



Third Session — Thirty-Second Legislature
of the
Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

33 Elizabeth II

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Second Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 5 June, 1984.

Time — 8:00 p.m.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - BUSINESS DEVELOPMENT AND TOURISM

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

This section of the committee of supply shall be dealing with the Estimates of the Department of Business Development and Tourism. We shall begin by requesting the Minister to give his opening statement.

Mr. Minister.

HON. S. USKIW: Mr. Chairman, I just want to make mention of the fact that there will be copies of the text made available in a few moments for those of you that might be interested.

The preparation and presentation of department Estimates is always a demanding process, yet it is one which is vital to the health and long-term planning of any organization.

In the case of the Department of Business Development and Tourism, this has proven especially true during the '84-85 Estimates process. Change has been and continues to be the keynote theme of the Department of Business Development and Tourism. The implementation of government reorganization which followed the division of the former Department of Economic Development and Tourism in the formation of the sister departments of Industry Trade and Technology and Business Development and Tourism has had a major impact on the Estimates process.

At a time when small business, within the province, continues to be confronted with a tough economic and business climate, the fiscal limitations of the government itself has resulted in an Estimates process which is unprecedented in recent years for the extent of evaluation and program assessment that has been undertaken.

However, despite the cutbacks, restraints and reorganization and harsh evaluation of departmental programs, we are confident that our Estimates package can provide a solid base from which our Business Development and Tourism branches can take advantage of the changing economy and build for the future.

Operational agreements: it was agreed between the new departments of Business Development and Tourism and Industry Trade and Technology that Economic Development and Tourism's Finance and Administration Branch would remain a branch of Industry Trade and Technology, but would serve both departments; Economic Development and Tourism's Communication Branch would be split; Economic Development and Tourism's Strategic Planning Division would be split to give Business Development and Tourism the nucleus of a separate policy and planning branch; some detailed arrangements were made in respect of transfer of the

Design Branch and the Manitoba Design Institute to Business Development and Tourism; transfer of the Venture Capital Corporation staff funds to Business Development and Tourism; closure of small Human Resources Branch; and rearrangement of specialized computer support staff.

The attached Estimates represent the balanced result from a process which has involved a variety of conflicting variables and circumstances. Firstly, for the past five years the resource allocation and program delivery capability of the Small Business Development Division was enhanced by the Canada-Manitoba Industrial Development Agreement - i.e., Enterprise Manitoba. Approximately one-half of all staff resources and two-thirds of program dollars were provided to this cost-shared agreement.

Termination of that \$44 million agreement had a major impact on the actual Estimates process, as well as the level of program funding which is requested.

At a time when small business within the province continues to be confronted with a tough economic and business climate, the fiscal limitations of the government itself has resulted in an Estimates process which is unprecedented in recent years for the extent of evaluation and program assessment which has been undertaken.

The attached Estimates reflect a package of program initiatives, which on one hand are lean as a result of thorough scrutiny they have received, and on the other hand are suitable to provide the stimulus and support Manitoba requires to take advantage of the economic upturn which is predicted for 1984.

It is my expectation that the resources requested in these Estimates submission will provide support to Manitoba businesses, which will result in the realization of many new and existing opportunities. These opportunities will provide for new employment for Manitobans and reinforce the government's commitment to making job creation its No. 1 priority.

Before examining one of the major economic indicators, the make-up of the Manitoba economy merits several remarks. The vast majority of Manitoba businesses are small. To be specific, 30,000 or 90 percent of the 33,500 businesses in Manitoba have less than 20 employees.

These businesses employ approximately 80,000 people. In terms of job creation, at least 70 percent of new employment in the private sector is attributed to firms with less than 20 employees, while firms with more than 100 employees, have actually experienced a net employment decline particularly over the last two years.

During the prolong and severe recession, Manitoba small businesses were hard hit. The rate of business formation decline and the rate of business bankruptcy increased. The latter-point bankruptcies which in 1980 had almost doubled from 90 in 1979, increased by 59 percent in 1981 and by 50 percent in 1982.

The trend peaked in the province in the second quarter of 1982 while it continued to worsen in all other

provinces except Quebec and Ontario in 1983. During the recession, interest and inflation rates were at unprecedented high levels. Although these rates have declined significantly, the real interest rate remains at a historically high level, that is the actual rate less inflation.

The economic downturn has left many Manitoba businesses in a weakened financial position characterized by depleted inventories, high debt ratios, reduced equity and liquidity ratios, and at the same time as revenue growth has declined, an overall profitability has suffered.

Coupled with these economic factors are many of the factors which historically have characterized Manitoba's small business sector. These include inadequate management skills and technology base, trade barriers and a limited market size and market access. Manitoba businesses have also historically experienced a difficulty in attracting adequate equity or risk capital.

Despite the severe hardship of the recession, Manitoba's small business sector remains quite diversified. This diversification has allowed us to cope with the recession more so than in other provinces, which have relied upon resource industries or large-scale manufacturing. We also have been fortunate in having a stable labour force which has a wide range of skills and adaptability.

Another strength of our business sector deals with the fact that businesses which have survived this severe recession have come out of these difficult times more competitive and more aware of the effective management principles than ever before. By necessity, they have had to cut costs and capitalize on opportunities. The hard lessons these businesses have had to learn will serve them well as the economy turns around. During this critical period, as the economy continues its fragile recovery, it is crucial that the Department of Business Development continue to play an active and supportive role to Manitoba's business sector.

Reference has already been made to the fact that the department has undergone a vigorous zero-base budgetary process. This process and the budgetary constraints imposed upon it have resulted in an estimated package, which is almost 200,000 lower than that approved under Enterprise Manitoba last year.

Despite this, however, the Small Business and Regional Development Division has retained the best of a program which it has taken over eight years to develop, implement and refine. Even with the budgetary cutbacks, it has retained the corps of professionals and support staff which it has taken several years to recruit, train and develop. A program component which has been developed maximizes the leverage of federal initiative programs to assist private sector operators develop opportunities and create employment. As my presentation will shortly elaborate upon programs and services of the Small Business and Regional Development Division are complementary and integrated to ensure effective deployment of staff and resources. The approach that has been developed has been well-received by Manitoba's business sector, despite the worst economic hardships in a half-century.

The functional activities of the Small Business and Regional Development Division fall into the following

areas: Small business development consists of a comprehensive set of activities designed to encourage entrepreneurship, assist in planning and establishing new businesses or expanding existing operations and in improving management capabilities. The program has been developed as a total resource or one-stop program orientation. The major activities include entrepreneurial identification and development, provision of business information, management counselling, cost-shared feasibility studies, assistance in business planning, business development including financial sourcing and the analysis of critical situations.

These major program initiatives guide potential entrepreneurs through five stages of development: individual readiness, stimulation phase, business planning phase, financing phase which includes the go or no-go decision-making setup or formulation and second-stage expansion. Existing Manitoba businesses are assisted largely through one consultant.

The consulting to small business may involve any one of the following phases: General business information and assistance business expansion may involve feasibility and product development, second or third stage financing. Performance improvement involves a range of consulting activity and accounting and finance, information systems, assessing performance and productivity and making recommendations for improvement. The crisis support, this phase may involve financial restructuring, identifying new markets or assisting firms in bankruptcy situations.

The requested level of staffing and program funding will provide program components which have had a significant impact on the Manitoba small business community over the last few years. Some of the major outputs in the '82 to '84 period include business information, with a response to 15,000 requests for business information, management counselling, consulting services provided to over 2,000 clients and firms. Business development, advanced factory space and crisis support assisted in the creation of over 1,000 new jobs and the saving of more than 200 jobs.

The mandate of the Small Business and Regional Development division means that the division interacts with and has a potential client base which includes the vast majority of Manitoba businesses. In fact, contact with staff of the small business section of the Provincial Government is the main source of interaction some small business have with the Provincial Government. For example, the Report on Small Business is sent to 30,000 individuals and small businesses throughout the province. This publication is a communication tool which the province utilizes to articulate policies and programs applicable to small business within the province.

Through fiscal 1984-85, the regional offices in Brandon and Dauphin will continue to play a pivotal role in assisting small business firms to capitalize upon the economic upturn. Rural clients will continue to be provided assistance through these regional offices and increased support will be provided to special need clients, cultural industries and community and regional groups.

Several new bold initiatives, complementary to the overall thrust of the Small Business and Regional Development division, will be funded through the Jobs Fund. For example, additional resources will be provided in 1984-85 for management development to

upgrade the management skills of business operators in the province.

The Jobs Fund will also be providing resources to encourage entrepreneurship among Manitoba's youth. To be more specific, a three-part program will be developed to apprise young Manitobans of employment opportunities in small business and to provide them with a hands-on assistance to take advantage of potential opportunities.

My department will also be announcing a new initiative funded through the Jobs Fund to facilitate employee ownership. This initiative will include an Employee Ownership Management Development Program that will be utilized to assist prospective and current employee owners in the development of management skills required to operate successful businesses.

No. 2 - Regional and Community Development: This program component assists communities in rural and Northern Manitoba to identify and facilitate economic development opportunities. Staff interact with community and regional development corporations and other local interest groups. Assistance is also provided to communities in accessing the Main Street Manitoba Program, analyzing and planning community business projects and business improvement assistance to special needs groups.

In the fiscal year '84-85, the government will continue to fund and provide support of assistance to the Regional Development Corporations operative through rural and Northern Manitoba. However, it is anticipated that this will be a year of evaluation and restructuring of the RDC Program. An extensive review of the RDCs was completed in the fiscal year '83-84. It is our intention to follow up on many of the recommendations for change that were made in that review.

Through the Jobs Fund there will be a continuation of the Commercial Planning and Development Program, funding under Enterprise Manitoba for five years. This program assists rural and Northern communities assess commercial opportunities through the assembly and analysis of trading area information, problem and opportunity identification, and project planning in commercial design.

In addition to incorporating the major features of the former program, the new program will expand the mandate to include a tourist perspective and reduce the population size restrictions which limited the number of communities which would participate under the former program.

The Jobs Fund will also provide an opportunity for the Regional Community Development Branch to work with residents of remote communities to identify and facilitate economic development opportunities. For fiscal '84-85 two economic development officers will be hired to perform this function. The Jobs Fund will also be utilized to work more closely with community development commissions functioning in cities, towns and municipalities in rural and Northern Manitoba.

It is proposed that a community development officer will be hired on a contract basis to provide advice and assist industrial commissions, community development corporations and economic development committee of municipal councils.

No. 3 - Financial Programs: Includes administration of three major small business support programs.

(a) The Venture Capital Program was implemented in March, 1983, for a one-year period, because despite

the recent improvements in the economy, many Manitoba businesses are still experiencing financial problems resulting from an inadequate or deteriorated equity base. The program was instituted because there was a gap in Venture Capital financing for Manitoba, based upon the limited amount of activity by some of the known sources of equity capital.

The Venture Capital Program that has been operative has generated enough interest that a significant new funding increase will be provided through the Jobs Fund for fiscal '84-85. Four million dollars will be available for Venture Capital and may enlarge to as much as \$35 million over the next five years.

In addition to the increased funding, several important changes will be made to the Venture Capital Corporation Program. The revised format will combine the best features of the existing program with components of programs of other provinces where the Venture Capital concept has been implemented.

(b) The Interest Rate Relief Program has provided financial assistance to nearly 700 businesses which employ approximately 2,400 Manitobans. In 1984-85 this program will continue to provide second-year assistance to qualifying businesses. It will also retain the management counselling improvement component which has been provided to businesses receiving assistance. A combination of financial assistance with management improvement has assisted in limiting the failure of businesses participating in the program to less than 6 percent.

(c) The Core Area Small Business Assistance Program is a component of the Tri-Level Core Area Initiative Agreement. Two staff consultants have been seconded to this program to assist in administering an incentives program for Inner City businesses, as well as to provide on-site business management counselling. Eligible businesses may qualify for incentive grants of a maximum of \$25,000.00.

In fiscal year 1984-85, \$800,000 has been allocated for business incentives. It is important to note that the Estimates provide for only partial administrative costs of these financial programs, while the actual funding is provided through separate provisions of The Loans Act.

In summary, Manitoba's business community has experienced difficult times over the last several years. My department has undergone a rigorous Estimate's process, which meant that hard decisions had to be made. Out of this process has come a rationalized lean base of services and programs which have the potential to assist Manitoba's business sector, take full advantage of the recovery which is now in progress.

In addition, the initiatives which will be provided through the Jobs Fund will enhance and expand the delivery capability of our Small Business and Regional Development division. I'm confident these initiatives will play a crucial role in assisting our province's business community, maximize opportunities and create new jobs, not only for the next several years, but also as we prepare to meet the challenges which await us in the 1990s.

The next part of our department has to do with Tourism, Travel Manitoba. Tourism provides a stable growth component of our economy, an environmentally clean engine for economic development, a primary source of employment that has been very important

for youth and for women, and an important economic base in regions and communities which have limited other economic development alternatives.

Tourism receipts impact at the retail and consumer level in areas such as accommodations, food and beverage purchases retail and service purchases.

The linkages of these labour-intensive sectors to the wholesale production and primary economic sectors are strong. As a result the economic impact of tourism receipts is high. For each \$1 in spending, 80 cents in provincial income is created. This compares to 37 cents in grain production. It's a very interesting comparison. Direct job years is created for every \$28,000 in spending. Despite the impact of the economic recession, the tourism industry is showing some signs of a renewed positive growth.

Travel Manitoba 1983 performance: Manitoba was host to 2.4 million non-resident visitors in 1983. An additional 4.5 million trips were made by Manitobans within the province. The massive volume of travel generated \$592 million in travel-related expenditures of which \$225 million were received from non-residents.

Tourism activity began to improve late in 1983. There was good growth in some markets. Industry and provincial actions aimed at the package bus tour market appears to be paying off with United States bus traffic showing growth of 13 percent in 1983 compared to the previous years.

Summer months saw increases of 40 to 50 percent in bus traffic as visitors were attracted in growing numbers to festivals such Folkklarama. Specialty sports angling market also remained strong in 1983 posting 3 percent growth in non-resident anglers and nearly 4 percent in resident anglers' activity.

Despite the good performance of these specialty travel markets, overall tourism activity remained constrained in Canada. Our total United States visitors declined by 9.3 percent and the numbers of trips to Manitoba by residents and other Canadians were down 5.3 percent from 1982 levels.

Projections and major events: As the economies of Canada and the United States continue their forecasted improvements through 1984, we expect that tourism activity will also post an improved level of performance generally. Our provincial tourism programming has been strengthened in anticipation of the improved market environment. We are targeting for a growth of 3 percent in total travel activity to Manitoba for the current year.

The target is exclusive of the very large numbers of visitors expected to be generated by the Royal Visit in July and by the Papal Visit later in September.

Target marketing strategy: The tourism marketing program for 1984 is targeted to obtain growth from all five of our primary travel markets. We are seeking a 6.6 percent rate of increase in United States markets with emphasis being placed in the Minnesota and North Dakota region and with strengthened activity in the secondary use, markets further south.

Within Canada, our principal efforts are being directed towards the resident market for travel and to the neighbouring Province of Saskatchewan and to Northwest Ontario. We will also continue to promote to the specialty markets in the more distant Canadian regions.

Co-op advertising thrust: It is clear that most can be gained in tourism marketing if government and

private sector activities are planned and implemented in a complementary manner. As a result during 1984, emphasis is being placed in co-operative, promotional activities directly with the Manitoba Tourism industry on a 60 percent industry, 40 percent government participation basis. Some \$83,300 has been allocated to this co-operative initiative.

Travel Manitoba is conducting a provincial tourism advertising campaign, but for this year additional co-operative campaigns are planned. We will be actively seeking industry partners for joint advertising activities.

In addition, we have increased our co-operative efforts with neighbouring jurisdictions and work is being undertaken jointly with Saskatchewan, Alberta, the Northwest Territories and Tourism Canada directed towards the outdoor travel market that is so important to this region of Canada.

A further aspect of this co-operative thrust addresses both the need to obtain as much market impact as possible within our resources as well as provide a new opportunity for joint government and private sector activity.

Beginning this year we will be seeking private sector advertisers for our major tourism publications. Appropriate businesses will be able to purchase advertising space in the 1985 Vacation Guide and in the 1985 Fishing Guide. While this is a departure for Manitoba, paid advertising is seen in more and more government-published travel literature.

Tour market development: Based on the excellent results being achieved in the bus tour market, Travel Manitoba will be expanding the group tour promotion activity. We will be consolidating work in the nearby primary markets and we'll be expanding into new areas farther to the south in the United States.

We will be undertaking work with travel wholesalers, tour operators and agents in the southwest U.S. and in Texas in particular. This market has shown good growth potential for Manitoba and has for a number of years been a target for a commercial sports angling industry.

Introduction of toll-free phone calls: Through our tourism promotion and advertising activities, a very large number of inquiries for more information are generated from prospective visitors. In recent years people seeking information have been encouraged to telephone and a collect-call number has been widely publicized. The response to this technique has been sufficient to justify the provision of a toll-free telephone service which will be offered this year for the first time both in Canada and primary markets to the south.

Teledon System information computer on line: In order to facilitate the provision of up-to-date and complete information to customers, we are also upgrading our travel information system. The information base is being computerized to allow more efficient handling and to permit future access directly by remote computer terminals at information centres or by the travel trade and eventually by home computer devices.

In the short term, we will achieve efficiencies in our own use of staff resources through this new system. Over the longer term, we will greatly increase consumer accessibility to information on Manitoba's travel products and services.

During the course of this summer, we will be pilot testing the application of the Teledon System in

distributing tourism information. Terminals will be set up at a number of information centres operated by the province as well as in locations provided by co-operating organizations.

Federal-Provincial Agreement: The Federal-Provincial Tourism Agreement has been the department's major instrument for the development of tourism over the past five years. Over the course of this agreement, the six programs have significantly benefited tourism in Manitoba from upgraded research and planning activity to new marketing thrusts, to the development of major new attractions and accommodation facilities.

As was announced in November of last year, the federal-provincial agreement for tourism and development is being extended for a further year. The original agreement was due to terminate on March 31st of this year. The extension has set that date ahead to March 31st of 1985.

As a part of the extension negotiations, there has also been a shift in the programming offered under this accord. During the extension year, funds have been set aside for the planning and preparation of a subsequent tourism agreement between the two levels of government.

It is expected that a proposal for this new agreement will be ready for review later this fiscal year. The Winnipeg Destination Area Attraction Development Program will function within its existing parameters. The program has already assisted the development of the Western Canadian Aviation Museum, the Fort Gibraltar reconstruction and the upgrading of the Prairie Dog Central Excursion train.

The full \$3.5 million allocated to this program will be committed this year and it is anticipated some new and very exciting tourism attractions will result within Winnipeg.

The Rural Destination Areas Attractions Program has been extended with reallocated funds. The program has been extremely successful since it was started in July of 1982, and a large number of new and improved facilities are under way. As an example, I can cite the Ukrainian Folk Arts Centre and Museum in Dauphin, designed to be the new home of the National Ukrainian Festival; the upgrading of the International Peace Garden; the improvements to the Gimli harbourfront park; the new Stonewall Quarry Park; the new facilities in Flin Flon, The Pas, Snow Lake and many other areas have benefited from this program.

To date, a total of \$5.6 million in assistance has been committed in support of \$14 million worth of capital development of attractions in rural destinations.

The Attractions Marketing Program, over the five years, has provided marketing assistance to almost all of Manitoba's major attractions and events and has served to enhance the provincial and regional strength in this area. A total of 150 grants have been made to the various events and attractions over the five years of this program.

Under this program, five specific initiatives will be funded during the extension year of the agreement. The marketability of our cultural, sports and heritage resources will be improved through the development and packaging of a major new summer festival in Manitoba. The new computerized travel information system will be developed and implemented.

The new and improved tourism attractions that have been assisted by the agreement will be aggressively marketed and promoted to give them a strong profile in the market during the early years. Special long-term program planning and development initiatives aimed at improving major key events will be undertaken. Stronger federal-provincial and industry promotional activities will be undertaken as a part of our new co-operative program.

Tourism industry support: The tourism industry organization program will be continued during the extension year and will provide funding for the preparation of a Tourism Awareness Program to be delivered by the industry association and for development of specific manpower training programs that will meet requirements identified in the recently completed Hospitality Industry and Manpower Needs study. This program has served to strengthen the various tourism industry associations over the past five years.

The Tourism Industry Association of Manitoba has benefited with improved regional programming and a stronger membership. The Manitoba Hotel Association has new and improved manpower training programs, our Manitoba Restaurant and Foods Services Association has been developed, and a new association of organizers of festivals and events has been formed. This program has assisted in the organization of the Manitoba Lodges and Outfitters Association and has assisted projects of the Manitoba Farm Vacations Association.

The sixth program under the agreement, Rural Tourism Industry Incentives Program, is also being continued. The program provides low-cost loan assistance to private sector accommodation and attractions developments in rural Manitoba. We will be targeting this assistance more selectively to the destination areas and specialty market facilities, and have placed a greater priority on new developments.

In view of the new federal Industrial and Regional Development Program, which also provides assistance to these sectors of tourism, and the general response to this program to date, fewer funds were required than were originally allocated within the agreement. So far, from the two years that this program has operated, a total of \$3.4 million in loan assistance has helped \$12.2 million worth of capital development of private sector accommodations and attractions. It is expected that the full 5.1 million allocated to this program will be committed during this fiscal year.

These six development agreement programs are expected to commit a total of \$8.5 million to tourism development in Manitoba during this fiscal year. With the new activities and co-operative marketing, our improved Visitor Information Services, and with the new development initiatives I have summarized, new revenues, incomes and jobs will be created for Manitoba business and for Manitoba residents both in the current year and over the long term.

Tourism is Manitoba's fourth largest earner of export revenues and is one of the province's economic sectors with excellent long-run potential. We believe that the new program thrust I have outlined will assist in realizing this potential.

Mr. Chairman, I will be pleased to review in greater detail the various components of departmental

programs during the Estimates Committee process. Thank you very kindly.

MR. CHAIRMAN: Thank you, Mr. Minister. Pursuant with past practice in this committee, the Chair now invites the leading opposition critic to give his reply if he so desires.

MR. W. STEEN: Mr. Chairman, I thank the Minister for his very lengthy and what I hope is a very complete report. I was just commenting across the table to the Minister of Finance that this document is almost the same length as the Budget Address that we had a few weeks back.

I would like to comment on it briefly and say that the Minister did make mention of the fact that his department, the Department of Business Development and Tourism, is a new department and, the Minister will recall from his earlier days in the Legislature, what used to be called Industry and Commerce and then, as time went on, it became Economic Development, and so on. has really been broken down into three areas now: Business Development and Tourism, Industry Trade and Technology, and the Manitoba Jobs Fund.

By breaking the old Industry and Commerce Department into three sections, hopefully, Manitobans will be better served as a result of this and, hopefully, they won't be confused and have difficulty in finding out which department and which Minister they should go to for their needs and so on.

In the Minister's Estimates, besides the administration area, there are the two areas, the business development and the tourism aspects which he covered in some detail with his opening statement.

I would like to comment on some of the problem areas that I see, such as taxation in Manitoba making Manitoba in some cases somewhat non-competitive with other provinces. The Minister made comment about the depressed business climate in Manitoba and that he was of the opinion that there was a turnaround scene and that things could get better.

One of the areas that he remarked on was the fact that 90 percent of the businesses in Manitoba have less than 20 employees. The Minister of Finance, in his Budget Address earlier this year, did look after the very very small business proprietors and business persons by taking off the payroll tax for those very very small businesses.

The payroll tax, in my opinion, Mr. Chairman, to the Minister, is still a tax that is the penalty for business persons for hiring new persons, for creating job expansion within their businesses. Whether it be a business that has \$50,000 a year in payroll, or less, is some help; but I think that if we were able to someday remove that payroll tax so that 90 percent of the businesses, the ones that the Minister referred to that have 20 persons or less, would not have to pay this tax because it is not a tax that encourages business expansion and new employment.

Other areas that were mentioned in the Minister's address was the government holding back on expenditures. The Provincial Government of Manitoba, the last two years, did have increased expansion in expenditures this year that they have tried to hold the

line, and it does make it more difficult for the Business Development and Tourism Department to expand and to assist businesses if government monies are being restricted. He talks of the tourism aspect.

One area in Manitoba in tourism, that the Manitoba Hotel Association people often refer to, is the price of liquor in Manitoba being exceptionally expensive, particularly when they are trying to attract American visitors to Manitoba. The restaurant prices for liquor, or the Liquor Commission prices for liquor in Manitoba are exceptionally expensive, and one often wonders when Manitoba or when Canada particularly has today, our Canadian dollar worth some 77.85 cents versus American, why Canadians aren't able to attract more American visitors to Canada.

I know that this problem doesn't just exist in Manitoba. It is nation-wide. In fact, the Government of Canada published a report recently that said that we have a deficit in tourist travel in Canada, where we have more Canadians going elsewhere for vacations than we have non-Canadians coming into Canada. One of the persons said one time, well that's because of our cold climate up in Canada, and that's why Canadians leave. But it's a fact in Canada that in the month of July, there are more Canadians leaving Canada than there are visitors coming into Canada, with Canadians particularly taking trips abroad and visiting Europe and so on.

He mentions Interest Rate Relief Program in his statement. This is certainly a program that is welcomed by business people. I particularly would encourage government to enter into an interest relief program, rather than having government buy out businesses. If we can have the businessman go to the commercial banks to do his borrowing, and the government might help that businessman with some of his high interest rates and keep him in business, to me this is the preferred route to go, rather than having government buy into his business and so on.

One thing that the Minister did not make any comment about was the Racing Commission. The Leader of the Opposition today and a week ago asked about the Horse Racing Commission's Annual Report. We haven't seen this report for this year. It is obvious that the Racing Commission is in some degree of difficulty, and even though the fiscal year has been changed, I have always been of the belief that if you're going to go away from one fiscal year end to another one, and that fiscal year is going to be extended beyond 12 months, that there should be an interim report to make up the difference for the months between 12 months and the greater period.

