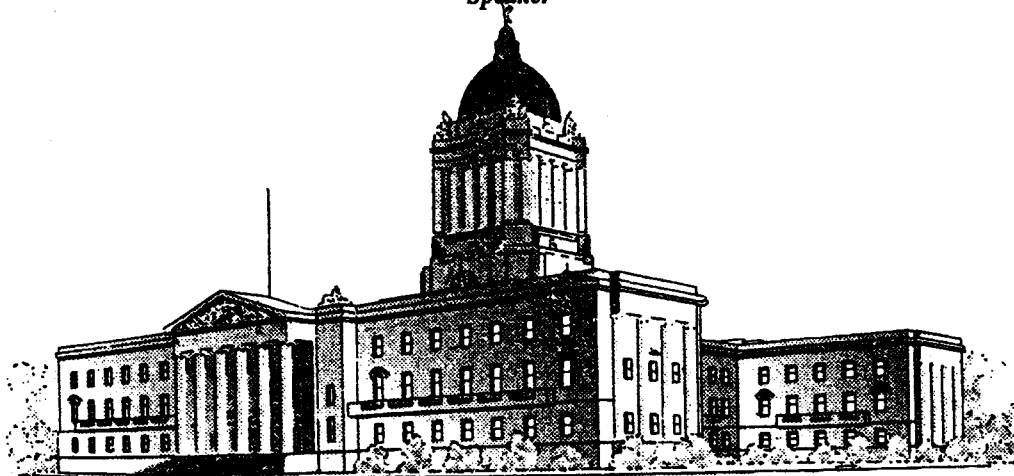




Fifth Session - Thirty-Fifth Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS
(Hansard)

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

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LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, May 2, 1994

The House met at 8 p.m.

ORDERS OF THE DAY

(continued)

COMMITTEE OF SUPPLY

(Concurrent Sections)

HEALTH

Mr. Deputy Chairperson (Marcel Laurendeau): Good evening. Will the Committee of Supply please come to order. The committee will be resuming consideration of the Estimates of the Department of Health. When the committee last sat, it had been considering item 1(b)(1) on page 81. Shall the item pass?

Hon. James McCrae (Minister of Health): Mr. Deputy Chairperson, I think at five o'clock I was just explaining to the honourable member for Crescentwood (Ms. Gray) some of the changes that we brought on to Home Care just last September when I was appointed to this position. Just for a moment, if the honourable member for Kildonan (Mr. Chomiak) does not mind, I will just finish up.

I think I dealt with assessments and reassessments and things like that, and then we were talking about my talks with the Ostomy Association of Manitoba, and we determined that we would immediately remove any public signs that suggested that ostomates should somehow be singled out for different sort of treatment at the supply depot. I did not know that existed, and I was somewhat horrified when I heard about it, and we did something about that right away.

The department and the ostomates' society have met since that meeting I had with them to resolve the issue of that small number of people who might be affected financially in a difficult way. Certainly we discontinued any thought of charging people up-front should they not be able to deal with it that

way. The problem being that if there is anybody who is being encouraged to use supplies longer than they should or reuse them or some such thing when that is not the best thing from a medical standpoint to do, we would not want our policy to encourage that. I have not received any report on how many people might have been affected, but I was led to believe by the association it was a very small number. I understand that matter has been dealt with satisfactorily between the department and the Ostomy Association. We appreciate their input.

I believe, yes, we also met with organizations representing disabled Manitobans, and the policy was discontinued with respect to them and services provided to disabled Manitobans.

Those were basically the changes and, from all of my consultations, seem to have dealt fairly with the issues, as far as that went. There remained the issue of doing something with respect to a more formal appeal procedure for people so that they do not have to appeal to the same department that made the decision about their care. If there is a need for a change in a person's assessment or for a fair hearing, that should be made available, and that will be happening in very short order. It was announced in the throne speech, and I expect in a very short period of time to announce the panel for home care recipients.

So I think that basically is what happened. There are more things to happen, but those are the things that happened at that time.

Mr. Dave Chomiak (Kildonan): Mr. Deputy Chairperson, the minister made his comment. I certainly appreciate the fact that the minister, upon assuming the portfolio, made some changes to the policy and recognized the unfairness of the approach and dealt quite quickly with some of the more obvious inequities in the decision that had been made. But, notwithstanding those changes,

the fact remains that people who require home care equipment have to pay the first \$50 of each individual item, and that is cumulative, so that in some cases the cost is quite prohibitive.

The minister indicates that he has the support of the ostomy society with respect to the equipment issue and that he has done something to deal with the money up-front. I appreciate that, but notwithstanding that, there are individuals who require not only ostomy equipment who now have to pay but home care equipment who have to pay. I have encountered several individuals in my own constituency who, in addition to that, were confronted by cuts to the cleaning and laundry as well.

I guess my question to the minister is, notwithstanding that he changed the policy with respect to cutting people off of cleaning and laundry so that an assessment is made by an individual personally rather than over the telephone, has he changed the policy with respect to eliminating people from cleaning and laundry service that was instituted in the last budget?

* (2005)

Mr. McCrae: Mr. Deputy Chairperson, the policy was found by the people with whom I consulted, with the appropriate adjustments, to have merit because everybody whom I spoke to made the point that, yes, indeed, home care is an important service. Yes, indeed, the government has increased its commitment to the program very, very significantly over the years, and that if the government is indeed working on accelerating the process of putting into effect support services for seniors organizations and continuing its support for the nursing and attendant care services that are part of the program that everybody recognizes that we are in a time when fiscal problems are more difficult than previously.

Everybody recognizes that, and they want to continue to have a health care system. They want it to be as fair as we can make it, and that was something we tried to address. But I think that maybe not everybody is aware that since 1988-89, the first budget we brought forward, the budget

amounts for Home Care services in Manitoba have grown back from where the previous government left off at \$33.5 million all the way up to this year, which is something around \$70 million. It is a significant increase in not only units of service, but number of people being served and the quality of service.

You have to be careful when you are talking about people being cut off. Some people recover from their illness, and that is a cause for a reassessment which might indeed terminate home care services, might reduce them. Sometimes, they are increased depending on a person's condition. If their condition deteriorates, more services are laid on by the program, and so we have to be fair about that. That is always the problem when we take individual cases and try to make them examples of the whole program.

Obviously, when you look at these numbers, and the cost per person served and the dramatic increase over the years in that amount, it goes way beyond any level of inflation or any level of funding that might be required to offset an aging population. It is well beyond that.

You have to remember too that when last year over 230 personal care spaces in the city of Winnipeg were opened up, when that happens, you take from the home care service rolls 230 people who are placed in personal care. That is going to show up as well.

The honourable member for Kildonan (Mr. Chomiak) shakes his head. Maybe he can explain why he does that. I say those things to—and with all of these things happening—[interjection] The honourable member suggests that I have my facts wrong. I will be happy to hear in a moment from him in what way I have my facts wrong because we should, of course, be dealing with facts that are correct, both of us. I am certainly willing to deal with facts that are correct, and I sure hope the honourable member is too.

But some of the points that he raises, and maybe the honourable member for Crescentwood (Ms. Gray) raises, does point to the need for an appeals system whereby you have some independent body

looking at the criteria, which have remained the same since they were the criteria used in the days of the New Democrats in Manitoba. You look at all that, and there are still some people who are going to be dissatisfied. They need someone they can tell that to, and we respect that. That is why we feel that an appeals panel is going to be necessary.

Mr. Chomiak: Mr. Deputy Chairperson, several points that I want to point out. Firstly, the former minister argued that those personal care home beds were being utilized by people who had been moved from acute care facilities to replace those beds, not people who were receiving home care in the community that were thus shifted to personal care home beds. While I appreciate there could be a mix of that, the previous minister always argued that was a shift from acute care beds to personal care home beds, and that is where the shift to the 230 beds took place.

* (2010)

The second point that I wish to make is that, notwithstanding what the minister said, he clearly stated in the first part of his discussion that in fact, no, the policy had not changed, that the criteria that were put in place to cut off approximately 3,300 people from cleaning and laundry services did not change. The criteria being used did not change. All that changed was, the minister saying now that perhaps an appeal will be put in place one year later, and, secondly, that personal interviews took place. Having said that, it is clear the policy continues, and the minister acknowledged that, that they are cutting down this particular service in order to fund money into other services.

The minister also talked about the fact that the per unit cost had increased, and the minister's own documentation shows that home care is far more economical per day in its application than utilizing more expensive treatment facilities or more expensive beds. My question for the minister is, the program supervisor's minutes that were circulated in August of last year indicated that approximately 16 categories would not be considered exceptions to the elimination of individuals from cleaning and laundry services. When the minister changed the policy, he said the

young disabled would not be any longer on that list of exceptions, and therefore the young disabled would still get the cleaning and laundry services. That left the other 16 categories for which people were being eliminated. Have those criteria changed?

Mr. McCrae: Mr. Deputy Chairperson, the honourable member refers to young disabled people. I only referred to disabled people, and I take that to mean someone other than seniors who are on the Home Care program, and we reinstated those cleaning and laundry services for disabled people. We reinstated that. I think maybe we are getting into some numbers debate here, and it may not be necessary because I do not think the honourable member and I disagree all that much on the whole issue of acute care, personal care and home care.

It is true that home care and personal care are there to replace unnecessary or inappropriate acute care. I agree with the honourable member on that point, and I think that the honourable member has to agree that length of stay at our hospitals is shorter today because of various things, not the least of which is home care.

If you look at the hospital statistics, you will see reduced length of stay in many, many categories, and you have to ask yourself: How are we able to do that? It is a combination of personal care and home care services available in the community and other services, like support services to seniors and so on.

The honourable member talked about criteria, and the thing that I have discovered is that—and I hope the honourable member understands this and is not doing this intentionally, because if he is arguing in favour of criteria that are applied, same criteria everywhere but applied differently in different places and he is saying that we should continue with that approach, because we know it exists and has existed—and it is wrong in my view—if the honourable member is arguing that we should continue to do that, and that when we make changes to address that inequity amongst our fellow Manitobans, he wants to be critical about it, I hope he will think very carefully about that.

I do not think that is fair of him to say: Well, it is wrong for you to try to make this system more equitable and fair to people. If the honourable member is saying that, I will have to debate with him about that, because we have found, I have found that the application of the same criteria is not uniform. Now, if the honourable member will accept that, he can be critical that it is not uniform and I will accept that criticism, but I am telling him that he should let the government try to address that to make the program fair for all Manitobans. If a group of clients in area A gets treated better than a group of clients in area B, and if he wants to defend that, I am sorry, I disagree with that because it is not fair to the people in the area that does not get the fair treatment.

The honourable member needs to know that, in 1992-93, 24 new support services projects were added to the existing 141, and expansions to 19 existing projects have been funded by reallocation of personal care home funds to the new and expanded programs for a total of 165 support services projects in the province. I can tell him, if the honourable member wants to hear all about it, about the distribution of those new support services projects and those enhanced ones. These are all positive improvements that extend the time of wellness, if you like, that people if they are active and living lives that these support services projects allow them to live, it is not so soon, so quickly that they require more intensive home care services or personal care services.

* (2015)

Mr. Chomiak: Mr. Deputy Chairperson, I am not going to argue the point with the minister, except to state that it is a reductionist argument in my view when the minister talks about A and B. My impression of the government's decision last year was that if services were better in A and services were less extensive in B, the government reduced the services down to B, not moved the services from B up to A. That was my impression. That remains my impression, and I have yet to be proved otherwise.

But, to resolve the problem, can the minister table the criteria used by Home Care to determine

who is eligible, when they are eligible, when they will be provided with cleaning and laundry, when they will be excluded, et cetera? We have never received formally ever those particular—those documents have never been formally provided to us. They were not last session, and they have not to this point in time.

Mr. McCrae: I thought that we did make those criteria available. We did to other groups out there, so we will make them available to the honourable member. They are certainly no different from what they were when the honourable member's people were running the Health department. So he could go back to that time and have a look at them as well, but if he likes, I will make available to him the criteria that have not changed since the days of Howard Pawley and Larry Desjardins and that bunch.

We have had for some time in Manitoba quite a debate about home care. The whole issue is one of making available appropriate resources in our communities so that people can live with more dignity in their homes, stay in their homes longer, which is where they want to be. But you see, you cannot just be critical for the sake of being critical. At some point, the issues become such that people understand what is going on.

I am happy that people in Manitoba are beginning to understand what is going on, but I just wish the honourable member would be a little more helpful. The reason I say that is that he uses tactics which are not new, but in health care, it is particularly disturbing to me. You see, these are my fellow citizens, and they are his fellow citizens, too. If my family members or my friends need appropriate services, I want them to have them. The honourable member would lead people to believe that I have some other agenda.

