efforts of the committee are directed very specifically in that whole area of being sure to identify and find all of the embedded chips and obviously have the various steps in place to deal with them. So it is an area that is extremely important to be addressed in a number of areas beyond just municipalities, I think, as the member probably knows. So part of our Y-2000 efforts and our Y-2000 initiative in committee is to be a part of addressing that issue.

We will be working with municipalities directly on this issue as well.

Mr. Leonard Evans (Brandon East): I just have one area of concern under this, and I mentioned it yesterday. That is the successor to Manitoba Data Services. I think it is IBM now. I do not know how you describe this particular program, but MDS used to be very central in providing basic data processing services to government departments. They were a Crown corporation and they virtually had a monopoly on it. I am just wondering: what is the status of this program now?

Mr. Stefanson: Mr. Chairman, that agreement runs till the year 2000, I think, as the member knows. I had

more specific details I think in the last year or two showing that our cost for those services have actually been going down significantly over the last few years. I can certainly undertake to provide him current information. As some of these new systems are coming on stream that we have discussed over the last day, there will be obviously significantly less requirement in this whole area relative to the services that ISM are currently being provided, because what they are currently providing are becoming components of some of the other initiatives that are coming on stream within government.

Mr. L. Evans: I thank the minister for that offer, and I certainly would look forward to getting that information.

I am concerned about the fact that ISM—is the name of the company you are referring to—has what I thought was something of a monopoly of service in this area. I appreciate that this is a field of very rapidly changing technology. Part of that changing technology should be reduced costs, and I am glad to see that is being passed on. I want to make sure that the government is ensuring for the taxpayers of Manitoba that we are getting the best possible price for the services rendered. Whenever a company has a monopoly, there is a tendency to charge a bit more than they would if they were really out there in the market competing.

* (1620)

Mr. Stefanson: I want to assure the member that is an absolute concern for us, always getting the best price, and this price has been directly tied to benchmarking. That is one of the reasons that the price has consistently come down as the costs in many of these areas have come down. So that has driven the cost down. This contract, as I said, is up in the year 2000, and various elements of what are currently within it are now going to become parts of other arrangements which again have gone through a very competitive process in terms of driving towards the best service and the best price.

Mr. L. Evans: Well, I look forward to that report. I am just assuming from the minister's comments that this will be open for bidding in 2000, or maybe it will be just changing the arrangements, changing the patterns, so that this type of contract would not be carried on.

Mr. Stefanson: Mr. Chairman, we will decide at that point in time, or close to that point in time, depending on what elements remain, and there is an expectation that many of the elements will not, but there might still be some core of service that has to go out for tender at that time.

Mr. L. Evans: Then I propose we pass this section 7.8 Office of Information Technology, and we have some questions on Finance. The member for Inkster has a few questions, so I would defer to him to ask questions. I am not sure where, maybe Federal-Provincial Relations because this is a broad area, and I believe this is what we had indicated to the minister we were mostly interested in.

The Acting Chairperson (Mr. Penner): Item 7.8. Office of Information Technology (a) Salaries and Employee Benefits \$831,400—pass; (b) Other Expenditures \$892,700—pass.

Resolution 7.8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,724,100 for Finance, Office of Information Technology, for the fiscal year ending the 31st day of March, 1999.

Item 7.5. Federal-Provincial Relations and Research.

Mr. Kevin Lamoureux (Inkster): Mr. Chairperson, I would, I guess, look to the Minister of Finance or to the committee. I have a number of questions I was wanting to ask related to Question Period earlier today and maybe just a few comments on some other issues in brief, because I know the Estimates hours are, in fact, winding down. My preference is to ask the questions at the current line that we are at. If the minister feels uncomfortable in doing that, then I would secede the floor to the member for Brandon, and I will just save the questions for concurrence, whichever is most convenient for the Minister of Finance. Would it be okay to do it now?

Mr. Stefanson: Mr. Chairman, it is fine from my point of view to do it now. I might have to take some as notice. I know some of the nature of questions in Question Period today related to issues that fall under some other departments, but I am certainly prepared to answer what I can today and take whatever I have to as notice.

The Acting Chairperson (Mr. Penner): I understand that the minister is suggesting that he is going to take the questions and he might have to take some of the questions as notice. Is that agreeable with the committee? Agreed? [agreed]

Mr. Lamoureux: To start off, it is to ask specific questions. First of all, is the minister aware of the home or life-lease program that is provided primarily and promoted through the Department of Housing?

Mr. Stefanson: The short answer, Mr. Chairman, is that, yes, I am aware of the life-lease program.

Mr. Lamoureux: From what I understand, individuals that choose to live in a life-lease arrangement, even if they are of middle-income class, and the vast majority would rank somewhere in there because part of the life lease requires that you would put some sort of a significant amount of money down which assists in having your rents deducted, but those individual seniors that go through nonprofit organizations through life lease are not obligated, from what I understand, to pay the school property tax. Is the Minister of Finance aware of that?

Mr. Stefanson: The member is basically correct, and I think it corresponds to the response today in Question Period that qualifying life-lease arrangements are exempt when it comes to education property tax.

Mr. Lamoureux: Could the minister explain—I would ultimately argue that is not appropriate, that as I indicated in my preamble to Question Period, Manitobans recognize the responsibility of having to pay taxes in many different forms, but what they expect from the government is that they pay their fair share.

Given what we have talked about both in Question Period and just now, a senior that happens to live in whether it is St. Boniface or Tyndall Park, is of moderate income, that chooses to live in his or her own home, has to pay a school tax, is it fair then for his or her brother or sister who happens then to move into a nonprofit housing complex that is a life lease, and that individual does not have to pay the school property tax, even though that individual might be in the higher income spectrum?

Mr. Stefanson: Mr. Chairman, I think as the member knows, this initiative falls more directly under the Minister of Housing (Mr. Reimer). In fact, we had some legislative changes roughly a year ago that changed the definition of qualifying life-lease properties relative to the square footage and so on. I am trying to recollect any conditions relative to income, but I think, in anticipation of sort of where he is heading and the point he makes about almost discriminatory treatment, that we need to recognize that, first of all, my understanding of the life-lease arrangement was that it was to be a vehicle to try and encourage affordable modest housing for seniors. There are other programs that are out there that are not necessarily universal either. We have the SAFER program, the Shelter Allowance for Elderly Renters. We also have the Pensioners' School Tax Assistance, which is tied very directly to income. I think, as the member knows, it comes through our personal income tax returns for seniors.

* (1630)

So, again, there are various forms of assistance that are not always universal. They are sometimes tied to income. They are sometimes tied to the size of the unit to try and address some needs out there in our community. My understanding is that was the rationale in part behind the original establishment of life leases. Some adjustments were made last year. I would suggest it is something that should be assessed on an ongoing basis, to see if it really is still required and still meeting a need out there in our community, just as we do with the tax credit issues. We look at our tax credit issues every year to determine the need and the level of support and so on. The life-lease arrangement should be really no different in my mind.

Mr. Lamoureux: Mr. Chairperson, the most positive comment on that statement was that things are assessed on an ongoing basis. I think that this is something that does warrant some sort of a reassessment. I would take exception to some of the things the minister has said. Life-lease program is an alternative form of housing. I do not think it is a form of housing which government is prepared to say is better than living in a single, detached dwelling, for example, in a community. It is just another form or another alternative type of housing accommodation which does make things easier for individuals who are 55 and older. There is a natural

injustice that is there today from what I understand that does need to be rectified. Many seniors would argue that they should not even have to pay education tax on their property tax, and over the years I have constantly heard that particular argument.

Mr. Chairperson, I have always believed, and the minister is fully aware of my position on school division taxes being applied to the property tax, but having said that because I think I am not going to win that argument, at least not today, I do believe that the case that I am bringing up now is one of a natural injustice that does need to be addressed. You cannot have a 55-year-old individual not having to pay school tax of a middle-income and have his or her brother or sister having to pay tax because he or she chooses to continue to live in the community in which they have maybe grown up and contributing handsomely to that particular community.

I do not believe government should be playing the role of providing this perk or exemption as an incentive for seniors to enter into life-lease programs. It is not necessary. It is definitely not warranted in my opinion. It is very obvious, I believe, to most, that what you have is a two-tier system here and I do not believe that is what Manitobans want. As I indicated in QP, they will pay taxes but they expect government to be fair in the way in which they collect their taxes and I do not believe government is being fair on this particular situation.

Now, the Minister of Finance can maybe comment on that. But again, I want to be sensitive to the amount of time that is left during the Estimates so I wanted to comment briefly on a few other issues and I will just leave them as comments on the record as opposed to specific questions. The Minister of Finance can choose to answer them if he so chooses. He and I have had dialogue in the past on them, but I do believe that it warrants some repetition, continuing on with respect to the property tax issue, I believe the government does have a responsibility in addressing it. It is a more regressive way of collecting taxes as compared to income tax as an example.

We finance health care through general revenues. We finance education in good part through the property tax. Both of those are a social service that is provided

to our communities. There are many inequities that the government is supporting by its lack of action in addressing those inequities and the classic example there, Mr. Chairperson, is those individuals who happen to reside in Winnipeg School Division No. 1, and you compare them to, let us say, someone that resides in St. James. If you live in a house, let us say, valued at \$100,000 in St. James compared to one of equal value in Winnipeg 1, you are in all likelihood going to pay \$300 more in property tax net to go towards the school division.

The argument that, well, it is that school division that is requiring those services is bogus, and I really think that the government is not fooling anyone when they say, well, it is the school division. Well, Mr. Chairperson, you have to take into consideration the demographics. Many of my constituents would argue that there is a tremendous amount of subsidy that our property taxpayers have to pay for inner city, heavier resource is required in certain areas, different types of programs are necessary. Many will tell you that, for example, in education, special needs 2, special needs 3 children are not adequately financed through the province, so those additional resources have to come through the property tax. Well, where is the highest percentage of that coming? Where do you have a higher percentage of the learning disabled? What sort of a property tax base do you have?

Now, recognizing that you cannot see a shift, in any given year, from property tax into general revenues, it would be unrealistic. I do not think the public would be prepared to accept it, even in the best of times, but there are some things which the government can do. I would suggest, first and foremost, that they are going to stop the drift from occurring, from the inequities getting worse, if you like, and second, start taking some sort of direction that sees the school division levy being reduced in favour of—if you want to keep it on the property tax—the provincial school levy. This way, by doing that, everyone in the province would be paying closer to reality in terms of their fair share of the funding of public education.

That has been a concern of mine for many years now. I was hopeful that the school division boundary redistribution would have addressed that issue at least in part. It has not, and there is absolutely no sign that

it will because of the government's position on the whole concept of boundary redistribution. That is one issue.

The other issue that the minister and I have had some dialogue is with respect to the GST and the PST. The minister did provide me with some information last year—and maybe it is stubborn, maybe it is I just do not have the same sort of resources that the minister has—I do question the merit of not looking at some sort of a harmonized PST, GST. I acknowledge that any change requires a certain amount of boldness, and this government's actions in this area have been, well, the status quo, let us say, has prevailed.

* (1640)

I can recall when the GST was being introduced, of criticizing it back then and concerned about the harmonization of the GST and PST. We did not want to make it easy for the introduction of the GST. The fact or the reality of the issue today, Mr. Chairperson, is that the GST is not going to be disappearing, and it is a question of whether or not there is any real benefit in terms of seeing some sort of a harmonization of those two consumption taxes.

I think that is something that the Minister of Finance should at least be getting the civil servants looking at, because there is no doubt in my mind, the Minister of Finance ain't going to touch that with a ten-foot pole, at least until after the next provincial election, and then maybe after that, depending on the outcome, there might be some sort of movement towards it. At least, at the very least, let us demonstrate that it is not in Manitobans' best interest to harmonize those two taxes, to clearly demonstrate that. I look forward to the minister doing that.

Another very important issue for me has been the whole constitutional realm of the way in which the feds and the provinces talk about offloading of responsibilities and what role the provincial government plays. I would like to see the Minister of Finance stand firm on a couple of issues that I think are important, not only to Manitobans but all Canadians. One is with respect to the transfer payments. It is not acceptable to see any sort of a continual decrease of transfer payments and, more importantly, I would

argue, that the province of Manitoba should not advocate at all for the transfer of tax points in lieu of cash transfers being cut back.

I think that is being very shortsighted, that in the long term it is to the detriment not only of the province of Manitoba but other provinces like Saskatchewan and Atlantic provinces, even to a certain degree the province of Quebec, in that the Minister of Finance, in any sorts of negotiations that he enters into with respect to his counterparts or discussions from within cabinet, should be talking about the advantages of retaining the cash floor.

Now, having said that, I have opened the floor for the Minister of Finance to articulate on how the federal government has cut back on transfer payments. I recognize that. I do not believe it has been to the same degree which he might articulate. I know that it is not to the degree in which the Minister of Education (Mrs. McIntosh) and the Minister of Health (Mr. Praznik) and the Premier (Mr. Filmon) have been articulating, so it will be interesting to see what the Minister of Finance has to say about it. From what I understand, there has now been a floor that has been established and that floor is something which I would hope and trust that the federal government will maintain.

In fact, I understand that under the formula we will eventually be seeing some increases to that block funding. Now, why do I bring it up? Primarily because I am not foolish enough to believe that there is no dialogue that is occurring with respect to the constitutional or divisions of powers, the offloading and so forth. There is dialogue that occurs, positions that are being adopted at the political level. My concern is that we are going to see trade-offs, and some of those trade-offs might be issues such as the tax points in favour of cutting back on the cash transfers. I think the government of Manitoba has to take a very strong position on that particular issue.

Mr. Chairperson, to conclude, because I know the member for Brandon also wants to ask a few questions. The minister might want to respond now or he can take the opportunity later to respond, but I would conclude by indicating to the minister that he has had, in my opinion, a fairly what, a free ride, or he has been treated

quite well within finance in my opinion over the years. A good reason for that is because some of the initiatives and the status quo in certain areas. I really think that the government or the Minister of Finance has a responsibility to seek fairer forms of taxation. I am not convinced that this Minister of Finance and to a certain degree the Minister of Finance prior to him, have really addressed that issue.

With those few words, I do appreciate the committee's patience in listening.

Mr. Stefanson: I will be very brief because of time on the life-lease issue. I have already indicated it is something we will assess as we move forward. I gave the member some of the rationale for the introduction of the life lease, but I am sure it is something that the Minister of Housing (Mr. Reimer), myself and my colleagues will look at on an ongoing basis whether it still is meeting the original objectives.

The issue of education on the property tax, the member and I have discussed it many times, so I will leave that issue. The issue of the PST and the GST, I will send the member more information. That is one of the areas he addressed. That is one area that I am really concerned with.

I think maybe his lack of understanding of the impact of harmonization, that in the case of Manitoba it will shift \$350 million from businesses to consumers, people who live in his constituency, live across Manitoba. It will result in a shortfall of revenue for the provincial government of \$100 million annually. The suggestion from the federal government is to increase taxes, to make the harmonized tax rate 15 percent. Today, our PST and the GST are 14 percent. It will broaden the base so that his constituents and all Manitobans will pay the tax on home heating fuel, on books, on a whole range of areas that currently the PST does not apply to. It will basically have a detrimental impact in the short term on our economy. So I really do encourage him to get a better understanding of the issue. I will send him more information.