The Minister mentioned that two persons from his department are going to be working with the core area in Winnipeg. To me, this is welcome news. As a representative of a Winnipeg constituency, I am of the belief that we have had this downtown Core Area Program in place now since the Conservatives were in office. We have been basically doing most of the administration work in regard to this, and we are seeing few results. Hopefully, over the next two years, we're going to see some concrete results in the downtown area, over and above the opening up of the Stephen Juba Park, which was officially opened today in the downtown area.

I have been into cities in North America where they have really done a marvellous job of restoring their

downtown area. One city that is very close to Winnipeg is Duluth, Minnesota. They have done a tremendous job in the downtown area of Duluth in restoring their area and getting people to come back into the downtown area to do their business. Hopefully, the Minister with two staff persons working with this area, that we will see results as a result of that.

The Minister also made mention of job creation and venture capital programs, and naturally, the Government of Canada and the Manitoba agreement. One other area that he mentioned was the diversification of business in Manitoba. We, as Manitobans, are very fortunate that we are not like some of our sister provinces, and we have the great peaks and valleys, like the Province of Alberta has, with their boom years and then, all of a sudden things aren't quite so rosy in the Province of Alberta. They have what you might refer to as their partial bust years. In the better than 100 years that the Province of Manitoba has been in existence, we have shown that we are a diversified province, and we have been able to avoid these great peaks and valleys.

So, Mr. Chairman, with those few comments, my colleagues and I will press further for different answers from the Minister, in relation to his department and the various aspects of his Spending Estimates.

My first question would be to him, has he any news to report to the committee regarding the Annual Report of the Racing Commission? If he hasn't got a report available, can he give us any indication as to when he will have one? Can he also give us an indication, further to my Leader's question of a week ago, about a reported change in the make-up of the Horse Racing Commission?

Thank you, Mr. Chairman.

MR. CHAIRMAN: Before the Chair asks the Minister to reply, I would like to make it clear that we are deferring Item No. 1.(a), relating to the Minister's Salary, to be the last item to be taken into consideration by this committee of supply. Since the staff members have already taken their respective places, I'll say no more about it.

The committee will commence its proceedings with this opportunity for the Minister to make a reply to the critic's remark.

HON. S. USKIW: Yes, Mr. Chairman, I thought it was proceeding in an unusual manner, in that we are into the specifics of the various sections of the Estimates. But with respect to those couple of points, if it's in order to respond to them, I would like to suggest to the Member for River Heights that we have had ample debate with respect to Manitoba's relative position to other provinces on the taxation question. When you size it all up, Manitoba's position is quite competitive, even including what he considers to be the most objectionable, namely, the health and education levy. So there is no point in going through that again. I think we have had that debate in the Budget and in a number of other areas, and we'll leave it at that.

There is a concern on our part, with respect to another point that the member raises, and that is the competitiveness of our tourist industry to that of other areas and, in particular, the United States. Liquor

pricing, of course, is one area that stands out. There is no question that a number of things are more expensive north of the border than they are south of the border.

Our department is doing some evaluation and study of that, to determine whether or not we would be in a position to make specific recommendations down the road. At the moment, we don't want to take a definitive position, because those studies are not complete. But we recognize that may be an area of softness on our part that we should be addressing, and we will be reporting on our findings somewhat later.

With respect to the Annual Report of the Manitoba Horse Racing Commission, I had checked into it further this afternoon, pursuant to the questions in the House, and I was advised that this decision was made and debated in the Legislature about a year ago. The Auditor at that time suggested that the transition of 15 months would be reasonable with respect to the next Annual Report. In other words, he did not recommend an interim or initial three-month report after the end of the then fiscal year. So it's based on opinions and decisions that were made some one year ago, that we are now operating under. We're talking about history right now, so I have no further comment to make on that.

MR. CHAIRMAN: I'd like to call Item 1.

HON. S. USKIW: Mr. Chairman, I'm not finished.

MR. CHAIRMAN: Mr. Minister.

HON. S. USKIW: Just to give the member an idea of where the report is at, the report has been audited and we are now in a position where we hope to be in a position to table that document fairly soon. When I say "soon," I would expect in the next week or 10 days. That's where it's at. It's gone through an audit, which it must do before it's finalized, so that's as close as we are to the tabling of the report which would be in keeping with the statutory provisions which require that the report be tabled within three months of the end of its fiscal year, which is now March 31st.

With respect to changes in the Horse Racing Commission itself, I did indicate a week ago that we have been looking at the whole industry for a good number of months now, certainly since I came on the scene as Minister in charge. There's quite an extensive review under way with respect to not only the operations of the Commission but the question of whether current regulations are adequate for current circumstances, whether we are giving due recognition to the fact that we do have to respect a private entrepreneur who has an investment there and somewhat perhaps greater respect, if you like, than in a bankruptcy situation which we just came through where government had to be on top of, most intensively, if you like, for a long period of time. It's with that point of view in mind that the review is under way, a matter of how to protect the public interest, which is a regulatory function; public interest in the sense that we don't want the wrong people to get involved into the betting business, if you like, in Manitoba; and at the same time recognizing the legitimate rights of private investors who are part of our industry.

So without wanting to be too onerous on that component and we will have a new, hopefully, position to state in a very short period of time which may - well, not only may, will likely - result in some changes in the membership on the Commission as well. I say that not out of disrespect for members who are there, but, you know, we have the history to live with and that is that the Commission was attempting to apply a very firm rule based on a very tough situation that they had to deal with as a result of the bankruptcy that occurred there. It may be that rule might be a bit harsh for the entrepreneur who is there now and who has a lot of experience and indeed respect within the community.

That is all under review and it may be possible that for the benefit of all Manitobans that we should put some new faces together to give it a healthy, new start, and to build the image of the industry as a major tourist promoter for Manitoba. So it's with those positive ideas that we are making some changes, not by way of reflection on anyone that's been there or is there.

MR. CHAIRMAN: Proceeding, I'd like to call Item 1.(b)(1) Executive Support: Salaries; 1.(b)(2) Other Expenditures - the Member for River Heights.

MR. W. STEEN: On 1.(b)(1) Salaries, there's a major increase in expenditures here. Obviously it's an increase in the department size. Can the Minister tell us the numbers of persons that this budgetary item is for and what are the general duties of these persons?

HON. S. USKIW: We, of course, have a new department and there in itself lies the answer. We have a Deputy Minister, which is an additional person; we have a Deputy Minister's secretary, which is an additional person; an executive assistant to myself and a special assistant to myself, so that's two additional people; and Other Expenditures of \$36,000, so it's an addition of about \$183,000 within our department that is involved here.

MR. W. STEEN: Mr. Chairman, when you look at last year's expenditure of \$45,500, was that an Assistant Deputy Minister's salary that was a carry-over from another department or like an Assistant Deputy Minister, say, of Tourism that would have been in the old Economic Development that carried in with his new department?

HON. S. USKIW: It's obviously reflecting the staffing arrangement and reporting relationship that existed in the larger department at that time.

MR. CHAIRMAN: 1.(b)(1)—pass; 1.(b)(2)—pass.
1.(c)(1) Strategic Planning: Salaries; 1.(c)(2) Other Expenditures - the Member for River Heights.

MR. W. STEEN: 1.(c)(1), Mr. Chairman, we have a reduction in this area and yet in the Minister's wide-ranging, opening statement he talked about a number of areas that his department was handling and a number of areas that they were serving the public, and yet the Strategic Planning aspect of his department is reduced from last year, even though salaries are increasing for individuals. Has there been a transfer from Planning

in the Business Development area to another department? Is that why we have a smaller reduction here?

HON. S. USKIW: Mr. Chairman, this reflects the agreement on the split that took place when we broke off this part of the department from the larger one. It's not a great differential and I'm advised that there was also an extra pay period involved last year.

MR. CHAIRMAN: The Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, the Strategic Planning, I'd ask the Minister, really, is up when you take into consideration the Strategic Planning of the Department of Industry and Technology, because when they have split the two the total is increased in Strategic Planning basically within the business or industry area of the Province of Manitoba.

The Strategic Planning within the department was, last year, in the area of - or the Estimates last year for Strategic Planning was \$249,600, and certainly when they did the split in the department it is fairly obvious what's happened. But the overall Strategic Planning within the government has grown by leaps and bounds, but this one is down, so I would ask — (Interjection) — I won't pay attention to chirping, Mr. Chairman. Anyway, this has grown by leaps and bounds and it's down, but there is a concern of it being down in this department. Have we lost the researchers that we had within the department that used to do research for the small business people and the business people from the point of view of assisting them and the bases of expansion, assisting them to decide whether it was viable, all of these would be put forward from the small business or from the planning department that I believe used to be under Finance and Administration which has disappeared now? So is all of the assistance and research, as far as small business is concerned, taken from this department?

HON. S. USKIW: As I understand it, I think the member is asking whether or not there's been any diminution of research capacity where it involves support services to the private sector. It's my information that there has not been a reduction, but there is a relationship between the various departments that provide for all of the services that were there before. This particular item shows a \$3,000 difference from the year before in this department. I can't account for what's taken place in the other departments, but it's my understanding that there's no reduction of service in this area.

MR. F. JOHNSTON: How many people are involved in research as far as support to small business is concerned, I specifically say the tremendous work that they do to help businesses decide whether it's viable or not to expand or viable to start a new business? Those particular stats as to availability of workforce, all of the information that has to be taken into consideration in costs, what the opposition is within the area, that type of information which used to be done by the statisticians, is it still available?

HON. S. USKIW: Yes, we have three people involved, Mr. Chairman, and we have shared-services

arrangements with the Department of IT&T, so there is some overlapping between the two departments and co-operation if you like.

MR. F. JOHNSTON: Thank you.

MR. CHAIRMAN: 1.(c)(1) - the Member for Emerson.

MR. A. DRIEDGER: Just a matter of clarification here. We have a new department that has been established here, a break-up from a bigger department. There seems to be some confusion in the business community as to which Ministers are responsible for what. I wonder if the Minister could clarify as to the jurisdiction that he has. I believe the confusion that exists right now in many business peoples' minds is as to who is the Minister now responsible for the area that they are involved with.

I'll use the example of Superior Bus in Morris, for example. Who is the Minister that would be responsible for a business of that nature? The Member for Morris is here, he can probably pursue that a little further, but I'm using that as an example. I wonder if the Minister could give us an indication as to which department covers what because right now the business public of Manitoba does not know who is what and who is where with the new department having been established.

We've covered this report here and we have the Jobs Fund included and I don't know whether this has been done on purpose to try and fudge the issue, the services that are being provided, or whether this — (Interjection) — What I'm asking you for, Mr. Chairman, is a clarification as to the responsibilities of the various departments that are involved in Small Business and Economic Development. Right now it's a matter of pass the buck, because if somebody comes at this ministry he passes it on to the next one or he says he doesn't know where it's at. The public of Manitoba I think have a right to know exactly as to the responsibility of the various departments involved in Small Business and Economic Development, and I wonder if the Minister could maybe elaborate on that.

HON. S. USKIW: Well, Mr. Chairman, we haven't run into any difficulties that we could . . .

MR. A. DRIEDGER: That is because the public doesn't know where they're at.

HON. S. USKIW: . . . cite but there is an overlapping situation and there always will be. The various components, the three different departments that have been created, will try to relate to each other and even overlap in some instances. Essentially, as a the rule of thumb, Manitoba-owned businesses will relate to the Business Development and Tourism Department.

The industry, Trade and Technology Department is essentially what it suggests it is. It's the major industrial sector, the Imperial Oils and the Incos, and where it involves international ownership and international trade and major technology, that's essentially a rule of thumb that one should follow.

MR. A. DRIEDGER: The government has spent a lot of money advertising all kinds of programs, etc. Is there

some way that we can provide the business community with the information that they require in terms of who is responsible for what? The Minister has explained to us here, but many of the business people when they ask for advice or want to make contact - myself, as an elected member - have difficulty finding out where it's at, and that is what I'd like to establish here today. I wonder if there's a way that this process can be handled.

HON. S. USKIW: Well, Mr. Chairman, first of all, I want to say that we've had no difficulty in explaining this to the business community with whom we met.

MR. A. DRIEDGER: They can't find you.

HON. S. USKIW: Well, we have met with all of the representatives of the business community over the last several months and have had very meaningful discussions with those groups, and in the final analysis the way in which the departments function, and in particular this department, is that if a potential client of any of the departments enters our doorstep that particular person's needs are assessed and they are channelled in the right direction in any event. So we can readily receive all clients through our system and give them the proper direction if they do not properly belong within the confines of our program.

So that is not a problem; it in fact gives the business community three doors to go through rather than one.

MR. A. DRIEDGER: How do they know which one to go through?

HON. S. USKIW: Either one will get them there.

MR. A. DRIEDGER: Is that right? Fine.

Then I'd want to pursue it a little further. Can the Minister indicate whether under Strategic Planning for small business in the area of Manitoba, are there any directives or programs available to small businesses right now? Is there some major thrust that this government is forwarding in terms of small businesses for development, for job creation?

MR. CHAIRMAN: The member is talking about Small Business, that's Item 2.(a) which we haven't called yet.

MR. A. DRIEDGER: Mr. Chairman, it's under Strategic Planning here and that's the area that I want to pursue. Is there Strategic Planning?

HON. S. USKIW: Mr. Chairman, I think what's happening here is the Member for Emerson is confusing a planning capacity for the department with the planning needs of the private sector. Actually what he should be talking about when he talks about private sector is the area of involvement in the Small Business and Regional Development component of the Estimates. Essentially, the planning mechanism here that we're talking about is for departmental planning and thrust for the province as a whole as a department.

MR. A. DRIEDGER: Okay, we'll leave that then and wait until we get to that portion there.

MR. CHAIRMAN: That's better.

MR. A. DRIEDGER: I think I understood that correction, Mr. Chairman.

Under Strategic Planning, to what extent is this department involved in the Jobs Fund? The Minister in his opening statement made reference to the involvement in the Jobs Fund allocations. Could the Minister maybe elaborate as to the involvement in the Jobs Fund? Would that be, Mr. Chairman, in the right category?

HON. S. USKIW: Mr. Chairman, there is perhaps a problem that we are now entering into. The Jobs Fund Estimates are listed separately in the Estimates book. That is the time that we will be dealing with those items in a meticulous way. We have alluded to the fact that there are components within this department that are funded by the Jobs Fund, but every Minister will have to deal with the Jobs Fund package of his or her department when those Estimates are before us.

Mr. Chairman, if the member will look on Page 140, he will notice that there are \$91 millions of dollars allocated for the Jobs Fund of which Business Development has 35 million; Housing has 20 million, and Community and Capital Assets has 35 million. That is where we should be discussing those Estimates; otherwise we will be doing it twice, Mr. Chairman.

MR. A. DRIEDGER: Mr. Chairman, to explain why I'm raising the question, the Minister in his report alluded to the involvement in the Jobs Fund and that's why I thought maybe it was appropriate under Strategic Planning to raise it, but if it's not the appropriate area then we will pass that too. But I want to illustrate that that is the confusion that the public has too, that it doesn't know where to get who and where at various times because it is always being passed on to a different time.

I think the Minister would maybe be more appropriate if he would allow discussion on these aspects of it at the time; if not, fine, I can live with that too.

MR. CHAIRMAN: The Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, the Minister mentions the Jobs Fund - and I'll try to stay to Strategic Planning - if the Jobs Fund is making any decision as to expansion of business in the Province of Manitoba or attracting a new small business for the Province of Manitoba, will this Department of Business Development, strategic Planners be involved with the planning that is done or the monies being spent through the Jobs Fund, because I would say that this is the area where they will have the knowledge about small business?

HON. S. USKIW: Mr. Chairman, to the extent that this department delivers on a portion of that particular estimate on Page 140, then our expertise will be utilized no doubt.

MR. CHAIRMAN: The Member for River Heights.

MR. W. STEEN: Mr. Chairman, through you to the Minister, some weeks ago he provided me with a

description of his department, an outline of the department, and in it, it shows the Deputy Minister having really two areas reporting to him, and that is the Small Business and Regional Development, and the other being Travel Manitoba, two halves I guess you could say of the department. But there are three particular persons or small areas that report to the Deputy Minister, and that is the Strategic Planning and Development, Finance and Administration, and then he has an asterisk that says that Finance and Administration is shared with the Department of Industry, Trade and Technology. Then he has a third part called, Communications and Advertising Services.

My question to the Minister is a follow-up to what my colleague was saying that Manitobans have some degree of difficulty knowing who to go to now and where to go to now that the old Industry and Commerce has been divided into two distinct departments. Does his Communications and Advertising Services have an office that is available to the public, is well-advertised to the public? Is that where an entrepreneur in Manitoba would begin his communications with the department in trying to find out just what services are available?

Mr. Chairman, perhaps I can clarify and try and repeat my question. I am looking at the organizational chart which he provided me with a few weeks back. If a Manitoba businessperson wanted to find out what services through government are available to him or her, is there a place other than the Minister's office that person could start? Is there a starting point? My question is: is that starting point an office that is advertised and indicated to Manitobans clearly? Is that the Communications and Advertising Services?

HON. S. USKIW: Mr. Chairman, if the member looks at his chart, he will notice that we have in the Small Business section a whole series of blocks that tell him or should suggest to him where these various components lie within the department. Now one can choose to go directly through the Minister or Deputy Minister's Office and then be channeled down, or one can go directly to any of those squares if you like. Nothing has changed there. The only thing that has changed is that we have three different departments at work here, but all of these components were there before and continue to be there, and continue to provide service to the public as they have in the past.

Whether they report to a different Minister is neither here nor there as far as the general public is concerned. They have not been dismantled, and the same lines of communications that were there are there today.

MR. W. STEEN: An example, Mr. Chairman, would be a person called me the other day and wondered about business assistance, financial assistance. Is it available? He said, where do I start? Well I said, start with the Minister of Business Development and Tourism, and I gave the Minister's number out. But I would hate to see every person contacting government being given the Minister's office number, because it's impossible for the Minister to serve all interested Manitobans.

What I am driving at is: has the Minister made a specific office available to the public as a starting point? Then that office will try and work out what the concerns of the taxpayer are, and funnel that person to the direct

aspect of his department that that person should be dealing with, so that they aren't on a hit-and-miss basis, so that they can be served in the most economical and quickest fashion possible.

HON. S. USKIW: Mr. Chairman, perhaps the member is not aware that there has been a centre for that very purpose developed, I think, by their administration some several years ago. It still continues to function in that capacity, and that's the Enterprise Development Centre on Lagimodiere. Then we have Brandon and Dauphin as two regional centres, so that has not changed.

The fact that the reporting system has changed with respect to ministries is an internal matter, but those offices are there and they continue to function as they have before.

MR. W. STEEN: The three offices that the Minister speaks of, the Winnipeg, Brandon, Dauphin office, can funnel an interested person to the appropriate offices in any half of that branch called Small Business and Regional Development.

HON. S. USKIW: They are the sort of front door or the resource centre for small business; that's essentially what they are, and it doesn't matter what it is that a person wishes to find out, that's where they will get the information.

MR. W. STEEN: That's what I wanted to find out from the Minister, was there a central spot that the persons could go to and, as he said it was done during our day, but I wasn't the Minister in those days and I haven't, fortunately, had to go to government for financial assistance or business development assistance yet.

MR. CHAIRMAN: Thank you. 1.(c)(1)—pass; 1.(c)(2)—pass.

1.(d)(1) Communications: Salaries; 1.(d)(2) Other Expenditures - the Member for River Heights.

MR. W. STEEN: In 1.(d)(1), I notice that there's just a very slight increase, so obviously there are no additional persons within this branch of his department and the Other Expenditures is virtually the same as last year, in fact very slightly down. It says that this particular section of his department "provides professional consultation and support services to the department and its communication with the public." Are those persons that are within this expenditure the persons he mentioned that were located in the three offices, the Winnipeg, Brandon and Dauphin offices?

HON. S. USKIW: Mr. Chairman, this group is at 155 Carlton Street in Winnipeg.

MR. W. STEEN: And they are available to provide the business sector of the province with professional consultation and assistance.

HON. S. USKIW: Mr. Chairman, essentially, in the Tourism side of the department, that's where we do provide a lot of assistance, in brochure development and things of that nature.

MR. W. STEEN: I see. I wasn't aware that this particular area of his department was closely associated with the tourism aspect.

MR. CHAIRMAN: The Member for Emerson.

MR. A. DRIEDGER: Thank you, Mr. Chairman.

Under the Communications aspect of it, I raised it before, possibly at the wrong time, but the Minister alluded to communicating with the small business people in the province. Could he maybe elaborate to what extent communication has taken place, because the expenditures seem very much the same, and in terms of what is happening, could he maybe explain exactly to what extent the communications have taken place with the small business community?

HON. S. USKIW: Mr. Chairman, maybe what I should do is read out to the members the specific achievement of the branch for last year. That will give them some insight as to what's been happening with the Communications end. That would be helpful to the members.

Co-ordination and implementation of the new "Manitoba - Take Another Look" brochure, is one example of their effort. It's in the tourism campaign which is part of Travel Manitoba's major thrust. It might be of interest to members to know that they won an award last year for their best 1983 advertising campaign.

MR. A. DRIEDGER: Was this under Tourism or was this under Small Business?

HON. S. USKIW: It's the Communications group that handles both sections. That's only one of their functions. There are various other things that they have been involved in with respect to promotional programs, a booklet on co-operative venture. Essentially, what they are doing is providing the basic advertising tools for both Business Development and Tourism.

MR. A. DRIEDGER: Did the Minister want to read that thing into the record?

HON. S. USKIW: It's quite lengthy. I can go through it if the member wishes, but I just gave him some examples.

MR. CHAIRMAN: The Member for Morris.

MR. C. MANNES: Thank you, Mr. Chairman. I hope my question is not repetitive. I'm sure you'll tell me if it is.

MR. CHAIRMAN: Yes, I will.

MR. C. MANNES: Thank you.

I would like to follow a line of questioning by my colleague regarding the line of demarcation used as to how one company, small business, falls under the purview of this particular Minister and how the next one might fall under the Minister of Economic Development; and I'm thinking specifically of the example used again by my colleague regarding Superior Bus, and also another example in Morris; namely, Brock Valley Steel. The Minister whose Estimates are before us now was in attendance at an official opening at a new small manufacturer at Morris of which we're all,

of course, very proud, and like I said he was in attendance at that opening. Yet the other day in the House I posed a question regarding Superior Bus and it was referred to a different Minister.

I believe one company employs some 25 people. I believe Superior Bus today is employing 50 or 60 or 70 people. How does the government decide under whose purview one company falls into and how another one might not?

HON. S. USKIW: Essentially, there's no iron-clad rule because we do overlap, but Superior Bus is perceived by the government - and I believe, by the community - as being one that is interested in the marketing of its production beyond the boundaries of Manitoba and therefore logically falls into the Department of Trade and Commerce, or Trade and Technology, if you like. It's not an intra-Manitoba market that they're dealing with exclusively; it's a pretty wide-ranging market, and then of course, the very size of their operation, so that's an example of IT&T area of responsibility.

MR. C. MANNES: I can accept that answer in part, Mr. Chairman, although certainly it's the intention of Brock Valley Steel to become an exporter, not in a national sense, but certainly in an inter-provincial sense, I'm sure to become an exporter outside of the province, to other western provinces other than Manitoba, so again, in view of that stated goal of that company, I would ask him whether his answer would remain the same or is he really meaning trade outside of the nation?

HON. S. USKIW: That's a good example of what I meant when I said there's some overlap. We would tend to nurse them along in their infancy, if you like, and as they grow, we would be referring their larger needs, if they're inter-provincial or international trade requirements, to the other department, but we would guide them in that direction, as their needs arose; so the two departments have to work in harmony, in that sense.

MR. C. MANNES: One final question, Mr. Chairman, and the Minister may have, in not addressing a question I posed in the House a couple of weeks ago regarding events at Superior Bus, he may have given me the answer then by not answering, does his department have any involvement whatsoever regarding the events and the goings-on at that particular business?

HON. S. USKIW: Mr. Chairman, I know we're involved with the community, who has an interest in what happens to Superior Bus or that plant, but directly with the plant, it would be the Department of Industry, Trade and Technology.

MR. C. MANNES: I'll ask no further questions at this time, although once we move into Regional Development Corporations I may want to pose some questions regarding the community involvement in that bus company and the general thrust of the future.

MR. CHAIRMAN: The Chair thanks the Member for Morris.

1.(d)(1)—pass; 1.(d)(2)—pass.

2.(a)(1) Business Development: Small Business and Regional Development, Salaries; 2.(a)(2) Other Expenditures - the Member for Emerson.

MR. A. DRIEDGER: Thank you, Mr. Chairman.

I'm just wondering, since there seems to be according to the Minister, a fair amount of overlapping between the categories of Economic Development and Small Business, could the Minister indicate here what is the rationale for the split to begin with?

HON. S. USKIW: Well, Mr. Chairman, I believe what the rationale is, the government has decided that the economic question is the most important question facing Manitobans today and will likely be the most important question for a number of years to come, given the fact that we're still not out of the recession, and job creation and employment opportunity is No. 1 on the list as an initiative for government. Putting three Ministers to work in that area of responsibility is probably more effective than to load one person with that responsibility in tough, economic times.

So what we've done, essentially, is develop a specialty area for each of the ministries: one dealing with employment opportunities, one dealing with industry, trade and technology, and the other dealing - which is this department - with essentially almost all of the business community of Manitoba, namely, the small business sector as a specialty area.

MR. A. DRIEDGER: A further question then to this Minister regarding the small business development. Are there incentives at the present time for a small business that wants to expand and create jobs through their expansion, through the Government of Manitoba? Can they look for assistance other than technical advice? Can they look for some financial participation in terms of building equipment, etc.? What are the thrusts in this area that the Minister can relate to the people of Manitoba, because invariably there are always people that want to look at business expansions or getting into business and they ask what is available? Until now, there seems to have been virtually nothing available. I wonder if the Minister could indicate exactly what is available to the small business persons in Manitoba.