I can speak personally about this and tell of personal tales and how delighted and pleased people close to me were when appropriate services were available at a time when they were needed. The idea is to have resources there for those who need them.

Some people do get reassessed; there is no question about that. Their services are decreased either because they do not need them anymore or because they have recovered or they have gone on to some other form of service. These things happen. The honourable member ought not to confuse that with some heavy hand of government taking with a bad attitude. That is certainly not the case. These Manitobans are his fellow Manitobans and mine too.

* (2020)

There is no particular corner on compassion here that the honourable member can lay claim to. I mean, if we were going to play that game, we would just simply go back to the kinds of funding arrangements that were made available by his party when they had the opportunity and did not do anything, and look at that record compared with the record of the last six or seven years in terms of commitment.

In terms of percentage of budget that goes to health care, no government, no NDP government in Manitoba ever put 34 percent of their total spending into health care, and that is what is happening now. The honourable member should remember that when he is addressing health care issues.

If he wants to be helpful, we are delighted to have some advice from him. I look for alternate policies if there is something wrong with ours. I look for constructive criticism if there is something wrong with what we are doing. We are quite prepared to acknowledge that we can do better, and we are trying to do that, but I think to use health issues for the purposes that the honourable member is using them is somewhat off-putting, to say the least.

Mr. Chomiak: Mr. Deputy Chairperson, it was not the opposition who promised to put health care and community services in place prior to making the changes. I think it is quite inappropriate for the minister to question the motives of members in terms of raising health care issues.

His predecessor quickly gathered a very poor reputation in this province for that kind of an

attitude, for an attitude wherein any criticism against the government was somehow misconstrued or construed to be that of a political basis or somehow of an agenda different from that of the government. I have never questioned the integrity or the compassion of any member of the Chamber, including the former minister or the present minister, in dealing with the issues; however, I believe that the minister should afford the same kind of attitude toward members of this Chamber.

We are certainly used to that kind of an argument in terms of—and it certainly will not deter members from this side of the House from criticizing the government for its actions, but I again remind the minister, it was not us who made the promises. It was this government and this cabinet who put in place the promises that were not met and that had faced such severe opposition in terms of the public's approach and the public's view of this government as it regards to health care.

My question for the minister with respect to ~~the~~—the minister is indicating he is going to give us the criteria of the decision of the home care qualifications—can the minister outline—will those be public and will those be criteria that will allow individuals who feel aggrieved by the decision to appeal them to the soon-to-be-announced—not yet in place, despite the fact the program has been in place for a year—appeal commission?

Mr. McCrae: Just to finish off the last point, maybe the honourable member will not be deterred. I feel I do not expect him to be deterred. He wants to do his work as best he knows how, but he will note the absence of the same kind of comment from me directed at members of the Liberal Party.

The Liberal Party has been critical, and that has been appropriate. They have done their work, too. It is simply a question of the honourable member and his particular approach and that of his colleagues that I am talking about. It is nothing personal. It is a question of getting the real truth out there that I see as my challenge, and I find that

sometimes it is made more difficult by the misinformation that the honourable member frequently makes available to the public.

That is difficult, but I am not deterred either, because, you see, I am completely committed to our health care system. I am completely committed to ensuring that there is one for the next generation. If I followed the advice and some of the utterances of the honourable member, there would not be a health care system.

In terms of promises and attitudes and so on, I remind the honourable member that I have another personal experience to draw from, and that is the experience of 1987, when, without any thought for services in the community, the honourable member's colleagues closed 42 beds permanently. The first bed closures, by the way, hit the Brandon General Hospital. I remember that very well. I remember how nothing else was arranged for, so I am not going to take all that many lessons on that side of it from the honourable member or members of his party, because they are the ones who brought in the first permanent, massive bed cuts in Manitoba.

I must say that in more recent years more money and commitment have been directed at the community so that kind of health reform could go forward.

* (2025)

Just in terms of redirected funds from acute care to the community, I refer the honourable member—in the past year, \$1,915,000 has been redirected from hospitals to adult day clubs; \$1,787,500 has been redirected to breast cancer screening; \$440,000 has been redirected to prenatal community public health services in the area of nutrition; \$45,000 has been redirected to prostate care; \$1,056,500 has been redirected to support services to seniors projects; \$2,956,000 has been redirected to Winnipeg mental health acute-care alternatives; and \$774,000 has been redirected to Winnipeg mental health child and adolescent and psycho-geriatric services. That amounts to a total of nearly \$9 million redirected in the past year.

Let not the honourable member suggest that no provision is being made in the community.

The honourable member asked about appeal panels and advisory panels. I did not ever hear any suggestion from the honourable member that we should have one, and now that I am proposing it, it is too late and overdue and so on. Well, it is never too late to do the right thing. I suggest, Mr. Deputy Chairperson, and I say that appeal panels will be useful for those who feel aggrieved by the bureaucracy, if you like, of the Health department.

We think that an advisory committee on home care can have a look at the honourable member's criteria, but he has a lot of complaints with them. Maybe we should address those complaints that the honourable member has with his own party's criteria, and we should do that through the aegis of an advisory committee, and through the experience of an appeal process we can learn as well. Nobody knows it all; I certainly do not. We are quite happy to learn from these processes.

Mr. Deputy Chairperson: Order, please. At this time, maybe I can ask the advice of the committee, but other than provoking debate between the two honourable members, maybe you could explain to me where we are within the book that is dealing with Executive Support (1) Salaries and Employee Benefits?

Mr. Chomiak: It is 1.(b). It is quite obvious to me that if you look at the Activity Identification and the Expected Results on page 24, of your supplementary Estimates book, it, quote, provides for the development and implementation of health system renewal; develops comprehensive strategies, et cetera. It is far ranging and quite all encompassing.

Mr. Deputy Chairperson: That is what I was looking for. I was just asking you for clarification.

Mr. Chomiak: I am tempted to argue these points with the ministers and use up valuable time, because I think the minister has been—it is ironic that he indicates that there is no change to Home Care, that it is the same criteria as utilized in 1987, but admits that people were cut off and now an appeal process is necessary for the people who got

cut off, et cetera. It is clearly not in the best interest of time to continue on this course of action because clearly the government is not changing its approach to home care with respect to the decisions made last year.

They are putting in place an advisory committee. They are putting in place an appeal committee, and that be what it may, my question to minister is: Will the criteria be clear so that individuals will not have to appeal cap in hand, and will they know the basis upon which they are being judged to be cut off home care or put on home care, et cetera? Will they have the criteria clearly in front of them to determine what the grounds of appeal are and how they can appeal those particular decisions?

Mr. McCrae: Mr. Deputy Chairperson, I would like very much for consumers of these services to understand what services are available and publicly funded. I would like people to be aware and understand what services they can access on their own without resort to public funding. What I am trying to say is, I would like the consumers of home care services to be very informed consumers of health care services. I also want them to be able to have choices, that they are not at the mercy of a rigid system that sets out certain criteria beyond which you cannot go and things like that.

I think when people are in circumstances of distress and they are not well, it is a bad time to impose difficulties on them which they do not need. The point is that many people have opinions of their own about their own care, and I think that a government-run system has limitations in that regard because governments have rules and regulations. It is not an easy sort of thing to be dealing with, especially when you are not well or you are needing care. You tend to be at the mercy of whatever there is out there.

* (2030)

No matter how good I might claim it can be or is, you are at a time when nothing makes you as well as you were before you needed those services. I think that we should all try to be mindful of the circumstances people find themselves in. That is what I am trying to do. That is why I am also kind

of excited about self-managed care. The small number of people who have been part of that program are urging the government to get on with as massive an expansion of it as we can arrange because it gives them such a feeling of empowerment. I just know the honourable member is going to be supportive of as much self-managed care as we can make available to people.

It has been independently evaluated and found to be successful and proper and appropriate and good and everything, and so those who have taken part in the program are really urging us to get on with making it available to others. Even though we are expanding it, my indications are that people who need services would like to see it expand further and faster. I would like to know what the honourable member's view is of that because I am certainly—one client actually sent the government a couple of cheques.

The way it is set up is that the client sets out with the government or they work with the government to decide on a budget for their care. The client receives the cheque, and then is set free to make decisions for himself or herself about the kind of care that they should be getting. One client has sent us back two cheques, saying it is a great program, hurry up and expand it, and here is the money I did not need. I thought, wow, this is something that we should be looking at because the consumers are our clients, our customers, if you like. They like it, not unlike the services provided through this pilot project. The patients like it. Those are the people I am working for, and I am not always clear whom the honourable member is working for, but I wonder what he thinks about an expansion of the self-managed care program because that can be part of a response to some of the complaints that he brings forward.

Mr. Chomiak: The minister has established a task force to look at personal care homes. Who is that task force reporting to, and what is the mandate and will the minister table the terms of reference?

Mr. McCrae: The honourable member has very suddenly changed the subject. Why is that?

Mr. Chomiak: I believe in the Estimates that we generally ask the questions. If the minister wishes to know my strategy in terms of how I am planning to deal with this, I will provide my strategy to him. But, frankly, if the minister wants to know, I thought my line of questioning was useless because the minister was going back to his pat answers of self-managed care, and then the minister has a series of responses that he makes in terms of questions, does not provide the information, goes back to the pat answers.

Frankly, I thought it was useless to continue the line of questioning, given the minister's repetition for the second or third time today in only a few hours of Estimates to tell us about the self-managed care issue. In fact, the minister has probably spent more time on it today than has been done in the last year in terms of talking to the public about it. Notwithstanding that, that was why I decided to turn to another line of questioning at this point in time.

Mr. McCrae: I would be happy to discuss the things that the member asked, but this is not a courtroom where I am the witness and he is the prosecutor and demands that I answer the questions. It is not like that, I did not think. I thought we would have a useful discussion of the issues, and, to me, self-managed home care is one of the initiatives that we have announced in our throne speech and there is provision for it in our budget.

I think the consumers of home care services want to hear us talk about this. They are not happy with us. I was led to the conclusion very quickly when I met with a group of people representing disabled Manitobans that we are not going far enough with this self-managed home care, and so I just needed to know if I have the approbation of the honourable member and his colleagues to go further with this. If it is possible to do, I would like to be able to do that. I want to do it carefully so that we do not make mistakes along the way, but I really think self-managed care is something that consumers of health services want to see us get into.

The honourable member refuses to say—all he had to say was, yes, I think it is a great idea, and then we could get on to answering his question. So maybe he does not want to say one way or the other, but if not—he appears not to want to respond to the self-managed care issue—I will talk about the question that he has asked.

The question that he asked was about the process we have set up to examine standards and regulations and staffing and all of the things that go to protect the people who are resident in personal care homes in Manitoba. We, through our department and the Family Services Department, led by the Seniors Directorate, will do a review of standards and regulations.

The timing for this is appropriate because, as a matter of fact, reform is happening. The honourable member suggests it is not. But reform is happening because levels of care required in our personal care homes, I am told in all my visits—I cannot remember how many personal cares I have visited; it must be in the dozens by now. Everywhere I go, I am told and reminded that, you know, many of the residents here, Mr. Minister, are at higher levels of need than a few years ago. Some of these people who are now 85 and 90 came here 10 years ago or whatever, and they are getting on. They are getting so that they need more care.

So it is an appropriate time for a review to be held. This review will include consultations with regulatory agencies and bodies like the College of Physicians and Surgeons, like the Manitoba Association of Registered Nurses. We will bring the MHO into the discussions, and I just cannot remember what all other groups. But certainly anybody who has any concerns that they want to be made known, they can let it be known through my office, and I will pass it on to the task force so that when we do hear from them, the advice that they give us will be backed by as many interested and competent parties as possible, so that we can go forward from there and make whatever improvements are necessary.

Mr. Chomiak: Will the minister table the guidelines for the task force?

Mr. McCrae: Yes, Mr. Deputy Chairperson.

Ms. Avis Gray (Crescentwood): I, too, have a number of questions about Home Care, but I think I will leave them until we get to that section. I wanted to go back and talk about some of these committees that the minister has established and look a little bit at health care in rural Manitoba.

I am wondering, first of all, if the minister could tell me, is regionalization of services, particularly in rural Manitoba, but not to exclude urban areas of Brandon and Winnipeg—is that a fait accompli? What is the department's position on regionalization, and where is that in terms of looking at regionalization of health services?

Mr. McCrae: It is not a fait accompli because, as I said earlier in my comments, the process has been slowed down a little bit but not stopped because it is the right thing to do in my view and in the view of all the others with whom we have been consulting.