So it is not a question of boldness. It is bold to stand up for what is right and for your province, and that is what we are doing when it comes to the whole issue. I will gladly provide one of my staff people to sit down

with the member and run through all of the specifics. The last issue, the issue of federal-provincial relationships, the important issues there are predictability of funding from Ottawa, certainty of funding from Ottawa, adequacy of funding, and we have not had that over the last several years from the federal Liberal government. A first step that they should make is start to restore some of the \$6.2 billion in funding cuts that they have put in place over the last few years, last three years, in support for health, post-secondary education. That certainly is our position, and we will be advocating that with the federal government.

I guess his last comment disturbed me a little bit. I think we have a good understanding of the tax situation in Manitoba. We have consistently reduced taxes for individuals and for businesses. I believe we have a very fair taxation system. That is not to suggest that there are not areas that we can continue to work on and improve in Manitoba, and we are always prepared to do that and open to any suggestions that individuals have, including the member for Inkster (Mr. Lamoureux).

Mr. L. Evans: Unfortunately, we are really running out of time, and we want to discuss Enabling and Other Appropriations. But it just occurred to me that it is possible, Mr. Chair, that another minister could be sitting in on Monday to do Other Appropriations, because one item in there is emergency services which includes the Minister of Government Services (Mr. Pitura), so that would be a possibility. But we only have a few minutes anyway, at any rate, and we had some questions still on Finance. So if we could finish Finance as of five, and then Monday, if there are a few minutes left, we could do Enabling Appropriations.

Hon. James McCrae (Government House Leader): I appreciate what the honourable member for Brandon East has said, but we had gone into the Estimates consideration with the understanding that these votes would be the responsibility of the Minister of Finance (Mr. Stefanson). This is something I confirmed earlier today with the opposition House leader. So I do not know that anybody else is able or, you know, charged with the responsibility of responding to those questions. So I think this is the opportunity that we have for that.

Mr. L. Evans: I am sure the Minister of Finance can and will answer a lot of these, but there are some that, for instance, Emergency Expenditures, which are

department of public works, and members had some questions on the flood, et cetera. So the thought was that because the minister is away at a conference on Monday and Tuesday, those appropriations could be handled by another minister sitting in the chair or sitting beside the chair.

Mr. Stefanson: Mr. Chairman, Emergency Expenditures is not under my responsibility, but the agreement was to deal with Enabling Vote, Internal Reform and the ones that are under my responsibility.

Mr. McCrae: If there are questions under those votes, now is the time. I mean, they can pass without the presence of the minister. I mean, I can be sitting in the seat for that, but if there are questions, the Minister of Finance is the one to answer them, other than Emergency Expenditures which is the Minister of Government Services' (Mr. Pitura) responsibility.

Mr. L. Evans: At any rate, we had a couple of questions of a general nature. I am going to curtail them and then try to finish everything today. I do not know what we will have for Monday. I have some other colleagues who were going to come in on the Other Appropriations, and I sent them away because I thought we would not get to them—Prairie Dog Central and they have some flood questions, among others.

Well, just very briefly then, because you have to pass—we are on Federal-Provincial. I am just going to ask the minister then what is the main thrust of this Finance ministries meeting? There are two or three matters that we are concerned about, but let me ask the minister very briefly to respond very briefly as to what are the main agenda items.

* (1650)

The Acting Chairperson (Mr. Penner): Before the minister responds to this, I might suggest to the honourable members of the committee that if there are certain questions that cannot be addressed today or cannot be asked today because of time limitations, there is always concurrence that you might want to direct those questions to. That is a possibility.

Mr. Stefanson: Very briefly, the key focus on Monday is the whole issue of federal transfers, the two main funding arrangements of equalization and CHST.

There will be other issues on the agenda from employment insurance to infrastructure to a number of other issues, potentially the bank mergers. But the key agenda item and the majority of the time is going to be allocated to the issue of transfers.

Mr. L. Evans: I am pleased with what the minister has said about this harmonization question because I think it would be insane to go along with the feds to take them off the political hook that they are on, and it is certainly not in the economic or financial interest to the people of Manitoba.

What about the question of bracket creep. Nobody wants to talk about that, but bracket creep, and the minister knows what I am talking about, provides enormous amounts of additional revenue for governments at both levels. Is there any thought of pursuing this with the feds and suggesting that they modify their position, because bracket creep comes about because the deductible allowable for personal income tax does not keep pace with inflation, so, therefore, governments automatically bring in more and more tax revenue without changing tax rates.

Mr. Stefanson: That certainly has been an issue that has been discussed with the federal government, and we will continue to discuss it with them, the whole issue of adjusting the brackets on the personal income tax return. I know the member might have a question—one of the many benefits of ultimately moving to a tax on income for provinces is the ability to establish our own brackets and have control over the brackets within individual provinces. So that is something we are working on for implementation over the next two to three years. But, in terms of the current bracket creep issue, we have discussed with the federal government, if they have the ability to pass on benefits, whether it is through tax reductions, increasing credits, and so on, that the credit is something we should be looking at.

The good news is that governments of late have been into reducing the overall tax impact on individuals. The federal government reduced some taxes in this budget, as did we.

Mr. L. Evans: We are going to have to get on, but I gather your income tax proposal, which is in the budget

document, 2001, this will give the province an opportunity to tackle that question if they so deem it fit. No government likes to give up sources of revenue or ways of increasing revenue because, let us face it, Mr. Chairman, the tax break that this minister has given Manitobans is pretty minor in comparison with what has been happening to revenue increases, partly because of bracket creep.

However, having said that, we have five minutes left. Because we want to be co-operative, we would like to give the Chair a chance to pass these items and get on with it. We will be asking other questions in concurrence.

The Acting Chairperson (Mr. Penner): Thank you very much. Item 7.5. Federal-Provincial Relations and Research (a) Economic and Federal-Provincial Research (1) Salaries and Employee Benefits \$1,133,500—pass; (2) Other Expenditures \$323,500—pass.

Item 7.5.(b) Manitoba Tax Assistance Office (1) Salaries and Employee Benefits \$264,500—pass; (2) Other Expenditures \$62,100—pass.

Resolution 7.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,783,600 (for Finance, Federal-Provincial Relations and Research) for the fiscal year ending the 31st day of March, 1999.

Item 7.6. Insurance and Risk Management (a) Salaries and Employee Benefits \$224,200—pass; (b) Other Expenditures \$40,800—pass; (c) Insurance Premiums \$1,305,000—pass; (d) Less: Recoverable from other appropriations (\$1,305,000)—pass.

Resolution 7.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$265,000 (for Finance, Insurance and Risk Management) for the fiscal year ending the 31st day of March, 1999.

Item 7.7. Treasury Board Secretariat (a) Salaries and Employee Benefits \$2,468,400—pass; (b) Other Expenditures \$581,900—pass.

Resolution 7.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,050,300 (for

Finance, Treasury Board Secretariat) for the fiscal year ending the 31st day of March, 1999.

Item 7.9. Net Tax Credit Payments, Property Tax Credit \$120,900,000—pass; Cost of Living Tax Credit \$56,750,000—pass; Learning Tax Credit \$15,000,000—pass; Pensioners' School Tax Assistance \$4,350,000—pass; Political Contribution Tax Credit \$650,000—pass; Federal Administration Fee \$850,000—pass; Less: Recoverable from Education and Training - Learning Tax Credit (\$15,000,000)—pass.

Resolution 7.9: RESOLVED that there be granted to Her Majesty a sum not exceeding \$183,500,000 for Finance (Net Tax Credit Payments) for the fiscal year ending the 31st day of March, 1999.

Item S 10. Public Debt (Statutory) (a)(1) Interest on the Public Debt of Manitoba and related expenses \$1,448,400,000—pass; (2) Interest on Trust and Special Funds \$49,000,000—pass.

Item S 10.(b) Less: Interest and Other Charges to be received from: (1) Manitoba Telecom Services Inc. (\$20,900,000); (2) Manitoba Hydro (\$505,200,000)—pass; (3) Manitoba Housing and Renewal Corporation (\$38,300,000)—pass; (4) Manitoba Agricultural Credit Corporation (\$16,400,000)—pass; (5) Other Government Agencies (\$13,600,000)—pass; (6) Other Loans and Investments (\$58,000,000)—pass; (7) Sinking Fund Investments (\$330,000,000)—pass.

At the conclusion of the department Estimates, the consideration of the Minister's Salary is the last item to be considered for the Estimates department. At this point, we request that the minister's staff leave the table for the consideration of this item.

Item 7.1. Administration and Finance (a) Minister's Salary \$26,300—pass.

Resolution 7.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$990,100 (Finance, Administration and Finance) for the fiscal year ending the 31st day of March, 1999.

This completes the Estimates of the Department of Finance. Thank you.

Committee rise.

AGRICULTURE

The Acting Chairperson (Mr. Helwer): Would the Committee of Supply please come to order. This section of the Committee of Supply has been dealing with the Estimates of the Department of Agriculture. Would the minister's staff please enter the Chamber.

Hon. Harry Enns (Minister of Agriculture): If I can recommend to the committee that we consider the issues relating to Manitoba Crop Insurance, Mr. Neil Hamilton, president and general manager of Crop Insurance is with us, as well as following the examination of the crop insurance, we have the general manager and president of the Manitoba Agricultural Credit Corporation. So I just give that as information to the honourable member.

The Acting Chairperson (Mr. Helwer): Thank you, Mr. Minister. I would just like to remind you here that we are on Resolution 3.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits.

Ms. Rosann Wowchuk (Swan River): Mr. Chairman, given that we do have the staff from Manitoba Crop Insurance here, I would be prepared to ask the questions that I have on crop insurance and then go back to the other area, and then staff can go on with the business that they have to do, and that is provide us with good crop insurance.

The Acting Chairperson (Mr. Helwer): That is fine.

Ms. Wowchuk: Mr. Chairman, I would like to ask a couple of questions on crop insurance. One of the first ones that I would like to ask relates to the bill that has been put forward. I raised the issues with the minister the other day when we were discussing the bill, and that is the section of the bill that has been brought forward that allows the corporation to seek reinsurance outside of the federal or provincial government. Now, my understanding is that at the present time, reinsurance is done through the federal government. There is a five-year agreement in place, and I am wondering why the steps are being taken now to look for other opportunities to reinsure when we are in a five-year agreement with the federal government.

Mr. Enns: Staff advises me that that particular clause, that I recall caught the interest of the honourable member for Swan River when the bill was before this Chamber at second reading, is there as an enabling clause, a permissive clause, if you like, in the event that it is deemed by management of Crop Insurance to exercise it, they will. They are after all charged with running the most cost-effective, efficient crop insurance system that they can for Manitoba farmers.

I can also indicate and the chairman just made that very clear to me that there are no plans at the moment, currently, for us to let Ottawa off the hook, if you like, on continuing to provide the reinsurance policy. Certainly I will be pressing for that to be included in the next five-year agreement for, as we discussed, the safety nets at our conference later on this July.

I am also advised that the reinsurance responsibilities for the overall basic crop insurance is correct. We work with Ottawa, but the hail policy is covered entirely by the province, and the corporation wants to have the flexibility, if you like, to be able to examine if there are from time to time opportunities in the private market that can provide the kind of security and coverage that in the judgment of the managers at Manitoba Crop Insurance is an appropriate action. This clause would enable them to do that some time in the future if they thought it was worthwhile.

I also remind the honourable member that there have been little ripples from Ottawa occasionally that they want to exit out of reinsurance and that has disturbed me. It has caused some anxiety I am sure at the management level of Manitoba Crop Insurance, so I think you would have to describe this as prudent action to have in place in the event it is needed. But I will be going down and I have made it very clear to federal authorities, we believe that they have a major role to continue playing in this program, not only in the premium structure but in providing this reinsurance that has been a feature of crop insurance in Canada since its introduction.

Ms. Wowchuk: Mr. Chairman, I have to say that I disagree with the minister. I do not see any need for putting this legislation in place, if you are comfortable with the federal government playing the role that it is. To me this appears as an exit for them.

* (1440)

I want to ask the minister, at most times when we start to reinsure with someone outside of government and move towards the private sector the fear that farmers have may come to a reality and that is that once you go into the private sector, you are going to see an increase of costs that will then have to be passed on to the farmers. Can the minister indicate whether there has been any analysis done of what the impact would be to move into the private sector for reinsurance?

Mr. Enns: On the basic crop insurance program, there have been no discussions undertaken with the private sector. There have been some discussions taken with respect to hail insurance reinsurance which is totally and always has been the province's responsibility.

By the way, I am not all that comfortable with everything the federal government does. I am very uncomfortable with some of the very significant off-loading that the federal government, particularly Ag Canada has engaged in, in a number of critical areas in agriculture, and the services that they have provided that have been traditionally the responsibility of Manitoba. We have touched on a few, inspection, health and other issues. I need not remind the honourable member that, with respect to insurance, the insurance envelope that was formerly the responsibility of the federal government has been substantially reduced and capped, which I think is unfair, unjust, because crop insurance is a customer-, client-driven program.

It is no different, quite frankly, if my colleague in the Ministry of Health said we can only do X number of blood tests for this or this reason and put an absolute cap on it. We do our best job in estimating as we present these Estimates to you. We challenge the corporation to give us their best estimate of what the provincial share of the premium will be. We have mixed that together with what the federal contribution will be, and that then determines what the producer contribution will be, but we cannot absolutely tell my Treasury Board or Ottawa's Treasury Board what the finite figure will be.

As we have discussed earlier, with some justifiable pride, we are pleased that we have, I believe, Mr.

Chairman, we can say probably the highest subscribed-to Crop Insurance program in the country. I think that says a great deal about the management of the corporation under Mr. Hamilton and his staff. It says something about the design of the program that we have been offering in the last year or two here in Manitoba.

Ms. Wowchuk: Mr. Chairman, a few years ago a review of crop insurance was done and there were recommendations that were made on how crop insurance could be improved. One of the areas that I specifically remember was when farmers raised the concern about how difficult and intimidating the appeal process was. I recall a particular farmer telling me that he went there to state his case and was greeted by lawyers who created a very intimidating environment. That was one of the recommendations that came out of the Crop Insurance Review, that the appeal process be changed so that it be more friendly.

I would like to ask the minister: what has been done? I also would like to ask the minister how he is addressing the challenge that his department is facing with the representatives on the appeal tribunal having resigned. Have those people been replaced? Can he give an explanation as to—do we have an appeal tribunal? Are there people in there? Have the people who resigned been replaced? Can he give us some reason for what is going on with that whole process?

Mr. Enns: Well, here I am torn, put in one of those positions where I should take the good advice of my staff or really fess up and tell my honourable friend the member for Swan River everything. I passed on those concerns about the appeal tribunal that the honourable member for Swan River had directly to them, and they all up and quit on me. No, not really. Mr. Chairman, the issue that the honourable member raises is one that has caused us, not major concern, because I would have to say right at the start that I think this is one of the boards that has not had a great deal of activity in the course of its years of operation, and, again, that speaks to the program.

There was a particular situation which I recently received, and the honourable member will have perhaps read it in the newspapers, a situation where an individual contractholder took issue with how he was treated by Crop Insurance, used his rights to appeal the

decision by taking it to the Appeal Board. The Appeal Board made a ruling essentially upholding the corporation's decision. However, this client, as is also his right, took the issue then to the Provincial Ombudsman. The Provincial Ombudsman, in his wisdom and with his staff and his investigative powers, looked at the situation and decided to rule in favour of the contractholder.