HON. S. USKIW: Mr. Chairman, with respect to provincial effort through this department, we don't have financial grants or loan programs. What we do have is Venture Capital for companies that are newly established or companies that are in trouble. That is a vehicle through which Venture Capital corporations could assist a new business or a business in trouble, to recover from whatever the problem is, whether it's equity problems. That has just been expanded, as I've announced some time ago, to \$4 million from the \$1 million.

The \$1 million experiment proved to be successful, in that it was completely utilized, that is the dollars were. We've had some discussion with the business community on what we should be doing with Venture Capital, as a result of which we have made some modification and we'll be announcing further modification to the program fairly soon. But essentially, we've committed ourselves to \$30 million or \$35 million

over the next four or five years in the Venture Capital idea, as a means of funding new businesses or new ventures, if you like, or existing ones.

MR. A. DRIEDGER: Just a further question, would this funding be in terms of grants, loans or exactly what would this involve? When we're talking \$35 million to \$40 million that is going to be put into the system, how would people be able to take advantage of this - through what means? Through applying, like I indicated - is it a loan structure? Is it a grant structure, or what is the system whereby people can take advantage of this?

HON. S. USKIW: Well, Mr. Chairman, Venture Capital is not new. It's been with us now for over a year. It's a situation where the province is willing to joint venture in a Venture Capital corporation. It would invest in a company newly created or a company that's already in existence, but needs new equity financing.

To date, we have been involved in 11 such companies. I believe the numbers are that we have created about 167, I think it was, new job opportunities through that program and saved about 130 jobs that were in jeopardy because of financial instability within the company. So we have levered about \$12 million with \$1 million of provincial money, which is advance in the form of 35 percent shares in any new Venture Capital corporation. The province takes special shares in any new Venture Capital corporation on a 35-65 percent split: 35 percent, the province and 65 percent, the private investor. So we have levered \$12 million with about \$1 million of Venture Capital money in the last 12 months.

MR. CHAIRMAN: The Member for River Heights.

MR. W. STEEN: Mr. Chairman, through you to the Minister, he makes reference to 11 companies that were assisted and so on. Are the names of these companies available to the committee members, or if the particular names are not available for particular reasons, are the types of companies and what they are manufacturing or what they are producing available?

HON. S. USKIW: Just to give the member an overview, we have had about 400 inquiries, 20 applications and 11 Venture Capital corporations were formed which used up \$970,500 out of the million.

Projects supported were in the area of computer software, electronic communication, blending and packaging, metal fabrication, primary metal production, equipment manufacturing, total jobs created and maintained - 300 in those components.

MR. CHAIRMAN: The Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, the Minister said that the Venture Capital money was in the Jobs Fund - at least, it's not shown on these Estimates. The Minister also refers to the \$12 million of leverage created by \$1 million and he refers to the applications that come in. In other words, the Jobs Fund just supplies the money, and all the work is basically done by this department? Am I correct?

HON. S. USKIW: I'm sorry, I didn't get that last point.

MR. CHAIRMAN: It's a loaded question.

MR. F. JOHNSTON: Well the Jobs Fund apparently supplies the money. As the Minister said, the Venture Capital is in the Jobs Fund. This department does all the receiving of applications, processing of applications, etc.

HON. S. USKIW: Yes, and remember, Mr. Chairman, that this is a Capital Program; it is not a Current Account Program. It is a fund that the province recovers on, ultimately, when the shares are redeemed.

MR. F. JOHNSTON: But the Minister referred to the money, the Venture Capital, being in the Jobs Fund; if I am not mistaken, he did.

HON. S. USKIW: Yes, but it's out of the Loans Fund, as I recall it.

MR. F. JOHNSTON: In other words, it was just a transfer of the provision shown in the Estimates last year for a Venture Capital Program that was in these Estimates as far as funding is concerned and now it has just been transferred to the Jobs Fund, which is the same old story again. It could very easily be in these Estimates and not in the Jobs Fund.

MR. CHAIRMAN: 2.(a)(1) - the Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, is this the area where we can discuss the regional development corporations?

MR. CHAIRMAN: Yes, it is.
The Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, I refer to an article in the Parkland Enterprise of April 5th where Mr. McGuire, who was speaking to the Parkland Regional Development Corporation Annual Meeting, stated that there is a threat to economic development in the rural areas and if the trend isn't reversed the Province of Manitoba will become the Province of Winnipeg.

Mr. McGuire was stating to them that they would have to work harder out in the rural area if they wanted their children to find employment, etc. Mr. McGuire was hired by the provincial Business Development and Tourism Department 18 months ago to review the role of regional development corporations.

It goes on to say that the department has just completed a review of the development corporations, which we have had presented to us in the Legislature. He goes on, "And Mr. Slogan, the vice-president of the Grandview Chamber of Commerce was not happy because he would like to see it opened up much wider." Mr. McGuire said the municipalities are balking at memberships. "Let's face it," he said, "if employment could be created easily in Grandview or Dauphin or Swan River, it would have been done." McGuire said, "Not everyone in the government is sure RDCs are something it should support." But the Minister responsible, Sam Uskiw, said, "They will be funded for one year on a trial basis." Uskiw is not looking for Nirvana, but kind of a professional network that will continue to work.

McGuire reminded the corporation about the 80 percent of people who are employed by small business, etc., and he said, "We are not just talking about business development." He said he should think of creating employment in a broad way, including tourism, agriculture, etc. McGuire said he hopes that by the end of the year-long trial period both government and the taxpayer will be convinced RDCs are viable entities. Now we are very aware that the RDCs had to have a study; as a matter of fact, there was no question that it had to be done.

Mr. Chairman, I would refer to a letter to the member, Mr. Wally McKenzie, from the Town of Roblin, the mayor of Roblin, where he says, "What provision is there regarding the future of regional corporations, or are we on trial for a year-by-year basis? Why do we have an axe hanging over our heads if we don't measure up to the government's standards of accomplishment? How can we perform if we don't know what kind of existence we have, and for what period of time?"

Mr. Chairman, I would like the Minister to clarify this to the RDCs of the Province of Manitoba because after the year's time is up, there should be some indication that there will be another program in place such as has been in place with the RDCs, that is upgraded and possibly better than the one that was there before. It was there for a long time. But should the RDCs in the rural communities of Manitoba be - as a matter of fact, the mayor of Roblin says, "have an axe hanging over their head and be on a trial basis from year-to-year, how do you expect to get membership with that kind of a situation?" As a matter of fact, the headline in this paper is, "Rural Development Threatened." I don't know that that's very good communication.

Is the Minister planning to change that impression out there by saying that there will be something in place to work with the rural area as far as expansion is concerned?

HON. S. USKIW: Mr. Chairman, I think the Member for Sturgeon Creek is probably more than aware as to the problems that exist within the existing mechanism in the RDC program.

We have a situation in Manitoba which has led to the study, and that is where there is not acceptability of the present program by many municipalities, local governments, in Manitoba. We have one area of Manitoba that doesn't have an RDC. It used to have one but decided to abandon it. We have another one that out of almost 30 municipalities only six are members. That is the reason why a study had to be undertaken and an evaluation made of the current RDC program.

Surely, members opposite aren't suggesting that once a program is launched that it should never be altered, regardless of the acceptability of it or the lack of it or whatever.

So what is under way now is that particular review. We have the report, we are going to determine where we go from here before the next fiscal year, and there will be an announcement sometime later on this year as to what we intend to do policy-wise with respect to the RDC program. If someone asked the question: are we going to have the same RDC program in the next fiscal year? - I am not in a position to say yes to that,

nor am I in a position to say no to that, because what will happen will be the results of our policy discussion which will be undertaken sometime in the course of the next two or three months.

But we are currently looking at that report and having discussions throughout the province in an effort to determine just what should be done with it. The RDCs, if they are going to continue as they are, or whether there is something else that is more attractive, I really don't know. It's really a period of evaluation that we are in at the moment, but it doesn't mean that the RDCs are out the window because that decision has not been made, but certainly they are under a great deal of scrutiny as they are presently functioning. They are aware of it because we have interfaced with them on this question over some period of time. The program that we deliver has to have acceptability; otherwise, we must review its content.

MR. F. JOHNSTON: Mr. Chairman, the Minister has given me an outline of what is happening and what their research is doing to find out what they are going to do, but it's very obvious that the people out in the rural area don't know whether there is going to be any program or not. After all of your research, after all of your studies and after all of your communication, which I can say it has not been very good, especially with the remarks from this paper and the remarks in the letter from the mayor of Roblin, as the communication has to go to them as to whether you are going to supply another program or not.

An example, Mr. Chairman, last night in the Minister of Cultural Affairs' Estimates, and Recreation, he said that he had come to the end of a program and he would be introducing another one very shortly. You took away all doubt. There is going to be a program regarding recreation and the funding.

I think the Minister has to take away all doubt regarding this situation in the rural area from the point of view that they don't know what is happening and they have to know if something is going to replace it. In other words there may not be funding for RDCs. Are you going to decide to have your own provincial employees doing the work out there with the RDCs? It does happen in other provinces, but are you going to have something that will give the rural community the feeling that they are important and that you're working with them?

HON. S. USKIW: Well, Mr. Chairman, I don't anticipate that we're going to abandon the ship with respect to the need for providing that kind of support service to the various regions of Manitoba. The nature of the preceding program is what we have yet to determine. A program there will be of some sort. I'm not in the position to say what the nature of the next year's program will be. I don't even wish to speculate on that because we have not had an opportunity to fully assess the research document that has been filed with us and to make a determination as to where we want to go with it, nor have we fully assessed the response of all the RDCs and the communities to that document and, until we have that assessment, we are not in a position to give a definitive statement.

I think they're all reviewing that document very intensively at the moment, Mr. Chairman, and out of

that will come some response and some idea of where the people out in the country want to go. We're going to wait for that response and we're going to be involved with a great deal of discussion before we announce new policy.

MR. F. JOHNSTON: Mr. Chairman, you referred to the program that was under Destination Manitoba where the program worked with communities or mainly towns, but to very great extent to help them analyze the reasons why business was declining or analyze the reasons why people were not coming to do their shopping within that town, and then there were two other steps to that program to help the community after the studies and work had been done to make recommendations as to what could be done to help solve the problems for some of the communities within the area.

The communities did apply to have this work done within their area or within their town, and it was cost-shared with Destination Manitoba. You refer to this being a continuing type of program. Is the program still being cost-shared with the communities that are going to be involved in it or not?

HON. S. USKIW: Mr. Chairman, would the member repeat that? Did he say are we going to cost-share?

MR. F. JOHNSTON: Well, it was cost-shared with the communities to some extent and Destination Manitoba. Will the communities that you're working with - you referred to the program as being a continuing program - will it still be cost-shared with the communities?

HON. S. USKIW: Mr. Chairman, the province picks up 85-100 percent of the cost of that program depending on the ability of the community to contribute, to participate financially. So, we have picked up all of what was the federal portion plus retain the provincial and, in some instances, pick up 100 percent. We've also expanded it to smaller communities, so we're very much financially involved, yes.

MR. F. JOHNSTON: Mr. Chairman, there was a program within the department, the Industrial Design Department, and you state that it is no longer in your department or no longer a program within the government. Can the Minister give us the reasons why?

HON. S. USKIW: Mr. Chairman, no, we still have the Industrial Design group. We still have a board and it reports to this department. The only change that has been made is that we've integrated the program into the department. We don't have an independent director of the Design Institute.

MR. F. JOHNSTON: I wonder if the Minister can explain whether it was a good idea for the government to tell a man just after he came out of the hospital that there was no place in the department for him and that there was nothing in the Estimates for his job and that he wouldn't be needed anymore after he'd been with the government for nearly 25 years.

HON. S. USKIW: Well, Mr. Chairman, there's two points I want to make. One is that particular individual was

not part of the department which I inherited if you like or which I took over. That decision was already made before so I did not have that person within the employ of this department.

On the hand, I'm advised notwithstanding that comment, that the senior department which made the original decision did arrive at a settlement that was satisfactory to that individual. There was a negotiated agreement and I'm not aware of any ill feeling as a result of that.

MR. F. JOHNSTON: The Minister explains it wasn't done while he was Minister of the department, I can only say it was a heartless and cruel decision by somebody else.

MR. CHAIRMAN: 2.(a)(1) - the Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, he mentioned the Core area. Do you have two people working in the Core area? The money is obviously the money belonging to the Core Area Program, does the department or Minister have any decision as to what will be done? There can be counselling but here again we're talking about small business. Does this department have any decision making as to what small businesses will be developed?

HON. S. USKIW: Mr. Chairman, it's my understanding that there is a criteria that's already established as to eligibility for the program. That's under the Federal-Provincial Core Area Agreement. We are merely providing a consultative mechanism to help deliver the program for the Core Area Project. So, we're expeditors rather than initiators of the program itself.

MR. F. JOHNSTON: Mr. Chairman, the Minister mentions the regional offices in Dauphin and Brandon, are the enterprise development centres that were set up during the Enterprise Development Program that would be assistance to small business or be their landlord for a short period of time at a reasonable rent until they became established - are those centres still going to be in operation in Dauphin and Brandon?

HON. S. USKIW: That function has been turned over to the Research Council here in Winnipeg. In Brandon and Dauphin, we're not able to provide that service anymore. That has been discontinued, Mr. Chairman.

MR. W. STEEN: Mr. Chairman, in this same line of questioning that my colleague was asking, the Core Area and Small Business Assistance Program. One of the complaints, as an urban member that I hear from persons in the Core area, particularly the business people, is the great uncertainty as to expropriation of their properties, when they're going to be expropriated, and are they going to be expropriated and businesses appear to be suffering as a result of the great uncertainty.

These two persons that the Minister speaks of in his report as consultants, are they in there working on behalf of the business person and trying to carry the businessman's concerns to the Core Area Initiative

people to relieve a great deal of this uncertainty, particularly as to which properties are going to be expropriated and which are not?

HON. S. USKIW: Mr. Chairman, I don't believe that our people are at all involved in the expropriation proceedings. We are involved in the delivery of the Incentive Program, which is a grant and feasibility study program.

MR. W. STEEN: I didn't think for one moment that his people were involved in the expropriation, but the businessman's biggest concern is the city or the tri-party group expropriating his property for future plans and this great deal of uncertainty, because the Core Area Program is now into its third year and it is going to be a number of years before it ever sees its completion date. The business person, north of Portage Avenue, has a great deal of uncertainty. Are these two persons from within his department talking to these business people, trying to assist them with these areas of uncertainty?

HON. S. USKIW: I am advised, Mr. Chairman, that our counselling services have to do with relocation potential and readjustment for those people that are being expropriated, but we pick them up at that end. We are not involved in the proceedings prior to and during expropriation. So it's when they wish to relocate or establish new business enterprises that we consult with them on it.

MR. W. STEEN: Mr. Chairman, earlier the Minister mentioned the 11 companies that were assisted with Venture Capital, I believe. He said that they used up almost \$900,000.00. In his report, he talks about 1984-85 fiscal year of having \$4 million available. When he mentioned almost \$900,000 being used up, was that from last year's appropriation?

HON. S. USKIW: Yes, I believe it was \$970,000 out of the million that was approved for the last fiscal year. This year we have \$4 million for the somewhat changed program from last year, enhanced program.

MR. W. STEEN: This \$4 million is in the Estimates under the \$35 million in the Jobs Fund?

HON. S. USKIW: Mr. Chairman, that's where the \$4 million will come out of, yes.

MR. W. STEEN: The Minister mentions that this program of Venture Capital may be enlarged to as high as \$35 million over the next five years. If there isn't such a thing as a Jobs Fund, then you would have the monies moved back specifically into your Estimates under Capital Program?

HON. S. USKIW: Mr. Chairman, we are now indulging in . . .

MR. CHAIRMAN: Speculation.

HON. S. USKIW: . . . hypothesis. I don't know that it is very productive to talk about what will happen, if

something else happens or doesn't happen, because then we will be here forever and a day, wondering what will happen if something else happens.

MR. W. STEEN: Onto another area, he talks about the Interest Rate Relief Program and helping out some 700 businesses that employ approximately 2,400 persons. Where did the money to help these 700 businesses come out of, his \$35 million in the Jobs Fund?

HON. S. USKIW: Mr. Chairman, that's an ongoing program that was launched two years ago, a year-and-a-half. It was a two-year effort which was funded by the Department of Finance out of the Loan Fund.

MR. W. STEEN: It's in the Department of Finance's Loan Fund Estimates?

HON. S. USKIW: That's right.

MR. W. STEEN: It is not within your department's Estimates?

HON. S. USKIW: We administer the program.

MR. W. STEEN: You administer it, but the funding is under the Minister of Finance?

MR. CHAIRMAN: 2.(a)(1) - the Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Chairman.

Back at least four years ago - I may be wrong on the exact number of years - a business consultant group was put together using four, I guess, retired businessmen to provide consulting services to businessmen throughout the Province of Manitoba, particularly small business, to help them with financial planning, inventories, you name it, a wide range of business experiences. Is that group of four consultants still working within the department and providing those kinds of services?

HON. S. USKIW: Mr. Chairman, I believe the member is alluding to the Enterprise Manitoba Program, which has been terminated. Three of those four staff have also been terminated, in that they were term or contract staff, if you like, for a term definite.

MR. D. ORCHARD: Is their function being replaced in any way with new people?

HON. S. USKIW: No, we have fewer manpower resources in that area at the moment, Mr. Chairman, by the termination of that federal-provincial agreement.

MR. D. ORCHARD: Now was the departmental assessment of that service, did it indicate that it was valuable, that it served the business community well?

HON. S. USKIW: I am advised that it was appreciated as a service, but it's like all federal-provincial programs that have a definite termination date. Once the termination date arrives we cannot continue, unless we want to fund the program by way of 100-percent

provincial funding. We have not decided to do that. That decision was made some time ago.

We do have to appreciate the fact that the Government of Canada has come out with a number of other initiatives under their IRDP Program which takes off, I suppose, as a successor to some of the programs that we are talking about. To the extent that we can exploit those new initiatives, then we do that, but our role then is more of a referral role, in order to access federal programs.

MR. D. ORCHARD: I guess the interesting analogy that one can make is that we've got a government that has now got this new-found recognition of the business community. The Throne Speech this year talked, in glowing terms, about how the private sector was the engine for growth. I mean, in the Minister's opening remarks, he talked about small business and - what? - 70 percent of the employment is or 70,000 jobs are in less than 20 firms.

We have got a government that has created a Jobs Fund with \$200 million in it. It is loading the province with green Jobs Fund signs, to such an extent that if you put a ventilation fan in a curling rink, you get a Jobs Fund sign for a half-day's work. You have taken three people who - I think from the experience with the business community in my area - provided quite a useful function and saved some businesses from more financial problems, and a government that has identified the private sector as being one they're welcoming with open arms and they're buddy-buddy with them - they now recognize the folly of their first two years - cutting a program that provided some really sound advice to the business community.

At the same time, we have got \$210 million this year in the Jobs Fund doing - we don't know whether they are doing anything that's original. A lot of it is function that is transferred directly from other departments, and a Jobs Fund sign is put up to do the same work that was done in a number of other programs - sewer and water projects, as an example. I really question the sincerity, if you will, of the government, in their talk when they don't deliver and I just don't buy the argument that we've got to reduce manpower, we've got to reduce staff, when you've got that \$210 million Jobs Fund sitting there.

Money was stripped from probably this department as well as others to provide the funding for the Jobs Fund and an excuse that you don't have the dollars to carry on that program just simply doesn't cut any ice any more. You've got enough money to advertise the Jobs Fund Program ad nauseum, until it was almost you couldn't turn a radio station, a television station or open a newspaper anywhere in the Province of Manitoba but what you weren't hit with several ads of the Jobs Fund and what great and glowing things it was doing, when you're taking 75 percent of a consulting service that the business community, the small business community that doesn't have access to that kind of expertise from, to my knowledge, any other area. You cut that kind of program out for the sake of an extra 150 or 200 Jobs Fund signs and some newspaper ads and some radio and television ads.

The priorities, I don't think, are right and I regret to see the Minister unable to continue funding that even

though he uses the excuse that the Canada-Manitoba Agreement is no longer there, you've still got \$200 million floating around in the Jobs Fund.

HON. S. USKIW: Mr. Chairman, I think the Member for Pembina should recognize the Federal-Provincial Agreements that are time specific are expected to be time specific and when they terminate, people that are there on contract for that period of time know that they are going to be leaving those jobs and will be looking elsewhere.

If we were to retain all the staffing of all the old Federal-Provincial Agreements, then we would have three or four times the number of civil servants that we now have in the Province of Manitoba; so we must recognize what those special initiatives are. They're established for a set period of time, for a specific purpose, and they terminate. The provinces cannot expect to pick up, if they want to continue with those, 100 percent dollars or 100 cent dollars where they were only picking up a minority portion before.

I don't think the Member for Pembina wants us to do that either, Mr. Chairman, because the tradition that I'm familiar with, only too well, is that the Tory position has always been to reduce the level of staffing and to let the private sector do it all. We are hoping to involve a great deal of private sector types through our own initiatives which involve many more people, through workshops, seminars, things of that nature, but the one-on-one situation, it's a pretty expensive proposition that we just can not carry on with, within this department.

MR. D. ORCHARD: I'm not asking the Minister to continue with those specific individuals, but isn't the idea of some of these Federal-Provincial Agreements to attempt to fill needs, to see, to deliver programs, to sort of test the market to see what works and what doesn't work and when you've got something that works and has been successful, and I think anyone in your department will indicate that that group of four was a pretty successful group; and I realize that you're losing 60 percent of the funding under the 40-60 financial arrangement of the Federal Government when the 60 percent federal portion is pulled out, but I just reiterate, and I don't have to remind this Minister because he knows the Jobs Fund is there.

You've got the money to use in what I consider, and what the business community considers to be a less productive way through the Jobs Fund, and I think you would find yourself well served and very supportive of the small business community if you were to continue a program similar to that, because one-on-one consultation is superior to your group sessions, because no one who has a management problem in his business is going to come to a group seminar and lay out in front of his competitors and his neighbours and his business colleagues in the community, the problems he's having in his business. But he will lay it out one-on-one with a consultant and that consultant, with the kind of expertise those gentlemen had, often could come up with a suggestion that helped that business.

I think going to the seminar thing is a heck of a good way to advertise more meetings and more involvement with the government and really not deliver as much

effective advice and program as what you were doing before.

MR. CHAIRMAN: The Member for Morris.

MR. C. MANNES: I'd like to ask the Minister whether he had representation from individuals, both from the Towns of Morris and St. Jean, regarding a proposal or a request on their behalf to have performed a study that would look at the economic future of that particular area.

I don't know whether that would fall under some of the recommendations made within the study team on regional development corporations in Manitoba. Could the Minister indicate whether that request had come in from their end?

HON. S. USKIW: Sorry, what's the question?

MR. CHAIRMAN: Would the member kindly repeat the question?

MR. C. MANNES: I'm wondering if you could indicate if such a request came from community officials within, let's say, the Red River Corridor area.

HON. S. USKIW: Mr. Chairman, there had been discussions with the officials along the Red River Corridor for months, in fact, dating back several months. We will be attempting to respond to that particular need through in-house capacity, but in-house capacity that is not yet in place, but is part of our expansion in this year's Estimates.

MR. C. MANNES: Is the Minister then saying that there will be a special study within his department that will look at the long-run, economic future of that area, particularly inasmuch as it's my belief that the Labour Board will rule against Superior Bus, firstly, and secondly, throwing out the major employer, in my view, within that region and throwing a large number of people out of work; and I guess my specific question to the Minister is again, are researchers and analysts within his department, have they received yet a request from the Minister to initiate such a study that would look at the long run or, in fact, are they somewhere down the line of priorities?

HON. S. USKIW: Mr. Chairman, it's my understanding that the communities in question intend to do a study of their own and we will be giving them a fair amount of technical support toward that. We will likely be putting staff resources at their disposal at some point in time once we have filled a position that we have allocated for that very purpose, a person that will be interfacing with local industrial commissioners, etc., and local community initiatives. At the moment, we don't have a person for that area, but we will be recruiting a person to fill that function.

MR. C. MANNES: Had that group requested a specific amount of government funding for such a study?

HON. S. USKIW: As I recall it, Mr. Chairman, there was a request for funding of some \$50,000 or so, but

we do not have that kind of capacity within the department. We have had to say no to a number of areas that have made similar requests. That's only one of the community groups that has come to us with that kind of request for funding. We have instead suggested that we respond to them with technical assistance in helping them get their own study under way. But funding, no, we don't have a program for that kind of . . .

MR. C. MANNES: A final question, Mr. Chairman, I guess I tie it into an earlier question I made this evening. Given that it's my belief that the Labour Board in their "wisdom" will probably bring forward a decision that will have some very negative impact upon the largest employer within that whole area, I'm wondering what action this department is obliged to take on behalf of that large area of our rural community, of our rural area. Are they obliged to take any?

Although I don't want to be overly-pessimistic, I feel that there will be some significant happenings in due course. I am just wondering if there are any contingency plans within any area of government to deal with what potentially could be a worsening situation.

HON. S. USKIW: I have to assume that the member is alluding to Superior in Morris, wherein there may be a decision that may be deemed to be not in the best interests of the company. At least, that's what the member alleges. We, of course, would be involved to the extent of monitoring what is happening. We don't have a particular role in the sense that we can't anticipate a ruling that is to be handed down by a quasi-judicial body. We can only react to it once it happens. I don't think we have a mechanism to do anything else.

MR. CHAIRMAN: 2.(a)(1) - the Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Chairman. I wonder if the Minister might be able to discuss the current status, if any, of the proposal to establish a flax seed crushing plant in southern Manitoba. Would this be the appropriate place to do that?

HON. S. USKIW: That function is the responsibility of IT&T, Mr. Chairman.