When we look at other provinces, I think of New Brunswick, Saskatchewan, B.C., Alberta—I think, Alberta—those provinces, without prior consultation, or very little, passed legislation drawing new lines on maps. I think it was in Saskatchewan where they had 133 hospital districts; they reduced it to 30. They reduced it with a stroke of a pen to 30 and closed 52 hospitals in the process. Well, that is not the approach we decided to take, even though we too have pressing fiscal problems with which to deal.

I do not know if I will get my whole chronology right, and if I do not, maybe Mr. Maynard will stop me. The first process is about to draw to a close, that being proposals for the regions, for regional association boundaries basically. We extended the date for closing all of the appeals and so on to the end of April. That date has now come, and the Health Board will look at all of the appeals, if any.

I should go back. Initially, there were about 20 proposals that came forward. The Health Board and the rural and northern health advisory committee determined that that should be reduced to eight regions, and that was appealable. That is where I have been going around the province,

inviting people to make sure they do appeal if they are not happy with that, and so we can get to the next stage.

After the appeals have all been dealt with—and that will be a very inclusive process, where even those not filing appeals but having an interest will be welcomed to make their views known, so that when we finally do get the regions sorted out, it will be the subject of more approval by the boards and trustees and community people and service providers that have been involved in the process. So I expect—I do not know how long it is going to take; I do not expect it to take too terribly long, though, before we will be able to say where the regions are and how many there are. I have speculated that there will probably be fewer than the 20 initially, and probably a few more than the eight that were arrived at, at the last round, but that is just speculation on my part.

* (2040)

So then, from there, the regions would then be asked to form associations, and that should take some time. I think it will be about the spring of 1996 before we can get serious about—between now and approximately the spring of '96.

Those associations and boards will be advisory in nature. They will not have legislative capacity until we get legislation passed for them, and advisory in the sense of what form and structure of governance they should take up.

We want to make sure that the people understand, and I have gone to some lengths to go to a lot of places in Manitoba to explain that this whole regionalization process means a whole lot of things, but there are a few things that it does not mean.

I wanted to point out what it does not mean, because there are some trustees and others out there who either were given to believe or for whatever reason believe there might be some problems associated with things like where you would go for your care. If under a new system, does it change the way your care is delivered. If it is an acute-care situation, are you force marched to a certain place or driven by ambulance against

your will to a certain place you do not want to go. I have been giving them assurances that is not what it means.

Another one was hospital boards. Does it mean the disappearance of all our hospital boards, like in Saskatchewan, and the answer was no, that is not what it means. We do encourage amalgamations. We have already seen a number of amalgamations of personal care administrations with hospital administrations in some small communities, but decisions about the future of boards, we think, ought to be made more locally than right here in this building on Broadway Avenue in Winnipeg, so I have made that clear.

Hospital closures: With all those hospitals in Saskatchewan—I think 52 altogether hospitals closed there by the stroke of a pen—that is not our approach. I have been making that clear, too, that that is not our approach. If in the future a region decides that a hospital should deliver services differently or not at all, if that is what they want, that will be something that would come from them and not from the government of Manitoba. I do not expect to see any hospital closures, other than maybe Brandon Mental Health Centre, which we can discuss later.

The other thing that was of concern to one of the communities was what about foundation monies, what about money that people—this happened in Minnedosa, by the way, and I see the Minister of Culture, Heritage and Citizenship (Mr. Gilleshammer) is here, and he might want to hear this. Concern was raised, if we form into a larger geographical group and association, then monies that you might donate to the Minnedosa Hospital for supplies or to decorate a room or some such thing, would that be swallowed up by the association. I said no, and if it makes you more comfortable, we will make sure of that by giving you whatever comfort you need in the legislation or whatever.

So those are some of the things that this regionalization does not mean, but what it does mean, and what most participants are in agreement with, is that it means a better co-ordination of services in an area. It means that we bring in not

only hospital administrations and personal care administrations, but also public health service people, mental health service people, home care people, the whole range of medical health services together and discuss and co-ordinate and integrate—these are words that get used all the time in this discussion, but those are the things that the goals are.

In other words, there is a very widespread acknowledgement that we have not been as efficient as we should be, even in rural Manitoba where they suggest they are more efficient than they are in the bigger centres. Even there they agree, not even reluctantly anymore, but they agree that something has to be done to rationalize our services better so that we put focus on the patient. That seems to be one of the guiding fundamentals that everybody has bought into, and we are glad they have.

Some now are saying, well, there is general agreement in our area; let us get moving. So right now, I am just trying to hold them back, because they want to move ahead. I commend them for that, but if they will just wait a little while longer while we finish off this appeal process so that others who do not feel quite so happy the way things have happened so far, they can have those issues addressed. Then we can all move forward together with association building in the future.

It takes a lot of consultation regionally, locally, and the government's role has been, I think, to help facilitate. Sometimes we have maybe gone a little overboard as a government in laying out guidelines to the point where some people have felt that, well, you know, we are just being involved in a process, like as the member for Kildonan (Mr. Chomiak) pointed out, it is a monologue disguised as a dialogue. But I think my efforts in the last few months have been to try to re-establish what has been going on as a dialogue, and there is far less sense out there now that there is a preconceived result here and we are getting you to play the game. I think there are a lot of reasons out there for people to believe that their input is very determinative of what things might turn out like in the future.

Ms. Gray: I thank the minister for that.

Can he tell me, with this first phase of looking at regionalization completed, when exactly did this whole process begin? Is this something that has been recent in the last year or so, or has this been ongoing for a number of years?

Mr. McCrae: Through the aegis of the Northern/Rural Health Advisory Council, I think the more formal parts of this whole process began about a year ago. The Westman Integrated Strategy for Health had been in existence for two or so years even before that. That was a group that I think basically on its own initiative began discussions.

They did get funding under the Health Services Development Fund, so they were self-starters out there, and through the Health Development Fund, they received some assistance from government to sort of show everyone else that through dialogue and consultation, progress can be made. We are grateful to the efforts of the WISH, as it is called.

* (2050)

Ms. Gray: Mr. Deputy Chairperson, for the record, to let the minister know in terms of regionalization and how he has explained it, I support regionalization of health services, as well, and think it is very important that the various communities involved within a particular geographical area identify what they see as their health needs and not only health needs, but social services needs, as well, at some point, if that aspect could be looked at so that the community is basically controlling the kinds of services that they are delivered, given that there has to be minimum provincial standards.

I would ask the minister, how does this regionalization process and these advisory groups that would be involved—who is going to be making the decisions as to what are core services?—because I know that the core services committee that is looking at health care services, particularly in rural and northern Manitoba, is now involved, and I am not quite sure which is coming first. Are the committees and the government first going to be determining what core services are in a

community, or is it these new regional boards that are going to be looking at that?

Mr. McCrae: Certainly for the next year, the dialogue will be an advisory sort of capacity. I am not sure what the member means by core services, because in some very small communities you will not find any services actually located in those communities but delivered into them from somewhere else. It is a combination right now.

I think if you look at the average rural hospital you will see that core of services in the hospital that are fairly standard from one place to another.

I think, though, that with the help of the Centre for Health Policy and Evaluation over the next year—and years plural, too—regional boards and associations will be focusing, as I have said before, on the consumer of health care, looking at the determinants of health in a particular region, examining what the needs are.

For example, in some areas you will see a greater need for dialysis services. You might not see that in another region, so that region A might have it; region B might see fit to use their envelope funding to establish some other kind of service that they feel is important in their area—obstetrics or whatever it happens to be.

Nobody, I think, has a really clear picture today, but I think those who have a clear picture of how the process should unfold are the leaders here, because we are going to be guided by fact and data-based needs assessments in the future in developing health policy and health services. We are not just going to have a—I do not know what kind of example to use because I will get in trouble if I try to do it, but a diagnostic technology that is popular, let us say.

You are not going to want to have them in every region necessarily. One region might have a diagnostic tool of one kind, and another will have the other kind. I do not expect to see the proliferation of all the fancy equipment and everything that you see at the Health Sciences Centre, for example. You are just not going to see it everywhere.

I do not think you are going to be able to have open-heart surgery everywhere in the province. That is not what this is about either, because there is still the issue of cost to be dealt with. But a lot of the decision making, a lot of the needs assessing will be done regionally and locally and wherever asked for, with the help of centres like the Manitoba Centre for Health Policy and Evaluation.

Ms. Gray: Perhaps I can ask the minister then, the committee to establish core services for northern/rural health associations, the one where there are five physicians, 11 Manitoba Health staff, two hospital staff and no nursing staff, where is that committee at? Is that just formed? Where are they at in terms of defining core services?

Just to repeat, the committee that I was referring to was the Committee to Establish Core Services for Northern/Rural Health Associations. I am wondering, I would think that committee would be fairly integral in terms of looking at what kinds of services should be available in a particular community, what types of health services should be available, what types of health services then would not be available necessarily in your own community but might be available within the same geographical regional area, what kinds of specialized services does a person have to come to, let us say, Winnipeg for, and what kinds of services does a person have to go out of province for.

Mr. McCrae: Among the committee members there are nurses in that group. The terms of reference basically set out what the committee's role and function and mandate is. Amongst the people listed as committee members in the right-hand column, I do not know how many but a number of these people are nursing professionals.

Ms. Gray: Mr. Deputy Chairperson, what I would like to know though is where is that committee at in terms of looking at core services, and do they have a time frame as to when they are supposed to develop what core services are?

Mr. McCrae: The hoped-for reporting schedule for this particular committee is some six to nine months from now. It is sort of planned to coincide

with the advancement of regionalization to the stage where proposed regional associations can begin to discuss services with the advice of committees like this. I think the associations will have evolved far enough, it is our hope, by about that time that there will be somebody to have a look and listen to the advice being given by this committee.

Ms. Gray: Mr. Deputy Chairperson, does this committee not need to complete its work before some of the other committees report or their recommendations are taken into consideration? For instance, the committee that is looking at rural surgical services—there was to be an interim report last Friday, but it seems to me that this core services committee needs to report or have its recommendations accepted by the government or modified before some of the other committees can sort of fall into place. My second part of that question is: Who is looking at core services outside of rural and northern Manitoba, which would be the urban areas, Brandon and Winnipeg?

Mr. McCrae: Mr. Deputy Chairperson, it is a challenge, I think, that we have to try to rise to, that of integrating the work of this core committee along with other surgical and other committees to make sure we do not have committees working at cross purposes. We recognize that and we are working with the rural and urban advisory councils and the Health Board. I think we have some pretty good minds at work on these things.

With respect to Winnipeg, the honourable member will have heard of the Bell-Wade tertiary care report. There is going to be a secondary care report, as well, for Winnipeg, which we think will co-ordinate the various services so that we do not have ophthalmology services delivered out of all the hospitals—we have already made some progress there—so we do not have pediatrics or orthopedics being done everywhere.

We think we can make our hospitals in Winnipeg centres of excellence for various things so that the same people basically involved in that tertiary care study we expect to be involved in the secondary care study, as well.

Ms. Gray: In the core services committee or other committees, is there within the terms of reference a move to look at actually decentralizing some of the medical services from Winnipeg to rural Manitoba?

Mr. McCrae: I am not sure, but the question calls for some response from me personally, I think. By that, I hope you do not mean that we take services away from Winnipeg that it needs, to spread them around. I do not think you do.

I think those services which we can properly deliver outside Winnipeg, we should have an eye to doing. It was not until only a few years ago that we got a CT scanner in Brandon, for example, or the kind of dialysis services that we are now delivering outside Winnipeg. Those are relatively new developments.

I was in Pine Falls just a few weeks ago where we demonstrated there was a need there for dialysis services, so we have not kept them all in Winnipeg. If that is decentralizing, I guess that is what it is. I think it is delivering services where they are needed.

Ms. Gray: Mr. Deputy Chairperson, that is what I meant in terms of offering some services that are now offered only in Winnipeg in rural Manitoba, and the minister mentions the dialysis program. I know some areas of the province have talked about how they would like to be able to provide mammogram services, more orthopedic surgery services, those kinds of services, and that is why I asked the question.

* (2100)

I would ask in regard to all of these core services, because we are talking about core services and trying to make a determination as to what kinds of services we can offer in various communities and then what kinds of services as a province we can offer and what kinds of services must our Manitobans go elsewhere for.

The lung transplant program at Health Sciences Centre, my question would be—and granted when you read about the great strides they have made and certainly for those individuals who had the opportunity to have the transplant, it is a wonderful

thing. I would ask on what basis was it decided that Manitoba should be able to provide that kind of service, as opposed to not providing that service as a province.

Mr. McCrae: Mr. Deputy Chairperson, we are fortunate in Manitoba to have good leadership with Dr. Unruh and the transplant team. The considerations that go into it are important. It actually saves us money to do transplants here in Manitoba because it is our own travel in trying to deliver the service, but it saves the consumer money and trouble because they do not have to travel to London or Toronto for this kind of procedure. We are actually saving money.