Mr. Chairman, the issue was not a major claim. I think it was in the order of \$1,200-\$1,300. My advice that I received from my senior management, particularly from my deputy minister, was that in this instance it was not, you know, we as a department and I think as a government, we all have a responsibility to accept or look at the Ombudsman's rulings from time to time very seriously. I am delighted that this department does not have all that much interface with the Ombudsman, that we do not have cases before the Ombudsman on a regular basis. But when the Ombudsman made his ruling, in this instance against the Appeal Board's decision, against the management of the Crop Insurance Board's decision, in favour of the farmer, I accepted that decision on the part of the Ombudsman.

I can understand the Appeal Board's feeling somewhat upset about that fact. It was certainly meant to bestow or show nonconfidence in the Appeal Board, no more so than anybody at Manitoba Crop Insurance should feel that way. I did not lose Mr. Hamilton on that account, although he thinks I made a mistake and he thinks that the Ombudsman made a mistake or else his original decision with respect to that particular situation would not have been what it was. But we set up these processes from time and time, and it was overall I think deemed more important not to get into a fight with the Ombudsman on this instance and to allow his decision, which was in favour of the farmer, to stand.

Yes, the tribunal board is in the process of being replaced. I have had some—for reasons of getting the appropriate names, it is my intention, for instance, to, and I do not mind telling her that we have kind of decided that I am very pleased to indicate to the honourable member that a former chairman of the board of the Manitoba Crop Insurance Corporation has agreed to serve on this tribunal board, which brings a great deal of experience to that and to her reminding me of the discussion we had last year on this issue. Yes,

we do want to make some procedural changes that will make that appeal tribunal a little more friendly when individual farmers are faced with and try to take some of the kind of courtroom legalese surrounding these appeals and separate them from when the farmer makes his direct contact with the Appeal Board. Yes, those revisions in practice, I would call them, more so than anything else are being considered.

Ms. Wowchuk: Mr. Chairman, last year, because of the flood, seeding deadlines were extended. I was making some inquiries this year about whether or not seeding deadlines would have to be extended again, and it is my understanding that there have been some changes made, and there is no longer the ability to extend seeding dates.

Can the minister explain what those changes are and what the reason was for making them?

* (1450)

Mr. Enns: Well, Mr. Chairman, the honourable member for Swan River will recall that we did have quite a debate on this issue, and of course it was a pressing issue last year with the knowledge that in the Red River Valley it was going to be difficult to get the crop in in the seeding deadline dates that were in place. We did extend the deadline dates for the last crop year. Surprisingly and amazingly, the vast majority of the acreage was seeded within the existing deadline dates so that that extension was not required. But I can recall that the issue that bothered me a little bit or that I challenged the corporation to examine was did it have to be a kind of an all or nothing, black or white situation, if you did not meet the deadline date for whatever reasons you were out of crop insurance. I am very pleased to report to the House that the crop insurance people took this situation under advisement and have, for instance, in this seeding year, this crop year, provided a program that creates a greater flexibility. They provide an additional 10-day extension to the dates but with a corresponding reduction in coverage, 20 percent reduction in coverage which I am assuming is done so for sound actuarial reasons that the data that Crop Insurance has that shows this is—you know, when seeding is done that late in the season, over the year's average does bring about those projected reductions in anticipated yield and that has to be reflected in the premium structure.

Ms. Wowchuk: Mr. Chairman, I would like to ask the minister, with regard to wildlife damage compensation, there has been a lot of dissatisfaction with the amount of coverage and the procedures that are followed when wildlife compensation is being—when people make applications there is, my understanding, a lot of farmers are not satisfied with the level of compensation that they get and the people who are the—it is hay damage in many cases and some crops.

I would like to ask the minister whether there is any—there have been changes to crop insurance—whether any review has been done of the wildlife compensation and whether the corporation is coming forward with any recommendations that would make changes to the program that would be more appealing to the farmers.

Mr. Enns: Yes, you know, I am again pleased to indicate that the Province of Manitoba and the Manitoba Crop Insurance Corporation pays the highest level of crop damage for damage done by wildlife than any other jurisdiction in the country. So our farmers are by far the best served farmers in this respect.

The issue is the claim that we are now—we are both right in a sense, those who continue to criticize the program and the Manitoba Crop Insurance, myself and the government when we say we pay 100 percent of the damage. But that is the damage of the price that Crop Insurance establishes, as they establish for all their insurance rates. We have to file this with Ottawa, who after all, are co-insurers with us. What that sometimes means, and I will not argue that, on a given year or something like that, depending on price, that 100 percent may be 90 percent or 95 percent or 85 percent of current market value. You have to recall where we have come from. We were paying 80 percent of that benchmark figure before. We are now paying 100 percent. As I mentioned, the closest jurisdiction to us is 85 percent of the same formula stated on the benchmark price, which makes Manitoba's program by far the richest in the land.

Ms. Wowchuk: Mr. Chairman, the legislation that I spoke about earlier also legitimizes the sale of data from Manitoba Crop Insurance, and I understand that it is quite a sophisticated system that we have at the

corporation. Can the minister indicate: is there any connection between Crop Insurance and Linnet or are they completely separate in the collection of this data or the sale of the data?

Mr. Enns: Mr. Chairman, I can indicate to the honourable member that no, we have no work on contract or arrangement with Linnet. I was asking the Chairman what kind of potential sales opportunities there are that we would, that, in fact, the corporation has engaged in, in the past, only it has not been specifically provided for in our legislation, but it is potential that in the future and in the past that there would be various chemical fertilizer companies that would be interested in some of the very sophisticated data that we have. Mr. Hamilton tells me that it is the most sophisticated kind of crop and land data that any organization has in the world, and Mr. Hamilton has never lied to me. I believe him. The point that should be made, it is by far the most important obligation of a corporation to provide this data back to the customers, to the farmers, and we, of course, are extremely sensitive that any sales of any of this data would only be done in the aggregate. We have rigid programs in place to assure the confidentiality of any individual subscriber. We would not want to violate the privacy of his operation on his or her land.

Ms. Wowchuk: I understand that this is very high-tech equipment. I wonder whether the minister can indicate whether this equipment can only be used to pick up different kinds of crop varieties or will the equipment, the technology be able to be used to, for example, pick up if there was an overuse of chemicals, to look at soils as well as crops, or one of the issues we talk about manure spreading, increased manure spreading. Is this technology sophisticated enough to be able to be used in the future to do those kinds of things?

* (1500)

Mr. Enns: Mr. Chairman, the member for Swan River who has in her own family life a long farming background understands that when over the years all of that data that individual farmers, large and small, all the things they do to their land, they put on their land, how they work their land, the reported yields of that land, stretching over now 20- and 25-year period, the soil testing that takes place on a growing number of

producers who take advantage of, for reasons to ascertain the appropriate fertilizer applications, all of that kind of data, they have the capacity of overlaying on a printout and providing that kind of information, specific to what a customer may be looking for, so it is an increasingly sophisticated data bank on our soils. I might just take this occasion, although it has not to do with Manitoba Crop Insurance but it is an issue that I feel is extremely important for another reason, that is a reason that I know concerns all of us, including the member for Swan River (Ms. Wowchuk), is when we in growing livestock, and in particular hog operations, put more and more organic fertilizer on our lands, there is the concern that is legitimate and needs to be addressed about who is monitoring, how are we sure that the amount of application of this fertilizer is being properly absorbed by the soil and by the crops grown thereof and not leaching into ground water levels and so forth.

So I consider the mandatory soil testing that producers now have to undertake in the manure management plan, under the new regulations that are now in force since April 1 of this year, to be extremely important. They will add data, which I am advising the corporation they should keep a watchful eye on that data, because it is yet another piece of data that will be valuable to the overall information about the health, if you like, of our land, the status of our land. We are, I think, calling for them to test to soil depths of one foot, two feet, one foot, and that could be done on an annual basis. So in the future, five years from now, 10 years from now, somebody is saying that the putting of hog manure on this land is in any way detrimental to the land, we will have scientific evidence to say, you know, whether that is in fact happening or whether it is not happening.

Mr. David Faursschou, Acting Chairperson, in the Chair

We will have scientific direction to help future ministers of Agriculture or environmental departments to pass the appropriate regulations as to how we can best husband that resource, but I do remind the honourable member that we put about \$200 million worth of chemical fertilizer on our land. We believe in agriculture that we can replace \$100 million of that. Fifty percent of what our farmers do not have to lay

out, they simply have to make an arrangement with a hog operator in their vicinity and have that organic fertilizer, whose fumes waft so wispfully over the morning air as the sun is rising and the flowers are blooming, and do away with that manmade chemical that is depleting the finite resources of this planet Earth.

The hog is there. It will always do what it does naturally. If you feed it in the front end, something comes out of the back end. Sooner or later the phosphorous will run out in the mines that we mine, and so I appeal to the honourable member for Swan River (Ms. Wowchuk) to come and join with me in this crusade to help the environment in this instance.

Ms. Wowchuk: I understand the minister's enthusiasm. I understand, but I think he has just gotten a little off track, because I was just trying to get some information on how the system works. Is he indicating then that it will be Manitoba Crop Insurance, through the information data system that they have, that will then collect and be the source of information for the Department of Environment, or for anyone else that he is talking about or is it information that is for the Department of Environment?

I know the minister is very enthusiastic about organic fertilizer. I, too, have to say I think it is a very good source of fertilizer, but my question is more to what information is the role that Manitoba Crop Insurance collects? Do they collect the crop or a pattern of crops or is it their role to collect information on the amount of fertilizer that might be left in the ground or the depletion of soils in certain areas? What is their actual role or purpose? What are they trying to collect?

Mr. Enns: I want to make it very clear that Manitoba Crop Insurance gets its material from the customers, the farmers that deal with Manitoba Crop Insurance. They may in the future include additional soil information from some of these new and different kinds of data collection that are taking place by agencies like the Manure Management Initiative. That is something in the future, but certainly right now in essence the kind of data we are talking about is the kind of data that, over the years, has come to Manitoba Crop Insurance from servicing their clients.

Ms. Wowchuk: Maybe I am asking about a different system. I understand that within the government, between Natural Resources department or the Department of Agriculture, there is a satellite system where you can monitor different kinds of crops. There is this technology available that through satellite you can look at a particular quarter of land and know exactly what kind of crop is going there. I was under the impression this is what you were talking about, that Manitoba Crop Insurance had this kind of data and collected it. That is what I am looking for.

If the system is not in the Department of Agriculture, if it is somewhere else that we have this satellite system that collects data, then I am in the wrong department. I am asking whether that is through the Manitoba Crop Insurance, or, if it is not, where is it?

Mr. Edward Helwer, Acting Chairperson, in the Chair

Mr. Enns: Yes, I am very familiar with the program that the member talks about, and it is housed in the Department of Natural Resources. It is a satellite operation that provides for very interesting data on the conditions with infrared mapping. It will show drought conditions. Forestry uses it to help them in their forest fire fighting. Agriculture is interested in it because it will show us a great deal about what is happening to our cropping lands, you know, general moisture conditions, crop cover, how the crop is growing. It also even helps us in intelligence guiding. That is why agencies like the Canadian Wheat Board are from time to time customers of that, because this satellite, as it travels over the globe, will pick up the similar kind of information from the grain growing parts of the Soviet Union, for instance. If the maps indicate a serious drought or some other disaster occurring on the landscape, that alerts agencies like the Canadian Wheat Board that our country may be in the position for some major purchases, and that just gives them a little heads up on that.

But that is not incorporated at all within the system that we are talking about here, and it does not have the kind of—it is more geographic in nature. It can tell you whether it is wet or dry or something like that, but it will not tell you what a particular soil type, soil zone will yield and how it will respond to a dozen different crops over a prolonged period of years. That is the kind

of data that makes the data that we are talking about in Crop Insurance so specific and valuable.

* (1510)

Ms. Wowchuk: I just wanted to ask one more question on Crop Insurance. One of the issues that farmers raise many times is that they are not getting adequate return. If you start to look at what it costs to put a crop in and the return that we are getting for crops right now, it is very difficult for farmers that are grain producers. I know farmers are diversifying into other crops, but they are looking for a better level. Many times we have heard farmers say that we have to look at a program that is based on cost of production.

The minister is going into new negotiations, and I know the minister has had a committee that has been making recommendations on safety net programs. Is there any consideration being given to improving crop insurance so that farmers get better coverage for the money that they are putting into it, and is there any consideration being given to look at ways that we could tie crop insurance or look at other safety net programs that could give farmers some of the cushion that they need, because the minister—we have talked about this before.

We are heading into a difficult time with all the transition money gone, high input costs and low grain returns. It is going to be very tough for some farmers. I know the minister is going to say they have to diversify, and many of them are looking at ways to diversify. That does not happen overnight. To diversify it takes major dollars of investment. In the meantime, there are families who are living on farms, who want to continue to live on farms but are becoming very strapped for cash.

Mr. Enns: Mr. Chairman, everything the honourable member says is absolutely true. We are in a very serious situation with the pricing of our major cereal crops, and I wish there was a solution to it. I have had the privilege—pardon me, I did not have it; my staff had and other members had. I was regrettably tied up. But an important visitor from Europe was in our city just in the last few days, Dr. Franz Fischler, who is the chief agricultural Pooh-Bah, you know, of the European Commission, and he pulled no punches with our

people, whether it was with the Wheat Board or with the executive of KAP.

He simply said, look, in Europe their governments are prepared to massively support agriculture to a level that is mind-boggling, upwards to \$180 a tonne in government subsidies to grow barley or to grow wheat, when the price we sell it for is \$130, well, about that, \$135 a tonne, and he gave us no assurances that Europe would not from time to time use those surplus grains produced with this massive government support, subsidized support to market them wherever in the world.

I do not know. Is the Minister of Education prepared to downsize her department by \$500 million? Are her teachers so content that I can take \$500 million away from Education and maybe my other good friend—the honourable member for Swan River will know him too. He is a nice fellow. He sits right beside me in the House. Our young Minister of Health. Can we take an extra \$500 million away from him and give them to Neil Hamilton, and then he can do what I asked him to do, and what the honourable member is asking me to do, is to introduce a revenue component to the insurance that would take into consideration some element of cost of production.

I make obvious exaggerations. The honourable member knows that is not going to happen. In fact, I will chastise my official critic of Agriculture in this House. You are still the critic of Agriculture. Half the time you do not criticize myself or my department over what we are doing in Agriculture. You go and pick on my young friend the Minister of Health or the Minister of Education, because you realize where the votes are, so you talk about health and education instead of banging us in Agriculture over the head to help me get some of those additional dollars that you are now asking for.

I know that there is, and we are walking into, a very serious problem, but I want to tell, Mr. Chairman, I want to be very candid. I do not see a massive commitment on the part of the federal government, and I must say even within my own provincial government, to yet again find the very major dollars, and we talked, the GRIP program was, in terms of provincial commitment, in the order of \$500 million. I am looking at my

officials whether I am in the ballpark—[interjection] It would take again those kinds of dollars to bring about that kind of revenue support that the GRIP program provided, which was substantial. It was not very close to the billion-dollar range. I am advised that the GRIP program in the course of its five years paid out some \$800 million, a very significant support for the grain farmers at the time they very badly needed it.