MR. D. ORCHARD: Mr. Chairman, is the Minister now saying that he doesn't have anything to do with the negotiation with that group?

HON. S. USKIW: No, Mr. Chairman, we have met with them, but the line department through which they come to government is IT&T. Now I don't know what the latest communique is or actions are with respect to that proposal if there have been any recent ones.

MR. D. ORCHARD: The comment has been made before, and I simply want to reinforce what my colleagues have said tonight, that this creation of a tribunal in handling economic development in the province, I think, is courting disaster. If any Minister should be involved directly with the negotiations, it should be a Minister such as yourself, Sir, with the experience you have in government, with your

understanding of agriculture. That is not a derogatory remark to the Minister of IT&T.

But with this department split three ways, you can have your revolving-door policy for any businessman that comes in and shovel him through one door to another door to the next door, and keep turning him around in circles and spinning his wheels for over two years so that nothing happens. What needs to be done is somebody take the bull by the horns, and either tell them that project has no value and no use in the Province of Manitoba and that the Provincial Government is not interested in it and will not support them in their efforts, or else get down to some serious talk about it because it has been three years now.

It started with a feasibility study in 1981, and has been going from one problem to another. There is a Minister on the other side of this table who was involved with it. We keep on having meetings, discussions, talks, friendly receptions, and no results. I think this move of creating another economic department, one of three, is just adding further confusion to the ability to make decisions in this government to assist the business community and get something going in this province.

HON. S. USKIW: Mr. Chairman, I appreciate the comments the member is making and his confidence in myself, but I want to say to him that as far as I'm aware there is progress being made on that proposal.

My last contact with the group was some time ago, at which time I suggested to them that they try to raise some local capital by way of a limited-partnership offering which they took up rather seriously. As I understand it, they either have approached the Securities Commission or are in the process of filing with the Securities Commission a proposal to do just that, but I am not aware as to where they are. I do know that they are dealing essentially with the Department of Industry, Trade and Technology at this point. They have not been in communication with our department in recent times.

MR. CHAIRMAN: 2.(a)(1) - the Member for La Verendrye.

MR. R. BANMAN: Thank you, Mr. Chairman. I wonder if the Minister could inform us whether his department had any input into the drafting of the White Paper and finally the legislation as to the impact it's going to have on small business.

HON. S. USKIW: Mr. Chairman, the member raises again a hypothetical question. It's a matter of what is going to happen as a result of the White Paper that he's questioning. I think that will reveal itself in the course of the next two or three weeks. For me to comment on it now would be like providing an announcement before the legislation is tabled in the Assembly. I think the proper time to debate that is when the legislation is tabled.

We have had very extensive discussions with the business community. That is, our department has. We know their views, and we have that in mind in consideration of the White Paper proposals. That is in the final consideration that is under way at the moment. But that debate has to take place during the time of

the debate in the House on the introduction of the bill itself.

MR. R. BANMAN: I guess we're at somewhat of a disadvantage here, and maybe that's part of the government's strategy in trying to go through the Estimates first and then holding back controversial legislation so we don't get into that there. But I would point out to the Minister, as he well knows from his years of experience in government, that one of the key ingredients to small business development is the type of labour atmosphere that's created within the province and the harmony that has existed in the last number of years between management and labour in this province. The Minister of Labour has given us statistics which point out that we are in a very favourable position, as a matter of fact an enviable position compared to the other provinces.

I would caution the Minister that while he is charged with the responsibility of small business that any major or radical moves or tinkering with labour legislation will not only cause his department a lot of headaches, it will cause the people of Manitoba a lot of headaches.

Somebody was saying the other day that small business, of course, will probably take their frustrations out on the government. Of course, to that, I would say it couldn't happen to a nicer bunch of guys, but in the final analysis, that short-term political gain for one party will spell disaster for a lot of small businesses in this province.

I would urge the Minister, since the bill has not been tabled, to try and convince some of his more hawkish colleagues in caucus, who want to try some of their labour experiments in this province, to withdraw that.

The Minister of Labour indicated the other day we had eight work stoppages for a total of - I forget the exact number of man days lost - very very low. If you look at the last five years in Manitoba, the labour record, it's been very good.

So I say to the Minister, when you read some of the stuff in the White Paper where employers of small businesses, where someone running a small grocery store in a rural area is going to be put up against Bernie Christophe, who walks in to unionize a six or eight-man operation, I say to the Minister that will cause serious problems in this province. Where we have relatively good labour relations right now and a good climate, that could be totally destroyed by some tinkering on the part of the government.

Since the Minister is responsible for small business, and I know all small business are looking for assistance from him, hopefully he uses his persuasive powers and his seniority within this New Democratic Party to put forward the plight of the small business very very forcefully. Mr. Chairman, hopefully, maybe the government in its wisdom - goodness knows, Mr. Minister, you've got enough troubles with trying to tamper with labour legislation at this time and, hopefully, you can make your colleagues see that they'd maybe just forget about it for a couple of years.

MR. C. MANNES: You can do it, Sam. You can do it.

HON. S. USKIW: Well, I just perhaps would like to ask the member to illuminate a little more for us just what

section of that proposed legislation he is objecting to. If he is saying the whole bill, that's one argument; if he is saying certain sections, that's another argument.

I simply want to say to him that we have met with the business community and we appreciate fully their view of that proposal, and due process will take its course, a decision will be made and we will debate that decision. But the member has not illustrated for us just what particular section he is objecting to. Perhaps he would like to elaborate somewhat.

MR. R. BANMAN: Mr. Chairman, I guess we could spend all night debating it, and if the government brings in a bill, we will debate it for much longer than just one evening.

But the Member for Morris just raised an interesting question here with regard to a ruling from the Labour Board. If the Labour Board rules that the union is in place and intact at Sheller Globe and that the new company has to assume that former contract. Mr. Chairman, according to some of the White Paper documents, they say the tribunal, the Labour Board is going to be given additional responsibilities, be strengthened, and the right of appeal through the courts is going to be taken away. So now you are going to have the Labour Board rule in a case like this. If they rule that that particular plant has a contract in place, what is going to happen is the company is probably not going to decide to go ahead. The Minister says that is hypothetical.

I raised an issue the other day where a small businessman in Manitoba here applied for a Careerstart student, and because Employment Standards says he has to pay \$13.45 an hour, he is not going to hire that student. So while you say that is a hypothetical thing, these are small things which are going to be roadblocks and stumbling blocks in the path of a small entrepreneur. Goodness knows, the Minister knows that a guy can't travel in from Beausejour when he's got a grievance.

Safeway can handle these things. What is happening here is that the government, in their attempt to rectify certain problems, is really going to cause further problems in other areas, and the ones that are going to suffer are exactly the small businesses and that's what we are talking about right now. Safeway, they hire a professional to handle their labour disputes; the little guy running the store in Beausejour can't do that. If he's got a grievance against one employee and he's got to come into the Labour Board, he's got to take the day off to come in here, and we could show the Minister problems that are created.

I am not concerned - the Safeways of this world, the International Nickels and these people who are dealing and know how to deal with unions have the people in place and they can do that, but you bring in legislation which is going to impact on a great extent on the small businessman, the small grocery store owner in any rural place, it is no match for Bernie Christophe. Bernie Christophe deals with that every day and the little storekeeper doesn't. He knows how to stock shelves and knows how to sell his products and is struggling to stay alive, but if he is going to, by many aspects of the bill, be put at a disadvantage and it's going to be easier for people to walk in there and unionize his shop,

I want to tell the Minister, if you think you had trouble with some of the other stuff you brought in, you're going to have bigger trouble with this.

As Minister for Small Business, I sure would implore him to get the government to pull away from that type of legislation, because it's the small person we're worried about. The big ones will look after themselves because they've got the pros to deal with it. They know about labour relations, the small ones don't.

MR. CHAIRMAN: The Member for River Heights.

MR. W. STEEN: Mr. Chairman, further to what the Member from La Verendrye has raised about the proposed labour changes, the Minister made reference in one of his answers that he has already met with people in the business community. Perhaps he could enlighten members of the committee as to who he has been meeting with and what types of business people and so on.

HON. S. USKIW: Mr. Chairman, we meet regularly with the various business associations; Winnipeg Chamber, Manitoba Chamber. We also meet with individual business people. I can't recall all of the organizations; the Canadian Manufacturers Association, the hotel/restaurant groups - we met with a whole series of them, the Small Business Federation and so on. So we have had discussions and it's not as if we're unaware as to the feeling of those groups with respect to the proposals contained in the White Paper. Those will be addressed, that's all I can say. It's not a matter that is before us, Mr. Chairman. Although this department has an interest, it's not a matter . . .

MR. W. STEEN: In the Minister's meetings that he has outlined with the various organizations, has the White Paper been specifically mentioned and discussed?

HON. S. USKIW: Mr. Chairman, we've had a round of meetings that specifically touched on that issue, so it's not as if we're not aware of the concerns out there.

MR. CHAIRMAN: 2.(a)(1) - the Member for Sturgeon Creek.

MR. F. JOHNSTON: Just one question.

The government has been announcing their economic development agreements with the Federal Government and I refer to Destination Manitoba that was negotiated and it was \$44 million in total. The DREE, IT&T, and the federal share was \$26.4 million and the Provincial Government was 17.6 million. Somewhere in that whole area, and as we've heard tonight there was some beneficial programs. With all this negotiating that's gone on, did the Minister of Business Development not get any money from the federal programs to continue the good parts of the ones that had been put in place before?

HON. S. USKIW: Mr. Chairman, for the benefit of the Member for Sturgeon Creek, who may have not been here earlier this evening, I did . . .

MR. CHAIRMAN: No reference to the actions of members.

HON. S. USKIW: Well, no not in the derogatory sense, Mr. Chairman. We did indicate that we're in the midst of a one-year extension of the original agreement that I believe my honourable friend signed a few years ago.

MR. F. JOHNSTON: Did I say Destination?

HON. S. USKIW: Yes.

MR. F. JOHNSTON: I should have said Enterprise Manitoba.

HON. S. USKIW: That's all finished.

MR. F. JOHNSTON: I'm sorry I said Destination Manitoba. Was there no monies from this new agreement to continue the economic agreement with the Federal Government to continue some of the good parts of Destination Manitoba?

HON. S. USKIW: Enterprise Manitoba.

MR. CHAIRMAN: Enterprise Manitoba.

MR. F. JOHNSTON: I'm sorry.

HON. S. USKIW: Mr. Chairman, as far as I'm aware the Government of Canada is not at all interested in a renewal or extension or a new agreement similar to that particular one, but have decided to go their own way through the IRDP Program. They're more interested in direct delivery of some of those programs through their own department.

We will be using that program to the extent that businessmen in Manitoba have a need and qualify for it. We will be assisting in leveraging money from that program, but there is no replacement for Enterprise Manitoba per se.

MR. CHAIRMAN: 2.(a)(1) - the Member for River Heights.

MR. W. STEEN: To the Minister, in 2.(a)(1) we see a slight reduction. If he doesn't mind answering 2.(a)(2) at the same time and we can perhaps conclude this section, why is there better than a \$1 million increase in the Other Expenditure Section? What are you doing differently in this area, Mr. Minister?

HON. S. USKIW: Mr. Chairman, this perhaps might to some degree satisfy the Member for Sturgeon Creek. That represents the provincial pickup of the Federal-Provincial Enterprise Manitoba components that are now terminated and which are in the next line, 2.(b), which shows no dollars. What we've done is incorporated some of the program of Enterprise Manitoba into an ongoing provincial program. So that is where the increase arises. It's a 100 percent provincial.

MR. W. STEEN: That is in 2.(a)(2), you're referring to that \$1 million plus increase?

HON. S. USKIW: That's right.

MR. CHAIRMAN: The Member for Pembina.

MR. D. ORCHARD: Mr. Chairman, just one question to the Minister.

In his meetings with the business community to discuss the new labour law proposals, whatever they may end up being, was Mr. Fullerton part of those discussions that the Minister had with the business community with the Canadian Manufacturers' Association Chamber of Commerce?

HON. S. USKIW: Mr. Fullerton, yes, he participates in discussions. He may not have participated in all of them, but certainly in a number of them and he is utilized in that way by myself and other departments.

MR. D. ORCHARD: It may not be a fair question, but usually the Minister is very co-operative, is Mr. Fullerton basically supportive of the kind of legislative labour legislation that's proposed by the government?

MR. CHAIRMAN: Is that within the Minister's jurisdiction?

HON. S. USKIW: Mr. Chairman, the Member for Pembina knows that the bureaucracy is not on record as being in support of or opposed to anything governments do from time to time. They are merely there to implement whatever is decided upon or to recommend on decisions, but their opinions are just that; they are opinions within the confines of the system in which they function. I have not canvassed Mr. Fullerton for his personal opinion.

MR. D. ORCHARD: Mr. Chairman, the reason I ask the question is I think Mr. Fullerton is a unique individual who was hired at some \$85,000 a year to provide business advice to this government, something they drastically needed. It would be interesting to know what the government's economic advisor guru is saying to them on labour legislation. If he's saying to you, it's foolhardy and will cause untold problems and undo many of the things you're attempting to do through the staff efforts of this department in creating an environment for thriving small businesses, and his advice is that you're foolhardy to do it, then one of two things should happen. Either you take his advice or you take him off the payroll because you're not using them. That's why it's very appropriate, I think, to find out the kind of advice that Mr. Fullerton is providing on this.

MR. CHAIRMAN: 2.(a)(1)—pass; 2.(a)(2)—pass.

2.(b)(1), 2.(b)(2) has no money. Do you want to debate one with no money?

MR. A. DRIEDGER: I just have one comment to make. I think this whole section should be called the hide-and-peek section.

MR. CHAIRMAN: Resolution 29: Resolved that there be granted to Her Majesty a sum not exceeding \$2,867,300 for Business Development and Tourism, Business Development for the fiscal year ending the 31st day of March, 1985—pass.

A MEMBER: I would suggest that committee rise.

MR. W. STEEN: Mr. Chairman . . .

MR. CHAIRMAN: I haven't called any item yet.

MR. W. STEEN: I know, but I just have a question, through you, to the Minister.

MR. CHAIRMAN: The Member for River Heights.

MR. W. STEEN: We have completed the Business Development section and in talking to some of my colleagues, they feel that we're going to be approximately one-and-a-half hours on the Tourism section. Is it the Minister's wish that we lay it over until the next meeting, or would he wish to try and carry on through to midnight or later? What is the general wish of the committee?

MR. CHAIRMAN: What is the pleasure of the committee?

Mr. Minister.

HON. S. USKIW: Mr. Chairman, I have no problem one way or the other personally. I don't know what the arrangements are between the two House Leaders. I thought there was some understanding that this would be wrapped up tonight, but I have no particular preference.

MR. A. DRIEDGER: Mr. Chairman, I move that committee rise.

MR. CHAIRMAN: If there is no objection, committee rise.

SUPPLY - HEALTH

MR. CHAIRMAN, P. EYLER: The committee will come to order.

We are considering the Estimates of the Department of Health, Item 7, Line 5, Hospital Program - the Member for Turtle Mountain.

MR. B. RANSOM: Mr. Chairman, just to pursue the subject that we were dealing with at 5:30, can the Minister indicate whether or not the presence or absence of a hospital in a community has any bearing upon whether or not there might be a personal care home established?

HON. L. DESJARDINS: In the past, I don't think the Commission was too anxious to build free-standing personal care homes, but it can be done, especially if there is a change, coupled with a few holding beds, also a medical clinic of some type, and so on. But, in the past, they have shied away from building a free-standing personal care home, depending on how many beds, of course. If it's a fairly large institution, then that's easier.

MR. B. RANSOM: Would the Minister care to speculate about what the future might hold? If indeed hospitals

in some smaller areas, smaller hospitals, are threatened for the future because of difficulties of getting doctors or the use is not up to the levels that might have been the case previously for various reasons, is that going to mean also then that those communities could not expect to have a personal care home?

HON. L. DESJARDINS: No, I'm sure that won't be the case because I think that we will need more personal care homes and maybe less acute beds. I would imagine that the tendency will be to probably couple personal care homes with senior citizens housing and maybe enrich services, and probably a combination, as I say, of a few holding beds. I'm sure that's the direction that can go. I wouldn't be concerned.

MR. B. RANSOM: Just one last question then. Is it possible that the smaller hospitals might, in fact, serve a rather different purpose than they have, say 10 years ago, and indeed a different purpose than they are today, in the future, in conjunction with personal care homes and basically homes that are . . . for the health needs of elderly people.

HON. L. DESJARDINS: Well, in fact, that's the direction we're going now, in the examples I gave before the dinner hour, I think is exactly that. But I think, eventually, as was discussed between the Member for Fort Garry and myself, that you will see less centralization around the building and a hospital - the hospital, as we have known it - I'm talking about acute bed hospitals. You will see more action in the community and probably a larger board being responsible for acute beds if there is a hospital there and a personal care home. In some instances maybe senior citizens housing and the many programs that we have in the community, like day care for the elderly, and probably more services for the well elderly will be coming also.

So, I think there will be a change of direction, but it's not going to mean that there'll be less services or even less facilities. If you count all the beds, I think there'll probably be an increase. I find the best way to plan is try to keep the people in the community as much as possible.

MR. CHAIRMAN: The Member for Swan River.

MR. D. GOURLAY: Yes, Mr. Chairman, just to pursue this a little farther. I wasn't here just before the supper break and I don't know whether there was any discussion took place regarding the enriched elderly persons housing situation. I know we've talked about it now for a number of years and we can see the need for it in many of the communities because of the fact that the apartment type EPH's have been in place in some communities for a long time and the people there are getting older, of course, and are not able to look after themselves, in some cases need to be moved into a personal care home for maybe a minimum kind of treatment. I'm just wondering if the Minister can relate as to what has taken place in the last year with respect to moving closer to enriched elderly persons housing projects?

HON. L. DESJARDINS: We've moved closer to actually doing something after planning but we've moved away

from the name of enriched housing. The expert that we've had on this, the gerontologist, and the advisory committee, and the other key personnel in different departments such as housing, and community services, and health of course, have been working on that. We call it now support services housing and resource development for elderly persons. I think the main thing is to try to get them organized to work together and see what their needs are. It's not necessarily the same needs. It might be that they should have some kind of a cafeteria where they could serve meals. That seemed to be one of things. In other areas it might be other services.

Finally, in August of 1983, there was a paper went to Cabinet with certain recommendations from this committee that I was talking about. At the time the Cabinet directed this department, the Department of Health and myself as Minister of Health, to be the lead Minister on that to form a committee of Ministers, a committee that already exists, we go through the community resources committee. There's a subcommittee of staff that work on that. They're developing programs, there's something going on at that committee, I think, it's this week and we are pleased that the Manitoba Health Commission has redirected, as I stated earlier, \$191,000 for those programs. But there's no programs announced as yet. It should be done fairly soon.

MR. CHAIRMAN: The Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Chairman. I have a couple of questions for the Minister regarding the Open Heart Surgery Program at the St. Boniface if this would be the appropriate time to pose those questions - Open Heart Surgery Program at St. Boniface.

HON. L. DESJARDINS: If the member won't be here a little later - but we are now looking, we're going far afield now. We're covering the Capital Program plus acute beds and personal care beds, not Medicare. But I guess we could cover that. That comes under hospitalization, it's in the hospital, it'll be fine.

MR. D. ORCHARD: Thank you. I thank the Minister for that accommodation. Could the Minister indicate whether the open heart surgery unit at the St. Boniface Hospital, I may not be using the right technical terms but, are they operating at maximum patient capacity that they're able to handle?

HON. L. DESJARDINS: If my honourable friend remembers we had problems in that in the Health Science Centre pretty well in the tail end of the former administration. They took it upon themselves to recruit and start a program, and we then had to solve the short-range and long-range problems. With the understanding they wouldn't have any extra funding, we allowed the Health Science Centre to go ahead with the staff that was already here, and they performed some operations until we tried to solve this for the future. I was very pleased, I think this was announced already, we formed the one unit operating under one director and an advisory group and the director is Dr. Barwinsky, from St. Boniface Hospital. They are working

with the two units. In other words, the staff of both hospitals interchange at times, the budgeting is done through the hospital for the two areas, but it is one program only.

They're working quite well, and, yes, they're caught up now. They claim and they state that there should always be a waiting list on that because at times it might be that they're pushing these operations a little too much and they feel that's the safeguard in areas where there are reasonable waiting lists. I know that usually before you have a by-pass, you have an angiogram and I know there is a waiting period for that. Also, there is a waiting period, approximately four weeks now, but I think that's desirable. So the program is working quite well.

Where we're still not satisfied is with the children. Now there are a lot of children, but I'm talking about the more difficult cases. Barwinsky will do some himself. We are still sending some in Toronto. It's not that easy to recruit and then you have to have enough cases to make it worthwhile for the person to be able to stay with it. I don't think that you'll be able to recruit anybody until you're assured at least a minimum number of cases and that's being done by Dr. Barwinsky. So, all in all, we're very satisfied with this program. It is now one program operating in both St. Boniface and the Health Sciences Centre.

MR. D. ORCHARD: In order for a patient to be on the minimum amount of wait time for her to have open-heart surgery scheduled, is there an urgent category and a less-than-urgent category and could the Minister indicate what sort of time frames - is emergency rather immediate with, I don't know whether you could call it elective open-heart surgery, but open-heart surgery that has to be done, scheduled two or three months in advance type of thing. I'm going to ask the question later on about a specific case that's come to my attention.

HON. L. DESJARDINS: I don't know if you could call it elective surgery when you're talking about cardiac surgery, but you certainly have different categories. It would be the emergency, then you drop everything and you find a way to deal with the emergency case. But some of the urgent cases, what is urgent category, I guess most of them would be rather urgent or they wouldn't go ahead with the operation and that is the waiting list. But there is more than one way to treat these people and at times it seems that some have advocated that there is too much surgery.

Now you can treat them with drugs. It depends on the state, of course, and I'm not going to try define that, I'm not a doctor.

There is also the by-pass, with by-pass usually there is blockage in more than one place, but more and more they're going with the system which you can't use in all cases. It's not actually surgery as we know it with the by-pass, but it is a tube in the vein, that with a pump will clean the blockage and that is just probably used when there might be a single blockage or double, but there is more of that being done outside of Winnipeg. There are some done here, but it's not being used in all cases. In approximately 65 to 70 percent of the cases could be used. Of course, then there is

no period after the operation, it's less traumatic and so on, but that is up to the cardiologist of course.

MR. D. ORCHARD: Well, I received a rather distressed phone call today from a daughter of a patient who was scheduled for surgery. It wasn't any of the newer processes; this was by-pass surgery. The individual was scheduled and I can't recall the categorization he was put in, but the family almost lost him this week, and he's in intensive Care with full heart monitor. They indicate to me that it could be upwards of three weeks before - and he is now apparently an urgent or an emergency type case, because they had come very close to losing him this week - it appears as if the wait may be upwards of three weeks and of course that has the family very concerned about the backlog.

Would the Minister think that there is some prioritization for that, so that they can put a patient like that with obvious severe problems and schedule that surgery a little quicker?

HON. L. DESJARDINS: I'd like to suggest to the honourable member that not publicly, but privately give me the details tonight and we'll make sure that we investigate and check that tomorrow.

MR. CHAIRMAN: The Member for Fort Garry.

MR. L. SHERMAN: Mr. Chairman, there are a number of questions on other areas in the hospital field that I want to explore with the Minister, but since we're on the subject of cardiac surgery and open heart surgery at St. Boniface and the Health Sciences Centre, maybe I could just pursue that for a moment.

Late in the 1970s, the capability or capacity of the St. Boniface adult cardiovascular surgery unit was expanded from 265 to 350. I believe that those statistics mean that 350 open heart surgery procedures, whether they were double, triple or quadruple by-passes, could be performed in the course of a given year. There were waiting lists that were building up for open heart surgery at St. Boniface at that time. I think there was discussion at that time of expanding the St. Boniface unit's capability, but there was also the question of whether it could be extended or expanded much beyond that 350 caseload level with the present physical limitations on the unit at that site. Has the St. Boniface caseload or capability in open heart surgery been expanded since then and if not, has the provincial caseload been expanded and is the other part being taken up now by the unit at the Health Sciences Centre?

HON. L. DESJARDINS: Yes, there has been quite an increase. In '77 there was only St. Boniface and they did 271 cases; in '81 there was only St. Boniface again, 363; in '82, that's when we were looking at the situation, we allowed some at Health Sciences Centre; there was 405 at St. Boniface and 94 at the Health Sciences Centre.

MR. L. SHERMAN: 405 at St. Boniface and 94 at Health Sciences Centre?

HON. L. DESJARDINS: Yes, that's '82; '83, 383 at St. Boniface; and 125 at the Health Sciences Centre; and

the 1983 were estimated, based on actual, to the 1st of November; 1984, estimated 400 at St. Boniface, and approximately 150 at the Health Sciences Centre, for a total of 550. So in last five years, it went from 271 to 550.

MR. L. SHERMAN: Now is that projected to increase again in the coming year, and is this an Infinite never-ending kind of equation or formula that we're into here, insofar as the Minister can tell, a continuing demand, a continuing buildup, and a continuing increase, or are we reaching a point when his officials can advise him where we're plateauing or levelling off?

HON. L. DESJARDINS: Well, the information that we had and the data and so on, the projection through the Cunnings Report, the Cunnings Committee, would be that it should plateau at about 650. That could change with new methods, but that's approximately the best information we can give you at this time, about 650.

MR. L. SHERMAN: It should plateau at about 650 and would that mean, in the foreseeable future, let's say 400 or 450 cases were handled at St. Boniface and the other 200 at the Health Sciences Centre, is that sort of the distribution?

HON. L. DESJARDINS: That would be about right, the way it is now anyway. Yes, it should stay like that because, as I said, it's only the one unit, so it doesn't matter where the doctors are - they operate in both facilities.

MR. L. SHERMAN: Is Dr. Parrott still at the Health Sciences Centre?

HON. L. DESJARDINS: Yes, he is.