The biggest issue with lung transplants is availability of organs, so that has a lot to do with how the program is driven. There may be people on a list for a lung transplant, but if no lungs become available for them, then it is not possible to do the procedure.

I will just give the honourable member some numbers here just to demonstrate my point. In '91-92, our total cost for a lung transplant program was \$575,000. Of course, this was for out-of-province because we did not have that service here. In '92-93, it was \$632,500. Then in '93-94—now we have done them in-province—we are down to \$430,000. This is all assuming three transplants and 24 assessments a year. In '94-95, we expect in-province to be \$338,086. We save money and we make life better for the transplant recipient.

That is part of it, but in addition, when we have the calibre of people who are on Dr. Unruh's team, it is hoped we can attract research people and dollars to Manitoba to continue with our efforts to make this a research centre.

It makes sense if you can do it. I mean, I am not saying we want to have every single gadget and goody that is out there. We want to get a job done, and in this case, we have made life better for people and actually saved money. The same as with ophthalmology, we have saved money with that program and, by all accounts, improved the service.

(Mr. Jack Reimer, Acting Deputy Chairperson, in the Chair)

Ms. Gray: Mr. Acting Deputy Chairperson, one more question in regard to regionalization, and then I want to talk a little bit about the impact of Bill 22. I know we are not in the Capital Planning section yet, but given that we are looking at regionalization of services, I guess I must ask the question, where in this planning does the potential Morden-Winkler future hospital fit in?

Mr. McCrae: I am not sure if the honourable member is not leading to something about the impact of reform on our Capital budget. I have made the point that needed capital construction will not be left on hold using reform as an excuse. That is not the point. I believe the planning is going forward for the Boundary Trail health centre. There is an exception again to, I think, what I said before. The Morden and Winkler hospitals will collapse into one hospital. So that is an exception, but it seems like there seems to be pretty widespread agreement for it. There is nothing there that reform has held up or anything like that. The process is going forward.

Ms. Gray: I had a couple of questions about Bill 22, and because Question Period is not really a forum where you can get details, I understand that the minister had mentioned the other day that he had met with members of the Manitoba Health Organization in regard to the request that had gone out to hospitals to look at a 2 percent reduction and that a way for the hospitals to look at that 2 percent reduction in their budgets was through implementing a bill, or a modification of Bill 22, looking at five days off for staff.

Now, can the minister clarify? The Premier (Mr. Filmon) seemed to be very definite that was what hospitals were being asked to do, but I think maybe the minister has suggested there is going to be some flexibility in that. Can he perhaps provide a clarification on that?

Mr. McCrae: I will try, as I did with the Manitoba Health Organization and many of their members last Thursday morning. I told the people there that I recognized that, even though the Health Sciences

Centre and Grace Hospital had seen fit to use Bill 22, there might be some who feel they are able to do that as well. If so, that is fine, as long as they understand that I or the government will not tolerate any impact that would be negative on the care of the patients that they are looking after in their facilities.

The rules initially had been slightly different for personal care homes or for community health centres where they are—certainly personal care homes are usually 99 or 100 percent full, which is different with hospitals. Some of them have occupancies as low as 40 percent. So at an occupancy of 40 percent, if you are staffed for a higher occupancy you have more flexibility, and you have more flexibility if you are a bigger operation.

What I did I think at the meeting on Thursday morning, which will be followed up by a very clear written clarification, if you like, or instruction or whatever you call it, is to make the point that indeed there is a flexibility here. There is indeed that flexibility, that we are interested in knowing what their proposals are.

If they can use Bill 22, they are free to do that. If that is not on for them—because nurses are not affected here, they are not included, and nurses make up a large part of a hospital's workforce—if they cannot do it that way, then maybe give us other proposals. There are some, I dare say, who are going to say, look, we have worked for three or four years to make ourselves as lean as we can. If they can make that kind of a case, the government will have no choice but to listen because, as I said, patient care is the bottom line we will not breach.

* (2110)

Ms. Gray: Mr. Acting Deputy Chairperson, I know that a couple of hospitals had written the minister—Grandview and Ste. Rose. Again, what they were asking for was the flexibility to not use Bill 22. They said they were prepared to come up with a 2 percent reduction, but they were going to do it through other means. So in fact there is now a flexibility to do that, that is a positive step for those hospitals.

In regard to Bill 22 and personal care homes, perhaps the minister can enlighten me. If in the case of personal care homes—again nursing staff are excluded from that, but other staff who provide direct care to patients, orderlies, home care attendants, et cetera, are a part of the Bill 22. Given that most of the personal care homes have to provide replacement staff for their staff that are off, how do those hospitals end up saving the dollar amounts on salaries when they are hiring replacement staff anyway?

Mr. McCrae: Well, that is I think precisely the point. The honourable member is right. People who provide direct care, and people who cook meals—I mean, if they are going to be replaced by somebody else anyway and there is an overtime or a premium or any cost, then how are we achieving anything at all? So that is a reasonable argument to make, and one that we will listen to.

I am just trying to remember what else I was going to say to the honourable member about Bill 22. Yes, the MHO people made a fairly persuasive point about autonomy of hospital boards.

They recognize, they repeated over and over again, that they, like everybody else, have to look at their financial requirements, but they preferred being asked by the government to find the 2 percent to being told how to find it. In other words, the Bill 22, as the honourable member has pointed out. Like I said, it works for some, it does not work for others, and we are prepared to look at all proposals.

Ms. Gray: I have a question for the minister in regard to Bill 22 and how it affects hospitals but relates to staff who work for the government. That is what I would call essential services staff in home care, i.e., case co-ordinators and resource co-ordinators.

Can the minister tell us how hospitals are to be efficient in terms of the dollars when they are ready to discharge patients, let us say, on a Friday but cannot do that, particularly in rural areas because the case co-ordinator and resource co-ordinator is not working and therefore that particular patient probably cannot be discharged

until a Monday or, in some cases, because resource co-ordinators only work .8 of the time, in fact they cannot discharge until Tuesday. How is that going to be accommodated in terms of hospitals being able to discharge patients and, if the patient is ready to go home, they should be discharged?

Mr. McCrae: I agree, Mr. Acting Deputy Chairperson, that if the patient is ready to go home they should be discharged. I also want to come to the point about Grace Hospital. One of the newspaper reports reported that they do not release people on weekends. My understanding is that they do discharge people. That was incorrectly reported in the news.

That having been said though, any plans that come forward, proposals, we want to take account of the point again raised by the honourable member that in our Home Care operations we have to make them flexible so that hospitals can discharge people on weekends or on those famous Fridays or whenever it happens to be.

It is because, I think, sometimes there is a feeling that maybe the government program has not been flexible enough that hospitals are looking to other ways to try to make sure that discharge can happen.

I think there are other reasons that discharge does not happen, too, if I could just digress a little bit. I have been told by people who know that sometimes, through nobody's fault, the doctor is not available to discharge a patient, but it happens.

We have been learning a few things that remain to be addressed. We need support when we do address them, and we look to reasonable people to give us that support.

But any plans that are put forward, we want to ensure that any ability the hospitals presently have to discharge, we do not want Bill 22 or anything like that to get in the way of that because there again, we are defeating our own purpose.

Ms. Gray: Mr. Acting Deputy Chairperson, if there are hospitals then that feel that their ability to discharge patients is being impeded directly because of availability of, let us say, home care staff, then would it be safe to assume that those

hospitals should present directly to the minister or his staff and suggest that this is the difficulty? Is there something that can be done so that there could be changes made?

Mr. McCrae: I would be very happy to try to address those problems if they are brought to my attention. We would like to work with the hospitals, with the Home Care program and anybody else out there who might be able to help put the focus on the patient to help us solve those problems.

This home care delivery system, in relative terms, is new. It really has not been around that many years. Certainly, as the member for Kildonan (Mr. Chomiak) pointed out, it has indeed experienced growing pains, not only in the last year but in other years, as well. I expect it will continue to experience growing pains as we continue to enhance and increase our commitment to the program. If the honourable member knows of an area or a hospital or somebody, they can use the MHO to work with us. They can contact us directly, and we will work with them.

Mr. Maynard points out that last year, some hospitals were able to use the flexibility that they had without resort to Bill 22 to adjust budgets. Perhaps that can happen again. As I say, if the honourable members identify an area where discharge is not working as well as it should for the patient, I want to know about it because the patient is the person I work for.

Ms. Gray: Mr. Acting Deputy Chairperson, I know there are around 45 or 46 committees, and I have not read through them all. Is there a committee that is actually looking at discharge planning and how efficiencies can be created and looking at the impediments in the system to good discharge planning?

Mr. McCrae: It is part of our ongoing work to try to improve the home care system. There are internal government committees at work or groups of people at work always trying to find where we can make improvements.

Also, you might have heard me make reference to a bed utilization committee. Now, that is a

hospital bed utilization committee that would have to examine home care issues as it looks at discharge policy. Through those kinds of avenues, we hope to make some improvements in bed utilization and also discharge policy.

* (2120)

Ms. Gray: As I am sure the minister is aware, there are a lot of efficiencies I believe and I think health care professionals believe that could be created if we did a better job of discharge planning. Even physicians themselves say that they probably could do a better job of discharge planning or that they know a patient may be ready to go home on a particular day, but they think that home care services or mental health services will not be available anyway, so they let the person stay in hospital for a couple of days longer.

I understand, whether this is correct or not, and I am sure the minister is looking at it, that there are people who are occupying psychiatric beds in the city of Winnipeg who, with some discharge planning and some appropriate resources, could be in the community so that when people come in who actually need beds that that is done. I know that is a matter of hospitals and community doing a better job of working together and getting the system in place that facilitates that.

I understand, as well, that some of the other pieces of the system, for instance, infants who are in neonatal care in Health Sciences Centre where—now I have been told by a nurse this could be a high number—but they say the beds are very expensive, up to 800, a thousand dollars a day. Some of those infants are in those beds longer than necessary because there are no foster homes for them to go to. So it is a cyclical system that we are in and one thing creates problems in the other areas.

I know it is not a problem that will be addressed overnight or in the short term, and I know that it is very complex. You are dealing with social services. You are dealing with mental health services, home care, physicians and how they utilize their time, et cetera, and I just hope that is something that is looked at because it is expensive

when we have people who are in hospitals longer than is necessary.

Mr. McCrae: Mr. Acting Deputy Chairperson, the honourable member certainly makes the correct observation, in my view. Even after the difficult times that we have had in Manitoba addressing pure overcapacity in our hospitals and issues like that, we still know that even after the closure of some wards in hospitals, we still have people in those hospitals who could be more appropriately looked after elsewhere.

The honourable member knows how difficult it is to address these problems without creating misunderstandings and fears out there. I am very mindful of that. Yet, we owe the future better than what we are doing for them right now. We have to address making those beds either vacant for somebody who really needs them or making those beds vacant, period, and using the dollars to be spent somewhere else.

So in those areas that the honourable member identifies, I see the department staff here and I think they are making note of some of those things that you have pointed out. I would like to follow them up with the department, see what consideration has been given, because I have certainly heard not only from the honourable member but, in recent days, nursing people, who have pointed out to me some things that—there is not really very good reason for them having been left the way they have been to this point, except that is the way it has been and that is the way we like it and we do not like change.

Well, we cannot afford that sort of approach anymore. We have to have high regard for the people who have worked in the system for many, many years of their lives, but I think that we also have to ask them to co-operate with us, maybe in doing their jobs differently in a different system that has more regard for the patient. That is what this is all about, and I think we have been spending more money than we need in some places and that has made it hard in other places. Of course, when it is hard in the other places, we get round criticism for not spending enough or whatever it happens to be and then, when we can identify areas where we

can find money to spend it better, we come up against some unhelpful criticism.

So I appreciate what the honourable member has said about those kinds of beds, psychiatric beds for example, and pediatric beds and maybe there are others, too.

In fact, I know that on the medical ward of one of our hospitals—and I will not name that hospital right now because there is more going to be said about this—much, much more could be done in terms of discharge that is not being done.

Mr. Chomiak: Gosh, there sure is a lot of criticism out there that is coming off. I wish we could find out where that unwarranted criticism is from, so we could all work together to improve this health care system. I certainly would assist the minister in trying to track down the sources of that unhelpful criticism that seems to be manifest out there in the system.

My question to the minister is, the minister made reference to a working co-ordinating committee dealing with home care. I am wondering, I do not see that committee listed on a list of committees that was provided to us. Is this something other than the list of committees the minister provided us with? What is the membership and make-up of that committee?