It is my hope that we are not going into that kind of a protracted situation again, but I cannot guarantee that that is the case. That is, of course, part of the reason. Even though I am aware that diversification is not for everyone, it will not be there. To the extent that we can, let us avoid the \$30, the \$40 freight rates and let us support a growing and expanded livestock industry here in the province that at least can provide some shelter from these lower prices, because I will tell the honourable member there is nobody in the hog industry, for instance, or in the cattle industry, in the feedlot industry paying less than \$2.40, \$2.50, \$2.60 for a bushel of barley today when the stated elevator prices are barely over a dollar and where the final price that we might get through marketing it after all costs are off is certainly not going to be satisfactory to any grain producer. So those are the reasons. I need the support of the honourable member opposite to understand that it is not a fixation with livestock or with hogs. It is as much the problem I have with respect to what answer do we have here in Manitoba. Manitoba is most impacted by that.

I repeat the story that involves one of her constituents, a letter that I received not so long ago, several months ago from one of your constituents. He sold, Mr. Chairman, two producer carloads of malt barley. That is the premium barley. That is the barley that makes the fuzzy-suzzy stuff, you know, that gets a little bit more. The producer sends me a heartbreaking letter with the invoices attached. One full carload of the barley was not enough to pay the freight, not enough to pay the freight. [interjection] From Benito. It took a little more than the whole carload to cover the freight costs. He says to me, Mr. Minister of Agriculture, what are you going to do about it? And what can I do about it? I cannot guarantee him that that freight bill may not be a little higher next year after Judge Estey and company get through with whatever they are doing.

What I can tell him to do though is do not be the first one to line up at your municipal council hall when somebody proposes a hog barn in your area, because then you may have an opportunity of shipping that barley just 25 miles off your farm, certainly at a more reasonable price. I do not expect to build a livestock industry on the back of the grain farmer. I think our livestock industry can and should be able to, and can I now be able to support reasonable prices for cereal grain production.

* (1520)

But the handling costs and the freight costs. I mean, we are talking upwards to \$9, \$11 a tonne handling costs when it goes through this system. Then we add on the \$35, \$40, if you are up in Swan River Valley, freight costs handling system. All of that can be avoided if we use more of the grain internally in the province of Manitoba through increased beef production, through increased pork production. Yes, through increased feather production, and even in some of the nontraditional areas that are becoming more and more interesting for some of our producers like bison, elk and the likes.

Ms. Wowchuk: I want to move on, but I want to say to the minister he often is critical of us on this side of the House when we raise the issues of health care and education, but I have to remind the minister that farmers do need health care and farmers want their children to get a good education. It all ties together.

I regret that we do not have the money that we should have for agriculture, but I think that we, the provincial governments, have really let the federal government off the hook. I am not sure how you can convince them to put more money into it. I think the federal government has let farmers down when they were so quick to go to the table to give away all our safety nets, to have everything, all programs green when we see that other countries are quite prepared to support their farmers. In Europe, in the United States, subsidies are not gone. There are still subsidies being provided and a lot more support for the farming community than we do see in Canada. Canada, I do not understand why they were so anxious to give up some of the safety nets and indicate that we could not have any programs. I think it is going to be very difficult when we see Europe subsidizing to the level that we have.

The minister indicated that the price of grain—barley, I believe he said—was \$2.40 to \$2.60 a bushel, and I really hope that that is going to happen. But in speaking to some of the farmers who are selling grain right now, the price is not up there. In most cases, they are selling the barley for very little more than what they would be getting after freight is deducted off it. So there are things that have to happen in that sense yet, and I guess as the demand increases, farmers will get a better return for the product.

But I think we really have to think about when we are going to the next round of talks on agriculture, and there is talk about our marketing boards now being at risk of being given away. So I worry about Canadians being so anxious to level out the playing field, and I would encourage the minister when he goes to this next round to do whatever he can to ensure that Manitobans get a fair share and that Canadians are also not the first ones to be—we have to put up a good fight for our Canadian farmers. It is an important industry.

With those comments, Mr. Chairman, I am prepared to move to the next section.

Mr. Enns: We will go to the Manitoba Agricultural Credit Corporation.

The Acting Chairperson (Mr. Helwer): We would like to move on to the Manitoba Agricultural Credit Corporation. Okay.

Ms. Wowchuk: Mr. Chairman, I do not have very many questions in this area, but I would like to ask the minister—through the Manitoba Agricultural Corporation, there were loans available for flood-proofing.

Can the minister indicate whether—there was an allowance of \$800,000, I believe, made available for that program, and I would like to ask the minister whether that money has been used up, whether there has been a lot of application for funding under that program, and whether that amount of money is going to be adequate.

Mr. Enns: Mr. Gill Shaw, our general manager and Ms. Karen McEachen, director of Finance and Administration, have joined us at the table here.

I am very pleased and proud of the Manitoba Agricultural Credit Corporation, how they, on very short order, responded to the emergency situations in the Red River Valley last summer. We were called in kind of late in the day to see what we could do to provide some additional help in the financing that was going to be required under some of the programs—even with the significant support that was being provided by both federal and provincial governments—but once restoration and the cleanup and the fixing had to be done, it was decided that MACC had the capacity and the resources people-wise and was the most direct and straightforward way in terms of providing provincial banking services, if you like, to these people in need. I can indicate to the honourable member that in very short order, we had over 305 applicants, several were withdrawn, but that is a very significant total of the some 3,000 people who were impacted by the flood in a damaging kind of a way. There was over \$6 million provided in loans for a house; another 70 farm applications accounted for another \$2.5 million; small business, we had 26 of those loans for an additional just about \$1.931 million, for a total of \$10.435 million that MACC has out on loans to the people within the Red River Valley. All of this done at minimal cost. Again, you know, for the amount of effort and under the circumstances—the honourable member would appreciate, you are working with and counselling people under considerable stress, people that needed a great deal of advice, particularly financial advice at this point in time.

This service placed an additional \$684,000 of administrative and interest charges on the corporation but, while MACC has its mandate to service the farm and agriculture community, it showed a great deal of flexibility in this instance to—on very short order, we moved staff into the flood-prone area; we worked with the other agencies and were able to provide that level of support in the Red River Valley, again some \$10 million worth.

Ms. Wowchuk: Mr. Chairman, can the minister indicate whether these loans are on similar terms to other loans or whether there is any forgiveness to the loans?

Mr. Enns: Mr. Chairman, we are not a charitable organization at MACC. It is a straight business loan

with some benefits. First of all, we provide the lowest interest available for any loans in the province, and I am just asking staff to write up some of the kinds of specific conditions that enabled that \$10 million to be flowed.

* (1530)

The honourable member may or may not be familiar with the programs that are being administered by my colleagues the Minister of Government Services (Mr. Pitura) and to some extent by Water Resources minister, Minister of Natural Resources (Mr. Cummings). We were in a kind of a complicated program of providing grants to the restoration of their buildings, if they went along with the flood proofing at the same time. There was a \$40,000 kind of cap on the individual floodproofing efforts that went along there. This is what put that extra strain on. They had to come up with the money up front, even though they were going to get 75 percent of it reimbursed through the federal and provincial flood programs. So what this in effect is—although \$10 million has flowed, only 25 percent has to be repaid by the people, but it enabled the people to get on with life and get on with the restoration of their property.

In addition to that, we did such other things like not impose—we just did not. We forgot about the interest in the first year or deferred the interest for the first year, because again in the circumstances that they were under, in many instances individuals had their own pay disrupted or finances disrupted. Everything was done to make it as sensitive to their needs as possible, but certainly one can readily see the kind of restoration work and the flood protection work would have been considerably hindered and held back had this \$10 million not been made available.

Ms. Wowchuk: So, as I understand it then, it was just sort of a—it helped with a flow through of money. I have to say that if that was a program that would help the farmers get their money from the federal and provincial money, and if it helped with their cash flow, I think that is a very good investment on the part of the corporation.

I have one area that I want to question the minister on, and that is with the Young Farmers Rebate. I want

to ask the minister: I understand that there is a clause within the Young Farmers Rebate loan, that if they are late with their payment, then they lose their rebate or a portion of their rebate. I have had one case in particular that has been brought to my attention where a person was changing banks, and not that he did not have the money but did not make his payment on time, and as a result has lost his rebate. I can understand if somebody is going under and is not going to survive, but when you are wanting young farmers to stay in the agriculture business, it seems that this clause seems to be quite restrictive. So I wonder if that is in actual fact what the intent of the program was: if people who have applied for this program face some difficulty in making their payments on time, that they would lose their rebate?

Mr. Enns: Has the member for Swan River ever heard the story about the banker with a glass eye, and how you can tell the difference? My banker was just looking at me, and I was trying to determine which of his eyes was glass. Then it finally dawned on me that it was the one that winked a little bit. The other one is coldhearted, fist, drive, misses a date, out, off the top. It is a good story. I do not tell it well.

Ms. Wowchuk: The glass eye was the one with compassion in it, is that what you are saying?

Mr. Enns: I think that is the way it goes. You can tell the banker with a glass eye because it is the eye that has the compassion showing in it.

Ms. Wowchuk: No compassion there.

Mr. Enns: Mr. Shaw is winking at me with both eyes right now to make sure that I am not making any mistakes here.

Mr. Chairman, the program with respect to repayment has flexibility in it. There are, I am advised, upwards to four dates that are called for on the repayment schedule. If for some reason a member, a young farmer, misses the first date there is a 25 percent loss of the benefit, and it escalates to full loss. I am further advised that the department makes every effort, phone calls, to try to indicate or to find out what the circumstances may be for not meeting the dates. I will publicly encourage the corporation to be as flexible as

they can be in this regard and to make allowances for inadvertent difficulties that may have arisen. On the other hand, these are the kinds of situations that, if not tended to in a business-like way, begin to reflect on the overall corporation. I have taken the corporation to task in a kindly way, because it is certainly a compliment to the corporation, to the management of the corporation and how it is conducting business when their write-offs on their multimillion-dollar loan portfolio are of the order of 0.01 percent. I suspect that very few private banks and very few credit unions are achieving that.

I see the same kind of frown that is appearing on the honourable member for Swan River's head as appeared on me when I saw that stat. Are we being the credit lending agency of last resort often that we are supposed to be? Are we taking sufficient risk, particularly with young farmers and start-up farmers, to carry out the mandate of the corporation? I have encouraged senior management at MACC that they should re-examine their policies. While prudent management of public funds is certainly an issue of very high priority, I certainly believe that the overall direction of the corporation, particularly in these times of difficult entry into farming—the corporation must be challenged to take some risks. It is always a question of what are the acceptable risks, particularly when we are dealing with your tax dollars and my tax dollars, public money, and the corporation of course is held accountable to all the other regulatory and supervisory agencies such as Treasury Board, et cetera, in the overall scheme of things.

In 1998, 98.1 percent of the rebates were made. That compares, for instance, to 97.7 percent last year. Last year was the same, 98.6 percent. We are talking about a little over 1,200 eligible clients. It has been dropping steadily from a few years ago. In 1996, we had some 1,623 clients. In 1998, this rebate amounted to in excess of a million dollars, \$1.8 million. That is a significant support, and I appreciate the young farmers' concerns when they miss out on that rebate.

I also recall when that rebate was somewhat higher. I would, from time to time, look at whether we should not be looking at methods of enhancing this program. But it certainly indicates a relatively high take-up. It is

98.8 percent, 98.6 percent. It is only a relatively small, 1, 1.5 percent of the young farmers who, for different reasons, you know, of the eligible farmers, do not avail themselves of the support that is available to them.

* (1540)

Ms. Wowchuk: When the minister made his opening comments, he referred to aquaculture as one of the diversifications. Under Manitoba Agricultural Credit Corporation, there used to be a fish-farming loan, and I do not see it anymore. Can the minister indicate why that has been discontinued and what efforts his department is doing to promote aquaculture? The minister talks about diversification. Are there any efforts being made to promote that kind of diversification in this province?

Mr. Enns: Mr. Chairman, under our loan diversification program, we have, in fact, approved an aquaculture operation project, and we would consider more. We certainly consider that a legitimate form of alternative farm enterprises anywhere in rural Manitoba.

The honourable member might remember back some years ago when MACC also carried the commercial fishermen's loans policy. That, of course, has been transferred right out of the MACC's operations to the northern economic development corporation of some description.

Ms. Wowchuk: Mr. Chairman, we are always looking for new ways of diversifying and to create economic growth in the rural community. I have had a constituent come to me with a very unique suggestion. When I mentioned it to a few people, they thought the fellow might be joking, but this fellow is very serious in his proposed venture. In fact, what he has done is there is a hog barn in our area, and if the member is well aware of what hog barns look like, the pens are like tanks. Unfortunately, this particular hog barn no longer has hogs in it. So he has done a lot of work and intends to raise lobster. I had talked about this to the chairman of Manitoba Crop Insurance, Agricultural Credit Corporation, as well, and that is a very unique different type of diversification.

So I wonder whether the minister would consider that kind of a venture, an agriculture venture, and it would qualify for support under Manitoba Agriculture, or we would have to go to another department. I have to say to the minister that the person who is doing this has made major investments. He is not looking for money to invest, but he is going to need some money for cash flow from the time he purchases the first lobster and puts in the tanks. It is a year until they are ready. So he has made a very major investment but may need to be looking for some cash flow to help him through.

So I wonder if this would fall under Agriculture or whether we have to go to the other departments for support.

Mr. Enns: Mr. Chairman, my general manager advises me we would certainly be prepared to sit down with that person, that is, the corporation, and look at his proposal and his plans. I would certainly challenge the corporation to look at whether or not it could be a program that the corporation could respond to. If not, certainly we work very closely, and we have numerous situations where we find that for the regulatory regime that the corporation works under, they cannot respond to it but perhaps can work closely with either people in the Rural Development shop which have programs like REDI and, of course, the Grow Bonds support program in that department, and also with the type of small business development programs that my colleague the Minister of Industry, Trade and Tourism (Mr. Downey) has available to him in that shop. So there are, in my opinion, different sources.

Now I happen to believe, and I do not mind indicating to the honourable member, that I will challenge the corporation that we have to take our blinkers off about what constitutes traditional agriculture in this post-Crow era. What may have sounded something quite off the wall a few years ago, even now, needs to be taken seriously and needs to be examined. In this instance, lobsters are not indigenous to this region. A lot of Manitobans eat lobster; prairie people eat lobster, and I assume they are all being flown and transported in from the East or West Coast.

If a business case can be made, I think a lot of the resource people that the MACC has would be excellent people to float this kind of a proposal through. I

certainly want to indicate to the member that she should not discourage her constituent, but he should feel free to come forward and make his concerns known to us.

Ms. Wowchuk: I appreciate that. I should make the minister aware that this man is presently raising tropical fish and exporting them out of the Swan River Valley, and tropical plants. The building he is proposing would encompass all of these. He has found markets. It is a very unique proposal, and we will be talking further to various departments to see what we can do to promote it.

* (1550)

The Acting Chairperson (Mr. Helwer): Is it the will of the committee to pass some of these lines now, or do you want to wait until you are finished? [interjection] Okay.

3.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$441,000—pass; (2) Other Expenditures \$68,300—pass; (3) Policy Studies \$71,200—pass.

3.1.(c) Financial and Administrative Services (1) Salaries and Employee Benefits \$708,900—pass; (2) Other Expenditures \$529,800—pass.

3.1.(d) Information and Technology Services (1) Salaries and Employee Benefits \$347,600—pass; (2) Other Expenditures \$43,800—pass.