MR. L. SHERMAN: And is the overall team headed by Dr. Morley Cohen for both hospitals?

HON. L. DESJARDINS: No. The overall team is headed by Dr. Barwinsky, by request; Dr. Cohen did not want to take that responsibility.

MR. L. SHERMAN: What about children's cardiology? Is there a unit in pediatric cardiology functioning at the Health Sciences Centre right now, Mr. Chairman?

HON. L. DESJARDINS: This is what I was saying to the Member for Pembina. That is where we have concern at this time. It is very difficult to recruit a person with the proper expertise and so on with the number of cases - I'm talking about difficult cases. The routine cases could be done here and the emergencies are done mostly at the Health Sciences Centre. Dr. Barwinsky himself is doing of many of these, but we're still sending some to Toronto. Eventually, when we have the number that would attract a first-class physician, it is the intention to recruit.

MR. L. SHERMAN: Well, was there not a cardiac surgeon for children's cardiology who was named and appointed at the Health Sciences Centre recently as

a successor to the previous holder of that position, Dr. Colin Ferguson, or am I mistaken about that, Mr. Chairman? It seems to me that there was a move made to bring somebody in, or establish somebody there, as Dr. Ferguson's successor. Did that never get off the ground?

HON. L. DESJARDINS: No, not really. What they were able to do is recruit a very good cardiologist, Dr. Collins.

MR. L. SHERMAN: Collins, yes.

HON. L. DESJARDINS: But he's a cardiologist, not a surgeon.

MR. L. SHERMAN: Not a surgeon.

Mr. Chairman, presumably the problem or challenge of financing that operation, through the Health Sciences Centre budget with approval of the Commission, has been resolved. May I assume that? I ask the question, as the Minister knows, because of the situation a couple of years ago, when approval had not been given and there was certainly a question as to how the Health Sciences Centre was going to finance the operation of its open heart surgery unit. I'm speaking now, of course, of adult cardiovascular surgery, not pediatric.

HON. L. DESJARDINS: As I stated at the time and since then - the first year, the Health Sciences Centre did it with their own funds. There weren't any funds and no deficit was allowed to cover that part. As I've said, since then, we set up this one team in both facilities; of course, they've been granted funds for that.

MR. L. SHERMAN: Mr. Chairman, a year or so ago there was some controversy over the final and ultimate form in which the new Children's Hospital at the Health Sciences Centre would function and operate, some apparent uncertainty and debate over its functional program. The question arose at that time as to whether it would contain operating rooms and X-ray facilities or whether the new - this is the new Children's Hospital I'm talking about - whether it would simply contain outpatient facilities and medical and surgical beds, and whether children who were patients at the Health Sciences Centre at Children's Hospital would be mixed in with adults in the use of operating rooms and X-ray facilities. That was a subject that remained a subject of some question and some controversy for several days.

It may well have been resolved in terms of legislative argument at the time, but I would like to have the confirmation from the Minister now at this stage - with the new Children's just about complete and nearing the point where it will be opening - that it will be a self-contained hospital, with all the specialized services that children require located therein, so that the professional science and service of attending to sick children can be done exclusively within the environment and the atmosphere of children themselves, and that the children who go there will not be intimidated by being forced to share various services with adults. Has that been the final determination and the final functional program format for the new Children's Hospital?

HON. L. DESJARDINS: Yes, I think this has been settled to the satisfaction of everyone. Of course the beds in

the diagnostic unit are not in the present Children's Hospital. They'll be in the building that I've announced earlier yesterday, and the only thing they share is the building, but they'll be completely separated, both the diagnostic unit and the operating theatre.

MR. L. SHERMAN: Mr. Chairman, could we look at the Health Sciences Centre in total for a minute, just from the point of view of its administrative and operational and management situation? Has the Minister anything that he can report at this time to the committee with respect to the reorganization of the senior administrative component of the Health Sciences Centre and the Touche Ross Report into realignment and reorganization at the hospital and into the search for new vice-presidents and new senior personnel?

I suppose, and I've mentioned this in earlier statements and comments on the subject of the health field generally, that one of the Minister's biggest challenges, in fact, one of the biggest challenges facing all of us at the moment is probably the challenge of restoring to its full previous levels public confidence in the operations of the Health Sciences Centre, that great hospital, unfortunately, has suffered some setbacks and some difficulties in the past year or two, not the least of them being the baby deaths last summer that caused a great deal of concern and dismay and ultimately were at the root of an investigation into staffing of the children's nursery and the children's intensive care unit.

The past year or so has seen the departure of a number of senior administrative and management personnel at that hospital. I frankly think that it's a job almost beyond the capability of one human being to run a major tertiary care teaching and research hospital of some 1,200 beds which grew out of the amalgamation of four other hospitals, all of whom remain alive at least on the psychological level today through the continuing vested interests of their particular constituencies but who have been forced to live and work together under an enforced amalgamation. Some of the scars of that action are still visible. So the challenge to any senior hospital executive of running a plant like that is an enormous one.

Reorganization has been examined and attempted at HSC before, presumably that's the exercise, or the type of exercise that's under way again now, and I would invite or request a report from the Minister as to his sense of the situation at the Health Sciences Centre, his evaluation of where it's headed in the immediate future and the results so far that have flowed from the Touche Ross Report and the search for new vice-presidents.

Are we getting anywhere and is there a sense of command and control that is displayed by the board and the administration of the hospital at this present time, or is the hospital in continuing difficulty that threatens public confidence even further?

HON. L. DESJARDINS: There is no doubt that it's a difficult situation and extremely important, and the commission and the department will monitor the situation quite closely and be working with the boards. But I might say that with the report, I had a delegation that came over to see me, as I reported in the House,

of the officers on the board. They've accepted many of the recommendations of the report.

First of all, I think the main thing they found, there was lack of communication and lack of delegation from this chief executive director. That has been changed and there will be, I think, it's five vice-presidents who will all have access to the board which wasn't done before. The three main ones will be nursing, medicine and operation. Finance and administration will be somewhat - I think there are about five, I'm not too sure of the name of the five, if finance and administration is together and there is planning also. There will be more delegation of authority. It won't be all in the hands of one person, which was too much and as I say the vice-presidents will have access to the board. They are now trying to recruit for these positions. Now, as I say, we'll be watching very carefully and we'll get reports and there'll be close work and co-operation and working together between the commission and the board. Now the total board has accepted the report and the recommendation and we'll give them a chance to see what's going to happen. There seems to be recognition of problems there and there seems to be a genuine effort to try and rectify that and accept the recommendation of the report.

MR. L. SHERMAN: Does the Minister have available the budgetary situation with respect to HSC? Did it come in anywhere close to its budget for 1983-84, or did it, in fact, show a deficit and what is the budget that's projected for the Health Sciences Centre for 1984-85? Does it take into account the 1983-84 situation, or does it include a larger percentage increase than perhaps might be the general increase for hospitals across the board, a larger increase because the special services that it performs and the volume, the caseload volume, that it attracts from all over the province, what's the budgetary picture at the moment going into 1984-85?

HON. L. DESJARDINS: For the last year, it was a fairly large deficit but not unusual, it was approximately \$2 million, and a large portion of that was to cover commitments that the commission had made during the year. So, it's certainly significant, but it's not too much out of line with past performance.

MR. L. SHERMAN: About 2 million?

HON. L. DESJARDINS: Yes. It's less than St. Boniface Hospital. That was on approximately \$120 million budget.

MR. L. SHERMAN: What is the HSC budget for 1984-85? Has that been struck?

HON. L. DESJARDINS: No, the figure I gave you was the round figure for 1983-84 and the deficit that I gave you was 1983-84. The budget for this year is being negotiated at this time.

MR. L. SHERMAN: Well I take it the Minister is confident that the kinds of things that have come out of the investigation or the review by Touche Ross and the kinds of things that are being undertaken by the board

at the moment are satisfactory, that he doesn't see any need to launch a special investigation or a special operation by the Manitoba Health Services Commission. He doesn't see anything like the difficulty that the Vancouver General encountered some years ago when the government in B.C. found it necessary to place it in trusteeship. Is the Minister satisfied that the senior administration and the board have got the problems at HSC identified and that so far they're working positively to correct them? Is that a fair assumption?

HON. L. DESJARDINS: I think that's a fair assessment and if we're going to allow that, I don't think it'll serve any purpose for me to threaten them or warn them or anything like that. We have to give them a chance, but I must say that we think it's a serious situation, especially with all the construction going on and the size and the difficulty they have had in the past. I would like to say that we will monitor it very closely, but so far we feel that they're going in the right direction. That doesn't mean that there couldn't be any changes later on when we're looking at the composition of different boards of these institutions and so on. I'm not saying there's not going to be any changes, but as far as a recognition first of all of the weaknesses that they've had in the past and a will to do everything possible to change that, I think that this is genuine and I'd like to give them a chance.

MR. L. SHERMAN: Is the Minister looking at all at splitting the hospital into four or three separate hospitals? That's been at least a hypothetical subject that we've discussed from time to time. I ask the question without taking any position on it necessarily, but I'd be interested in knowing whether the Minister does in fact see that as a possible or potential solution or whether he would say to this committee that at this juncture he's not even giving that any serious thought?

HON. L. DESJARDINS: No, I wouldn't say that it will never be considered, but that is a difficult question to - not so much a difficult question to ask - but to answer because I wouldn't want to give the wrong impression. I think that as I said we're looking at the situation. There's some concern for instance with the Cancer Research Foundation that I want to look at. I have some concerns now. There could be some changes, but I would hasten to say that that's not an indication that there's going to be any threat or there definitely will be changes. We're looking, as I say, we're going to monitor the whole thing and if at any time it is felt that it is too big, that they're not catching up with the problems, well then of course we'd have to have another look at that.

MR. L. SHERMAN: Mr. Chairman, I would like to ask the Minister what the situation is in respect to pediatric intensive care beds at the present time in at least the tertiary care hospitals, the major hospitals, hospitals with the high-risk obstetrical units?

What has been the overall impact of the high risk newborn program and the high risk maternity program and the extension of the use of diagnostic ultra sound capabilities in various hospitals throughout the province? Has that developed and generated a caseload

and a volume of pressure on pediatric ICU beds in the Health Sciences Centre and in St. Boniface, that has created a serious problem? Are there enough newborn ICU beds and nurses to meet that problem? Is there a volume now that is descending upon those two hospitals because of the developments that I've referred to; a volume that's descending on those two hospitals that is really putting serious pressure and threatening newborn nurseries' safety?

HON. L. DESJARDINS: I think the best way to explain this; there has been an increase in those two hospitals, but I want to make the point that that is due in a small way to the closure of the obstetrics at Concordia and Seven Oaks. I think that's important to make that point, because the Seven Oaks and Concordia were not busy; no matter what they say - Concordia had less than one delivery a day. An average of less than a delivery a day and that's counting the time when there were strikes and all these unusual times - the trouble that they had in the hospitals.

It's unfortunate that we couldn't deal with one thing at a time, because I made the announcement that we were going to close the obstetric departments in both these hospitals and right away all the concern was that that was the reason although most of the problems arose before we even closed these facilities. The announcement had been made, but they weren't closed.

Now, the point I'm trying to make is because of the facilities, the expertise, staff - and that's not of course knocking the staff at the other hospitals, but they were supposed to deal with normal births - there was more and more of a demand created at both those hospitals and there is no doubt that the staff had to be looked at, the facilities - I had already announced two phases at St. Boniface and at Health Sciences Centre also. So what we did when we closed this, we allowed for a little bit larger facilities to handle those extra cases that would come up.

In this year's program we announced of course the neo-natal intensive care nursery and that should be one that should be started this year. The first phase at St. Boniface is finished and they're on the second phase now. So, I think that they'll be able to cope with it. It might be that you will need as a backup a third hospital later on in the city, probably as central as possible. That will be looked at, but it could be that others will be closed also in the future. We think that there's been a lot of improvement at those facilities and had we not closed these, we would have had the same problem that we had at St. Boniface and the Health Sciences Centre, that weren't related to the closing of those facilities.

MR. L. SHERMAN: On the basis though of the development of the high-risk maternity program and the high-risk newborn program and the inception and growth of ultra sound and that consolidation and the situation at the Health Sciences Centre nursery and at Children's Hospital last summer, has the government and have the Health Sciences Centre or other hospitals launched a program to increase the supply of pediatric nurses - particularly intensive care nurses - for newborns and possibly increase the supply of pediatric intensive care beds?

There were certain recommendations that came out of the inquest into the two baby deaths at the Health Sciences Centre. Among them were the judgments that the nursery was understaffed, that those nurses who were on duty there were grossly overburdened and overworked and that as a consequence the safety level was far, far below what is desirable.

What has the response been to that? Is there a program under way that is now training and producing more pediatric nurses, more intensive care nurses and have there been changes made at the Health Sciences Centre to produce more pediatric ICU beds or are there sufficient beds? Is the Minister satisfied that there are sufficient beds? There seemed to be a lot of serious questions that resulted from those unfortunate episodes last summer and the inquest into those deaths and my question, Mr. Chairman, is whether there has been some active and positive response to the recommendations that came from the judge at that time?

HON. L. DESJARDINS: Starting with the Ultrasound Program, that has been upgraded a little bit every year since 1980. In 1984-85 further expansion of the ultrasound services will take place, by adding Misericordia General Hospital and one rural hospital, with the continued upgrading of both the Health Sciences Centre and St. Boniface.

We've also looked at the investigation that I asked the Commission to perform in September of 1983, about the time that these problems came to our attention. That was carried out by the committee. That included staff of both the Health Sciences Centre and the St. Boniface Hospital. The committee also reviewed the report and recommendation of other groups.

As I say, facilities are being built now and the Commission has approved - that was the main recommendation if I remember - added staff at both the Health Sciences Centre and St. Boniface.

MR. L. SHERMAN: Would that added staff be added nursing staff? Are there enough nurses?

HON. L. DESJARDINS: Yes, enough nurses in both establishments.

MR. L. SHERMAN: Mr. Chairman, I'd like to ask the Minister where we are going with the day hospital concept, and what is the status of the St. Boniface Day Hospital? It certainly has been a great addition to the health care system.

I know we have a day hospital functioning at the Municipal Hospitals now. It's essentially though - I believe, essentially, I may be wrong - I'd ask the Minister whether it is essentially geared to the handicapped? What I mean by day hospital, and I'm sure the Minister would agree, in the main, is a hospital not geared to the handicapped, but geared to attending to people's medical difficulties, in a way that keeps them on their feet and in their homes and in their community, rather than in a hospital bed.

Can the Minister report on the Municipal Hospitals, day hospital in that respect and whether there's been any change in St. Boniface, and what he has contemplated for Deer Lodge, etc., in the whole day hospital field?

HON. L. DESJARDINS: Mr. Chairman, I'm told that the Commission, instead of basing that in beds, they sat pretty well on the number of visits that we have and I can give you that.

The Health Sciences Centre in 1982-83, the average daily visits now were at 13; 1983-84, 18; and the approximate total patients on program is 30 for both years. The health action psychiatric was 15 average daily visits with 20 patients for both years, it stayed about pretty close to the same. St. Boniface geriatric, 15; and 30 patients on the program; psychiatric 28 and 60. Misericordia psychiatric 6 and 15. Deer Lodge 45; 38 this year, but that is because of the construction, the work that's going on. The total patient 1982-83 for Deer Lodge geriatric was 140 and this year should be 110, because of the disruption. The others are pretty well all the same for the two years. Seven Oaks geriatric, 8 average daily visits; 25 total patients on program; psychiatric, 15 daily visits; an average of 30 patients on program. Brandon geriatric, 8 and 20. Municipal geriatric, there's been a slight increase, an average of 15 in 1982-83; 20 this year; and the total patient on program, 60 in 1982-83; 75 this year. Victoria 10 and 35; Grace 35 and 50. So in total, the geriatric average went from 104 to 107; and from 305 to 290, and that's mostly because of the drop at Deer Lodge. In total, psychiatric is 109, it stayed the same; and the total patient, 210, with a grand total of 213; and it went up to 216 in the average daily visits; and the total patients, on program, 515 and 500.

MR. L. SHERMAN: Would these be true day hospital programs in the sense that those are patients who go to the facility, go to the hospital for, let's say, one day a week - they go in in the morning and they come back in the evening, and the rest of the time they're able to function in their own homes, and in their own neighborhoods?

HON. L. DESJARDINS: Mr. Chairman, certainly it is the intention to keep on developing these alternatives to hospitalization, or inpatient hospital care. That must continue if we want to achieve the maximum use of high cost hospital beds. I think that one of them you can include in that also, the early discharge program at St. Boniface Hospital, which by the way had nothing to do with the - again I must repeat - with the closure of the obstetric beds. That was made quite clear, in fact, that was a program that existed before, it was a program that the Commission certainly had nothing to do in promoting. It was strictly the St. Boniface Hospital. Again, I say that it is up to the mother and the doctor. It's not a compulsory program.

Now I think that we can also give an example in the Home Support Program, beginning approximately seven years ago, small wheel chairs, mounted portable ventilators were adapted for patients with severe respiratory insufficiency. I think that we can give some of these examples. I would imagine that that's what my honourable friend is talking about, about these alternatives to inpatient care. Of course home care is part of that and some of the services that we're looking at now for the handicapped are all programs that would go in that direction - I think that's going to increase, rather than drop those programs.

MR. L. SHERMAN: Mr. Chairman, what is the situation with respect to extended care beds? We've been pretty static in that area, it seems to me, for several years - approximately 1,127 rated beds in the extended care category.

There certainly are references in the Minister's Capital Program to facilities coming on stream in the future that would contain some beds that would be classified as extended care beds. But is the Minister looking at any specific individual project at Deer Lodge or at the municipals, for example, that would inject a substantial number, a substantial chunk of extended care beds into the hospital bed spectrum in one major step and enable us to get a lot of the chronic care, extended care patients out of our acute care beds, out of those facilities and into proper extended care facilities?

HON. L. DESJARDINS: I have some of this information but we will probably mix them up with personal care homes before the dinner hour. We should have at least an increase of 147. There would be eight in Steinbach; 139 at Deer Lodge; and the Municipal are replacement beds, but they were not all occupied - the total was for a capacity of about 415 at Municipal, went down to 375 or so, and it should go back to around the 400, so that would be another 25 or so.

MR. L. SHERMAN: Those would be extended care beds, eh?

Mr. Chairman, can the Minister give me the figures for the population of extended care, or chronic care, long-stay patients in Winnipeg hospital beds and in Manitoba hospital beds in general, and I refer to acute care or active treatment hospitals? How many beds in the active treatment bed spectrum in Winnipeg, which is about 3,100 beds, and in the active treatment bed spectrum generally in Manitoba, which is what, about 5,700 beds, are occupied by long-stay patients who would be in the extended care facilities if the extended care beds were available for them?

HON. L. DESJARDINS: Excuse me, Mr. Chairman, I can give the member both those in the acute hospitals, that would be the average monthly number in hospitals while awaiting placement in personal care homes, once they've been paneled. In 1980, there was an average of 171, went down to 153 in 1981, 148 in 1982 and this year, 1983, it would be 161. These are people who have been paneled and who are occupying a space in acute beds.

MR. L. SHERMAN: Is that in the urban area?

HON. L. DESJARDINS: That is in Winnipeg only. I certainly don't worry in the rural area, because these beds would not be occupied. Now I can give my honourable friend, those in the non-acute bed hospitals, in other words, extended beds, which are occupied by people who are paneled for personal care homes, there was an average of 214 in 1980; 174 in 1981; 155 in 1982; and in 1983, 179. The total would be 385 in 1980; 327 in 1981; 303 in 1982; and 340 in 1983. Now the total for the rural regions, but as I say I don't think it's that important, because I don't think they're keeping anybody out. That would be 298 in 1982; and 319 in

1983. I won't give you the grand total because, as I say, the rural regions should not be counted with the city.

MR. L. SHERMAN: There are 319 in rural hospitals in 1983 paneled and waiting for admission to personal care. What would the Minister or his advisors say the average occupancy rate is in rural hospitals in Manitoba, the average bed occupancy rate, 50 percent, or 60 percent, or is it higher than that?

HON. L. DESJARDINS: In the two regional ones, I think the regional ones pretty well have the same problem as Winnipeg, but in the non-regional, the average would be between 50 and 60.

MR. L. SHERMAN: In the regional ones and in Winnipeg, I assume that it would be, what? Ninety-five, 99 percent, is that correct?

HON. L. DESJARDINS: The regional, such as Brandon, Dauphin and so on and Winnipeg would be anywhere between 90 and 95.

MR. L. SHERMAN: Is there a problem that is related to demographics or some other factor that is creating continual build-up pressures for admission to our hospitals, Mr. Chairman? The Minister must surely be aware and must have a file, as I do, of letters from people who have all kinds of tales of woe about lying in drafty corridors on stretchers and on wheeled beds that are necessary to accommodate them, because they can't get beds in emergency, problems about people who are in hospitals who see or think they see the staff, particularly the nursing staff, heavily overworked because there aren't enough personnel.

I have letters here. I don't want to take up the time of the committee or belabour the issue by going into them all in detail but I have letters here from Winnipeg, from Dauphin, from Ashern, from Deloraine and from Virden. I'm sure the Minister, similarly, has letters of this kind. In fact, in many instances, my letters are copies of letters that have gone to him and they are from people who have had great difficulty obtaining the medical attention, the hospital attention that they feel and their doctors feel they require and they deserve. Emergency wards are jammed, surgical and medical wards are jammed.

I have a letter here, just as a case in point, an example from an elderly lady who was admitted recently to Misericordia Hospital and I certainly can make this letter available to the Minister and the committee, but it was addressed to the Minister, Mr. Chairman, and copied to me.

On January 31, 1984, an elderly lady admitted to Misericordia Hospital with a suspected heart attack accompanied with asthmatic problems, who had very unsatisfactory treatment. She was admitted by the doctor on duty on the night of January 13th, according to her letter and then spent the next five days on a bed in a hallway in the hospital. She was there until noon on January 18th and at that point her doctor thought that she'd be better off at home if no bed could be found. She happens to be 82 years old and those would be difficult conditions and circumstances for any

of at age 22, let alone age 82. She writes that she spent many weeks in the past in Misericordia Hospital, but never was used, and that was her term, by the staff as she was this time just past. She describes the conditions as deplorable and very embarrassing, having to sleep and live, as it were, on that bed in that hallway open to public viewing for five days, and asks the Minister, in her letter to the Minister, and me in my copy, what can be done about it. That's only one example.

I have a file here, and as I say I don't intend to belabour the point or take up the time of the committee by going through them all, but I attest to you, Sir, that I speak the truth when I tell you that I have a file of considerable length and considerable size of letters of this kind and I know that you will accept my word for it without my reading every one of them into the record. Excuse me, I should have said Ma'am instead of Sir. I see the Chairman at the moment is the Honourable Member for Wolseley.

I know the Chair will take my word for it, I know the Minister will take my word for it. I have a sheet and I'm sure he's got a sheet. These problems just seem to be mounting continually in our hospital system. People just aren't getting the attention, the service that they deserve. It's not necessarily the service that they require it's the service that they deserve. I've had the doctors of some of them, the physicians of some of them phone me and write me and complain, as I'm sure the Minister has.

My question is the question that they all ask and that thousands of Manitobans are asking, Madam Chairman, what has happened? What's the problem? What does the Deputy Minister, a man of considerable experience in this field who has served several administrations with distinction, and is certainly regarded as an authority in health matters in Canada - what does the Deputy Minister say to the Minister about these kinds of things? Where are we? What's gone wrong here? Is it just a matter of demographics, a matter of an aging population that is putting more and more pressure on our facilities or are we badly underfunding those facilities? Are we failing to fund them and keep up to scratch and keep up to the necessary level of service?

MADAM CHAIRMAN, Ms. M. Phillips: The Minister of Health.

HON. L. DESJARDINS: Well, Mr. Chairman, I certainly want to recognize that there are problems. I think we'll always have problems, but I certainly will not go on the defensive on that. Let's go back to what governments were trying to achieve. We were talking about a catastrophe plan, of a certain kind of plan and now everyone expects more and more. We have here in this country probably more beds per population than any other country or we are certainly at the top, close to the top, and Manitoba is about the second or third province as per our guidelines. We have that, so if we're that bad you can just imagine what's going on around the rest of the world.

I think my honourable friend put his finger on one of the main reasons in Manitoba. It's that aging is certainly a factor. I think the whole system, and my

honourable friend, and I took his words very seriously when he said that there is a challenge and it is no easy solution to look at the situation. I think, first of all, and these words no doubt will come back to haunt me, and I certainly want to say that I don't dismiss all these cases and I know they exist and I would think that in many instances, I'll even grant that in most instances these people had a logical complaint, but it doesn't mean that everybody that's in this hospital should be there for one thing.

We're dealing with human beings, we're dealing with a system, and I don't know what the solution is. This is something we'll have to look at. I have recognized, in a speech that I made to the Hospital Association, that we had some complaints and this year I started getting people together, people who were representing the hospitals, the medical profession, the university, the nursing profession and they all had different ideas. But the system of payment to the professionals, for instance, encouraged more and more beds. I want to be very careful, and I hope these do not come back in a different way than I mean it to be, but the system, and we're dealing with human beings, will encourage more and more beds. I think that we have been spoiled in this country to a point where we're expecting more and more. Again, I repeat, I'm not talking about these people that probably have logical complaints, but the situation is because of the set-up, because of the way that the Federal Government worked on that. They agreed to fund people, to pay 50 cents on the dollar for people in an acute beds, but not in personal care homes, and there were probably too many acute beds. My friend knows that the experts quietly, not publicly, in fact some of them are saying so quite publicly, that they feel that the only control will be beds and we'll have to find a better way than just building more and more acute beds. I think the system itself, where the mental health was never recognized by the Federal Government when it came time to sponsor and to help finance it, neither did the personal care homes, or we were never given that flexibility. Therefore there were an awful lot of acute beds gone and I think that that started this expectancy and probably abuse of the beds. Not by these people - it's logical that many of these people cannot find a place. Why? There's probably overstay and these things.