Mr. McCrae: I do not think, Mr. Acting Deputy Chairperson, that the honourable member will find that on a list of committees. This is government, internal people. It is home care staff who are working on these things. It is not a formal thing that you run out and announce. It is not made up of members of the general public. It is made up of staff of the Home Care Branch.

Mr. Chomiak: Is this the process that was commenced or co-ordinated or in a partial way established by the APM consulting people?

Mr. McCrae: This is, I think, as a result of a demonstration project which APM was involved with. We did indeed learn some things about our Home Care program that were very much lacking. Clients were not getting services they should get. I think you could say this is an ongoing effort which

got its beginning with the APM demonstration project.

(Mr. Edward Helwer, Acting Deputy Chairperson, in the Chair)

Mr. Chomiak: I am just going to initially follow up on a few, I would characterize them as supplementaries to the member for Crescentwood's (Ms. Gray) questions.

Is the minister in receipt of any reports recently dealing with regional health care governance or matters relating to that?

Mr. McCrae: Perhaps the honourable member is referring to the Interlake health proposal?

Mr. Chomiak: I am actually referring to the Landry report.

Mr. McCrae: What has often been called the Landry report I think is minutes of a meeting held sometime last fall. Minutes which became a report is what is generally known as the Landry report.

Mr. Chomiak: Would the minister be prepared to table that report?

Mr. McCrae: At this time, no, Mr. Acting Deputy Chairperson. The reason I say that is that this Landry report, so-called, is being used as we deal with all these appeals and as we work with the associations. I suppose there will come a time when that will come out, but I am not prepared at this time to show it to the honourable member.

Mr. Chomiak: Turning to one of the reports mentioned and touching again and following on some of the questions that were raised earlier regarding Nurse Managed Care Working—there is a Nurse Managed Care Working Group and with fairly definitive terms of reference. I wonder if the minister might outline for me the status of that working group, and when we can anticipate a finalization of that particular process.

Mr. McCrae: Mr. Acting Deputy Chairperson, the report the honourable member refers to is a preliminary one and is being used in conjunction with the discussions we are having with the various nursing groups. You will recall that I mentioned that I hope to hear from those groups by June 15. This report is all going to be part of all of

those deliberations. I do not think we are going to call it Nurse Managed Care anyway. It is going to be called community resource care or some such thing like that, but nurses will certainly—as part of this proposal, nurses are quite key and at the forefront.

I have in my hand a document here that the honourable member might remember a little while ago when I think I was discussing it with the member for Crescentwood (Ms. Gray), the variability or the variation in application of the home care criteria, you may remember, across the different areas and within one region and how disturbed I was about that. I would like to share—it is in the Winnipeg region. I would like to share with the honourable member and maybe he has already seen this, but I do not know—I do not think so.

This graph, and I have to try to make it so that the record will show this, shows anywhere from zero percent up to 18 percent variance in the treatment of people only in the city of Winnipeg on home care. This is something that was attempted to be addressed last year. Some people over here, as a result of attempting to address it, got services that they had not been given in the past, and some people over here, where everybody was given service, perhaps had their services decreased.

* (2130)

(Mr. Jack Reimer, Acting Deputy Chairperson, in the Chair)

Now that is to try to make things fair. So I am going to share this with both my honourable friends because I think it is necessary to know what I am trying to fix and what the honourable member wants to defend. This is not right. This is not fair to our fellow Manitobans, and I am going to try to do something about it. So I table that and ask that both honourable members be given a copy.

An Honourable Member: I am glad that you are going to do something about it.

Mr. McCrae: I am. I do not think we should allow inequities to continue, and I say that to the member for Charleswood (Mr. Ernst), who is showing a similar concern.

Mr. Chomiak: Mr. Acting Deputy Chairperson, I certainly agree, and that is why we were so disturbed and the public was so disturbed last year when the government introduced additional inequities into the system. That is why the public protested en masse and the resulting political fallout had ramifications, had a direct bearing on the employment of this particular minister. That is one of the reasons we were so concerned, but I would be happy to see that graph and discuss the issues contained in that graph when I have opportunity to review it when the minister tables that particular graph.

So, if I can understand from the minister's response to my question, the preliminary report is going to be utilized as a source document together with the discussion groups and the working group, its structure, to come together some time around June 15 to develop some sort of processes. Will there be any additional pilot projects or any additional projects launched after that period in time?

Mr. McCrae: There is a potential for that, and rather than get bogged down in all of these arrangements that are going on, I think it should be noted that I asked the Manitoba Nurses' Union over to my office so that we could discuss this particular matter. They came to that meeting. I am glad they did. I have an open mind about this.

I have also had discussions with others, and this is not something we are going to do in isolation, one group from the other group. That kind of planning and politics should be a thing of the past, where we have winners, we have losers. We have one group winning out over the unsuccessful group, leaving that one to walk away thinking they have been defeated in the whole process. That kind of health care politics is not my kind of health care politics, and I am not going to play it. I am going to work co-operatively with all groups to try to bring about the best result I can for the patients, the people who need health care in Manitoba.

Mr. Chomiak: Well, I am very happy the minister said that, and we will be looking for the results of that philosophical shift that has occurred in the health system.

The Acting Deputy Chairperson (Mr. Reimer): Order, please.

Point of Order

Mr. McCrae: If I may, Mr. Acting Deputy Chairperson, I do not want the honourable member to misunderstand. I am not moving on any philosophical grounds. The ground I am moving on is the ground that serves the patients better.

The Acting Deputy Chairperson (Mr. Reimer): The honourable minister did not have a point of order. It is a dispute over the facts.

Mr. Chomiak: Mr. Acting Deputy Chairperson, I am glad the minister has asserted the fact that he is working on behalf of patients, and joins with all of us together here in this province to do the same thing, and I admire that.

On the surface, if one were to in this co-operative spirit that is now prevalent in Manitoba—I note that the doctors were quite pleased that they were given the opportunity to participate to a greater extent on the various committees structured by the government, something that they had been critical of the government in the past. I am happy to say the government has responded by virtue of allowing them participation in a broader extent on the various committees. But I am sure the minister has a response, because on the surface when one reviews the participation of nurses on the committee they certainly appear to be unrepresented in terms of their participation on the committees. I know in the new co-operative spirit the minister does not want that condition to be translated out there into the community. I just wonder if the minister might comment on the fact of what very apparently, from the data the minister provided for us today, indicates that nurses are apparently underrepresented on committees.

Mr. McCrae: I am mindful, if the honourable member is suggesting a lack of nursing participation, that has not been a complaint that has been made by the MNU to me, for example, on committees, or to the MARN or anybody else, just

by the honourable member, but I am happy to look at it because I do not want it said—I would not want even the honourable member to think—there was some kind of an imbalance.

If you look at the first page here, where it says Manitoba Health, there are larger numbers. A lot of those people who work for the department are nurses: Sue Hicks, for example, is a nurse; Phyl McDonald is a nurse; Carolyn Park is a nurse; and on and on throughout the department. A lot of those people are department people. Some of the committees deal with issues that are not nursing issues, and I am not making any excuses. If there is a committee that someone can make a case that we do not have a nurse and should have one, I would be quite happy to entertain that issue because I do not like the idea that someone might think that nurses are not appropriately represented.

Getting back to APM, hundreds of hospital staff were involved with the APM projects at Health Sciences Centre and St. Boniface. Many, many of them were members of the Manitoba Nurses' Union, and working side by side with their counterparts and other staff groups working on project improvement teams, trying very diligently and in a dedicated way, giving far more than 100 percent of what they should be giving for their paycheque, giving far more because they care about the patients who come to be cared for at those hospitals.

So this does not tell the whole tale, but if the honourable member has a specific case where there should be some representation or someone feels that they have been left out, I would like to know about it because I will address it.

* (2140)

Mr. Chomiak: Mr. Acting Deputy Chairperson, the minister's argument, of course, about nurses being represented in Manitoba Health could also equally translate for physicians in the sense that Moe Lerner, for example, is on at least four or five committees, and he is also a physician, et cetera. I am not diminishing the—the point I am making is that, in this new spirit of co-operation and openness, I think it would bode well for the

department to perhaps consider looking very seriously, given the way the statistical data are presented on the front of this page, to consider an expanded role for nurses. I think, in this new spirit of co-operation and harmony, it would serve to be a significant factor towards improving the situation by virtue of including nurses, more nurses on some of the committees.

Mr. McCrae: Mr. Acting Deputy Chairperson, I accept what the honourable member says. We will indeed go through our committees and make sure that the nursing profession is properly represented on there. Now, sometimes we put out the invitation for people, and they do not want to do it either. That happens occasionally, so bearing all those things in mind, I will go through these things with department staff and we will look at—because I have asked them before, you know, have you got proper nursing representation? Really, in the absence of any complaint that has been made, I guess, we have concluded that it is appropriate, and I do see nursing represented in several ways here. But I will undertake to go through this with my staff here, and we will address that suggestion the honourable member makes.

Mr. Chomiak: Mr. Acting Deputy Chairperson, I look at several committees. Just on the surface I could suggest several, but I will leave that to the professionals to make suggestions. The same would hold true for aides and others in the health care field.

I want to turn to a new line of questioning, and it is with respect to the new agreement with the MMA, because the minister has referenced it on occasion in the House and during this particular discussion, and I am wondering, is the minister prepared to table the agreement so that we could have the ability to analyze it and assess it?

Mr. McCrae: With pride, Mr. Acting Deputy Chairperson, I am very proud of this agreement. It took some doing to get the doctors to work with government on the various issues that have been troubling us in Canada and in Manitoba for a long, long time. I did not appreciate those people who, without having any understanding whatever of the

deal, made very early unflattering comments about it.

I hope very much that it works over the term of the deal, because if it does, then we will really achieve something for Manitobans, and that is a giant step towards sustainability of our health system.

One of my greatest wishes is that I could reach the same kind of understanding with the MNU, which is a union. I have certainly come to a good level of understanding with hundreds and hundreds of nurses with whom I have met in Manitoba in the last seven, eight months. I would like to reach a better understanding with them and you. That is not easy, I recognize that, but nobody thought it could be done with the MMA either, I do not think, and it has been done. Maybe I am a dreamer, but I am going to keep trying.

Mr. Chomiak: I thank the minister for that comment. I look forward with anticipation to having an opportunity to reviewing the MMA agreement. I, too, am perplexed that individuals would actually comment on the agreement without a proper understanding of it. I do not know who those individuals are. I had occasion to review most of the comments respecting the agreement, and I thought that basically the comments were based on information that was fairly well founded. I would like to assist the minister in finding those—[interjection]

The Acting Deputy Chairperson (Mr. Reimer): Sorry. The member for Kildonan to continue.

Mr. Chomiak: To assist the minister in tracking down that kind of—[interjection]

Mr. McCrae: I knew you could not say it with a straight face.

Mr. Chomiak: I would like to deal briefly, if it is at all possible, with the whole question of Connie Curran and APM—[interjection]—and the member for Charleswood (Mr. Ernst) asked, Michael Decter. I do not believe that—the minister could correct me, but unless the contract is extended beyond the period of time that I am aware of—maybe the minister is revealing something to me today—is Michael Decter now

part of the Connie Curran process and contract working in Manitoba? The minister mentioned it so frequently that I have to assume that maybe perhaps Connie Curran is continuing her labours in Manitoba.

Mr. McCrae: The thing is Michael Decter comes on as chief executive officer of the probably renamed APM Canada Division just about now when the work in Manitoba is done. So he is too late for that, but I suppose it would have been very interesting for the honourable member and his colleagues if Michael Decter had been the CEO at the time when we were contracting with the APM firm to do its work in Manitoba.

I wonder if the honourable member, though, can confirm some of the information I have, which I believe to be true, and that is, that after leaving Manitoba on the defeat of the Pawley government, Mr. Decter, who is the brother-in-law of Sherry Decter-Hirst—the reason I bring Sherry Decter-Hirst into it is that she is the sister-in-law of Michael, but she is the president of the NDP in Manitoba. Just in case that is not a close enough link, she was my opponent in the last election, and Dr. Derry Decter in Brandon, the brother of Michael Decter, is one of those people who have been fairly critical of me personally in debates in Brandon. So I do not feel like I am bringing it—[interjection] Not very much, no.

Point of Order

Mr. Conrad Santos (Broadway): I do not think it is fair that the minister should refer to persons who cannot reply in this committee.

Mr. McCrae: What did he say?

The Acting Deputy Chairperson (Mr. Reimer): I am sorry, will the member for Broadway please repeat the—

Mr. Santos: It is not appropriate that the minister put into public forum people who have no opportunity to reply to him in this committee.