3.1.(e) Human Resource Management Services (1) Salaries and Employee Benefits \$240,500—pass; (2) Other Expenditures \$41,100—pass.

3.2. Risk Management and Support Programs (a) Manitoba Crop Insurance Corporation (1) Administration \$4,228,100—pass; (2) Premiums \$29,500,000—pass; (3) Wildlife Damage Compensation \$1,283,000—pass.

3.2.(b) Net Income Stabilization Account—\$17,329,000—pass.

Resolution 3.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$52,340,100 for Agriculture, Risk Management and Income Support

Programs, for the fiscal year ending the 31st of March, 1999.

3.3. Manitoba Agricultural Credit Corporation, Administration \$3,375,600—pass.

Net Interest Cost and Loan Guarantees \$2,700,000—pass.

Provision for Impaired Loans \$800,000—pass.

Special Farm Assistance \$100,000—pass.

Flood Proofing Loan Assistance—\$800,000—pass.

Resolution 3.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$7,775,600 for Agriculture, Manitoba Agricultural Credit Corporation, for the fiscal year ending March 31, 1999.

3.4. Agricultural Development and Marketing

Ms. Wowchuk: I believe this is the section that I wanted to ask some questions about the Food Development Centre and the work that is being done there. We have to look at—am I in the right section, Mr. Chairman?

Mr. Enns: I might tell the honourable member that that is not being carried out by this department but under Rural Development.

Ms. Wowchuk: I will wait until we get into concurrence, and I can ask those questions of the Minister of Rural Development (Mr. Derkach).

Mr. Chairman, I wanted to ask some questions with respect, then, to the Animal Industry and the work that is being done by the department to encourage—I understand that there has been work, that people have gone to the Netherlands, to Holland, to try to attract hog producers to come to Canada. I would like to ask the minister what has happened with that—there have been, I understand, a couple of trips gone over—and whether there have, in fact, been any families who have moved to Manitoba as a result of that. Can the minister indicate as well what role the department plays in attracting them? For example, is there any financial assistance that is being offered to encourage them to come to Canada, or what role does the department play?

Mr. Enns: Mr. Chairman, I am pleased to be joined by my assistant deputy minister, part-time author, Dave Donaghy, and the director of Marketing, Dori Gingera. Ms. Gingera was leader of our trade mission to the Netherlands just a short while ago. It is fairly appropriate that the honourable member for Swan River (Ms. Wowchuk) raises these issues at this time. Just a very short thing for the record. The reason why we in Agriculture in Manitoba and why our Marketing Branch particularly sought out or made decisions to travel to a country like Holland—I think it is a legitimate question to ask. We do not just look on the map and say, gee, it would be nice to go to this part of the world or that part of the world. There is always a reason why specific areas are singled out for us to spend and direct some of our marketing efforts on any given commodity or issue.

The current situation in the Netherlands is that the Dutch government has legislated a 25 percent reduction in hog population by the year 2003. Consequently, there will be a substantial number of Dutch farmers investigating their options, one of which will be immigration to countries with potential opportunities for hog production. These are young farmers who have been excellent hog producers, but now, by law, by legislation in their country, are facing a pretty bleak future. Manitoba's hog industry is in need of managers and of people who are knowledgeable with respect to intensive hog raising. Europe can be a good source for this labour. Currently many Manitoba companies have advertised, explored and are in fact hiring individuals from England, Ireland and the Netherlands.

Europeans are also interested in pursuing other opportunities, such as dairy farming and potato production, and Manitoba can be an obvious choice for both of these commodities. European agribusinesses, breeding companies, for example, equipment companies, et cetera, are considering diversifying their operations, and, therefore, Manitoba should be profiled as an obvious choice.

So it is for these kinds of reasons that we sent the trade delegation into the Netherlands and to Denmark and have found a great deal of interest. I am advised that in comparison to some of the other delegations and trade missions that the department has been engaged in

and some that I have participated in myself that this was extremely successful in terms of interest shown.

I can indicate to the honourable member that individual members and companies have since contacted Manitoba and have been coming to this part of the world. I would take that as a direct result of some of the successful efforts on the part of our Marketing branch, headed by Ms. Dori Gingera.

For instance, since November of '97 the following visits to Manitoba have taken place: some 10 Dutch farmers in January of '98; in March of '98 an additional four farmers came to visit us; in April, we had a group of 28 Dutch farmers visiting us; in May, two; and then we had Dutch agrologists, agriculturalists coming to visit us also in May. We are called upon by the Dutch Consulate to see whether we can be of help as some of their citizens approach their governments to see how they can maintain and continue in hog production.

We have tentative plans for hosting some 40 Belgian farmers plus a television crew to visit us this summer in August of 1998. In October of '98 a mission to the Netherlands and Belgium will again show off and show our advantages to this part of the world. What the Europeans are particularly interested in visiting when coming to Manitoba are our hog farms, our potato farms, our dairy farms, and they are interested in the various feed companies and the feed industry as it is established in Manitoba. Of course, they take a very hard look at what rural Manitoba can provide in the form of community life, the amenities that we can offer new immigrants, new farmers, new entries to rural Manitoba.

Ms. Wowchuk: Mr. Chairman, over the last few days, we have heard a lot of concern, although it is a federal issue, with the food inspections and with the whole issue of antibiotics and various medicines being traced in food, and there is criticism of the level of inspections that are taking place.

I would like to ask the minister how his department is dealing with that. Although it is a federal issue, we have to be concerned about quality of food in Manitoba. Is there any work being done in Manitoba or any testing, is there a requirement, I should say, by the

provincial government to ensure that the food that we produce here in Manitoba is of a high enough quality? Have there been incidents in Manitoba that we have seen residues in the meat? We always talk about our high quality of food and where we are targeting foreign markets. If we have any traces of antibiotics—there was an incident, I believe, of a needle in the meat. If that is going to happen, we are going to put at risk our export industry.

* (1600)

So I would like to ask the minister how we are dealing with that here in Manitoba. Are there implications of the lack of federal inspection in Manitoba? How is his department dealing with that issue?

Mr. Enns: This is an important area and a complicated one and one that sometimes involves various jurisdictions, which even complicates it further, city, municipal, provincial, and federal. We have different levels of classification, for instance, of our processing companies in the province. If you are trading only within the province or if you are wanting to trade, then provincial standards have to be met; if you are trading internationally, nationally, then federal standards have to be met. A great deal of work is being done right now to try to mesh these together and do so in a way that is sensitive to the capacity of a relatively small processor in Dauphin or in Beausejour, as compared to a \$112-million processor that is being built in Brandon or a \$40-million Schneider plant that is built, to meet the most stringent export requirements.

At issue is safety of our food. That does not vary, whether it is in Dauphin or whether it is Brandon or Schneider, we all want the same high quality. The Department of Agriculture's main effort and concern here though is in the delivery of those programs and in the education programs that ensure safety and appropriate use of medicines from time to time, when they are used, or antibiotics and things like that at the farm gate. We have to accept that. I accept that as the responsibility of the Department of Agriculture. As it moves up the chain in the processing, then other departments like the Department of Health takes on a bigger lead role for the inspection that is required. It is

quite frankly, and when you listen to the efforts that a committee that is established—

The Acting Chairperson (Mr. Helwer): Mr. Minister, if I could interrupt you for a moment. We had a visitor here, Howard Hampton, who is the member for Rainy River in Ontario, but I am sorry, he has just left. Sorry, Mr. Minister, carry on.

Mr. Enns: Well, Mr. Chairman, I do apologize. It is, when I am running off at the mouth, that even the visitors who come to visit us, you know, leave us.

The Acting Chairperson (Mr. Helwer): Sorry to interrupt you, Mr. Minister. Carry on.

Mr. Enns: That is all right, Mr. Chairman. Our director of the Animal Industry Branch, livestock branch, Mr. Taylor, is part of a national committee that has been working on this for the last several years, I believe—since '94, I am advised—and it is a tremendously complicated issue, when you look at the regulatory regime that has been built up, the different jurisdictional responsibility. Yet there is a pressing need for us to clean up our act because, as we move more and more aggressively into the export field, the trade demands it.

Ms. Wowchuk: Mr. Chairman, I have no further questions on Marketing. I want to ask a couple of questions on the animal industry, and one of the areas I want to ask some questions on is a new industry in Manitoba, that being the elk industry. I wanted to ask the minister—there was some discussion about the different species with the elk and the level of birth rates of the animals that were kept in captivity. I wonder if the minister can indicate the number of cows that were captured in the—well, it would be only the one year that they would have been calved out—what kind of a calf crop there was and whether there were any problems with that particular calf crop? My understanding is that the birth rate was fairly low, so whether the minister can indicate whether there was a problem, or is this normally the level of birth that we see in elk or other nondomestic species that are in captivity?

Mr. Enns: I am delighted to talk about one of Manitoba's newest livestock industries, first of all, to indicate to her that we do have some 72 registered elk

farms in Manitoba. When you consider that that is from a standing start just a little over a year ago, that is really quite amazing.

I am advised that, contrary to the honourable member for Swan River's information, in some instances the birth rates were very acceptable in the range of 80 percent, and that as a member who is familiar with the livestock, domestic livestock industry, she would appreciate that that is not bad results at all. Now these are the animals that were dispersed. We do not have the kind of complete data that will be available to us, say, at year's end or even in the fall when we do our first inventory check, but in the main, producers seem to be off to a good start.

I am disappointed in the inability for having been able to bring about a more successful capture this last winter. It is my hope that in the coming winter my colleague the Minister of Natural Resources (Mr. Cummings), whose responsibility it is to carry out the capture program to provide the seed stock for this industry, will have resolved some of the difficulties that are still plaguing him in that area, and bring about—we are committed, as the honourable member knows, for several more—you know, two more, three more years of capture. We believe that, without at all damaging the natural and the wild herd, we can carry that out and ensure a good kickstart to the elk industry here.

On a more serious note, I do not take particular pleasure in indicating to the honourable member or to the House that this situation has occurred, but I do want to indicate that a number of charges had been laid against one Mr. Pat Houde for failing to comply with the regulations of this act. The honourable member will indicate that I am not—inappropriate for me to discuss in detail or in greater length. These charges will now proceed to court.

Ms. Wowchuk: I could not hear very clearly all of the minister's answer, but I was asking about not the animals that were dispersed in the last year, but the animals who were kept over one winter at Grunthal. That was the herd I was asking about is what the success rate was of that herd that was kept in captivity.

Mr. Enns: I cast no particular blame for this. We were all on a bit of a learning curve in this area. The

ones that we kept over in captivity had disappointing birth rates. We believe that is attributable to several things—the late bringing in of the bulls. I think there was a nutritional factor that my livestock specialists tell me that we were not fully up to speed on in terms of the requirements for putting the animals into a recycling, reproductive position. So, yes, and there is no question—and we have been advised—we have been told from other sources and other jurisdictions, when you capture elk and take elk out of the wild, it is a stressful transition for that animal to accommodate itself to beginning life anew in the corral and behind a fence. Any of these factors will contribute to poor reproduction levels.

* (1610)

Ms. Wowchuk: Mr. Chairman, the minister has often talked about the growth of the hog industry in this province. I would like to ask the minister if his department can indicate how many hog barns we now have. Are they doing any monitoring of how many hog barns we now have in Manitoba and what level of employment we would have in those barns?

Mr. Enns: Well, Mr. Chairman, there are occasions where I will ask my staff to undertake, as we have done on other occasions in the department, to provide the honourable member for Swan River with a fairly specific updating of the information that we have. I can tell her, in general terms, that the expansion is unabated in Manitoba, that organizations are proceeding, major—some of the significant players, whether it is Hutterian Brethren folk who are major hog producers in the province, producing—about 34 percent, 35 percent of the hogs are produced by that group of farmers and people. They are continuing to expand as their colonies expand.

They have long ago, of course, found out that to shelter themselves from price fluctuations of grain, and things like that, when they put their grains off their 5,000-acre farms through various forms of livestock, whether it is geese, birds, chicken, eggs and hogs, that they have, on a regular basis 85 percent, 90 percent of the grain that they grow on their farms is used by them on the farms. They do not pay CNR or CPR big freight bills for moving grain around; they do not pay the elevator companies big storage charges, \$9 a tonne

handling charges to have the grain stored in their facilities. No, they feed them directly off the field into their own storage and into value-added forms of agriculture.

I do not want the honourable member to confuse me. I mean there is a difference between a Hutterite and a Mennonite, although some people have trouble making that differentiation, but they are, in many respects, they point, particularly in this post-Crow era, to a way of resolving our issue of what do we do with the huge amounts of feed grain that are now virtually economically, you know, impossible to move out of this province.

I can also indicate to you that other major players like our corporate players, the Elite Swine group, for instance, are planning 60 additional barns this year in the province of Manitoba. I am aware that the other big operator, the Puratone group, are continuing their expansion programs.

We have some indication here of the value of hog production in millions of dollars. In 1994, some \$302 million was spent; in 1995, \$353 million was spent; this is at the farm level, farm gate; in 1996, \$466 million; in 1997, \$512 million was spent. So there is this steady growth taking place. I want to indicate and make it very clear, it is not being pushed and promoted by myself or the Department of Agriculture or by my government. It is a reality that producers are making choices of their own of how they best see their way out of a serious dilemma on the farm. We, of course, have a responsibility that, through our extension, through our regulations, it is being done responsibly and properly, that it is done with a concern for the environment, that it is done with concern for sustainability, and it has been done in a way that hopefully will make it more neighbourly friendly, more user friendly, in a way that will allow this industry to flourish.

I just lost one of my biggest supporters in caucus and cabinet. I was hoping to tap into that modest budget of hers so that my Animal Industry Branch could get a few extra dollars in the coming budget, but we will have to wait till next year.

Ms. Wowchuk: Mr. Chairman, what I was looking for from the minister, and if his staff could provide us that

he had indicated they were prepared to provide some data on the number of barns and the amount of employment, what kind of employment is created in various barns, and the other question that I asked the other day of the minister as well. I do not know whether he has had any opportunity to get that answer, but these are very large barns, many of them. There are going to be jobs created, and I wanted to know whether they fall under the Labour Board or is agriculture exempt from labour standards, or does Workplace Safety and Health come into it and Workers Compensation.

Mr. Enns: Mr. Chairman, on the educational question, I regret that the Minister of Education (Mrs. McIntosh) has just left, but I am delighted that we have worked co-operatively with the Department of Education to provide and are now offering needed and good programs that provide the training and background for young persons who wish to get into the hog business at various levels and various capacities. Some of these positions are providing very attractive jobs in rural Manitoba. I think we have some 1,200 positions at our community colleges, Assiniboine particularly, that are providing these openings. Here is a little bit more on the question of jobs. It is estimated, for instance, for every million market hogs, it requires 300 technical people and 75 barn managers to provide that. These managing jobs are paying \$40,000, \$50,000, \$60,000 annually and the technical jobs, call it labour if you like, something like that, are anywhere in the \$16,000, \$18,000 to \$20,000, \$25,000 range for youngsters who up to now have often no other call but to come to the city or elsewhere for a job if they are youngsters in rural Manitoba.

On the question of some of the farm employment regulations, Employment Insurance, for instance. A regulation change in '96, every hour of employment in Canada is insurable. No exemption for farming. It includes family members that you employ in a situation where you would otherwise hire someone to fulfill the position. It is available and it is compulsory.