The members of the committee might say, "Well, all right you're the Minister now. You should do something about it." I still would like to look at the situation where we might use the operating rooms a little more, look at the possibility of using them during the weekends and so on. There is a certain time where more of the medical profession seem to be on holidays and there's less action during that period.

The nurses are certainly campaigning now to take a more active part. They're ready to offer to take a more active part in the primary care and that certainly will have to be looked at. We have to look at the whole thing of cost, but I'm certainly not saying that we're going down, that there's less funding. There's more funding than ever, but there's more and more demand, the people are living longer, there's an aging population. As I say the system encourages more beds, more operations, more money.

I'm not giving a blank accusation. I said there's a little bit in all these things - probably longer stay in hospital. All of a sudden somebody discovers that you

don't have to stay two weeks during a delivery. It used to be close to 10 days, and then it went down to a week, five days and now they're talking about less.

I think that we have to look at what my honourable friend mentioned a while ago, the day hospitals. I think we have to look at home care and different programs such as that, because home care is not just for older people that are not in a personal care home; it is for people that can come out of the hospital, be discharged a little earlier providing they get certain care, and probably better care in certain instances because they have the facilities at home.

We have to look at that. I recognize that we've got to look at it, but I certainly will not accept, I don't care if all the medical profession and everybody else disagrees with me, that the solution is more beds - more acute beds. I think that that's the last thing that we must do. We must replace the beds that we have and we must have more facilities. The cost we're talking about; who heard about a CAT scan like we were talking about this afternoon, and we're talking about three and four for Manitoba, that's five or six million dollars in the facilities. How much money do you think that costs because of operations, after going through the CAT scan and these facilities? That's why I was saying earlier that some of the best cardiologists will tell you that there should be a fairly good waiting list for heart patients because there's too many operations now, so there's no easy solution.

I don't want to give the impression that I'm copping out. I know there's an awful lot of problems and I think that we've got to rectify that, but we cannot give everybody a Cadillac - if I can compare it to transportation - it might be a bicycle, it might be something else. Who is paying for that? The Federal Government is not an equal partner. They're telling us what the standards will be and they did not want the cost share. They want a cap on this program, but they don't expect us to have a cap, and I think that's something that will have to be looked at. Is that a partnership between two levels of government or is it going to go the way it's going now?

Because of the cost, it was easy to bring legislation the way the Federal Government was during an election year - maybe I'm helping my honourable friend by saying that - and I have no problem with what they've done or what they stated in this act. I have problems with what is not stated because they didn't do anything for Manitoba to rectify the biggest problem that we have. Extra billing was not a big problem in Manitoba. The principle of it - no extra billing - I have no problem with that, but that also is not that easy.

Maybe I should wait until we get to Medicare, because we'll have to find a way to recompense and to pay adequately the specialist and so on.

I heard my friends say many times, if there was a way that we could recognize some kind of a merit rating - nobody has come with a solution yet. I happened to sit beside Judge Emmett Hall a few days ago when he was a guest speaker and I was asking about that and he said they've tried different things. They know it's a problem, they haven't come up with a solution. So I think that all these things we will have, and usually men - well, men - look who is in the Chair, I couldn't have used a worse word with the person in the Chair - but men and women or women and men . . .

MADAM CHAIRMAN: People.

HON. L. DESJARDINS: . . . I think usually come through in a difficult period, and I think we'll find a way, but I would have liked to have seen a very serious study of Medicare. A challenge goes out to the provinces, but we're not acting together and that's difficult.

I, for one, think there should be a very strong central government. My honourable friend from across might not agree with me. I think that's the only way because it is next to impossible if you're going to have - and I'm talking strictly with this program of Medicare and hospitalization because you're going to have different people planning in different ways. One of the provinces is talking about extra billing, one is talking about utilization fees or letting the hospitals charge, and you're not treating. It's very difficult if you're going to recruit and if you're going to have that kind of planning and going in 10 different directions. So that is not easy.

I think the Federal Government should take a very active part, but certainly pay their share and work together on that. This is the reason that we need and I need, certainly, many questions to be answered, some of them that I can't answer at this time that have been asked of me just a few minutes ago. That is why I set up again through our research and planning group following this think-tank that we had during the year and utilizing those people, that's where bed utilization - that's one of the things that we want to see and is composed of representatives from urban hospitals, rural hospitals, College of Physicians and Surgeons, the Manitoba Medical Association, the Manitoba Association of Registered Nurses and senior government staff. The membership of this committee will change as the focus on different issues changes.

I think there are all the many reasons that I mentioned for these facilities and I want to say this to this committee: we are going, and I think that the politicians have to stick together on that, not to try to take advantage because of the competition between the two. There is a tendency now to go, any time there is pressure through the medical profession, everybody has to go directly to the media and I think that's dangerous. If we allow that, you know, it's easier for me to say this at this time when I have the responsibility, but some day I might be sitting there and there might be a reverse and that's very important.

There is no way that we can just reform this by pressure, the one that yells the loudest. I think that is happening, if we look around. I read things in the paper that I have never heard of at all, that there have been no representations. We're talking about different boards, like at the Health Sciences Centre, and that's one of the reasons why I would say, in the earlier discussion that I can say we are dismissing the break-up of that and that we have to look at everything.

Now these people are coming, they can't get along. If my honourable friend would remember a few years ago, they used to damn the politicians. We didn't know anything about that. Why did we get our nose out of the way and send them the cheque and they would decide?

Now we have these different boards planning with block funding, asking them to prioritize, but they all want

to come directly to the Minister - my honourable friend knows that - and get an edge or go directly to the media with pressure and force some action. I certainly intend to keep on resisting that method. I think it is very very dangerous and I implore the committee that we should work together on that because we owe it to the taxpayers of this province and we're on dangerous ground if we don't do that.

So I'm sure that, some of these people, all we can do is look at every case, but it might be that some of those people who are in the hospitals should not be there at the time, not only people who are panelled to personal care, but even if we took all that list of people in the personal care homes. I'm not going to talk about the rural point because I don't think that's a problem. I think they're helping us finance the hospitals by having people who are panelled for personal care homes in acute beds in the rural area because, as we said, there is only about 50 to 60 percent occupancy rate. But I think in the city and so on, if we had those people out of there, it would create many more beds. If we could create, maybe have an operation, on a Saturday and so on, and I think the medical profession and the people with the competition, this will have to happen.

Another thing, we have too many doctors. Those are all factors. I don't want to give just the bad things and pretend that we have a bad group of doctors because I don't believe that for a minute. I think we're very fortunate and I've always said that, that in Manitoba we have dedicated people. But again they're human beings and the system has to be looked at. Right now, it is generate your own revenue, when a few years ago, before, everything was free and I don't think anything is free. You used to be told, well, come back and see us in six months. Now, it's come back this afternoon or next week and so on, so those are all factors.

We have trouble getting people, as I said earlier this afternoon, recruiting doctors in the rural areas and the Northern areas, but we have too many in the city. We'll have to look at the situation at our medical schools. I think that's one of the factors and the emigration of doctors is also a problem, my honourable friend knows that. At any meetings of the Ministers of Health, some of the provinces, especially B.C. and Ontario, and Alberta to a lesser degree, are complaining that they are getting too much influx of doctors. Of course, the volume just here in Manitoba also, we must probably deal with the MMA to include in the sum that we give to have them take care of the increase in volume with pretty well the same population, the same number of doctors, the volume is going up five to 10 percent every year and that's been going on now for a number of years.

So those are all factors that we have to look at. I think that just scares the hell out of you when you look at that, because you don't seem to come with the answers and look at many problems. But I certainly don't think that things are slipping at all, I think things are improving because there is more demand, people are living longer, there are more sophisticated methods, there is research and so on.

That is why, I think my honourable friend is dead on when he says we have a challenge, we can't rest on a program. I still think we have the best program in the world, one of the best, and I think it's functioning well, but I don't think there is any trouble now. Those

are concerns that we have. But if we don't do something about it, if we just react to the pressure from the media, the pressure that we're given by vested interest and so on, I think we will be in a real problem.

MADAM CHAIRMAN: The Member for Turtle Mountain.

MR. B. RANSOM: Madam Chairman, this Minister is very skilful at trying to deflect criticism from this government in an area that his colleagues lambasted my colleague, the Member for Fort Garry and the former Minister of Health, unmercifully and to a great extent without justification for so-called deterioration in the health care system while we were in government. These members promised to restore the health care system. That was the promise of the election under the NDP, to restore the health care system, and there is no question in my view that today that system is not as good as it was when this Minister took over in many respects. When this Minister says that people shouldn't go to the media to make their case, that it's dangerous, I agree with him. I agree that this area doesn't deserve and shouldn't become a partisan political battleground, but that's what his colleagues made it.

The present Minister of Energy and Mines - I'm putting on the record what happened - wheeled people out in wheelchairs during the election to try and make points with the public that the health care system was deteriorating. He won the "Sleaze of the Year" award from the Free Press for doing that. This Minister I will acknowledge was not part of that kind of tactic, and I'm certainly going to resist the broad temptation to say anything more in that vein beyond simply putting it on the record what kind of criticism was directed at my colleague when he was Minister of Health.

Madam Chairman, the Minister at the moment talks to a considerable degree about abuse of the system - that the system encourages abuses. But has the Minister come to grips with the broader circumstances of the Health Care System? When he says that we can't give people a Cadillac I wonder if the Minister realizes that that's what they're being offered is a Cadillac. That what the people are being offered is a free car, and they're not being told whether it's a Cadillac, or a Ferrari, or a Pinto or whatever. But if you offer a free car to people what are they going to take?

What we have in the health care system seems to me to be a situation where we are fighting what is inevitable, we're fighting death, and for everyone of us it's inevitable. If the tools that are made available in that fight are going to be endless and without cost to the people who are waging the fight what end can there possibly be to that? What kind of control can there be in place?

At the moment I don't think for a minute that the government is providing sufficient funds to make the present plan work to the greatest extent that it can. I'm told of a situation where one of my constituents was in the Health Sciences Centre, was prepared for an operation that was supposed to take place on a certain day. His doctor finally came in and said around noon that they had experienced some difficulties with an operation prior to that; that he could not guarantee to have my constituent out of the operating room by 3:15 that afternoon and that the hospital would not

hire another shift of people to clean up the operating room. So what you have is an operating room that's in place, a doctor that's there, a patient that needs the operation, but they didn't have the money to be able to put that kind of staff in place.

I'm sure that you can find hundreds of other situations where there isn't the money to make that system operate the way it could operate, the way a lot of people would like to see it operate. But I know that there is a limit to the amount of funding that can be made available. But I'd like to know from the Minister what he sees as a means of placing a reasonable cap on the expenditures of the health care system given that we are fighting something that's inevitable and that for all intents and purposes it is free to the people receiving the service, and we're putting virtually unlimited tools into the hands of people who are delivering the service. Under those circumstances I'd like to know how you place reasonable controls on the system and still deliver quality health care?

MR. CHAIRMAN, P. EYLER: Mr. Minister.

HON. L. DESJARDINS: Mr. Chairman, when my honourable friend stood up I figured well, you know, we're not going to finish tonight. This is going to be a battle. But, in fact, I think he's saying exactly the things I'm saying, and that's fair enough. He's taking me to task and the party for some of the criticisms that were made in the past. I think that's fair enough. But it doesn't change what he said, and it doesn't change what I said.

I disagree very much in saying that the situation is worse than it was when I took over. I shouldn't put that on a personal thing because I took over, that's not what I mean. But let's say that it's worse now than it was two years ago. I think it has improved in many aspects, in some of the construction, some of the programs that are in the hospitals.

Now the criticism - and he acknowledged that I wasn't the worst when it came to criticism - and that's exactly the appeal that I've made, and I've made that in the past also, and I recognize that it was easier said, maybe one should start in opposition to show the good will, I recognize all that. But the criticism that I had when I was sitting on that side is that, let's look at all the funds that they have, especially the first two years, not the last years when my honourable friend said they'd turned the corner all of sudden. The situation was that we did not receive - as soon as we left office there was an increased funding from the Federal Government, quite a bit, and that, the proportion if you were going to look at it, that was perfectly legal, the Federal Minister said that this was done illegally and that's another thing that I discussed with Judge Hall, the money that was done, that wasn't the case. But there was less if you subtract the money that came from Ottawa, there was a reduction in the money spent. I made that case, and I made that case on the freezing of the personal care homes and I've refrained from saying this during this debate. But some of the problems that we have now is just because of the freeze that we had for a couple of years because it's not what happened last year or this year that caused the problem that we have now.

I recognize that there were some concerns. Now I think there is a difference. I think that, and I said that

before, and respect the former Minister. But I think that for one thing he accepted too much of the responsibility. He stood up during the question period and things were always going to change. I refused to do that. When there's a board - and the Conservative Party would be the first one to criticize me if all of sudden we decide the hell with the boards we're going to make all the decisions. I think that they have to accept some of the responsibility and they've made mistakes also.

Now when I've talked about the situation with the media I certainly don't blame the media. I blame the people, and not the individual, I'm not too worried about the individual because at times that's the only way they can make their point. If I didn't make that clear I'd like to do it now. I'm talking about people that are heads of different departments in hospitals, and instead of going to their own boards go directly to the media. Some of the things I said are certainly factual.

Now the people from across, and the former Minister of Finance is probably one of the leaders in that, is reminding us and with reason reminding us of the deficit that we had. Now all of sudden we're supposed, and look at the increased money that we're spending every year. This year there's no other department that received the increase that the Department of Health received, the amount of money that we're spending. It's still not enough. I'm saying that is not the way to rectify a program. We must look at the solutions. They'll be very difficult. If it's a sin to ask to appeal to the members of the committee to recognize that and work together, well then I've sinned.

But let me give you an example. I think the facts are there. I think the facts of the money that we spent compared to the other western provinces - and I gave all this information - I think the facts are there, and I don't think we can argue with fact. Those are cold figures. Let me say that during that time that these stories appeared in the Winnipeg Free Press we looked at the shopping list, and I've asked the commission to compare and to give me the amount of money it would take just to rectify the supposed problems. In a short time in the cases that we had they came up with an extra \$45.2 million. I think that's a valid point that I make. Now I'll accept the name of the party because I can't, I'm a member of the government and I think there was criticism, some of it I tried to explain that last year. I don't think that I'm getting the criticism now from the critic of the Conservative party, because he was the Minister of Health and he knows the problems, and that was recognized by my honourable friend - not that I was the one that accused him the most, because I had gone through the difficulties.

I was much more critical before I held this office, and so is the Member for Fort Garry; in my first term of office, the Member for Fort Garry was much more critical. I'm saying that's that only way, we can look at it every way we want. At this time during my political career I'm not too worried about the future, as far as I'm concerned. I think it is something that a person in a position such as mine should make, to try to get an appeal of having people work together. Maybe it won't work. I'll accept all and I think it's fair, I'm not criticizing the member for criticizing me, but I still want to make the point that what I said is absolutely true.

I'm very pleased that he ended up pretty well saying the same thing and recognizing the problems that I

recognize, and saying himself that he doesn't think that the best way is through the media in pressure. As I say, I can give this information to rectify some of the "would be" programs, and the shopping list of the newspaper proposal would have cost us an extra \$45.2 million.

I started by saying that in 1977 when there was a change of government, there was also a change of the formula, the financing formula, that increased the money that came to the province and, immediately, at the same time as the defeat of the former government, again there was a change and then we dropped \$700 million that we'll be dropping in the next five years. I think that those are factors also.

I accept the criticism, but I do not withdraw my appeal, I think we have to work together to do that and resist. I agree, and I'll say this to my colleagues also, that I think some of my colleagues have maybe lost touch with reality when they feel that we can give everything to everybody, and some of them do. I don't think that's possible, but I want to make it clear that I'm not advocating extra billing. Extra billing would not change anything. Extra billing would just cost us more and put more money in the pockets of the doctors and then there would be a danger to the people that need help.

It's not that I want to exclude certain people in society, the same thing as utilization rates. It's not that I want to exclude certain people from getting the service, it's just that I feel that we have to be logical and we can only give the kind of service that we can pay for. Maybe, in certain areas, we are encouraging the people to be too demanding, to be expecting too much, but I do think that everybody should be treated the same and should receive the care when they need it.

MR. CHAIRMAN: The Member for Turtle Mountain.

MR. B. RANSOM: Mr. Chairman, if the Minister looks at what I said, he will not find that I criticized him or the government for providing what many people say is inadequate funding to even make the present system function at the capacity that it might, because I recognize the difficulty that the government has, that this government has and that other governments have. I state that only as a matter of fact and I believe it is fact.

If you go to the person today who is having to wait six months to get into the hospital for surgery when three years ago a similar person in a similar situation might have been waiting six or eight weeks, that's the deterioration. I really don't offer those comments by way of criticism especially because I don't see that as being very constructive.

What I am interested in and what I do want to know from the Minister is what he sees as the way that the system is going to be controlled. I've heard both my colleague, the Member for Fort Garry, and the Minister talk about, we've got to have a new approach to this; it's a challenge, you need fresh ideas and so on but, with the greatest of respect to both of these gentlemen, I haven't heard the solution yet. I've heard some ideas put forward as to how this shortage of funds is going to be balanced with this health care system, with the desire to provide a quality health care system, fighting something that's inevitable and using tools where the technology is continually advancing.

I just ask the Minister, without attempting to paint him into a corner or anything - he's far too crafty and experienced to be painted into a corner in any case, Mr. Chairman - I ask him this because I'm interested in knowing where he sees this thing going; or does he see himself as Health Minister, and whoever else comes along as Health Minister next, simply sitting up there at the front of the system and kind of riding it along and trying to keep the lid on wherever we can but, essentially, going in the same direction that we've been going for the last 10 years. Has he any suggestions to offer?

HON. L. DESJARDINS: Mr. Chairman, first of all, I think the member is flattering me about my experience and being so crafty. I can tell you that I feel kind of naked with the problems that we have in this department. But I think it would be a mistake. There's two ways; we can go ahead and ride the waves and maybe throw money at it, but eventually it's going to catch up with us and I don't think that's right.

I think the solution is, first of all, that the people have to understand that nothing is free, that they're paying for it. I think that is a concern. I think that we have to look at the urgent thing. It might be that some of those things that we can do, that some of the people, as I recognize, have a valid complaint, but there is certainly abuse in certain areas.

Now, as to the cost, I refute also to say that we're not keeping up with the cost - either that or I don't understand. It's not a complaint, but I think the member is saying to keep the cost for the people to be at the same level maybe where they were at a few years ago, that is just not possible. In the last three years under the Lyon - and I'm not even using the first year in which everything was practically at a stop - there was an increase, and with all the extra funds that they had compared to us, there was an increase of 34.9 percent; in the first three years under this government - I'm not saying that's good, I'm just giving a fact - there was an increase of 62.7 percent. I don't think we can keep on going higher than that.

We are working. You talked about the ideas, they're not going to come out of a clear blue sky if they're difficult and I think during the time there was no planning in this department at all. No evaluation or very little was done just by the directors of different departments, there was no such thing as a division or a department that was doing that.

We've had a better relationship with the university than ever before. An important thing is looking at the possibility of training the doctors, of educating the doctors, developing doctors to make better use of the facilities; that's one of the things that has to be done and many of the ideas that I mention as a possibility. But I think it's going to be difficult because whoever starts that will be fighting the old method and I think that has to be done. I think, for instance, that there might be a place here in the city where there'll be so many people in the plan and the others can operate. I'm not saying that that is going to happen for sure, but even some of those difficult decisions will have to be looked at, at a possibility of having so many doctors working in the plan. In other words, you would do that in any other area, you would hire the people that you

need. You do that with nurses in the hospital; you do that everywhere else, but we don't do that. We have no control over the numbers of doctors at all and that is why the volume is increasing all the time. In fact, it's increasing with the same number of doctors in general and with the same number of patients.

I think that some of the moral issues - I don't know who's going to make those decisions - but that will have to be looked at. When my honourable friend said that we haven't got enough money to keep on with the system, I'll buy that. If somebody 90 years old comes in and wants an open heart surgery, who am I to say, "No, you're too old." Is it 90 or 89? I don't know.

Somebody will have to make these decisions. I think some of the people themselves are saying now, you know, I just don't want to suffer too much, but don't prolong my life when I'm 89 or 90 or 95, and I'm not healthy with some of these methods. Now, that is being done. Doctors are asking now for facilities to prolong the life. It might be a few months and you're spending all kinds of money. It's going to be a very difficult decision to make, but does the public in general, the taxpayer, accept all those responsibilities? I don't know.

I think these are some of the things that we have to address because there are many things like that. Who's going to make the decision who's going to use the CAT scan, for instance, because that's a high cost, as we said earlier? There has to be some kind of a thing. Those are not solutions that will come from one day to another and they're difficult enough, but I don't know. I think if there was a - and I'm not preaching for myself because, as I say, I'm not worried about the future - committee of all members of the House that would look at that outside of the realm of partisan politics that might be a solution.

But I think it is probably the main problem facing governments in the future and now, and it's going to get worse, especially if we don't get together and come with some solutions and some tough decisions. I don't think that we can keep on, and I think it's wrong to tell the people, well, you must expect it. We've got to keep up with the funds to give you the same thing as you had years ago because they're getting an awful lot more, it costs an awful lot more, and the drugs cost a lot more.

So, if my honourable friend is saying - the ideas I'm trying with the best staff that I could have and the best brains in the business to come with some solution, I hope that I'll be able to come with a few good ideas before this is finished. I certainly don't think that I'll have all the solutions but, I repeat again, we can't keep on letting the people believe that the sky is the limit and they could have whatever they want, whatever the cost is. We can't keep on telling the medical profession that whatever they are that we'll keep on paying whatever the cost is.

We have to look, for instance, at psychiatrists. We can't recruit them. The tendency is, and it's much more profitable to be in your own office and get private patients. It might be that we'll come with a solution of saying we're ready in Manitoba to pay so much of the percentage up to a certain point, to pay through fees and the rest will be on sessional fees, but you'll work in areas where we need you. I'm not saying they're not needed. I hope tomorrow these are not all things that are going to happen, but I think we have to look at

difficult things like that because the easy things haven't worked and we're just creating this expectancy there and we're not doing anybody a favour.

MR. L. SHERMAN: Mr. Chairman, there were a number of interesting comments and observations made by the Minister in response, first of all, to my last question of a few moments ago about what had happened to the system, why are we getting so many letters of complaint? And, secondly, to the challenges put to him by my colleague, the Honourable Member for Turtle Mountain, and I think really what has happened in those exchanges between ourselves in the last 30 to 45 minutes, we've zeroed in on the essential elements that need to be addressed in any review of the Estimates of the Health Department. There are a great many details, a great many important but relatively minor points, statistics, figures and the like that can be gone into and gone over at great length in the Health Estimates, but examination and study of them really doesn't produce the required results. The results and the answers that we're really all looking for are the results and the answers to this question and this challenge that we've been discussing in the last little while.

If we do nothing else in examining the Health Estimates but identify the need to pursue and hopefully successfully conclude that search, then we have done the important job in my view.

The Minister has spoken of the kinds of things that have to be examined and explored that will naturally come under the aegis and responsibility of a planning component, that must be the subjects of study as he and his officials and all legislators attempt to address this problem of bringing the costs of the system under control, but the question of how we really address those costs and the question of concrete solutions to them has best been posed by my colleague, the Honourable Member for Turtle Mountain. I think he really has put his finger on the essential question here and that is: do we continue to just, in our role as Health Ministers, whoever and wherever we may be, ride the system and try to cope with the pressures as they arise from year to year, or is there really something creative that can be done to reform the system and make it manageable while retaining its quality, its level of excellence and ensuring that it's accountable and responsible?

My answer to that question is yes, there certainly are some things that can be done before we need to go to any draconian solutions, and the last thing I would suggest in this committee or outside this Chamber would be heavy-handed solutions to the problem, or solutions that could be described as extreme or draconian. I don't believe that some of the things that are being attempted in other jurisdictions represent the right way to go at all. I would like to be able to preserve the essential elements of this system that we have at the present time, as we know them, in their intention and in their determination to ensure that accessibility is there for all persons in our society regardless of ability to pay. Because in the end everybody is paying for the system and the whole health program anyway through one form of payment or another, principally through their daily efforts in the workplace.

I think there are some creative things that can be done and that need to be done. I would like to know

whether the Minister and this government and this Health Services Commission are taking any steps down any of these paths? We're certainly not getting much leadership from the Minister of National Health and Welfare in this field, and I agree entirely with the Minister in his references to The Canada Health Act. I've said it on frequent occasions, Mr. Chairman, that The Canada Health Act solved nothing, produced nothing. There was an opportunity there for the Federal Government to come forward with some truly imaginative and innovative legislation that was going to salvage and rebuild the universally ensured Canadian health care system.

What did they do? They permitted themselves to get bogged down with some political preoccupations on two minor points that seemed to have been eating away at the conscience and at the spirit of the Minister of National Health and Welfare for many years, and they've ignored all the major problems in this country insofar as maintenance of our system is concerned.

So I don't look to the current Federal Minister for leadership in this field. I look to the Provincial Ministers to produce it and to force the Federal Minister to take some action. I'm not taking that position today because of my current political position, Mr. Chairman, and I hope you would agree with me on that. I said this long before I was a candidate nominated to contest a federal election. I've said this for some years and I know the Minister would give me credit for that, that he and his provincial colleagues are going to have to take the lead in forcing this country into solutions to the problems currently besieging the health care system because they're not getting that kind of imaginative thinking from the Federal Ministers. Some of the things that have got to be done, in my view, are the following and I would just touch on briefly, and I would ask the Minister whether he and his officials and his senior personnel at the commission, and his colleagues in other provinces in this country are working with him to achieve any of these things?