Mr. McCrae: There is an old Biblical expression, that is, that he who is without sin cast the first stone. If the honourable members opposite never

do things like that, then they should cast the first stone.

* * *

Mr. McCrae: This was raised in the House and somebody took offence, but I know Mr. Decter. I met him when he was Deputy Minister of Health for Ontario, and I do not know what the running count is in Ontario with their reform initiatives: how many thousand hospitals beds it is they have closed or how many thousands of nurses they have put out of work. That was when Michael Decter was the Deputy Minister of Health in Ontario. He moves from that position to the chief executive officer position with the APM company, and I think that it has some relevance to the issue raised by the honourable member when he wants to know about APM because that is what APM is about today.

Mr. Chomiak: It is obvious the minister is extremely sensitive on this issue. I regret that the minister has to engage in inappropriate attacks on individuals who are not present. In trying to defend his policy, the minister lowers the level of debate and lowers the standing of the entire department by playing political games.

If the minister is sensitive, if the minister wants to argue the appropriateness of the hiring of the American consultant when he was in cabinet, when he approved it, when he helped sign the contract, when his officials from the department looked at the contract and agreed with it, when everyone knew it was hopelessly misplaced, when everyone warned him that even after you assume the chair of minister that this contract was negative for the public of Manitoba—if the minister wants to argue those things, that is one thing, but to engage in personal attacks and somehow attempt to defend the ill-conceived, poorly planned, hopelessly overpaid contract, untendered, that this government engaged in, only lowers the level of debate, and it is hardly worth commenting on.

If the minister wants to—I mean, there are all kinds of political games one could play in this regard regarding people and their involvement, and I will not play that. I will not play those games.

I will attack the contract. I will attack the individuals who are involved on policy grounds. But, to put on the record, that kind of innuendo and that kind of comment by the minister is totally inappropriate.

If I could return to the question, if the minister could answer the question, that I initially posed, which is the status of the Connie Curran exercise in Manitoba: Is it completed or have we proceeded beyond, or are there any ongoing processes, and, secondary, has the money been completely and totally paid out?

* (2150)

Mr. McCrae: Whatever flows from a question about the status of the APM, I do not think that the issue of innuendos should come into this. I am responding not to the contract or the issues surrounding the contract, but to the issue of hypocrisy, which does enter into the position taken by the honourable member in this.

He does not like me to refer to Michael Decter, but it is all right for him to refer to the principles behind the We Care Home Health Services company. So I—

Point of Order

Mr. Chomiak: Mr. Acting Deputy Chairperson, the minister could very well check the record and will note that I have never referred to the principles. If he will check the record, he will note I have never referred to the principles with respect to the We Care contract.

The Acting Deputy Chairperson (Mr. Reimer): I would just point out that the member did not have a point of order. It is a dispute over the facts, and I will remind members that this is not a time for debate on content or subjects. It is the Estimates of the department.

* * *

Mr. McCrae: Mr. Acting Deputy Chairperson, the reason that the government of Manitoba entered upon the contract, along with the teaching hospitals, is to avoid the slash-and-burn approach to health reform adopted by the New Democrats in 1987 when they closed, without any care, without

any concern, for patients or anybody else, 42 beds at Brandon General Hospital. That was the beginning of health reform. I remember asking about it in the House and being told, this is health care reform. That is not health care reform. That is slash and burn. There is a difference.

I have looked at a lot of the work done through the aegis of the APM contracts, and not all of it is perfect. I am not here to tell you it is, and I am not here to defend the size of the contract, because I know how the people of Manitoba feel about that. The fact is, when we can achieve significant savings well beyond the contract price, we can do so and improve care to people who use the hospitals. We can do that; it is not an easy thing to explain. I acknowledge that, and I am not even going to try to convince people, but I am telling you that for the \$4 million we can achieve annual savings many times that amount, and in pure arithmetic terms, there you have it.

The point is, I understand what the honourable member is getting at, and he knows how people feel about using an American consulting firm, which is now setting up a Canadian branch plant with Michael Decter at its head, but I understand how people feel about that. That is why any explanation about how the tendering worked and all of that does not really work, and I recognize that. Whether the fact that the government asked the hospitals, well, you know, is an American firm all you got? The other tenderer, apparently all they did was subcontract it to APM anyway, because that was the company that had the ability to do this kind of work. I understand the honourable member is not going to accept that. It is not a popular thing to accept, but, I mean, you can go on and on with this. But there are a few things that come out of this.

If the honourable member is against the APM contract, then he is against the following, Mr. Acting Deputy Chairperson. I will just go through this since he wants to know about status. There are commonly held perceptions that all work restructuring recommendations involve labour reductions, and that work restructuring does not improve patient services. Well, I am going to give

the honourable member and members of this committee some ideas that demonstrate otherwise.

Let us talk about operating rooms at Health Sciences Centre. Work groups comprising—

Point of Order

Mr. Chomiak: Mr. Acting Deputy Chairperson, since the minister is reading from a document that is outlining specifics, perhaps he could save the committee time and energy by simply tabling the document and allowing us to review it as we did in other circumstances.

The Acting Deputy Chairperson (Mr. Reimer): The honourable member did not have a point of order. Mr. Minister, to continue.

* * *

Mr. McCrae: Sir, the honourable member asked a question. I am going to answer the question.

Mr. Chomiak: Well, answer what question I asked?

Mr. McCrae: The question is about the APM contract, and I am not going to let the honourable member put the words in my mouth of the answer that I am going to give him. I want to give an answer, and I think that if he listens, he might even like some of the things that he hears.

Because of the APM contract, work groups comprising nurses, physicians and other staff at the Health Sciences Centre worked very hard, as I pointed out earlier, to completely restructure the operating rooms at the hospital. This will mean better services to patients who are receiving surgery. The honourable member must be against that because of the comments that he has made.

Delay and cancellation of surgery will be significantly reduced. I would be happy if it was eliminated, but this delay and cancellation of surgery is going to be significantly reduced by better co-ordination and improved systems. More patients will be admitted to the hospital on the same day of surgery, thereby reducing the amount of time they have to spend in the hospital. I think these are good things, I really do, Mr. Acting Deputy Chairperson. This flows from work

restructuring. This is what the honourable member is asking me about.

Children's Hospital Clinic scheduling at Health Sciences Centre: Ways to improve patient scheduling services at the Children's Hospital Clinic were identified by staff through these project improvement teams composed of nurses, physicians and other staff at the Health Sciences Centre.

By expanding automated scheduling to this area, children and their families will be served more quickly, and that involves fewer steps. Why do we have to have so many steps? Well, the answer by the project improvement teams is, we do not have to have so many steps because we are working for the patient. We are putting the patient first. The patient is our focus, and so let us try to improve these things at the hospital.

The information available through this automated system will also enable the hospital to better plan and co-ordinate clinic visits, generally thereby making the best use of staff time in serving patients.

Mr. Acting Deputy Chairperson, I know the honourable member is a little impatient, and I have a whole raft of things that I will talk about at the appropriate time. I am just getting started, but I know the honourable member wants me to stop so that he can ask his next question. So if you will make that available to me later, I will use it again.

Mr. Chomiak: Mr. Acting Deputy Chairperson, I am very pleased that the minister is able to relate some of the positive aspects of that particular exercise. My question is: Are there any ongoing projects presently, in this fiscal year, relating to the Connie Curran projects, any of the five, or any additional ones?

Mr. McCrae: There are no projects at work right now that involve any personnel from APM. Their work is completed.

(Mr. Deputy Chairperson in the Chair)

* (2200)

Mr. Chomiak: Can the minister also answer the question I posed two questions ago, and that is:

Has the money that has been in trust, the 20 percent holdbacks on each of the projects, been now forwarded to Ms. Connie Curran?

Mr. McCrae: No, it has not been forwarded to Connie Curran. It has been forwarded to the APM company. I have never met Connie Curran. I am sensitive about this because I have not met that person. She has not been involved, as I understand it, in any of the project improvement teams. The teams are made up of Manitobans working in our hospitals and facilitated by staff of APM, some of whom are Americans, some of whom are Canadians, one of whom is now going to be Michael Decter, and some of them, I understand, are New Zealanders. These are people who are in the business of making improvements in hospitals, and concerning the work they have done, we hope to be able to use some of the methodology for a long time to come.

Mr. Chomiak: Since the minister has raised it again, I have to clarify. The minister said no further work of APM associates, but he seemed to imply that they might be doing some other work, because he keeps mentioning the name Michael Decter. Is the province engaged in any way, shape or form at present in a contractual, legal or any kind of ongoing, soon-to-commence, or any kind of exploratory relationship with Connie Curran, APM consultants or APM Canada, Inc.?

Mr. McCrae: No, no, and no.

Mr. Chomiak: I thank the minister. I think that I have narrowed that down about as narrow as I can with respect to that.

The minister made mention of the centres of excellence concept. We had an extensive discussion last Estimates debates with respect to the centres of excellence. Is that still an ongoing concern? What is the time line? What is the framework in terms of the centres of excellence? I presume it is caught up in Bell-Wade and the secondary services report, but notwithstanding that, I was of the impression last year from the Estimates process that there was originally a plan to announce centres of excellence, a series of centres of excellence much sooner, and all we have

seen now, basically, is the ophthalmology at Misericordia Hospital. I am just wondering generally what the plan is with regard to the centres of excellence.

Mr. McCrae: The Bell-Wade, or Wade-Bell or whatever it is, report on tertiary care, I am advised, took longer than expected, and the implementation will follow from that. I have been engaged in a meeting with both Mr. Bell and Dr. Wade, but in addition we brought the CEOs and board chairs and the head of the medical school together with the ministry to begin discussions about implementation. We think that the general thrust of the report will result in good training and better care, so we are going to be moving forward in the coming months in that and other opportunities for centres of excellence that do not just reside in the two teaching hospitals but elsewhere as well—for example, ophthalmology at Misericordia.

We are going to be talking, hopefully, fairly soon about obstetric services in the city of Winnipeg, following which we will talk about obstetrics in rural Manitoba because there is a study going on with respect to obstetrics in rural Manitoba. I have taken a personal interest in the issue of dialysis for Manitobans. There are areas of Manitoba which I think could be better served than they are. We have already started to address that. I am glad to see that there are going to be funds in the budget to help us meet the demands.

The reasons there are going to continue to be increasing demand on the dialysis services, because dialysis by its very nature prolongs peoples' lives and improves somewhat the quality of their lives, by virtue of that there is going to be more demand for the service.

Centres of excellence—if it makes sense because of efficiency and service delivery to make more centres of excellence in the future, and some of the things we have done so far do point to that, then you will see more in the months and years ahead.

I do not see change in our system to be something that you wake up one morning and it is all changed. This is quite an evolutionary thing and

a lot of it is new to us. We have not had to undertake such significant change and there is some disruption, there is no doubt about that either. We are trying to be careful about this and treat the people in Manitoba who work in the system with some respect and compassion. Also, as we are doing all this, we think it is necessary that Manitobans become more informed consumers of health care services so that we are all using the system appropriately.

Mr. Deputy Chairperson: The hour being just after ten o'clock, I was wondering if I could get what the will of the committee would be.

Mr. McCrae: It is my recommendation, Mr. Deputy Chairperson, that you continue.

Mr. Deputy Chairperson: Is it the vote of the committee that we continue on? Then we will just carry on.

Is it the will of the committee that we take a five-minute recess shortly, or do you want to just carry right on through? Five-minute recess? Okay, we will just take a five-minute recess.

The committee recessed at 10:05 p.m.

After Recess

The committee resumed at 10:16 p.m.

Mr. Deputy Chairperson: The committee will come to order. Before we took the recess, I had asked you whether we should continue. You said yes, but no one gave me any tight time. Did you want to set a time for us to quit or do you just want to carry on? Midnight? Okay. I will advise the committee at midnight and we will see what your will is at that time.

Mr. Chomiak: Mr. Deputy Chairperson, we talked about the MMA agreement and the minister indicated he would table it. Will we be getting it in time for, say, tomorrow's session?

Mr. McCrae: Perhaps we could deliver copies to colleagues in the morning sometime.

Mr. Chomiak: Thank you, Mr. Deputy Chairperson. I appreciate that. The only reason I am quizzing on this is I have a series of questions

on it, but obviously it will be in the interests of all concerned for me to do them in an informed sense, to comment on the MMA agreement from as much detail and factual basis as possible.

Mr. McCrae: I will try to get them to you as early as I can tomorrow.

Mr. Chomiak: The last occasion when we had an opportunity to review the Estimates, the position of provincial nursing adviser had not been filled. It has subsequently been filled, and I wonder if the minister might outline for us how that is working out with the role and function at this point of the provincial nursing adviser.