Labour standards, Workers Compensation. Not relevant to size of operation; may be compulsory in certain types of operation, i.e., where the operation is providing a service for someone else. So I would take it that these corporate barns would be covered under

Workers Compensation. Where the operation is providing service to someone else, such as seed cleaning, hauling grain, for someone other than yourself, processing a certain commodity on your farm, et cetera. I would say a lot of investors-owned hogs on a farm would fall into this category. It is an income insurance option. There are two different rates, depending on the type of operation. The straight family operation, as the honourable member for Swan River and I would understand it, the issue of workers compensation is an optional one, one that we can I think voluntarily inscribe for the program. The kind of barns I think that you are specifically referring to would be compulsory. That is what the note says. That is why it is in—it says in some cases. It depends on the ownership structure. I am told that it is voluntary or optional in most instances, but that is liable to change in the future. She asked about the application of the Workplace Safety regs. Yes, they compulsorily apply to these facilities.

* (1620)

Ms. Wowchuk: The minister talks about these jobs for young people in rural Manitoba. I know that there are many people who do not want to come to the city to work. They want to work in rural Manitoba. They come from farm backgrounds; they want to farm. What I am looking for, I want these people who come to work in these farms to have good jobs and to have safe jobs and ensure that they would have the same benefits that urban people have, like vacation pay, pay for overtime and those kinds of benefits. The minister had indicated that the Workplace Safety and Health applies, but the question is: who administers it? Is it administered by the Department of Agriculture or is it administered by the Department of Labour?

Mr. Enns: I think that question would be more appropriately directed to the Department of Labour who has those particular inspections for something like that. But I want to point out, and my staff advises me, that this is not compulsory in many of these situations, although I am advised that, in most instances, they voluntarily subscribe and exceed any of the standards that the regulations call for.

But I want to remind and take this occasion, the honourable member is absolutely right that our rural

youth, our young people in rural Manitoba, are entitled to and should have the same kind of protection or have the same kind of opportunity to work in reasonably safe workplaces that we have over the years developed or try to continue to develop and improve for all our people working in Manitoba, that they have a healthy place to work, something like that, but they want something else, Mr. Chairman, and this is very important to understand in this whole debate. They want regular time off, they want to enjoy weekends, they want to enjoy holidays, and this is what is not available to the individual family farmer involved in livestock.

That is why he is disappearing, and that is the biggest reason, not why he is disappearing off the scene. Because if you are that kind of nostalgic and traditional livestock farmer who both she and I would like to call upon or remember, that means having those 40 hogs in the back barn and maybe 10 or 15 cows, maybe even milking a few, and then 250 chickens running around the yard. It is that kind of lifestyle that kept you on the farm seven days a week, 365 days a year, including Christmas and New Year's, and probably most important, the morning after last night's party.

What has happened over the years, the youngsters have come home from colleges, from universities, and they said, Dad, get rid of those 40 cows and get rid of those few chickens. That is what is stopping you from joining that parade that we sometimes enviously watch. I am a little envious when I am running around in my little alfalfa field on my tractor, and I see on the weekends at four o'clock in the afternoon sometimes all my city cousins streaming off to my colleague the member for St. Boniface (Mr. Gaudry), to their cottage on Lake Manitoba, to begin enjoying the long weekend, and I am still running around the alfalfa field, and when I get home, I have to feed a few chickens.

My greatest chagrin is my dear wife, Eleanor, who has made the tragic mistake of listening to the Minister of Agriculture once too often—you know, when I talk about diversification—and now I have sheep and goats to attend to when I get home. While it was all right with me last fall when I had viewed it as an aid to the maintenance of some of the grass and the brush around the five-acre yardsite, but not my Eleanor. There had to be a ram, and there had to be a buck put into those

animals; of course, now little kiddies and little lambies being born. There you have the Minister of Agriculture running out in his nightgown at midnight, making sure that little Mary's lamb is being safely brought into this world, and it sometimes even happens.

Then she made another investment into alternative livestock which was not quite that successful. I refer to it as the airborne division. We bought some surplus peacock from the Winnipeg Zoo, and we were maintaining them in the barn, but doors tend to be left open when they should not be left open and the airborne division just disappeared on us one day. I comfort her and myself that we have given them their freedom. I have even kind of joined the kind of animal rights group in that respect. That maybe gives me some credits with them. Some of them do not like me too much from the days when I was Minister of Natural Resources or that I allowed the elk to be penned in behind fences, but maybe that will give me some credits by letting this airborne division take off into the sunset.

Anyway, Mr. Chairman, I try to be as explicit in my answers as I can to the issues that are raised.

The Acting Chairperson (Mr. Helwer): The honourable member for Swan River (Ms. Wowchuk), shall we pass the Agricultural Development and Marketing?

3.4. Agricultural Development and Marketing (a) Marketing and Farm Business Management (1) Salaries and Employee Benefits \$1,705,500—pass; (2) Other Expenditures \$1,190,200—pass; (3) Agricultural Societies Grant Assistance \$368,400—pass; (4) Other Grant Assistance \$82,600—pass.

3.4.(b) Animal Industry (1) Salaries and Employee Benefits \$1,582,900—pass; (2) Other Expenditures \$403,600—pass.

3.4.(c) Veterinary Services (1) Salaries and Employee Benefits \$1,716,300—pass; (2) Other Expenditures \$660,800—pass; (3) Grant Assistance - Operating \$467,100—pass; (4) Grant Assistance - Capital \$300,000—pass.

3.4.(d) Soils and Crops (1) Salaries and Employee Benefits \$2,374,700—pass; (2) Other Expenditures \$764,200—pass.

3.4.(e) Irrigation Development \$822,500—pass.

Resolution 3.4.: RESOLVED that there be granted to Her Majesty a sum not exceeding \$12,438,800 for Agriculture, Agricultural Development and Marketing, (for the fiscal year ending the 31st day of March, 1999).

3.5. Regional Agricultural Services (a) Northwest Region (1) Salaries and Employee Benefits \$1,962,700—pass; (2) Other Expenditures \$747,500—pass.

3.5.(b) Southwest Region (1) Salaries and Employee Benefits \$2,204,300—pass; (2) Other Expenditures \$574,900—pass.

3.5.(c) Central Region (1) Salaries and Employee Benefits \$2,075,700—pass; (2) Other Expenditures \$581,900—pass.

3.5.(d) Eastern/Interlake Region (1) Salaries and Employee Benefits \$3,017,200—pass; (2) Other Expenditures \$1,107,800—pass.

3.5.(e) Agricultural Crown Lands (1) Salaries and Employee Benefits \$591,700—pass; (2) Other Expenditures \$251,500—pass.

3.5.(f) Less: Recoverable from other appropriations (\$68,000)—pass.

Resolution 3.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$13,047,200 for Agriculture, Regional Agricultural Services, (for the fiscal year ending the 31st day of March, 1999).

3.6. Policy and Economics (a) Economics (1) Salaries and Employee Benefits.

Ms. Wowchuk: What section are you on? I am sorry.

The Acting Chairperson (Mr. Helwer): I am on Section 3.6, Policy and Economics, page 17.

* (1630)

Ms. Wowchuk: In this book? No.

As the livestock industry grows, we talked an awful lot about hog production, but there are also many

people who are interested in diversifying and raising more livestock, cattle, that type of animal, but one of the challenges that we have is the ability to acquire more Crown land for pasture use.

Mr. Mervin Tweed, Acting Chairperson, in the Chair

There are people in my constituency who have been trying very hard to get some agriculture Crown land, but what they find is that there seems to be a policy that land that is now being used for agriculture purposes, if the individual gives it up, it will not be for agricultural use anymore. So I would like to know why the policy is that if you have land that is being used for hay or for pasture right now and if it is not going to stay in the family, if it is going to be leased out to somebody else, there is a risk of that land coming out of agriculture use and going over to Natural Resources use for wildlife habitat.

Mr. Enns: I want to fully agree with the honourable member for Swan River and I, myself, having a modest beef cattle operation at the farm, agree totally with some of my livestock specialists who feel that there is some significant room for growth with the beef cattle here in Manitoba. We are at all-time high records in our beef numbers right now, approaching the 600,000 mature beef cows here in the province of Manitoba. That is higher than we have ever been before. It exceeds the highs that were back in the early '70s, '72-'74, when we had numbers approaching that.

We were the one jurisdiction in Canada virtually that maintained these numbers, despite we had three or four difficult years that we had a cyclical downturn in prices. So we are well poised to move that, and I do not particularly like to put target figures. Other people do that for me when we talk about doubling hog production, or some number, but there are those that believe that we could easily sustain a million beef cows in this province.

We will not rival Alberta who have 60 percent of Canada's beef herds in their province, but certainly that kind of an increase would be extremely significant for Manitoba's economic well-being and could, particularly if that is accompanied with greater utilization of our feed to fatten and finish our calves here, rather than sending them to Alberta and elsewhere. My hope certainly would be, it might not come in my time, but

certainly to see the creation of a major beef-killing plant back here in Manitoba once again.

When you consider what we had in the '60s and the better part of the first half of the century, we were the Chicago of the North. We had five major plants, upwards to 6,000 people, gainfully employed in St. Boniface: Swifts, Burns, Canada Packers, then major independents like East-West Packing and so forth, to the fact that we now virtually have none. That is something that is a challenge for us in Manitoba and a challenge for us in agriculture, so I agree with her.

I am disturbed. I am advised, my deputy minister tells me that there is no policy change that has taken place that specifically alludes to what the member puts on the table, that is, when a current user of agriculturally designated Crown land leaves it, it is kind of automatically snapped up by the wildlife and then the Department of Natural Resources, then it is taken out of agricultural use. I would ask her to bring some specific examples to our attention, because I do not dispute it, because I am hearing the same kinds of things too often. I have scheduled a meeting with my colleague the Minister of Natural Resources (Mr. Cummings) and let us put it on the table.

If there is a policy or a supposed, a perceived process being carried out in some regions of the province, that is possible. There has always been a bit of a conflict between the departments of Natural Resources and Agriculture. The Department of Natural Resources would like to see all of this Crown land as wildlife management areas and game reserves, and we have to be reasonable about it. I quite frankly want to challenge the department, and I seek the honourable member's support.

We have some 7.5 million acres of the kind of land that could carry substantial cattle herds tucked aside that we do not touch, that are set aside in wildlife management areas. As a former Minister of Natural Resources, nobody has to lecture me about the importance of sustaining our wildlife herds, and I certainly support that policy, but, as a practical rancher and farmer, I am also aware that there is compatibility there simply because some common use of ground by domestic and wild species is quite compatible with good wildlife management.

I think that is a challenge that the government, the Minister of Agriculture should be looking at seriously. That would provide some of that relief valve, if you like, that would enable some of her constituents and others who are planning expansions of their livestock herds to be able to do so on a sustainable basis.

I repeat, over 7.5 million acres have been set aside in what I still call agro-Manitoba as wildlife management areas. Well, there are some exceptions. Some of those are in the further northern areas, but a good portion of them—certainly I, as an Interlaker, you know, see a great deal of that land being set aside like that. I get that criticism as an MLA from that area. Communities say: lookit, we are not against the designation of wildlife management areas, but limited or controlled or partial use of some of these lands for sustenance of the beef industry, in my opinion, could and should be seriously considered.

Ms. Wowchuk: The minister says there is no policy. I can tell the minister clearly that there are two people in the Barrows area, and I know the minister is well aware of where Barrows is. You would not expect to have too much agriculture there, but there are some people who are trying to raise cattle in the area and wanting a little bit of land. One piece of land that—an elderly gentleman is hanging onto it and letting them cut hay on this land because, if he lets it go, it is going to go back into maybe it is a wildlife management area, but it is going to go out of agriculture. I have worked through this with people in the Dauphin office and people in the Swan River office. They say, if it is leased, if it goes back, it is going to go back to natural resources; it will not be available for agriculture. These two young men are looking for an additional piece of land in the area. I realize, and the minister knows it, in that area of the province there is not that much land, but surely we should be able to find some way to have a little bit, out of those, what did you say, 700 million acres, a large number of acres. Surely we should be able to work along with them.

We have a similar situation in the Ethelbert area, where an individual had a quarter, there was a quarter of land that was being used for pasture. The farm changed hands, a son-in-law took over the farm and now wants to have that land as pasture. He said he is quite prepared not to cultivate the land and leave it in

its natural state for pasture. We know that there is wildlife there, but cows and deer and moose have lived together for years. We do not have to set this particular piece of land aside and prevent somebody from making a living. It fits into what we have been talking about, and that is diversifying.

* (1640)

In this particular area, in the Ethelbert—first of all, in the Barrows area, you cannot grow grain. These guys do not have any, but they want to make a living for themselves. You know we are always encouraging people to try to get on their own feet and provide for their own families on their own, and they are being restricted in that.

In the Ethelbert area, Dennis Burdeniuy is the fellow who wants the land and wants to raise a few cattle to supplement his income. He has taken over a very—the minister talks about a modest farm. Well, this is a modest farm. I am sorry, the gentleman's name is not Dennis Burdeniuy, it is Jim Burdeniuy, a different fellow. But these people want to use the land. They do not want to exploit the land. They want to use it so that they can provide for their families, and it is not happening.

So I am letting the minister know that there is a problem between the two departments, and somehow I would encourage the minister to work it out. I can provide more detail on it. I can get you the exact names of the people.

In Barrows, there is Wallace Genaille, who has been trying for a long time to get some land; the Chamberlains have been trying to get some land and just are getting nowhere. You know, these are very small operations. They have started out with one and two cows. They never intend to even raise 30 cows. They want a little bit of land so they can be farmers and earn some money from it.

So I would say to the minister: what do we have to do? How can we do this? Is he prepared to work with the Minister of Natural Resources (Mr. Cummings)? Should I be providing the exact specifics of these

individual cases, then, so that his department can work on them? What suggestions does he give on that?

Mr. Enns: Mr. Chairman, senior staff have taken note of the honourable member's comments, and I thank the honourable member for those comments. We will, as I indicated earlier, take the issues seriously and pursue them. We will keep the honourable member informed. If these cases have already been dealt with, are kind of in the system, or if you have been dealing with some of our people in Dauphin or through other ways of contacting the department, their names will be known to us, but, if not, we now have them on the record and we will certainly pursue it.

In general terms, I agree with the honourable member. Look, we have emptied out rural Manitoba massively from 50, 60 years ago. We are, you know, but a quarter of what we once were in terms of intrusion on the landscape, so it is difficult for me to accept that we cannot find a quarter section or a hundred acres for some individuals who choose and wish to raise a modest number of livestock. I have a great deal of empathy for the position put forward by the honourable member.

Mr. Edward Helwer, Acting Chairperson, in the Chair

It is a position that I, perhaps not successfully, but I will continue to argue with some of the wildlife specialists that I was privileged to work with in the Department of Natural Resources who maintained, all too often, adamantly that there is no compatibility between, no compromise between domestic and wild life species.

All my experience in my 37, 38 years in the south Interlake, the deer come out first in the spring to where my cattle last year grazed it off to get the fresh green shoots as they come out of the ground. They are not in the back where it takes a while for the new grasses to shoot through years of old bottom hays and grasses that they have to fight their way through. It is common knowledge, in my judgment, that some of our wildlife management practices have a lot to answer for.