For one thing there's got to be a reduction in the enrolments of our medical schools. I know that the Manitoba Medical School can't do it alone and would not be inclined to do it alone because the competitive element always creeps into these things. But I think our provinces across the country have got to talk about, co-operatively persuading our medical schools to reduce their enrolments. The Minister himself has said that we're producing too many doctors, and the system encourages the whole process and procedure relative to health care to revolve around the medical practitioner and revolve around his or her capability to obtain beds for people and put them into hospital; and it revolves around a Medicare fee schedule which only acknowledges volume as the single quality in this world that's worth anything. So in those conditions we've got to look at reducing the enrolment of our medical schools. Has anything been done by this Minister and his colleagues, the other Provincial Health Ministers across this country in that respect?

What about a system of designated internships and residencies which would address the problem, or potentially address the problem of specialty shortages in anaesthesiology, and radiology, and ophthalmology, you name it - I don't want to go through the list, the Minister knows it better than I - but there are five of

six specialties in which we suffer severe shortages, not just in Manitoba, but right across this country. Until we've got systems in place at our teaching hospitals that say, okay, sure we've got 200 positions for interns and residents but 15 of them have got to be filled by ophthalmologists, or that is people who want to do their fellowship, their specialty in ophthalmology, and 15 of them have got to be filled by psychiatrists, and 15 of them have got to be filled by anaesthesiologists, etc., etc., otherwise we're not filling them, otherwise you can't put anybody in there. Until we have that kind of understanding of what needs to be done to correct the imbalances in our system in place, I don't think we will solve the problem of specialty shortages.

Now what about the wider use of nursing manpower? The Minister has already mentioned the challenge facing all of us to get nurses freed up and vested interests, and competitive interests, and professional empires, and professional attitudes broken down to permit much greater use of nurses in the primary health care field; that I think is an essential step. Much greater use of the nurse practitioner is something that is long overdue in this country. That isn't going to win me any friends with the medical profession, I know that, but what we're talking about here is solutions to a problem.

What about the reform or the Medicare fee schedule? The Minister says he's talked about that with Mr. Justice Emmett Hall. Until we do that, until we say that talent, and expertise, and house calls as my colleague suggests, are more important than just treadmill volume, mass production assembly line volume, we're not going to get those costs under control, Mr. Chairman.

To conclude on this point, and this by no means is the final suggestion that could be undertaken, but to conclude on this point let me just suggest briefly two other steps that have to be taken. One, is that there has to be an incentive for creative management built into our hospital systems and we've talked about that before, and you'll never do that on a one-year planning horizon. The Minister knows that, and I know that, and everyone of those four highly experienced officials sitting in front of him knows that; and they're going to say to me yes, but how can you get anything other than a one-year planning horizon in government because you're dealing on an annual fiscal budget; I agree; I agree. But how did any problem in this world ever get solved?

If you start from the premise that you can't plan in politics and in government beyond that one-year horizon, well then there is no solution to this. But I believe that we could get into three and four year planning horizons, and budgetary horizons in the hospital field that would permit hospital administrators to do some creative things; to be able to take some chances to reform their plants, to reform their systems and not have to risk failure, or embarrassment, or humiliation just because the thing didn't work out in the first year.

Sometimes those innovations take two or three years to prove themselves and unless a hospital administrator is given the freedom and the flexibility to try that for two or three years he or she is not going to try it. So we've got to get into a system of offering those kinds of incentives for better creative management in our hospitals and finally, Sir, we need to reform the Medicare and hospitalization legislation in this country, an

opportunity that was dismally and perhaps even deliberately, but dismally ignored by the Federal Government in its new Canada Health Act. There was a chance to say all right, now the funding is going to be redirected to support programs that are designed to meet our demographics and our health care needs of the 1980s and the 1990s rather than the 1940s and the 1950s.

There was an opportunity. It's passed now so this Minister and his colleagues across this country have got to force a new opportunity to be created, force the Federal Government to open things up at a Federal Provincial Health Ministers' Conference and provide an opportunity for new legislation to be developed and that new legislation must get away from simply reinforcing and reassuring conventional hospital and health care models. It must be legislation that rewards new programs designed to meet today's realities, and tomorrow's realities.

Those are some of the things that I think we have to start moving towards, Mr. Chairman, and I know the Minister and I have discussed these things before. But since my colleague, the Member for Turtle Mountain, raised the question and I think it was a very apt and legitimate one, I wanted to offer some of those suggestions for the record. That represents by no means a total all-embracing range of opportunities that are available to us. But it touches briefly on some of the things that I think we must try, and our country deserves that we try them, and our society, our province deserves that we try them. We don't need to move into extreme positions which turn the current system on its head, which throw out some of the principles and values that are built into the system right now. I think we can protect and defend all those values. I think we can maintain a universally insured system - I hope we can - it certainly would be my ambition to do so. But we can't do it if we remain frozen in those attitudes of the 1950s, and some of these steps that I've suggested are steps I believe, Mr. Chairman, which would help us move into the 1990s.

HON. L. DESJARDINS: Mr. Chairman, I certainly welcome the remarks of the Member for Fort Garry. I think that after all that's been said I certainly welcome the debate that we've had so far on this issue between mostly the three of us and I think we're pretty well saying the same thing. I wrote a list of the suggestions that the Member for Fort Garry made, the reduction of medical school. I had covered that already. That is being discussed with the Dean of Medicine at this time with this objective in mind, and I should be reporting to the House fairly soon on that.

The internship and residence, there again that has been discussed, as I said, better relationships, and the discussion on that is conducted mostly on a very informal and friendly manner between my Deputy Minister and the Dean of Medicine. There is a study being done now by the Dean and the committee for the manpower required and the specialties also.

The nursing manpower also was recognized. I am working very closely with the former president of MARN on that and others and people that we have on our staff. We have a very capable and very well-known nurse that's working with Mr. Pascoe on that in their

research committee and that is being done. The fees also are now being discussed with the MMA and looking at different ways of paying also.

The creative management, I think that's a real problem. It is very difficult to do at this time when you're looking at a deficit before you're planning for five years when you have difficulty with the wages and so, but I don't think that's insurmountable. I think that will have to be looked at.

The legislation, well, I don't know what we can do now because, believe me, we've certainly tried to put the pressure on the Minister on every single occasion to reopen, to look at all the problems. Not come in and say, "Here, that's the problem that I see. Let's solve that." The excuse had always been, "Well, that's a different actor. That's the Minister of Finance," or something like that. I sent a telegram, I've requested officially a meeting with all the Ministers of Health, including the Federal Minister, as well as all the Ministers of Finance, including the Minister of Finance.

I think that some of the other areas that we're looking at also is lab and X-rays, to go down on some of them in private offices, for instance, because that is an abuse of that. We've also sent teams to look at the situation in the United States with the HMO, the Health Maintenance Organization, where they are doing it because there's a different incentive. Actually, you are paying the doctors to keep people out of the hospitals and I think there's something to learn there because of the competition. They are going with less than three, guidelines of three acute beds per thousand, whereas the guidelines on the other side is four to a thousand. It certainly is not demonstrated that they are getting inferior health care.

Those are things we've had people looking at, and if we can get out of this session, there are a few that I want to discuss with the people on location. These are some of the areas that we have and I think that eventually we must be able to compare different programs. I don't think that we can keep on with the programs the way it is now, just no flexibility and the same everywhere. It imposed certain care in some areas where they might wish something else.

I think there has to be more community health and prevention and so on and that's not going to be all new money. There has to be something that gives, and that's why I think we have to resist this question of just answering everything by more money and more beds in institutions.

I think that eventually you will have to enlarge the boards where it would be a kind of a regional health board in an area because of all the programs in the community, the aging people and so on, and then give them certain options. Some of them might, for instance; we could try it. I'd like to try fairly soon just in an area as a pilot project, if we can find a place that lends itself to that, to this Health Maintenance Organization that they have in the States, something like the Kaiser system and so on.

There's three or four programs that exist in the States now, but the thing is, of course, that it's not the same kind of plan. We must keep the competition because if there is no competition, if everybody is forcing that, you're going to take away the incentive to give the proper care because of the competition between the two things. I'm happy to think when all the partisan

politics on both sides is out of the way, I think we realize what the difficulties are and we realize the kind of solution that we might look at and, as I say, there are many of these reports and different groups that are studying and bringing solutions and should be reporting fairly soon.

I intend to bring in a radical change, a change in The Public Health Act for one thing, probably the next Session, and going in a bit different direction. That, of course, has not received approval of the Cabinet yet and it's something in the way that I am talking about with the community health care and the same people.

In the past it's been community health versus the institution and I think that's bad because then you're going to have competition. Everybody will be buying for the same dollars. I think that you have to enlarge that, give the responsibility for all the care to the same groups and give them a chance, give that incentive - I think my honourable friend calls it "this incentive to the different groups." I would hope and certainly I hope before my term is finished, I will come with more concrete suggestions and maybe through trial and error we might be able to find something.

As far as the planning at the federal thing, I can't see how we can force the government. Maybe if there's a change of government, maybe a change of Ministers of Health, that might happen, but right now it's obvious that they haven't got another penny or a dollar to put in and they don't intend to. They want to keep the cap on it and that was the easy way to deal with it without having to really accept responsibilities.

MR. CHAIRMAN: The Member for Turtle Mountain.

MR. B. RANSOM: Mr. Chairman, I'm an amateur entering into this debate, compared to the present Minister and the former Minister, but perhaps maybe from my perspective as a former Minister of Finance I can cast a little different light on it.

I listened to some of the suggestions put forward by my colleague and find some of them interesting and I find that the Minister generally concurs with a number of those, but I must say that I really don't see those as really significantly changing the direction that we're going with this system. I fear that as the province runs a deficit in the range of \$500 million a year, that is an extremely serious situation for the province and that the health care system is going to continue to consume vast amounts of money and as a province we may not be able to sustain perhaps even the level that we have now.

These kinds of suggestions that might very well have some impact on reducing the costs to some extent, I still don't think are going to address the fact that we are still trying to do something that really doesn't have any limits on the amount of money that we'll put into it. If a new technology, if a new piece of technology comes along, it doesn't really seem to make much difference to me whether the doctor that's using it is working for fee for service or whether it is a doctor employed by the state.

If you come along with that new piece of technology and say, "Oh it's great, we've got to have it because it gives us that little bit more of an opportunity to improve health care with a little greater degree of

certainty," the end result of that is that we go on spending and spending. What is the control that's put on it?

Is it going to be like the British system where they simply put so much money into it and you allow the queues to build up and you allow people to wait in line for so long that they don't wait in line anymore, or they're dead before they get there to get the health care, and that you have a parallel private system develop alongside of that so that the people who have the money can go outside the system and get the health care that they require?

I realize it's a real dilemma and I know that my colleague has been wrestling with it, I believe the Minister is, and I have put in my two bits worth for the Federal Minister too, that I don't think she has contributed a great deal when she tries to tell the people of Canada that she is the only one who really cares about the health care system and that other political parties would threaten its existence. I think its existence is going to be threatened if all political parties don't come to grips with the realization that you cannot go on on a never-ending treadmill of financing expanding technology and fighting something that's inevitable.

MR. CHAIRMAN: Item 7. Line 5 - the Member for Fort Garry.

MR. L. SHERMAN: I'm sorry, Mr. Chairman, I was listening to what my colleague had to say, then I was temporarily preoccupied with another conversation. I'm just wondering, is the Minister responding to my colleague from Turtle Mountain?

HON. L. DESJARDINS: Mr. Chairman, I think we're pretty well saying the same thing. Maybe I'm not saying it as well, maybe it's not understood. I would not want to spend my time knocking the Federal Government or the Federal Minister. I do believe - and I've said that before - in the sincerity of the Minister, but I think her hands are tied. I think there was a problem of extra billing in certain provinces. The Ministers had agreed to monitor that very strongly and there were some changes in certain provinces. Therefore, I'm certainly not going to knock them. As I said earlier, I don't find fault with what is in the legislation, I find fault with what was not considered and is not in the legislation.

Having said that, I agree. I don't know if I'm not explaining it well or the member who spoke last doesn't understand the - how should I say - controls that we have. But right now probably, any expert - and I'm not considering myself an expert - but the staff, the people in Canada who are knowledgeable in this will unanimously tell you that control is the best thing at this time. I think there has to be control. My honourable friend is talking about control, but in another way, he is saying that people are not getting into the hospital and so on. That's what I meant when I said it is not a one person responsibility; it's not a dictatorship. Until you find other ways, there has to be control and the best control now is with the question of beds because if you do that there would be no end to it and I guess the paradise would be when every single Manitoban would have a bed waiting for them just in case of an emergency. I'm exaggerating, of course, to make a point.

Maybe there should be different controls. I do think, contrary to what was said, that some of the suggestions advanced by the Member for Fort Garry and myself will not change the system. I think it will. I think all together, maybe not just one alone. Just look for a minute what it would be if more of the primary care is done by the nursing profession. We're doing that in every other field. Whatever we look at, what we want, we say we need so many people in this category and we don't hesitate at all, but here we have no control, the whole system is generating a group and the only group really in society, especially where this is an insured program where they generate their own revenue. So that has to be looked at. I don't think I made any point to say that people should not be on fee for service. I think there has to be some on fee for service; another area probably they should be on salary.

The point I was trying to make, and I don't know if I misled the members of the committee, was that we could limit for certain specialties, for instance, the amount of money or the percentage of their revenue that they would make under fee for service, and then compensate for that by getting sessional. In other words, it would be a combination of both. But at this Session, the times they would work and being paid strictly on a salary or a sessional fee, then that would be probably, and I was referring to a psychiatrist, for instance, in places like our institutions and where we have a shortage of them. But I do think that you've got to start somewhere. It's not like you're changing cars, that you can go ahead and say, this car is no good, I'm going to have another car. You must maintain the system while you are trying to change it.

As was recognized here today, you're talking about life and death issues and you can't just say, well all right, it doesn't matter, I can't do much today, but there'll be a new system in place in three years or two years. That would make it so difficult. You must keep on, you must go on, while you're trying to reform the program.

So I don't think after listening to the discussions tonight, that the intention or even the direction, or the perception of needs for some urgent reform, I think it seems to be shared by all those that participated. I think we are going in the right direction, but it's not going to be done in a day.

MR. L. SHERMAN: Mr. Chairman, I think we've probably examined our respective views on the hospital program fairly thoroughly and there's not a great deal more that needs to be said on it. I would suggest at this junction, and, in fact, with the discussion and the exchange that's taken place, the debate that has taken place in the last hour, hour and a half, involving the Minister and my colleague from Turtle Mountain and myself, I think we've really zeroed in on the essential questions that face us all in health care and the essential questions contained in the health care Estimates.

We've ranged broadly over the pressures on the system, over the question as to how we're going to maintain it, over the question as to how we're going to reform it, reinforce it and strengthen it, and over the question as to whether we should be changing it, whether we should be looking at some new and very different approaches. We're all agreed, at least on one thing, and that is that the best minds have to be put

on the subject, the best minds have to be applied to it in a non-partisan way if we're going to find the answers. So, I don't intend to spend much more time, Mr. Chairman, on any of the lines remaining in the Estimates in front of us. I think we've dealt with the priority subjects in the debate that has taken place.

I just have one or two additional questions that I would ask though, and one is, I would like to ask the Minister what the average length of stay is in Manitoba hospitals at the present time and how does it compare with the average length of stay in hospitals, for example, in similar jurisdictions in the United States.

There is no disputing the fact that one of the principal players in the hospital budget is the admitting physician, the individual medical practitioner, because he or she makes the decisions on whether a person gets into the hospital or not and makes the decisions on the diagnostic and therapeutic treatment that is to be given to the patient once in the hospital and all the tests and professional services to be given that patient and then makes the decision as to how long the patient stays and when that patient should be discharged.

So those are three very critical decisions that rests in the hands of our medical practitioners and that greatly influence our hospital budgets and our whole hospital operating system and hospital operating techniques. My understanding is the average length of stay in hospitals in Manitoba, and in Canada generally, runs substantially above that in the United States for the most part.

I guess there are wide variances in the United States, but the comparisons that I've heard which, largely I must admit, are based on hospital practices in the Western United States and, to a great degree, in California, represent a significant difference. In some cases the length of stay in Canada is three times that of hospitals in the United States. In maternity cases for example, I think, we're looking at a significant difference. Can the Minister give the committee some information on that subject?

HON. L. DESJARDINS: Mr. Chairman, I can give the average in the hospitals here. We haven't got with us the information of the average length of stay in the United States to compare with the number of beds in the hospital. We can probably get that, but our understanding is that the member is right, that there is a much longer stay here, especially in the United States, if we're dealing again with the Health Maintenance Organization, as I mentioned, with the Health Maintenance Organization it is even a much shorter stay probably because of the cost and because here everything is covered; that's one of the things that I mentioned awhile ago, one of the problems, the patients are not discharged as fast as they would be in the States. But here in Manitoba I can give you this; the hospitals with 15 beds and under, the average for adults and children is 11 days; the 16 to 30 beds, the average is 8.4. I'm just talking about adult and children now, not the newborn. The 31 to 60 beds, the average is 7.8; the 61 to 125 beds, 6.6; and finally over 125 beds the subtotal is 9.9. In total for all public general hospitals the average is 9 days.

MR. L. SHERMAN: I'm sorry, I missed just the opening remarks of the Minister's last response, Mr. Chairman.

He may have answered the question, but does he have knowledge of the average in, for example, the State of California, would it be true that there is a much more rapid turnover, if one could use that term in health care, of patients and patient admissions in California hospitals?

HON. L. DESJARDINS: We can probably get this information. We do not have that with us except in Manitoba, but the information that we have is that, yes, the Member for Fort Garry is right, there is a shorter average of stay. But, of course, unless we look at all Manitoba, if we cut down by hospitals, we'll have to have comparable hospitals. But a very important point that I want to add also is that the admitting ratio also is much greater here than it is in United States. That's another factor I guess that is related.

MR. L. SHERMAN: One other question, Mr. Chairman. Can the Minister give me the average per diem costs in acute care hospitals and extended care hospitals, and all hospitals for 1983-84? I have them through 1982-83, but I don't have them for 1983-84, and has he got an estimate for 1984-85?

As I understand it, the basis of the last records that I have, the average daily cost of operating an acute care bed in a Manitoba hospital was \$257.27; extended care was \$147.91; for all hospitals it was \$241.46. Are those figures of mine fairly accurate in the Minister's knowledge and how far have they gone up in the last year? How far does he anticipate they'll go up again in the coming year?

HON. L. DESJARDINS: The estimate for '83-84 was active treatment, \$294.60 and the estimated for this year is \$316.40.

MR. L. SHERMAN: Wow, \$316.40?

HON. L. DESJARDINS: That's what I say, wow. The extended treatment, \$169.25.

MR. L. SHERMAN: I beg your pardon, extended treatment, pardon.

HON. L. DESJARDINS: \$169.25 for '83-84 and this year \$181.75. The average per diem was \$275.35 and this year's estimate is \$295.75. My honourable friend wanted just the active treatment, extended or personal care also?

MR. L. SHERMAN: Well, have you got personal care there too?

HON. L. DESJARDINS: Personal care went up from \$43.75 to \$45.40. That was the proprietary personal care. The non-proprietary, there's three different rates: Level I would be \$50.65 to 52.60; Level II is \$55.55 to \$57.70; Level III is \$60.40 to \$62.75. They're about the same except the non-proprietary and hostel, hostel was \$24.30 and is now \$25.15.

MR. L. SHERMAN: Mr. Chairman, just so that I have my facts straight here. Can the Minister confirm that he's telling me that the cost of operating an active

treatment bed in Manitoba in 1984-85 is estimated to be \$316.40 a day? And the cost of operating a personal care bed in Manitoba at Level III is \$62.75 a day for 1984-85.

That leads to two further comments, Mr. Chairman. One, the observation that things that we've been talking about in the last two hours are crucially important and the questions that we've put in front of the committee and in front of ourselves for examination are questions of urgency.

The second observation is a question to the Minister. How are we going to operate 5,718 rated acute care beds in Manitoba at \$316.40 a day on the budget provided in the hospital program which reflects a very relatively limited increase. The same question applies to the personal care homes. At \$62.75 a day operating costs of Level III, and I recognize that not all beds in residence and personal care homes are Level III, but there's a fairly limited increase again. In the personal care home budget we're looking at an increase of \$6.5 million, which on a \$141 million base is what? 3 or 4 percent. We're looking at per diem costs here of quite a staggering level.

So my question to the Minister is: Are we dealing with realistic estimates in the hospital and personal care program fields at this point in time, or are we going to be looking at supplementary supply and then possible Special Warrants to pay for these programs?

HON. L. DESJARDINS: Yes, I've been told that this is realistic. One of the factors that there has been an increase, there will be a further increase in the personal care home per diem rates that the patient will have to pay.

MR. L. SHERMAN: The Minister is saying that those appropriations that he is requesting are, in his view, sufficient to maintain those programs through 1984-85, notwithstanding the fairly substantial increases in per diem operating costs for the beds that are involved in those programs?

HON. L. DESJARDINS: Mr. Chairman, we haven't had to come back for extra funds in the last three years and we do not anticipate to have to do it this year, so we feel this will be sufficient.

MR. L. SHERMAN: Okay, thank you.

MR. CHAIRMAN: The Member for Turtle Mountain.

MR. B. RANSOM: I have some questions for the Minister that I'd like to put to him while he still has the Deputy Minister there, having to do with these answers on Regulation 204/83 under The Public Health Act.

It says in the answer the Minister gave this afternoon, he said, among other things, that this regulation presently applies only to full-time food handling establishments. He went on to say that churches, halls and the like have not been required to formally comply with the regulation, and further on he refers to policy.

My question is: Do these regulations, in fact, cover all of those types of food handling establishments, whether we're talking about legion halls, church halls, whatever? Are they actually covered by these

regulations and it is simply a matter of policy that the regulation is not being applied?

HON. L. DESJARDINS: No, the regulations do not apply to a church hall.

MR. B. RANSOM: Mr. Chairman, when the regulation reads as it does, that it covers any place where food is manufactured, processed, prepared, packaged, stocked, handled or offered for sale, where is the exemption?

HON. L. DESJARDINS: The interpretation given to us by legal counsel is that these regulations do not apply to churches that have these incidental dinners.

MR. B. RANSOM: Can the Minister tell me whether that's a legal opinion that's given by Legislative Counsel? By whom? Because anyone reading these regulations, and they read the definition of temporary food service establishment, for instance, will find that it covers everything; it says everything. If it says everything, how are some not covered by it? Why isn't there an exemption?

HON. L. DESJARDINS: Mr. Chairman, I think the best thing I could do is check. I must confess that I did not argue the point; that I accepted, I guess, because I felt that it made sense, the interpretation, and the member might have a point. I think that we should be sure and we'll check into that. Even though the Estimates might be finished, I will report in the House or directly to my honourable friend.

MR. CHAIRMAN: Item 7. Line 5—pass.

Item 7. Line 6, Personal Care Home Program - the Member for Fort Garry.

MR. L. SHERMAN: Mr. Chairman, we've really dealt with many of the questions that involve personal care in the discussions that we've had earlier this evening. In fact, much of the discussion earlier this evening has ranged right across Hospital, Personal Care and the Medical Program, generally.

I do have one question in Personal Care that I would put to the Minister, and it has to do with the announced intention some time ago - in fact, it was announced during the period of our administration - to permit the construction of 50 new proprietary personal care beds in Portage la Prairie. An existing operator, the operator of the Holiday Retreat Nursing Home, had indicated his intention of building a new proprietary home there to replace the existing old home. I think the total number of beds that had been approved by the Government of the Day, our administration, was 50. Has there been any action on that project up to this point in time?

HON. L. DESJARDINS: It is true that under the former administration there had been a licence, I guess I can call it, granted for 50 beds, but the private operator had dragged his feet so long, the discussion with the commission and so on, that the beds, that had been cancelled, and 25 beds are being filled by the Portage General Hospital. I am talking about personal care beds, but 25, not 50, at this time.

MR. L. SHERMAN: So that a new personal care home is being built juxtapose to the Portage Hospital, or is it a ward or a unit within the hospital?

HON. L. DESJARDINS: No, it's a different building juxtapose to the hospital. For added information, it's also in the same area. There's the acute beds, there's the personal care beds, and also a senior housing program.

MR. L. SHERMAN: Mr. Chairman, can the Minister give me the current residential per diem rate for personal care homes and the scheduled or anticipated increases through the remainder of this year? I think he's placed those increases on a regular schedule.

HON. L. DESJARDINS: The question is what it is . . .

MR. L. SHERMAN: Yes, what's the per diem right now?

HON. L. DESJARDINS: The per diem that they have to pay is \$13.45, and that will change.

MR. L. SHERMAN: That's going to go up by 45 cents a quarter?

HON. L. DESJARDINS: It's going up 45 cents on August 1st to the \$13.90; and November 1st to \$14.35; and February 1st to \$14.80.

MR. L. SHERMAN: What about the disposable income, Mr. Chairman, for single and married pensioner residents? Has the escalating per diem rate permitted the disposable income to remain at a desirable level for both single and married pensioner residents? Has, in fact, the disposable income increased a little bit, notwithstanding the rise in the per diem, or what is the situation on that?

HON. L. DESJARDINS: There has been more of an increase right now. I'll give you the percentage. It was 24.1 and that goes on to increase in July and it will be 28.1; then 25.6; 28; 26; 27; even 32 and 25. So, it's pretty well the same. If anything, it's increasing a bit. I want to ask staff if that's taking into consideration the increase that was announced by the Federal Government because that was one of the main reasons why we went back to the old system under the former administration with that commitment from the Federal Government to add larger increases.

MR. L. SHERMAN: Would the Minister's staff have figures in front of him at the present time that could give me the dollars for the disposable income? This would be for a pensioner resident who was on OAS-GIS?