Mr. McCrae: Well, from my standpoint, so far so good. Before I am done answering, I might ask my deputy minister to tell me from his viewpoint, but certainly from what I have seen so far it is good to have advising us someone with the background of the incumbent and someone to be there at the kind of forum that we put on there last week and also to help give us advice with respect to nursing education issues which are really very important items on the health agenda these days. So that is my very brief observation.

For example, our nursing adviser has been asked by the MARN, the MALPN, the MARPN and the nursing assistants to chair the meetings that lead up to the report coming in mid-June so that, obviously, others also see the value of the services provided by that person.

Mr. Chomiak: Mr. Deputy Chairperson, does the provincial nursing adviser have any support services? Is it a single position or does she have a cadre of services?

* (2220)

Mr. McCrae: This nursing adviser has a secretary, but also in consultation with the deputy minister seconds people from the department or consults people in the department to assist her in doing her work.

Mr. Chomiak: Mr. Deputy Chairperson, also since the last occasion when the committee met, the Manitoba Health Board was established, I believe, by legislation to deal with appeals in a number of areas, specifically with respect to

personal care homes. Can the minister give me any data in terms of the number of appeals, just to give me a general idea of how the board is functioning and how the process is working?

Mr. McCrae: Perhaps while my staff searches to see what kind of information we might have on that, I can tell the honourable member that I have been reading the minutes of the various appeals. I am pleased to report that the appeal process appears to work in that a number of assessments have been adjusted for people who have brought forward special circumstances or whatever it happens to be.

From what I can read—in fact, I wish I had brought it with me. I got a letter from somebody that I read just yesterday telling of how, as a result of their expressing their concerns to me, I had urged them to use the appeal process. They did and wrote back to me telling me, yes, that was good advice, because they had indeed done so and had indeed had the assessment moved downward in acknowledgement of the case that had been made.

I do not know percentages, how many are adjusted. Are they in this document? So far, what I have in front of me, Mr. Deputy Chairperson, is that as of March 28, 1994, there have been 525 appeals taken up by Manitoba Health staff, 50 by the Manitoba Health Board. Fourteen appeals were cancelled midstream for whatever reasons, for a total of 589. There were appeals not yet completed. Fifty-five are scheduled for the Health Board, and 97 are for review by staff for a total of 152. That is a total of 741—80 percent dealt with, 20 percent still to be dealt with.

These are the major reasons for appeals. Approximately 35 percent come into a category that there was insufficient documentation available on which to make an appropriate assessment, and so the facility was therefore unable to make an initial assessment of the charge based on that information. One of the major reasons for appeals is cash flow problems resulting from declining income, primarily as a result of declining interest rates or compound interest income. That accounts for approximately 25 percent of those cases.

Approximately 19 percent are financial hardship cases.

As I say, looking through the minutes, quite a number of them—I do not have numbers in front of me for this yet—are adjusted, which tells me the appeal process is working.

Some people just maybe did not agree with the policy, but they did not bother to appeal either. That tells you something, as well, because the appeal process does work. If anybody feels that is not the case, and I hear about it, I urge them to use the process that is there. It is pretty user friendly from my understanding. We try to make it informal. We try to make it so that you do not have to appear by yourself if you are not able to. A family member or an agent or somebody can do that on your behalf. So we have tried to be very sensible and compassionate and sensitive about it, but the appeal process works apparently.

Mr. Chomiak: Mr. Deputy Chairperson, I appreciate receiving those statistics. I wonder if at some point we could receive or the minister could table documentation regarding the information that goes out to clients in personal care homes and like outlining what the appeal procedure is and what the steps are. I believe I have seen something, but I have not had the opportunity to review it.

My only criticism at this point, and the minister can correct me if I am wrong, with the Manitoba Health Board, and this is no reflection on the deputy minister, is I believe the deputy minister is a co-chairperson. He is not? I believe he is, according to the Order-in-Council.

Mr. McCrae: When the chair is not available to perform her function, then I guess by virtue of the legislation, the deputy minister has a role at that time.

Mr. Chomiak: Mr. Deputy Chairperson, in principle, I think that might be a problem just in terms of appearances in terms of those kinds of appeals.

Mr. McCrae: The deputy minister has not taken part in any appeals.

Mr. Chomiak: Mr. Deputy Chairperson, I appreciate that. He probably realizes the sensitivity

of it. I would suspect—and the minister would be aware of this from his previous portfolio—that there would be grounds probably at some point for someone to allege bias on that basis. This is not meant as a reflection on the—it was just something that occurred to me when I saw the legislation and the Order-in-Council. I should have actually mentioned it. I do not think we dealt with it when the bill was passed, but it is an issue out there.

Mr. McCrae: I just respond that it may be possible, technically, for that to happen, but I personally would not really—in fact, I would not approve of the deputy minister presiding over any appeals, and I think he feels the same way.

The deputy minister advises me that he signed letters to people advising them of their rights with respect to the appeal mechanism, and he is not comfortable to sit on it either. So your point is well taken, I say to the honourable member, and I would not want to see the deputy minister take a part like that.

Mr. Chomiak: Mr. Deputy Chairperson, can the minister indicate whether the VON contract has now been signed and ratified with respect to the VONs, because I believe that contract has still not been signed from last year.

Mr. McCrae: That contract has not been signed, I am advised.

Mr. Chomiak: Mr. Deputy Chairperson, can the minister give me any idea when the Pharmacare card, the PHIN system, will be up and running?

Mr. McCrae: The last report I got was anywhere from four to six weeks. I am now about to explore with staff whether any components could be up and running prior to the others. I do not want to get something up and running that is not ready, because we will be sorry if we do that. It may be that there are some sure-fire parts of it that we can look at that we could get going relatively quickly.

Here again, here is the value of listening out there. I was in Dauphin recently and a pharmacist in that area suggested to me that the pharmacy was very happy about their participation, but the pharmacy is anxious on this, too, to get going and that there might be some aspects of it that we know

are ready and we know are bug-free, so to speak, that we could move with. I am prepared to explore that with the department.

In any event, I expect at some point this spring, early summer now, to have that up and running because so much work has already been done and we do not want to put off any aspect of it that can benefit consumers any longer than we have to.

Ms. Gray: Mr. Deputy Chairperson, just a follow-up question from the discussion that the member for Kildonan (Mr. Chomiak) had regarding the APM contract: I understand—and I do not have my contracts in front of me—from memory that there was to be an evaluation done of the work that was done in the contract in order to really determine if in fact what APM said they were going to do they actually achieved so that they were to be judged against some criteria.

I am wondering if the minister can tell us in the various components of those contracts, is there a written evaluation or synopsis of the department's analysis as to what APM did accomplish and is that available for us here today?

Mr. McCrae: Mr. Deputy Chairperson, in our analysis of the performance of those contracts, the deliverables were achieved and those deliverables that had dollar signs attached, they came within the range of those dollar signs. It remains for hospitals and government to decide which recommendations they want to go with, but it is determined that if we went with them all, we would achieve the financial deliverables and other deliverables that were contracted for. That is what makes this all so difficult, because it may not be to the level where everybody is going to be deliriously happy about it, but the fact is, working with us, we have together achieved the deliverables that were contracted for and therefore we are legally bound to honour the contract.

* (2230)

Ms. Gray: Can the minister tell us, were some of those financial targets, did they include, in order to achieve those targets—minusing the amount of what a capital cost might be for a facility, for instance, there was some discussion about a

computer system being utilized at Health Sciences Centre, a capital cost would be necessary. Was that cost taken into consideration when they were looking at the deliverables?

Secondly, another example was looking at a pneumatic tube for St. Boniface Hospital which I understand is fairly costly, and the savings would not be realized for some five or eight, I forget the number of years. Were they taken into consideration, those particular costs, in looking at financial savings?

Mr. McCrae: The contract did take into account the fact that there would be capital costs required in order to achieve some of those savings. So in that context they would be factored out.

Some of the things were on the minds of the hospitals, in any event, to move forward with so that technically they are separate from the contract. Some of them would have been done anyway, I am told.

Ms. Gray: Could the minister just tell us, because there were so many dollar figures that have been floating around, what exactly is the estimated amount of savings for St. Boniface Hospital and Health Sciences Centre if in fact the full recommendations would be put into place? Over how many years are those savings—or is it annualized? How is it done?

Mr. McCrae: Would the honourable member allow me to answer that one tomorrow so that I can get my facts and numbers right? Tim, did you take that down in terms of what the question is? It has been a while since I went over all these numbers, and I would like to be accurate about them.

Ms. Gray: Yes, I certainly look forward to that information tomorrow. Probably when the hour is in the daytime I will be better able to understand the facts and figures anyway.

I would ask the minister, what is the plan in regard to these recommendations? I understand that Health Sciences Centre and St. Boniface are waiting for ministerial or departmental approval in terms of a go-ahead. Can the minister tell us where that is at?

Mr. McCrae: The way it works is that the first surge, if you like, of recommendations, the first group of recommendations, are the ones that we have. We have not had the final ones that really deal with later years in any event. We have not had them, and we have wanted to see them all, and we have asked for them all. I understand that we are getting them all within a matter of days. Even then, we will only, I suspect, be dealing with the ones that deal with the next year or two, initially, because we will not have had time to go through, from the government's end, all of those recommendations we have not yet even received.

So what we have been working on are the ones that we do have, and it takes some doing to make an idea into a recommendation. That is what they have been doing for the last number of months. I have a whole bunch that are awaiting a decision by government.

I can say that for the most part, we will be going forward with them. There are a few exceptions that we have identified and we have concerns about. We have told the hospitals about that. There is still a little bit of discussion back and forth about that, but I expect the recommendations that deal with the implementation over the next couple of years to be dealt with first, but not before we have seen the totality of the recommendations.

APM is long gone, but the hospitals have been continuing to work on their final approvals and implementation and the steering committees and so on.

So that is what has been holding me up, is that I have not had them all to this point. But we have enough that once we get them all, I do not think it will take very long for me to make public our views on the recommendations that deal with the first couple of years.

Ms. Gray: Mr. Deputy Chairperson, could the minister tell me what factors are being considered in terms of deciding which recommendations would be accepted by the hospitals and which ones might be rejected? What are you using to determine which recommendations you are going to accept?

To put it another way—and I am sure the minister does not want to get into detail necessarily. The minister mentioned there are a couple of recommendations there are concerns about. What is the nature of the concerns of some of these recommendations?

Mr. McCrae: If I can give an example without dealing with a specific recommendation, let us take a recommendation that calls for a large capital expenditure to achieve moderate savings but maybe a better service to the public. We obviously have to figure out how we can work such an expenditure into our budget. So that kind of a recommendation might give us a problem.

There might be some that are strictly supply items, for example, and maybe save a nickel or a dime here or there for the hospital, but do cause some kind of a disruption. It does not impact patient care, but it causes an inconvenience or leaves the patient with sort of a negative feeling about their visit to the hospital. That is something that causes me concern.

I am assured, because of the nature of the process, that patient care is not at risk with these recommendations, because I have asked repeatedly and very carefully the process that they went through to arrive at these recommendations. At the end of it all, there are a few there that leave me just thinking that for the kinds of reasons I have mentioned to you, leave me with the wrong sort of feeling about a particular recommendation.

* (2240)

Certainly the one about the capital, that is a major issue for us as government, because if we do not have the money to pump into a capital project this year or next year, it is pretty hard for us to accept that particular recommendation—maybe put it off or just say no, one way or the other. There are not very many that are in those categories, because we do value the work that the staff at those hospitals do, and we want them to understand that we do appreciate it.

I was at a public meeting in St. Vital not so long ago. Some nurses from St. Boniface Hospital were there and took significant part in the meeting that

night. One of the nurses said: Get on with this, because it is the right thing to do.

Ms. Gray: Mr. Deputy Chairperson, in fact, that is what some of the staff in the hospitals are saying, that staff morale is quite low in those facilities, and part of it is because everyone is in limbo and not knowing what future changes there are going to be and that people need to know and need to be able to get on with it. Certainly, in talking with some head nurses of various departments and nurses who are on the wards in Health Sciences Centre, again, they are saying some of these changes are long overdue, so they want to see them because there are efficiencies that are created.

Can the minister refresh my memory? I cannot remember from the list of recommendations that have been made public through the two hospitals. Was there much examination of what I would call the administrative levels of the two hospitals in terms of looking at efficiencies in those areas?

Mr. McCrae: Yes, as a separate part of the contract, the management layers of the hospitals were reviewed. You will recall, a little while ago I talked about that when talking about management layers in the department. We now have the proposals before us from the two teaching hospitals for their management layers reduction or whatever you call that, but that too was one of the components of the contract. We will be addressing those recommendations, too, because you have to ask more than just from the staff. We recognize that. The administration recognizes it.