Our Riding Mountain National Park is no longer a good habitat for wildlife. That is why they are all on our farmers' fields and causing crop depredation

because we have not allowed nature, we have not allowed fires to come through these facilities and clean up some of the deadfall, some of the old grasses, to allow regeneration of new willows and new shoots and new things that provide the healthy habitat for livestock. In some instances, a controlled use of these lands by our domestic cattle produces some of that kind of action that in my opinion is beneficial to wildlife. It is a battle that I have not succeeded in winning to date, and I welcome and invite the honourable member for Swan River to help me fight it.

I think particularly in the next few years, some better understanding of the utilization of this kind of land is a legitimate direction for agriculture to proceed with. I hasten to put on the record, because I do not want to alarm my environment or naturalist friends. I do not say that this needs to be done at the expense of the maintenance of good and sound and healthy sustainable wildlife herds.

Ms. Wowchuk: I have to agree with the minister. I think that cattle out on pasture can live in harmony with livestock. If you go to an intense livestock operation where you are going to have a feedlot, then that is a different situation, but the land that we are looking for here is marginal land.

Mr. Enns: Bush pasture.

Ms. Wowchuk: Bush pasture, as the minister says, that if you put cattle on it for a couple of years, you will end up having more pasture or natural habitat for the wild herds to feed on as well, and both will benefit. You certainly cannot get too intense, and certainly there has to be that buffer which is not going to be open for domestic livestock. But the people that I am talking about—and I am sure there are similar situations in the Interlake where they do not want all the land—they are looking for land in close proximity to their farms right now, and I think that work can be done. I am pleased to hear that the minister is prepared to look at ways to address that.

Continuing on in Crown lands, there is a policy, I believe, that allows individuals who are leasing Crown land to purchase it after a certain length of time. I do not know what the restrictions are, but what I have had brought to my attention, I believe I brought this to the

minister's attention last year, is the length of time that it is taking to process the purchase of land. I guess it became more of an issue after the wood was all allocated off Crown land for harvesting, and so there was a delay. They did not want to sell that land until they decided how much the wood was worth and things like that, but there are people south of Swan River and the Ethelbert-Garland area, who have been leasing land for some time and want to purchase it and have had applications into purchasing this land for a couple of years now, and nothing is happening with it.

So I want to know if it is agriculture Crown land why there is such a delay in processing these applications. I know in other parts of the province, if an individual is leasing some land and chooses to purchase it, there is a process that they follow through and are able to do that, but there seems to be a problem in other parts of the province.

* (1650)

Mr. Enns: Just a few matters that may be of interest to the honourable member, particularly in the area of Swan River. We are, as a department, doing some experimental work where we have got lands that are being currently harvested for the Louisiana-Pacific particle board plant, and then to see what kind of regime, what kind of regulations need to be developed that would then provide some pasturing opportunities for cattle on these lands.

At the same time, it is the presence of Louisiana-Pacific—and I am not the minister responsible for the administration of our forestry policies, but I am aware, as is the honourable member, that to bring Louisiana-Pacific to the Swan River Valley, they were given allocation rights of certain lands which includes a great deal of Crown lands, and that may be a complicating factor in the sale of those kinds of lands in that area. I am not for certain. I would ask her to pursue this with the Minister of Natural Resources (Mr. Cummings), and I will pursue it with the Minister of Natural Resources. Although, again, you are talking about land that is in the agricultural Crown land thing. Well, then I think we have to accept the responsibility, and we will pursue it more diligently. I am aware that there are problems around that that are unduly holding up the sale of these lands.

Just to give the honourable member some indication of the activity in this area, in 1996, for instance, we had received applications for sale of 190 parcels; in '97 for 99 parcels, and 85 parcels were sold, one parcel disallowed. We have sold, in total, since this program started back in '77 some 1,403 parcels of land. Now these are parcels. That could be multiquarter sections that are involved.

The rules are fairly straightforward. Ownership requirement says you have to have been a two-year lessor of the land, and here are the specific conditions. The purchaser must qualify under The Crown Lands Act and The Agricultural Lands Protection Act, that is, he must be a farmer or a cattle producer who is active in the area. The applicant must have held land under a long-term lease for at least two years before an application will be considered for sale. Land must be usable for agriculture and generally be classified or better. That is one of the reasons that often is an obstacle.

The Crown has different reasons for not selling land from time to time—maybe provide to lease it—but we have a land classification group that has people of different disciplines from Natural Resources, from Highways, from Agriculture. They determine if, for instance, a piece of Crown land that a farmer may have leased and pastured his cattle on for many years but has extremely good aggregate deposits on it, when that land comes up for sale, the Department of Highways says, no, it is not in the public interest to sell that land. We may, in the future, need that aggregate. Now that is a little hard to make a farmer understand, but that is I think done and done correctly in pursuing what is indeed the public interest.

Then, finally, if a provision of this land use committee that I speak of disallows a partial sale, there is a cabinet committee called Provincial Land Use Committee that has the final authority for the agriculture Crown land sales program. This is brought then to a subcommittee of cabinet which I am a member of. We have about five members of cabinet who are members of that committee and we deal with, not too many, but we deal with four or five appeals every three or four months that come to us for consideration.

Sale price includes the raw land value plus any capital the province may have invested in the land improvements. Value of the land is derived through a formula using assessment value with the adjustments for such items as forestry value and agricultural development. That policy is in place; it has been in place. I will undertake to do a particular examination of the Swan River area, because it is my belief that there may be some special wrinkles there that the Louisiana-Pacific commitment is creating for our lessors. If so, I want to examine them and then see if they are appropriate or if we were not fully cognizant of what we were signing off on.

I think it is one thing to maintain a commitment to sell certain allocations to a commercial firm like Louisiana-Pacific, but that does not necessarily impact on the ownership of the land. It is the wood supply that we were obligated to provide to a company. If a suitable arrangement can be made, I would see no reason why the landowner who wants to buy it—if Louisiana-Pacific wants to buy the wood, I am sure he will let him sell it, and he will get his land cleared. But, again, I would invite the member that, if she wants to provide us with some specific names, either now or on another occasion, we would be more than welcome to take these issues seriously.

Ms. Wowchuk: I will do that. I will get the specifics and the land locations that the people are trying to buy. I have no problem with putting the value of the wood on the land, because the person who is getting the land is getting the wood. I have no difficulty with that, but I think it is unfair to these people who got into an agriculture lease with the understanding that in two years' time, if they should so choose, they would have the opportunity to buy the land. Their decisions, their plans are being put on hold because of, as the minister says, wrinkles that have developed in the system, but I think it is unfair to them. I would hope that we could work it out, so I will also provide the specifics of that, and perhaps in that way we can resolve this and help those people out.

The minister talked about the ability of an individual to purchase land after they have leased it for a couple of years and the requirements that they have livestock. Are there ever exemptions made to that, that a person

does not have to have livestock but is still able to purchase Crown land?

Mr. Enns: The policy is that you have to be in a position to qualify for and meet the criteria that are set out in the rules and regulations with respect to Crown land sales, but there are extenuating circumstances that in some instances allow for some flexibility in this instance. We have had situations where, through no fault of their own, there has been, in some cases, a death in the family; or an estate has been cleaned up and the land has lain bare and empty for a year, in some cases two years and perhaps even more years. These are far and few between, but there have been cases. A case was made to the department that while an estate was being sorted—I know of one particular situation in the Ste. Rose area where this is the case. I was criticized for it and looked at it.

I know that in other instances there were cases where a person was obviously maybe retiring and getting off the land, but he had invested the better part of 25 years of a lot of sweat equity on his part, cleared up stone off Crown land and so forth, and then was positioning himself to retire, and perhaps did not qualify with a sufficient number of cattle on that land when the sale actually was made, but I do not deem them as being transgressions against the policy but having shown some flexibility in the solution.

We have had some particular arguments, of course, and, as often happens, land is land. We have had cases going to the Ombudsman, who has made some critical comment on how the policy is being administered. It is not the easiest call always for our field officials to make when they are out in the field.

* (1700)

The Acting Chairperson (Mr. Helwer): The hour being five o'clock, it is time for private members' hour. Committee rise.

Call in the Speaker.

IN SESSION

Committee Change

Mr. Daryl Reid (Transcona): I move, seconded by the member for Thompson (Mr. Ashton), that the

composition of the Standing Committee on Municipal Affairs be amended as follows: Transcona (Mr. Reid) for Interlake (Mr. C. Evans) for Monday, June 15, 1998, at 9:30 a.m.

Motion agreed to.

PRIVATE MEMBERS' BUSINESS

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

DEBATE ON SECOND READINGS— PUBLIC BILLS

Bill 201—The Crime Victims' Bill of Rights and Consequential Amendments Act

Madam Speaker: On the proposed motion of the honourable member for St. Johns (Mr. Mackintosh), Bill 201 (The Crime Victims' Bill of Rights and Consequential Amendments Act; Loi sur la déclaration des droits des victimes d'actes criminels et modifications corrélatives), standing in the name of the honourable member for St. Norbert (Mr. Laurendeau). Is there leave to permit the bill to remain standing?

An Honourable Member: Yes.

Madam Speaker: Leave? Leave has been granted.

SECOND READINGS—PUBLIC BILLS

Bill 203—The Legislative Assembly Amendment Act

Mr. Steve Ashton (Opposition House Leader): Madam Speaker, I move, seconded by the member for Burrows (Mr. Martindale), that Bill 203, The Legislative Assembly Amendment Act (2) (Loi No.2 modifiant la Loi sur l'Assemblée législative), be now read a second time and referred to a committee of the House.

Motion presented.

Mr. Ashton: Madam Speaker, if members opposite were prepared to pass this I would not have had to speak, and after what happened in Ottawa recently

when the Liberals had all the rules changed on them because there were none of them present in the House, I guess I would not mind charting new territory in this House too. I want to suggest to members that this is a bill that should be supported by all members of this House. It is a very straightforward bill. It is a bill we have brought in, in different forms, the last several sessions of the Legislature, and it would allow us to establish in this province what has been established in pretty well every jurisdiction in this country, including in the federal House of Commons.

That is the position. I would not like to speak—I want to indicate, Madam Speaker, that while we even speak, changes are taking place in a few of the remaining jurisdictions that do not have an elected Speaker. Nova Scotia, for example, recently moved to have an elected Speaker, and I think that was very significant and part of the change that obviously the people in Nova Scotia wanted, as was evidenced by the dramatic breakthrough of the NDP in forming official opposition in the minority status of the government in that province. I believe in Quebec the Speaker is now recommending an elected Speaker, and I want to stress again that this is one way of ensuring that we have in this Assembly and in all Assemblies that adopt this practice, to have a Speaker who has the full confidence of the House.

I want to put this in perspective, Madam Speaker, because I do think that all members of this House could support the bill. I want to suggest that they consider the fact that we used to have a two-pronged process with the appointment of Speakers. The member for Lakeside (Mr. Enns) will certainly, I am sure, be witness to this, because I think we often tend to lose some historical perspective when it comes to this. It used to be that yes, the government appointed the Speaker. That was the process for many years in this province, but there was also a second aspect, and that is it was traditional for the Premier to consult to the point really, in many cases, of allowing not only a pro forma type of consultation with the opposition but direct consultation. That has not taken place in this House for a significant period of time, certainly the years that I have been here.

I want to acknowledge that it was a process that was not followed by the previous NDP government. There was some controversy in 1986, at that time, although I

do believe the Speaker of the day, Speaker Phillips, made a real effort and did a very good job at ensuring impartiality. In fact, I remember on one occasion when I was almost—well, actually I think I was ruled out of order and if I had not withdrawn something I could have been one step away from being ejected from the House. I remember the—well, I never got all the way. Well, there are a few members on the other side who did get kicked out. I have never been kicked out, and I take some pride in that. I do believe it is important to observe the rules.

I remember I was a little bit frustrated, and I remember the minister responsible for I, T and T, the member for Arthur-Virden, was sitting just fairly close to me. He took out a Hansard. He put a highlight over a section, and he put it on my desk. As I was sitting there stewing just a wee bit because I had been cut off by the then Speaker, I read my comments saying what a great job the Speaker was doing at the beginning of the session and how I thought she was very objective.

I must admit, it was an important lesson because you know, at times you can be on the receiving end, and I know even the member for Lakeside has been in his years in this House on the receiving end of rulings that one does not like. You know, the point is to have some sense of confidence in the person who is in the Chair. I really believe that we have lost the balance in this House because by and large over the last number of years we do not have that combination of appointment by the government and consultation. I say that has been something that has been practised by both parties, and I say it leads to difficulty. I say by nature of the process, in and of itself, when you do not have agreement at the beginning over the appointment of a Speaker, you are setting yourself up for difficulties down the line. Confidence, in this case, should be an essential part of the appointment or election of a Speaker.

I want to stress why. We have had a considerable amount of discussion and debate in this House over the last number of years about the role of the Speaker. But you know, this in many ways is one of the most important positions in this Legislature, the Speaker's position. The Speaker in equivalence is equivalent to a judge in a court. The Speaker must be impartial. I want to stress further that if one looks at Beauchesne

and if one looks at Erskine May, Maingot, the essential texts which are the foundation of our rules in this House, the fact is that the Speaker has for the last several hundred years been one of the most important officers of the House of Commons, and indeed I will go further. I would say some of the most important evolution in the parliamentary system has come from the evolution of the Speaker's office to the point today where in most Canadian jurisdictions, including the House of Commons, we have an elected Speaker. I say, Madam Speaker, now is the time to have an elected Speaker in this province, particularly given the events of the last number of years.

* (1710)

If ever there was an indication of why it is important, I would say it is now. I could refer members to Beauchesne. In fact, I know I have referenced numerous of the proceedings, numerous of the citations in Beauchesne, but I like to remind people of basic principles of parliamentary law. One of them is to protect. The first principle of Beauchesne in terms of parliamentary law—and it is from Bourinot's *Parliamentary Procedure and Practice in Dominion of Canada, 1916*—is “to protect a minority and restrain the improvidence or tyranny of a majority.” That is what the essential role of Parliament is all about.

I want to stress that Speakers in the past have put themselves at risk in one of the most fundamental developments in the parliamentary system when the Speaker of the day denied the attempt by the king and the king's officers to arrest members of Parliament in the Parliament itself. Indeed, Madam Speaker, the bravery, one might imagine in those days, of that Speaker who would not acknowledge the demand of the crown of the day to arrest those members of Parliament. If one looks at the federal House, one looks, indeed, at the House of Commons, there is still that tradition preserved, but not having the monarch in the House of Commons. That is one of the most important, and I know the government House leader with his time in—[interjection] It is a whole other topic, as the member says.

I want to stress again: have we not learned the lessons of the last few years here? I would suggest that

some of the great difficulty we ran into in the 1996 session related to MTS, I think, would have been avoided if we would have had an elected Speaker. I, first of all, think there would have been some different decisions made. But, you know, regardless of what decisions would have been made, I ask members to put themselves in this position. If all members of the House had elected the Speaker, would there have been the same kinds of questions raised about the objectivity of the Speaker, connection between the government and the Speaker? You know, when the Speaker is elected by all members of the House, members in this House should understand—I mean, we have our constituents. I think every member in this Legislature understands the importance of representing their constituents.