HON. L. DESJARDINS: Yes, there is only one thing, one point I want to make. We're treating everybody as single. I don't know if my honourable friend remembers there is something that we didn't realize at the time that they can apply and if there is one in a personal care home, they're treated as single because the old saying that two can live as cheap as one is certainly not true. On May 31st the disposable income was

\$132.30; in June it will be \$145.75; in July, \$162.63; in August, \$148.68. I'm giving you all the months now not just when there is an increase, that's why there is such a jump and a change. In August the next increase will be \$148.68; in September, \$162.58; October 1st, \$154.32; the next increase on November 1st, then it will be \$154.72; December 1, 1984, \$165.37; January 1, 1985, \$171.32; February 1, 1985, \$201.77; March 1, 1985, \$157.37.

MR. L. SHERMAN: \$157.37?

HON. L. DESJARDINS: Right. I think it would be more meaningful if I gave the yearly average, it wouldn't be jumping up and down the same way. Would that be useful?

In 1973-74, the average was \$40.88; 1974-75, \$64.70; 1975-76, \$65.64; 1976-77, \$68.23; 1977-78, \$70.16; 1978-79, \$72.95; 1979-80, \$91.97; 1980-81, \$129.71; 1981-82, \$137.05; 1982-83, \$143.76; 1983-84, \$146.43; 1984-85, \$159.67; and that went to an average percentage in 1973 of 23 percent, to 1984, 27.3.

MR. L. SHERMAN: Thank you. Mr. Chairman, can the Minister advise the extent of the waiting list for personal care admissions in Manitoba at the present time? How many Manitobans are panelled and waiting for admission to personal care homes?

HON. L. DESJARDINS: The waiting list for the personal care home in the rural region: in 1980, there was 1,079; in 1981, 893; and that's all. In December, 1982, 717; and 1983, 803.

The Winnipeg region: 711 in 1980; 519 in 1981; 727 in 1982; and 874 in 1983, for a total in Manitoba of 1,790 in 1980; 1,412 in 1981; 1,444 in 1982; and 1,677 in 1983.

MR. CHAIRMAN: Item 7. Line 6—pass.

Item 7. Line 7, Medical Program - the Member for Fort Garry.

MR. L. SHERMAN: Mr. Chairman, I think we've dealt with many of the most important questions in the medical area already, so my questions at this point will be fairly limited. There are one or two aspects that we haven't covered. I would like to know from the Minister what the total physician population in Manitoba is at the present time. It's my understanding that it has been increasing, the number of licenced medical practitioners in Manitoba, and if there was an exodus rate of doctors out of Manitoba into other jurisdictions in North America that the rate may have slowed somewhat for a variety of reasons. Could the Minister give me the figures for the last year or two on the physician population?

HON. L. DESJARDINS: Mr. Chairman, is there any other question while we are trying to get that information together?

MR. L. SHERMAN: Yes, Mr. Chairman. I would like to know what specialties are the hardest hit at the present time, and in what specialties are we suffering our most serious shortages, or in what specialties is there the most severe exodus of our doctors, particularly of our

medical school graduates. I would like to know how the Standing Committee on Medical Manpower is doing in terms of placing practitioners into underserved areas of the province, evening out the distribution of our physicians. I'd also like to know the current status of the Native Medical Student Program. Do we have any Native medical students now who have completed, graduated from their pre-med training courses and are now enrolled in medical school and nearing graduation with their medical degrees, Mr. Chairman?

HON. L. DESJARDINS: Firstly the Native Program. I happen to know that there's nobody graduating but there will be three being admitted to the medical school this year.

MR. L. SHERMAN: Three this fall?

HON. L. DESJARDINS: Yes. The number of practitioners per population - those are the practitioners who will receive payment in excess of \$30,000 - in the Central, the population is 92,000; there are 46 doctors, in other words, for 2,004; Eastman population of 76,644, 38 physicians for 2,017; Interlake, 68,547, 34 doctors, population per practitioner is 2,016; Norman Region 76,664, 46 physicians for 1,667; Parklands, total population 50,705, 28 physicians, population per practitioner 1,811; Westman, 120,289, 123 doctors, per practitioner 978; Winnipeg, 601,064, 894 doctors, 672 per practitioner; the total for Manitoba being 1,086,109. There are 1,209 physicians and the population per practitioner is 898.

I think you wanted to know something about the Manpower Committee under Dr. George Johnson. Also as per the . . .

MR. L. SHERMAN: I'm a little confused with those figures that the Minister just gave me though, Mr. Chairman. Sort of the standard for acceptable medical service in the industrialized world to my knowledge, has been a doctor population ratio of 1 to 650. That's been regarded as an adequate supply of doctors - one doctor for every 650 persons in the population. Certainly in some jurisdictions in the industrialized world there is a higher ratio than that and I thought in fact that Canada was now at the point where we had one doctor for about every 550 people, which was one of the reasons we should be looking at containing the size of our medical school enrolments and our medical graduating classes.

Is the Minister saying that in Manitoba the ratio is one doctor to every 850 people? In other words, we are not keeping pace with the accepted norm for adequate physician service to a population. It would seem to me that our physician population has been increasing. I think the figures that are available to the Minister from time to time from the College of Physicians and Surgeons would indicate that there are probably more medical practitioners in Manitoba now than in any time in the province's history. The figures he just gave me don't seem to jibe with that impression. Am I incorrect in my estimate of the situation?

HON. L. DESJARDINS: My honourable friend is correct. What I was giving him is income. I'll try to give him more specific information now.

The total number of physicians as of July, 1983 was 1,761. Those are physicians registered with the Manitoba Health Services Commission. As of January 1, 1984 there were 1,809. The opted-in this year, out of the 1,809, there are 1,726, and 83 opted-out. In July of '83 the opted-in was 1,674 and although there were less doctors, there was one more opted-out - 84. The number of physicians claiming from the Manitoba Health Services Commission, July 31, 1983 there were 1,433 and there are now 1,487. The opted-in in '83 was 1,359 and opted-out, 74. On January 1, 1984, opted-in 1,404, and opted-out 83.

I can give you a little more refined than that in the age bracket, 70 and over, this year there are 111; 65 to 69 there are 124; 50 to 64 there are 498; 35 to 49, 607; under 35 there are 503, for a total of 1,843. That was '83 that I gave.

Now the specialists, of this 1,843 in '83 there were 820, and non-specialists, 1023. If we want to see the change, in '82 there were 787 specialists, so in fact there was an increase from '82 to '83, from 787 to 820.

The distribution; physicians in Winnipeg, there are 1,424; Brandon, 94; in the rural, 325. That again was July 31, 1983.

MR. L. SHERMAN: Those were the figures I was anxious to get.

Has the Minister had a chance to look at that other question of mine as to the specialties in which we are hardest hit in terms of maintaining desired levels of personnel? I know that we have difficulty in maintaining desirable levels of anaesthesiologists and radiologists. I know that ophthalmology has been a problem, psychiatry has been a problem. Does that situation still obtain, or have there now been some changes as a result of the Physician Incentive Program and the work of the Standing Committee on Medical Manpower and the like.

Can the Minister give me some information on that? Are we losing certain categories of specialties to other jurisdictions or to other countries? Is there a noticeable differentiation between specialties in terms of departure of our doctors or departure of our medical school graduates? Is there any firm picture on that?

HON. L. DESJARDINS: During '81-'82 and '82-'83 the four categories mentioned are exactly the categories we've had and we're still having some problems. Psychiatry has stayed exactly the same at 77 in those two years; ophthalmology stayed the same at 28; radiology stayed the same at 39, so we're not losing any but not getting anymore; but anaesthesia, there was an increase of 10 from 49 to 59.

MR. L. SHERMAN: Mr. Chairman, the Minister and I have long argued that opting out has not been a major problem for Manitobans in our health care system, our medical care system. The number of doctors that have been opted out of Medicare has been relatively few, it's been a limited number, and those who have then extra billed, once opted out, have constituted a smaller segment still, so that we have not seen extra billing and opting out as being a problem here in Manitoba, notwithstanding the preoccupation that the Federal Minister has had with this subject, but I can see that in some provinces it has been a problem.

But proceeding on the basis that it hasn't been much of a problem here, and the Minister and I have often discussed it, I am wondering where he stands at the present time with respect to his negotiations with the Manitoba Medical Association on fee schedule and negotiation procedures in general and on the subject of extra billing in general terms.

The whole process of arbitration is one that is under discussions, I know. I saw reference recently in some news stories to the fact that some spokesmen for some segments of the medical profession in Manitoba were predicting that the current negotiations with the government on these subjects might lead to disenchantment among some doctors and to a decision by some doctors to leave the province as a consequence.

I wonder if the Minister could just bring us up-to-date on his negotiations and discussions with the MMA up to the present time. Has the fee schedule for 1984-85 been finalized? Is there any intention on the Minister's part to take any steps with respect to the extra billing and opting out procedure that has been a feature of the plan here in Manitoba since its inception, and has not demonstrably been abused or been exploited by the profession and has not constituted a major problem for us to date?

HON. L. DESJARDINS: Yes, I'd be pleased to report on that. I might say that this government has always, in principle, been against the principle of extra billing. Again I repeat what I repeated so many times, that I personally, and I think I was supported by the members of our Cabinet caucus, felt that it had not been a major problem. It had caused some inconvenience in certain areas such as Brandon at certain times, but it has not been a major problem in Manitoba. When the legislation came, we supported the legislation. I'm not going to go through the whole thing again, although we were not happy that there were so many things that were not discussed and included in the legislation.

Now, as of July 1st, the money will be, if there's extra billing, the amount collected, the same amount will be held back by the Federal Government, but you have a period of three years to opt in, that is to bring legislation that would make it impossible and illegal to extra bill, and then you would be reimbursed that money without the interest, of course.

A few months ago, quite a few months ago, I think the honourable member knows that the negotiating for wages is done between the Commission and the MMA. That was done for this year and there has been a settlement for this fiscal year. Now we have been - I was approached by the MMA who wanted to discuss certain things with us. We had a meeting and I made it clear that it wasn't just changing the direction, that I would start negotiating directly with them. I had tried that once before and I got burned. I thought that we would settle everything at one time and it didn't work out.

Then they had nowhere to appeal because the Minister was already involved. They had to go to the First Minister and, of course, the First Minister had to support the Minister of Health. So that is one thing we didn't want. I said I would discuss exactly some of the things that we were discussing earlier, some of the

problems, that we have challenged them with the problems, not only look at the concern that they had. They agreed to that.

Now they came to me - again I'm talking about the MMA now - and they wanted compulsory binding arbitration and they were saying that they would voluntarily give up the extra billing. They wanted some time to have that to work with these people. Some of them were not members of the MMA, and we're not too happy with that. We still felt that - especially those that are extra billing and mostly specialists - so I said if we could devise.

First of all, I said that if we did not like the situation of compulsory binding arbitration, I didn't think it was the proper thing; I think the responsibility was ours. But if there was enough exchange that everybody would gain by that if we can have a formula that would have a policy made in Manitoba, for instance, and have certain guidelines and pretty well like some of the things that we had offered at the end as our minimum or maximum position when we talked about compulsory binding arbitration before, but I said that I would not bring anything to Cabinet unless it was a full package.

There were some other concerns that I had, such as, for instance, a negotiated distribution of fee increase by tariff item and by specialty rather than only those. That would be not only an MMA prerogative but that the commission would have to discuss that because that wasn't done in the past. An effective mechanism to correct anomalies in the existing fee schedule which we discussed earlier, maldistribution of physician arrangements whereby certain medical specialties would provide services where these are presently lacking, fee increase for the medical profession to be consistent with government compensation policy direction.

Another thing that they wanted is compulsory checkoff. Their requests were compulsory binding arbitration and compulsory checkoff. I discussed that with the College of Physicians also, and I told them that I would not recommend or go to Cabinet with any proposal that would have compulsory checkoff and if they didn't pay that they would lose their licence. I would not do that. There could be a way that, fine, the money was owing to them but they'd have to resort to another method, that I would not bring any legislation that people would lose their licence solely for not having made a contribution, or if they could find another way.

During that time some of the doctors who call themselves the Independent Association of Physicians asked to see me; first of all, it was one specialty, and then I said I certainly would not negotiate or discuss with just one specialty at a time, but the independent group and most of them belonged to that group, came over to see me and they profess that they didn't know too much of what was going on with the MMA and they wanted to discuss it. I said that I would try to arrange a meeting as I have concerns because those were actually representing many of the people who are extra billing, and that there would be a danger that we could lose. I asked if they could accept that the question of extra billing was gone; they could enunciate their principle but that we weren't going to argue that forever and a day, but we should look at a method of getting proper payment for fees and would they be ready to meet with staff, myself and the MMA to try and iron this thing out. They said that they would.

I've informed the MMA president that I was going to do my Estimates and that after I would like to have a meeting because of the concern. I haven't had a reply as yet.

I've also informed them, and I've had this agreed by my colleagues in Cabinet, that we will not bring legislation this year prohibiting extra billing, in other words, there could be extra billing this year, but with the understanding that before the three years is passed we would bring in legislation and, therefore, it would prohibit, of course, extra billing. That would be done in a phased-in orderly fashion, and that had been at the request of the MMA also. That's where it stands at this time.

It's not an easy way. There has been some concern, as we know, made public. Some of the members of the MMA and others, I'm trying to get the two groups together to see if we could bring in a satisfactory solution to that, but the intention is that we accept the principle of no extra billing as we always did; we will not bring legislation this year, at this time, so it'll be permissible to extra bill, but we will be preparing legislation before the three years are up.

In the meantime, we will keep on to see if we can bring a package, but I will not bring a package to Cabinet unless we have something, some kind of a compromise, and the whole picture, the things that I enumerated, the challenge that I want to throw at the MMA. If they could meet some of our concerns I could look favourably in recommending to Cabinet that they accept some method of binding arbitration and some compulsory checkoff.

MR. L. SHERMAN: I want to thank the Minister for that report, Mr. Chairman. I have no further questions on it at this point in time. I would conclude my examination of the Minister's Estimates by asking him if he can give me a breakdown of the Medical Program budget? That program budget covers about five or six categories of payment, including fees for service and prosthetic and orthoptic fees and costs, chiropractic fees, optometric fees, the budget for community health clinics and sessional fees and medical salaries. I wonder if the Minister can give me the amounts for each of those categories and, in fact, it would be very helpful if he could give me them as compared with the amounts in the same categories for the previous year, 1983-84. Does he have those figures?

HON. L. DESJARDINS: Yes, the first announcement I will give will be 1983-84, the second amount will be 1984-85, and then the third figure will be the increase or decrease starting with medical fee for service: 171,272,200; the second figure, 175,696,900 for an increase of \$4.4 million; sessional fees and medical salaries 2,246,700; \$2,291,600 for an increase of \$44,900.00.

Physician Incentive Program, \$236,900 to \$200,000, a decrease of \$36,900; Chiropractor, \$6,617,500 to \$6,741,900 for an increase of \$124,400; Optometry, \$4,301,500 to \$4,240,000 for a decrease of \$61,500; Prosthetic and Orthoptic, \$2,835,200 to \$2,894,400, an increase of \$59,200; Community Health Centres, \$6,782,100 to \$8,557,500, an increase of \$1,775,400.00 The total, \$194,292,100 to \$200,622,300 for an increase of \$6,330,200 and a percentage increase of 3.3.

MR. L. SHERMAN: Mr. Chairman, does the Minister contemplate an expansion of the Community Health Clinic idea and concept, or even an expansion of community health clinics in number. I note a fairly impressive increase in the budget for those clinics.

HON. L. DESJARDINS: The Women's Clinic, the Occupational Health, and the Youville Clinic also, those were the three new ones that received some funding. That was the question, wasn't it?

MR. L. SHERMAN: The addition of those three new community clinics is in large part responsible for the fairly significant increase in the Community Clinic overall; is that what the Minister is saying?

HON. L. DESJARDINS: No, certainly not \$6 million in that. There's been a catch-up in some of the other larger clinics.

MR. L. SHERMAN: Of the clinics that have existed for some time and with which we're perhaps more familiar, Mr. Chairman, Gladstone, Hamiota, Leaf Rapids, Churchill, Lac du Bonnet, Citizens' Health Action, Clinic, NorWest, Mount Carmel, the Vita Health Centre and Fisher Branch, are there any changes in that list? I read my list from records of a year or two past and it may not be entirely up-to-date. Have there been any additions or deletions from that list of community health clinics, other than the three that the Minister just mentioned?

HON. L. DESJARDINS: I wonder if I could name the clinics, give the honourable member and the members of the committee last year's figure and the increase without itemizing them because there's still negotiating going on. Of course, I'm including Gypsumville, Gladstone, Hamiota, Leaf Rapids, Churchill, Lac du Bonnet, Citizens Health Action; Clinic, NorWest, Mount Carmel, Vita Health Centre, Fisher Branch; University of Manitoba; North Medical Unit; Women's Health Clinic; Occupational Health and Youville Clinic, for a total of \$7,132,100.00.

There would be a proposed increase for these clinics of \$1.101 million to a total of \$8,557,500.00. Now the new clinics are a very small part of that.

MR. L. SHERMAN: Would you just give me that \$7 million figure again that . . .

HON. L. DESJARDINS: That's \$7,132,100.00. The increase, \$1,101,200 and the increase between the Youville and the Women's Clinic and Occupational Health, there's a little less than .5 million.

MR. L. SHERMAN: Thank you.

MR. CHAIRMAN: Item 7. Line 7—pass.

HON. L. DESJARDINS: Mr. Chairman, I want to verify this. The House Leader is coming back. The note that he left me was the understanding that we would deal with that part of the Minister's Salary dealing with Health. That would be finished. It wouldn't be reopened after tonight.

Both Ministers that would deal with Sport and Lotteries will be occupied the rest of this week, so we would come back next week in Health only in that part of Sport and Lotteries and, of course, finalize the Minister's Salary then with the understanding that we wouldn't go back into Health. Now is my understanding correct?

MR. L. SHERMAN: That's right.

MR. CHAIRMAN: Resolution No. 93: Resolved that there be granted to Her Majesty a sum not exceeding \$954,695,300 for Health, Manitoba Health Services Commission, for the fiscal year ending the 31st day of March, 1985—pass.

The Honourable Government House Leader.

HON. A. ANSTETT: Mr. Chairman, in line with the comments of the Minister of Health confirmed by the Member for Fort Garry, members may wish to debate at this time on the Minister's Salary and conclude their remarks with regard to the Minister's Salary discussion in the Department of Health. We would then leave that item unpassed at that point and adjourn for the night, coming back at a subsequent date to deal with the Sport Resolution and then the conclusion of the Minister's Salary for discussion of the Lotteries item.

MR. L. SHERMAN: Mr. Chairman, I don't intend to debate the Minister's Salary at length at this juncture, because it would be repetitious, I think, to do so. I believe that in covering the Estimates on the line-by-line basis on which we have covered them, and particularly in view of the examination of the appropriations that come under the Manitoba Health Services Commission, we have debated the main issues that would be relevant under the heading of the Minister's Salary.

I would conclude by reminding the Minister of some of the things that I said earlier in my appeal to him to address with his colleagues in government, in the Ministry, in the Commission, and with his and my co-workers in the health field throughout the province, the very serious challenges that he faces as Minister of Health for Manitoba in preserving our cherished universal health care system and in reinforcing it.

We have looked at the problems that exist at the Health Sciences Centre, and certainly they are major and important ones. That is our most important health resource. As the Health Sciences Centre goes, so goes health care in Manitoba. The problems that affect the management and administration and the proper fulfillment of professional services there at the present time certainly are problems that must rank at the top of the Minister's worry list and priority list.

We have not discussed at any length the nursing incident reports of the past year that have indicated concern by professionals over the safety level at the Health Sciences Centre, but there again we are dealing with a current issue of very major proportions and one that this Minister and his officials must seek to address as quickly as possible. There have been far too many reports of understaffing, of insufficient staffing of wards and theatres and service areas at the Health Sciences Centre to let those anxieties pass without attention and action.

We have talked about the problems in the mental health field, and the very serious need for greater capacities to resolve those problems and those challenges.

I know that the Minister is aware of these issues. There are many issues that we haven't dealt with specifically in the examination of these Estimates, Mr. Chairman, but they have been dealt with in general, I think, as we have identified and debated the problems assailing our system and the things that we think the Minister, in concert with his colleagues from other provinces, must be doing to ensure that our system is safe and secure.

One subject that I didn't go into at any length with the Minister which deserves mention before we pass his Salary and pass the Estimates is the problem of the status and the future of the licensed practical nurse. Certainly there is a great deal of concern and worry among LPN's and among health professionals generally, among R.N.'s and among the LPN's fellow nurses in other categories of nursing, for atatus and future of the LPN's. There seems to be a great deal of doubt and insecurity about that particular health occupation, and it's something that should be resolved as quickly as possible.

For my part and my colleague's part, we have spoken many times of what we think is the absolute, essential nature of the LPN in our system. Faced with the kinds of costs that the Minister is faced with in maintaining our system, it would seem that perhaps on the exclusively pragmatic basis of finance and budget alone, an indisputable argument for the maintenance of the LPN can be made. Over and above that, there are many other arguments that can be made, not the least of them being the fact that here is an occupation, the LPN's occupation, that appeals to those who want to serve and offer their best in that field of nursing without aspiring perhaps to the higher academic levels and higher academic and administrative duties that result from taking different nursing courses and nursing degrees.

The LPN is a health professional, a person engaged in a health occupation who simply wants to serve at the bedside in the facility, and not necessarily aspire to administrative positions. Certainly our system must be founded on that bedrock. So one would hope that any question about the status and future of that category of nurse can be quickly resolved.

As I say, I didn't deal with that subject specifically during the examination of the Estimates, but the Minister and I have looked at it before in discussion and in question period, and I've spoken about it both inside and outside the House on previous occasions, and I mention it now for the record as we move to the conclusion of his Estimates because it is an important question in our health care deliberations at this point in time.

Many of the other problems have received thorough going examination and I want to thank the Minister for his frank and candid response to the questions put to him. I think we've perhaps found no solutions to our problems during this examination of the Estimates, but we have certainly redefined some of the questions a lot more sharply and I think that we have pointed the way to some solutions.

We have certainly made the point very clear, I would hope, to all Manitobans that a great deal of very

practical thinking, as well as creative thinking, a great deal of very pragmatic thinking must be committed to the current status in the future of our health care system. It is a precious resource and we cannot permit it to become a non-affordable resource.

Mr. Chairman, I know that there are numerous other aspects that could be reviewed and recapped at length, but it would be repetitious to do so, and so it is my intention to conclude it at this juncture. I wish the Minister well in his efforts to meet these challenges. I think we've agreed in the past and agree again that a fairly bipartisan approach is going to be required of all Canadians, not only Manitobans but all Canadians, to produce the solutions that are necessary in this field.

First and foremost, though, we have to start with the recognition that we get nothing in this field for no expense and no effort. That is to say, nothing in this field is free. On the contrary, it is enormously costly, and unless we bring our best and most innovative thinking to bear, we will continue to struggle under siege to maintain this great health care system that has been built in this province and in this country.

So it's a task for which we should all commit and devote some of our best efforts in the immediate future. I want to assure the Minister of my continuing efforts to contribute what I can to the solution of those problems. Identifying them brings us some distance down the road to solving them, and I think we have clearly identified many of them in this examination.

I thank you for the opportunity of making those concluding comments on the Minister's salary, Mr. Chairman. I appreciate that we won't be passing his salary tonight because of some other responsibilities that he has that will be dealt with by other critics, but those comments would conclude my remarks on his salary and, from the point of view of the Health Estimates, unless my colleague from Turtle Mountain wishes to add some comments, I would suggest that at this point, from a health point of view, we can consider the Minister's Salary appropriation passed.

HON. L. DESJARDINS: I wonder, I want to make just a few remarks on the Minister's Salary. — (Interjection) — I know, but let's finish this, we're in the midst of it.

MR. DEPUTY CHAIRMAN, D. Scott: Yes, well we're in the midst of finishing something but we've left something out. I would like to backtrack for a point, if I could.

We're supposed to be finished with Health tonight, but we have not passed Appropriation No. 8 yet. So if it's agreeable to the two sides, I'll read that off.

Resolution No. 94: Resolved that there be granted to Her Majesty a sum not exceeding \$23,252,800 for Health, Expenditures related to Capital Assets - Manitoba Health Services Commission—pass.

The Minister of Health.

HON. L. DESJARDINS: Mr. Chairman, in closing, on the Minister's Salary, I just want to put something on

the record as far as the LPNs. It is true that we've talked about it inside and outside this Chamber. I think that it's obvious whereby the sympathies stand but, as I said earlier, because of the commission that I set up to study it, I'd just as soon not comment at this time.

I also would like to thank the members of this committee. I think it was stimulating and I hope the debate and this exercise will be productive. I would like to personally thank also the Member for Fort Garry. I think that he has always been a gentleman in the last three years that we've had in this discussion; I think there has been discussions. I also would like to wish him well in the new career that he's trying to make for himself and I certainly wish him success.

MR. DEPUTY CHAIRMAN: The Member for Turtle Mountain.

MR. B. RANSOM: Mr. Chairman, I would just like to reserve my right to ask him further questions and comment to the Minister on his salary later on, because he has a question or two that's outstanding at the moment. I hope to have information on it.

HON. L. DESJARDINS: Is there more than those questions that you . . .

MR. B. RANSOM: Well, having to do with those regulations.

HON. L. DESJARDINS: Yes.

MR. DEPUTY CHAIRMAN: Committee rise. Call in the Speaker.

Mr. Speaker, the Committee of Supply has considered certain resolutions, directed me to report progress and asks leave to sit again.

IN SESSION

MR. DEPUTY SPEAKER, P. EYLER: The Honourable Member for Inkster.

MR. D. SCOTT: Thank you, Mr. Speaker. I move, seconded by the Honourable Minister of Health, that the report of the Committee be received.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The Honourable Government House Leader.

HON. A. ANSTETT: Thank you, Mr. Speaker.

Mr. Speaker, I move, seconded by the Minister of Health, that the House do now adjourn.

MOTION presented and carried and the House adjourned and stands adjourned until 2:00 p.m. tomorrow afternoon. (Thursday)