I know that in my own community I represent everyone. I represent those who vote for the NDP; I represent those who vote for whatever party, and I have made a point of that since I was first elected. You have a certain responsibility that you have day in and day out when you are a constituency-based member of the Legislature. That is one of the reasons I have always opposed party lists, the kinds of structures we see in other Legislatures, when you sever that connection between elected official and constituent. But in this House we now have a situation where essentially the Speaker's only constituency, well, if one wants to put it in that term, is one person, in this case, the Premier (Mr. Filmon). One person selects the Speaker.

We saw that in 1995 when there was no consultation whatsoever, although I will put on the record that we went further than the Conservative opposition of the day in 1986 did, when they would not even second the nomination of Myrna Phillips. They would not even give Myrna Phillips a chance. I say to members opposite that I find it ironic that the person that was most responsible for that is the current Premier, the then Leader of the Opposition, who refused to second that nomination and yet is probably the only person in this province standing between us having an elected Speaker and having the current situation prevail.

Now I want to stress that because I wish we could have a free vote on this particular bill. If ever there was a bill that should not be a partisan bill, it would be this bill. We need to have this vote now because I suggest to members opposite that we need an elected Speaker's

position in place before the next election to make it abundantly clear that after the next election whoever forms government will be bound to bring in an elected Speaker. I want to suggest this, Madam Speaker, we could have said, well, this will be part of our campaign promise. We could have said: if we are elected, we will bring in an elected Speaker's position, but it should not be something that results from that.

Indeed, if we are elected and this government has not brought in an elected Speaker's position, it will be part of our platform. It will be one of the first things—actually, it will be the first thing we do in this Legislature. That is a commitment from our party, but that should not be the basis on which we adopt it. It should not take an NDP government—and I am fairly confident about the next election—but it should not even take the next election before we adopt this.

But, if we are faced with the stubbornness of the Premier (Mr. Filmon), the inability of the Premier to recognize the reality of what is happening in every jurisdiction across this country, the reality of the parliamentary system and parliamentary reform, the fact that we now have many years of very successful experience with the House of Commons with an elected Speaker's position, I want to say to the Premier that, if he does not understand that, indeed it will become an issue, and indeed we will act alone.

But I appeal to the members opposite, because one great thing about politics, and as I look around the House, there are a few people who have had the luxury of being on both sides of the House—indeed, it is a luxury. The member for Lakeside (Mr. Enns) has had that luxury. The member for River East (Mrs. Mitchelson) has had that luxury. It does not seem like a luxury all the time, I must admit. There are other members of this House, and, as I look around today—I have had that luxury—the government House leader (Mr. McCrae), the member for Brandon East (Mr. L. Evans).

You know, one of the things every member of the Legislature should do at all times is to remember what it is like sitting on the other side. I remember what it was like sitting in the government back bench, being a rookie MLA. I remember how important it was for me to make sure I had an equal opportunity, both in this Chamber and in the government caucus, to represent

my constituents, as did members of cabinet. There is always a push and pull on that.

You know, I remember when Pierre Trudeau said that M.P.s in the House of Commons were nobodies when they stepped outside of the House of Commons. I would suggest that what happens is MLAs and M.P.s are somebodies when they step outside of the House. Unfortunately, what works in this House is that sometimes within caucuses and even within the proceedings that happen, if you become a nobody anywhere, it is when you are in this building. Not always, and not even necessarily all that often, but it does happen.

That is why I appeal to members opposite to put themselves in the other's shoes here, because one thing about democracy, at one point in time whatever party sitting in government will be in opposition, and at least one of the parties, or if there is some successive party, will replace it in government.

So chances are, as soon as a year, you could be sitting on the other side. I say that, to members opposite and to members on this side, remember what I am saying today. When you are in opposition, you will recognize the need for this bill, but do not wait until it is in your own personal direct interest as an opposition member to bring in this bill. Why not act now when you know it could be you in opposition or back in government? No one can predict the future. Why not act on the basis of the wave of parliamentary reform that has swept this country?

Why not learn from our mistakes? I mention about the circumstances in 1996 which we will never forget in our caucus. Why not do the right thing in this particular case and support this bill, put it to a free vote, and allow us in this Legislature starting, if not this session, perhaps indeed after the next election, to start afresh, to have an elected Speaker and to bring in a situation whereby we will have a Speaker that by definition will have the support and confidence of the entire House, not just one person, the Premier of the day?

I plead with members opposite. You may notice the tone in which we are raising it. I am trying to be as

conciliatory as possible, not dwell on the past, to look ahead to the future. I urge members to think of it in the same way. Now is the time to make that move.

Thank you, Madam Speaker.

Mr. Edward Helwer (Gimli): I move, seconded by the member for Charleswood (Mrs. Driedger), that debate be adjourned.

Motion agreed to.

DEBATE ON SECOND READINGS— PRIVATE BILLS

Bill 301—Dauphin General Hospital Foundation

Madam Speaker: On the proposed motion of the honourable member for Dauphin (Mr. Struthers), Bill 301 (An Act to Amend an Act to Incorporate the Dauphin General Hospital Foundation; Loi modifiant la Loi constituant la Fondation de l'Hôpital général de Dauphin).

Mr. Edward Helwer (Gimli): We are prepared to let this bill pass second reading, Madam Speaker.

Madam Speaker: Okay. Is the House ready for the question?

Some Honourable Members: Question.

Madam Speaker: The question before the House, second reading, Bill 301, An Act to Amend an Act to Incorporate the Dauphin General Hospital Foundation.

All those in favour of the motion?

Some Honourable Members: Agreed.

Madam Speaker: The motion is accordingly carried.

SECOND READINGS—PRIVATE BILLS

Bill 303—The Brandon Area Foundation Incorporation Amendment Act

Mr. Leonard Evans (Brandon East): Madam Speaker, I would move, seconded by the member for Thompson (Mr. Ashton), that Bill 303, The Brandon

Area Foundation Incorporation Amendment Act; Loi modifiant la Loi constituant en corporation "The Brandon Area Foundation," be now read a second time and be referred to a committee of this House.

Motion presented.

* (1720)

Mr. L. Evans: Madam Speaker, I would like to take a few minutes to speak about the bill and the Brandon Area Foundation. The bill itself is fairly straightforward and simply increases the membership of the board of directors by three. The previous bill had stated that the board be made up of "not less than seven not more than nine," and now we are substituting that phrase with the phrase "not fewer than nine and not more than 12." So there is a small increase to the board.

It does give me great pleasure to explain because this is a very important organization, a very worthy organization, one that has existed in Brandon since 1965. I believe it is one of about 81 community foundations in Canada that supports local projects through grants and does it on a fairly low-key level, but they are about to engage in some public relations to become better known and to be more active and aggressive in raising funds. This, of course, is the reason for increasing the size of the board to involve more people in the organization who might help in these fundraising endeavours. In other words, more people to put their shoulders to the wheel, so to speak.

The organization is engaged in philanthropy, as they say, and it is totally impartial. In fact, that is one of its advantages. One of the advantages of the community foundation, Madam Speaker, is that they do not have any special interest, any specific interest, and indeed their funding, their contribution covers a wide range of charitable organizations. They do not have any hidden agenda. They do not have any special agenda, except that their objective is to help worthwhile charitable organizations.

The foundation, in order to be fair about things, accepts grant proposals from various organizations, and in this case they deal with the whole Westman area. It is not just the city of Brandon. I understand they accept proposals from any organization in the Westman area,

and once a year a citizen-volunteer group gets together and decides on where the money will go. The only criterion, I understand, for a group to apply is that it be involved in charity and that it have a charitable number. So, if you have a charitable number, then you qualify because presumably you are a bona fide charity. So I guess you would call a foundation sort of a charity for charities. I mean, it is basic; as the term applies, a foundation. It raises these funds. These funds are then available to give to whatever organizations out there that are attempting to serve the community in whichever way.

Just as a bit of background—oh, and I should explain too that the money, the grants that they do raise go into a capital fund. It is the interest from that capital fund that they are able to use to pay out.

I might give some information, some financial information. Since 1967, the Brandon Area Foundation has donated a total of \$700,000 to various groups in the Westman area, helping with everything from literacy programs and theatre projects all the way over to Handi-Transit services and, indeed, even community skating rinks. They do want to put their money where it makes a difference, and they have made some very good choices over the years.

The fund today has grown to more than half a million dollars, but they believe that—well, the fund has grown, \$500,000, half a million dollars. It is still lagging behind what is happening in some other communities in Canada of comparable size, so they now want to make this effort to go forward and raise a considerable amount of additional money to expand their capital base. A part of that is to increase awareness of their existence. They are doing various things, including a public relations campaign and fundraisers. In fact, they are having a golf tournament today, June 11, as I understand.

It is going to be a very interesting tournament because—[interjection] And it is raining. I know it is raining in Brandon. [interjection] No, the sun always shines here. The tournament is rather interesting, because it is a fund-matching contract. At the tournament, rather, there will be a fund-matching contract signed with representatives of the Thomas Sills Foundation. This is a Winnipeg-based foundation

which has offered to donate up to \$200,000 if the BAF, the Brandon Area Foundation raises \$400,000 over the next three years. So they are given an incentive to raise even more. So it would be a terrific boost to the capital fund that they now have to operate with.

I cannot find enough words to have the praise for this organization. They are low-key in the community. A lot of people do not even know they exist except, of course, those charities that they have helped directly, whether it be Handi-Transit or some literacy program or whatever, but they do have the community interests at heart. They have been impartial. They have done a real good job, and they have certainly strengthened the community and added to the quality of life in the community.

I want to take this opportunity to congratulate everyone involved. I do not know all of the organizations; I know one or two. One person that is more prominent, and perhaps the member for Brandon West (Mr. McCrae) would know of this individual, Ms. Mildred Murray, who is head of the organization at the present time. There are other very community-minded people who are involved, and, as I said, this bill will enable the foundation to add three more members. Hopefully, therefore, three more people will work towards raising further funds for the foundation.

So I am sure all members would be prepared to pass this bill unanimously. It is certainly a nonpartisan organization, has done an excellent job and has great potential for future charitable work to help raise the standard of living, to help improve the quality of life in the Westman area. So with those few words, I trust that this bill will get easy and unanimous passage by the Legislature. Thank you.

Hon. James McCrae (Minister of Environment): Madam Speaker, the honourable member for Brandon East brings to this Legislature this bill respecting the Brandon Area Foundation at a time in Brandon's history when there are hundreds, if not thousands, of new beginnings going on in the Brandon area. It is a very significant part of the province of Manitoba, and we are delighted to be able to assist as a Legislature. I think all honourable members would be delighted to be able to assist the Brandon Area Foundation in spreading its wings even further so that its work can mature, just as

the city of Brandon is maturing in these days just prior to the beginning of the new millennium.

In 1882, the city of Brandon became a city, and I always like to point out that there never was a town of Brandon. The only charter Brandon ever had was the charter of the city of Brandon. It became a city when the CPR located its divisional point there.

An Honourable Member: With some controversy.

* (1730)

Mr. McCrae: It is suggested there might even have been some controversy at the time, and that may be so. This beautiful building we work in day after day was also the subject of pretty significant controversy at one time, but here we are honoured as members of this place to come here each day and do our work on behalf of the citizens of Manitoba.

However, Madam Speaker, I adopt all the words that have been spoken today by the honourable member for Brandon East (Mr. L. Evans) as if they were my own. I pay tribute to Mildred Murray and the members of the board, and those who might be joining in the future, as well. These are good citizens whose only goal is to seek the betterment of our community, and that is a goal we should be supporting here in this Legislature by passing this bill in the next little while. I think that will probably happen today at this particular reading of its passage.

The foundation has the highest goals in mind, and I speak of the maturing of the city of Brandon. The honourable member for Brandon East and I join in being extremely proud of this particular community, and it is taking its place in Canada, like I suggest few others are able to do. It has been supported so well by its City Council and by its citizens and by the politicians, federal and provincial, over the years. I think that the support has been well placed, because Brandon serves as a hub for very, very significant economic, cultural and social activities for miles and miles around. I mean you would have to go to other centres like Dauphin, for example, to find the types of activities that go on in Brandon and the significance of those types of activities.

So Brandon is one of those places in Manitoba that is extremely significant and being a Brandonite, I simply like to remind my colleagues on all sides of this House from time to time that as Manitoba's second city, there are things that happen in Brandon that are important not only to Brandonites but to others for miles and miles around, and in some cases, much further. For example, the customers of the new plant that is going to Brandon will be found in every part of the world, I suggest, so that Brandon's existence is significant.

With the economic activity, we want to see a corresponding social quality that will continue to increase in significance, and that goes for cultural as well. The Brandon Area Foundation will be supporting charities, those that have a tax number as referred to by the honourable member. I have been told by Mildred Murray that their ability to access funds from other foundations which grant money to foundations will be enhanced with the volunteer activities of its board. This bill expands that board, and at this particular time

in our history, that is the right thing to do. I, for one, certainly support the bill, and I have a strong feeling that the support will be unanimous.

Madam Speaker: Is the House ready for the question? The question before the House is second reading, Bill 303, The Brandon Area Foundation Incorporation Amendment Act. Is it the will of the House to adopt the motion?

Some Honourable Members: Agreed.

Madam Speaker: Agreed. Agreed and so ordered.

What is the will of the House? Is it the will of the House to call it six o'clock? [agreed]

The hour being 6 p.m., this House is adjourned and stands adjourned until 1:30 p.m. Monday next.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 11, 1998

CONTENTS

ROUTINE PROCEEDINGS

		First Nation Communities Ashton; Newman	4364
Presenting Petitions			
Rail Line Abandonment Wowchuk	4355	Northern Affairs Communities Ashton; Reimer	4364
Reading and Receiving Petitions			
Rail Line Abandonment Wowchuk	4355	Members' Statements	
		Manitoba Robot Games McAlpine	4365
Presenting Reports by Standing And Special Committees		Phone Rates—Northern Manitoba Jennissen	4365
Committee of Supply McAlpine	4355	Manitoba Seniors Week Penner	4365
Introduction of Bills		HUG Program Reid	4366
Bill 202, Protection for Persons in Care Act Chomiak	4356		
Oral Questions			
Community Colleges Doer; McIntosh	4356	ORDERS OF THE DAY (Continued)	
Friesen; McIntosh	4357	Committee of Supply (Concurrent Sections)	
Crown Attorneys Mackintosh; Toews	4359	Children and Youth Secretariat	
Sayisi Dene First Nation Robinson; Newman	4360	Cerilli	4367
Jennissen; Newman	4362	Mitchelson	4368
Life Leases Lamoureux; Reimer; Stefanson	4360	Health	
Foster Care Martindale; Mitchelson	4362	Ashton	4378
Physician Resources Chomiak; Praznik	4363	Praznik	4379
		Martindale	4379
		Sale	4380
		Hicks	4382
		Potter	4390
		Finance	
		Maloway	4394
		Stefanson	4394
		L. Evans	4406
		Lamoureux	4407
		Agriculture	
		Enns	4414
		Wowchuk	4414

Private Members' Business

**Debate on Second Readings–
Public Bills**

Bill 201, Crime Victims' Bill of Rights
and Consequential Amendments Act 4437

Second Readings–Public Bills

Bill 203, Legislative Assembly
Amendment Act 4437
Ashton

**Debate on Second Readings–
Private Bills**

Bill 301, Dauphin General
Hospital Foundation 4440

Second Readings–Private Bills

Bill 303, Brandon Area Foundation
Incorporation Amendment Act
L. Evans 4441
McCrae 4442