I do very much recognize what you said about what the honourable member has said about the morale and how it affects staff. The morale was affected simply by the kind of schedule some of the staff people have tried to keep while they were participating on the PITs, the project improvement teams. On behalf of those who did not and on behalf of all Manitobans, we should be thanking them because they really have made some gut-wrenching decisions about their own work, their own jobs. It is really quite amazing.

I can understand why, after all those years, we did not do it. We have been told to ask staff about

things. Staff, I think, up until recently, might have been able to give you or might have been willing to give you advice about the use of supplies or maybe how somebody else does their job, but only recently and under this particular contract have staff looked deeply into their own consciences and into their own hearts to make very, very hard, difficult recommendations that have an impact on their own jobs. I am very mindful of that, and I am mindful of the morale thing.

I just say that I think maybe a little care taken at this stage is still better than—what would it do to the morale of people let go unnecessarily, for example? I do not know that it was necessary to go the route they did in Ontario and Saskatchewan. I am not critical necessarily, because I was not there, but we are not taking that route. We are doing some very clear and, as I said, gut-wrenching analysis of what goes on there before we go ahead. So I am asking people to be just patient on this one. They have put in their work and now it is in front of us.

Ms. Gray: Mr. Deputy Chairperson, I have heard mixed messages from various staff about the PIT committees, and I just would be interested in the minister's perception.

Some of the staff felt that they had the opportunity to participate and that their recommendations were listened to. Some staff felt that some of the decisions were already made and that in fact they were really there to rubber-stamp. Then a third comment is where some recommendations have come forth and there are mixed reviews; some types of staff think the recommendations are good, others do not. In those cases, is there going to be an opportunity before something is actually implemented in the hospital?

For instance, there is talk about more of a centralization of physiotherapy and occupational therapy services at St. Boniface. I have heard both sides of the argument, and there are probably three or four sides. I can see some pros and cons.

Certainly, some of the concerns that are being addressed by some of the professionals in regard to professional supervision, et cetera, are valid. What

kind of mechanism is going to be in place to ensure that, if in fact something like that goes ahead, it is either done on a pilot basis, or there really are assurances that standards of care are taken into consideration?

Mr. McCrae: I, too, have heard the things the honourable member has heard. With my meetings with union personnel, it has come up that, you know, there was an agenda here. I remind you, and I remind everyone there was a sign-off process. These people are not people who will sign things that they do not want to sign. Now, the honourable member knows, I think, that much about some of these health professionals. They are not about to sign things that they should not sign. So none of this process calls, I do not think, for unanimity. No process I think really can achieve that in every way.

I know about the unit basing issues that the honourable member is referring to. I have heard that from the union leaders and their concerns about it. I also know that it amounts to a significant change and that is troublesome for some people. Yet, thousands of ideas were gone over. I think I am correct that thousands of ideas were gone over to arrive at hundreds of ideas.

That means that lots of them got rejected along the way or were left for another day to be reviewed again some other time, and the process did yield these hundreds of ideas that, because they are change, will be somewhat controversial in some circles. The patient comes first. That is why you keep coming back to the process, and you make your complaints at the team level, at the steering committee level, the implementation level or whatever level you need to do it, if you have ongoing complaints.

Patient care is the assurance that I seek, and improvements in the delivery of service are the assurances I seek at every step.

There are a lot of people involved. A lot of sign off goes on at all these various steps. At some point a decision has to get made. You can keep going back and keep going back, and that is what the

process was for, to keep going back and keep going back.

As one who has been through tough decision crunching with members of the honourable member's own caucus on the constitutional matters, I know how difficult it is. That is why I have so much praise for the staff that have been part of the process, but ultimately, as the honourable member has said, we are being urged by staff of those hospitals to get on with it, make the changes because they are good changes and they will result in patient care improvements. Ultimately, we will move forward with many of these recommendations.

Ms. Gray: Mr. Deputy Chairperson, in the area of recommendations for cost savings where we do not affect patient care, certainly one of the areas that the Maritimes has looked at—and I am sure the minister has heard this before, and I am not sure what is being done in Manitoba—is the area of bulk purchasing in regard to equipment and supplies. That, I suppose, was driven home to me even more the other day when I happened to be talking to an administrator from a personal care home and she was saying how she was speaking with—it happened to be Seven Oaks Hospital talking about purchasing of equipment and was trying to figure out if there was a way that she could joint purchase with Seven Oaks, which of course was an impossibility.

(Mr. Jack Reimer, Acting Deputy Chairperson, in the Chair)

When one thinks of all the institutions here in Manitoba in terms of drug purchasing, equipment, supplies, equipment, even equipment in hospitals, one would think we could save millions and millions of dollars in something like this. Obviously it is not the kind of project you can embark on, you know, think about it today and do it tomorrow. It would take a lot of co-operation, co-ordination and research.

I am wondering if the minister could tell us, is that something that Manitoba is actively looking at? Is there a committee that is looking at this, and

could we expect to see something in the near future?

Mr. McCrae: Mr. Acting Deputy Chairperson, I am like the honourable member. I do not accept that such a thing is impossible. We are past those days—you could call Winnipeg a small city, by Canadian standards it is not, but it is really a jurisdiction where you have about nine hospital operations and numerous personal care operations. There is no way that you should not be looking at more efficient ways to deliver quality products, services and supplies to all of those facilities.

I do not accept that proprietary or non-proprietary personal care cannot work with a public sector institution to find efficient ways to deliver services. So yes, one of the components of the contract had to do with materials management and logistics, I think it was called, and that talks about purchasing and all of those issues. Yes, and it raises lots of issues too, but here again, who are we working for?

Maybe I am giving the honourable member some comfort when I say I do not see that as an impossibility. I see you have to respect the jurisdictions of, certainly, faith-based personal cares or faith-based hospitals. You have to recognize government's issues and be respectful of all those things, but when we are together all trying to do the same job, that is provide a high-quality and efficient health care system, we should work together. That was examined as well.

* (2250)

Ms. Gray: Mr. Acting Deputy Chairperson, can the minister tell us where the government of Manitoba is at in terms of looking at actually engaging in bulk purchasing of drug supplies, equipment and getting the institutions, not even just in Winnipeg but across the province, involved in that kind of endeavour?

Mr. McCrae: Some of that is happening now. I know of small facilities in rural Manitoba that use the services of, I think it is Brandon General Hospital or other—and using the services of the Manitoba Health Organization, MHO, to assist in purchasing, in supplies, acquisition and those

kinds of things. It is already happening, but on the larger scale here in Winnipeg, work is beginning. I do not say it is that far along, but work is beginning to look at how this can be done in the future, how it can be done and also utilize the personnel that we have been using for so many years to provide these services in the transformation into a new and more efficient system. Work is underway. It is hard to be specific, because it is really only just getting going in a real way. Much more planning needs to be done yet, but we have a general idea as a result of the work that has been done this past fall and last summer which direction we should be going in.

Ms. Gray: Mr. Acting Deputy Chairperson, is there a committee that is looking at that whole area?

Mr. McCrae: It is hard for me to say that we have one—a committee I think was the question—is there one, when we have not completed striking it. We have a structure in mind for a committee to move forward with this.

(Mr. Deputy Chairperson in the Chair)

Ms. Gray: Good, I am happy to hear that is going to be looked at as far as how we can joint purchase in the province of Manitoba and then hopefully extend that into the other prairie provinces as well.

Getting back to the recommendations for changes and reform in the two hospitals, I do not know if the minister can comment on this because of the arbitration that is going on, but could he give us an update as to where does the government see—and I know there is a committee that is looking at nursing functions. Does the government have a sense of how they see licensed practical nurses fitting into the health care system? I ask that because of the decision by St. Boniface Hospital a while ago to lay off LPNs.

I want to ask that question first, and then I would like to talk about retraining programs, et cetera.

Mr. McCrae: Mr. Deputy Chairperson, one thing I said to the group of people that I called together last week was that at the end of this process I expected to be doing business with all the groups that were there then. In other words, we are not going to see the end of the licensed practical nurse

as a service deliverer in Manitoba. We do see a continued role for them, even if in the teaching hospitals there were recommendations and changes that left LPNs out of St. Boniface, for example, and I guess would leave them out of Health Sciences Centre as well. Similar to New Brunswick and Alberta, they have kept LPNs. Here is this issue of groups talking in isolation, and if we can bring them together maybe we can make some progress.

We have to discuss roles. We have to unscramble the legislative egg so that there is a clearer definition of people's rights, responsibilities and roles to clear up the education issues, and the best way to do it is with everybody in the same room. So that is the effort we are engaged in right now.

Certainly, when we are creating jobs in the long-term care sector, and to some extent in the private sector too, there is room for the LPN in the whole continuum. I am not sure what the unemployment stats are with the nursing profession. If you took the unemployment rate and factored out nurses, I do not know what that rate would be. But I understand that the private sector is looking for LPNs and there is a sense sometimes that, you know, because of the changes at St. Boniface, we hear of a layoff, some people would have you believe that is a permanent thing, that those people will never find work again. That is not true. I mean, if we had a better tracking mechanism I can show the member, but I know that in other situations in the past, sort of if you did a where are they now, you would find that most of them, the majority of them, have found employment.

We have opened up all those personal care spaces in the north end of Winnipeg. I hope, and I am making efforts to try to make these things happen, but it is my hope that laid off LPNs would be given consideration for those jobs, and I have let that be known amongst managers of health facilities. That is also part of what we are trying to do with a province-wide labour adjustment strategy to ensure that people displaced by these

kinds of changes in our hospitals are not just forgotten.

So there are a whole lot of issues, and those are the kinds of things I am wanting the various regulatory and nursing bodies to discuss as we move forward. I see a place for LPNs. I have certainly talked to lots of them in the last few months.

Ms. Gray: Mr. Deputy Chairperson, have the LPNs been given priority in some of the vacancies that are in, for instance, the new personal care home beds that have been opened? Is that a formal process that is in place, or have they been given priorities in other hospitals if there are vacancies for positions with their type of skills?

Mr. McCrae: I really appreciate the honourable member's question, because that is what I am trying to make happen. It is not made easier by the fact that every organization is different. See, if this were all government, the honourable member will know that we have reduced the size of the Civil Service over the years, significantly in the last five or six years, and yet very few people have actually been left without work. That is because of redeployment, because of retraining, because of —what are all those things that are part of a labour adjustment strategy?

It is very hard when you work with one personal care that has Union A which has certain seniority rules, and the next personal care has Union B with certain seniority rules, and then there is another one that is not even a union shop, and it has been hard. I am trying. When I talk about a pause and a hold, I am sort of criticized sometimes about that. But the reason for having that is to seek—is there not some way we can address some of these issues?

* (2300)

I cannot say that I have been able to address them at this point to the point I would like to, but that is the reason for having a pause there, so that we could at least explore the possibilities and remember that there are people out there who are affected, and are there not ways we can look at these rules together, and things like the bumping

issue is another one that comes into all of this as well. I would like to address them with our union friends and to ask for support from my colleagues here in the Legislature for the approaches that we are taking to try to work for on behalf of the workers who are affected here. We do care about them.

Ms. Gray: Mr. Deputy Chairperson, does the minister have statistics or could he give us information with the LPNs that were laid off at St. Boniface as to how many of them have found alternative employment?

Mr. McCrae: It is probably something I could get some information from the Manitoba Association of Licensed Practical Nurses. They might be able to help me. Any information that I have like that, I would like to share with the honourable member. It is just that I think the MALPN might be the group to talk to. I have talked to them about it, but did not get hard numbers as to where everybody landed, but I know that some have not found employment yet and that is a concern to me.

When I was taking part in the official opening of personal care homes, I let it be known that I very much encourage private sector employers to look to the use of LPNs who had been laid off where they had not been able to find employment yet.

Mr. Chomiak: Mr. Deputy Chairperson, I am pleased to see the minister is supportive of the role and the value of LPNs. I guess that means all three political parties are of the same mind of the role and future of LPNs. I suggest that is positive as is the same position of all the parties with respect to the minister's comments about the self-managed care. That is another area where all parties are in unanimity. I wish I could find again those individuals and ne'er-do-wells out there who are opposing these positive aspects.

Actually, I knew that the minister would never take my lack of response to a question of his and make allegations that perhaps I was against something, but I know that would never happen. But notwithstanding that, I thought that perhaps, for the purpose of the record, that one should perhaps make mention of that. I know the minister

has read the report of the public hearings of those sponsored by the home care coalition where the positions are laid out quite clearly by them. So I know I do not really have to make that comment, but I made it nonetheless.

My question, following that same line of questioning is with respect to the Provincial Labour Adjustment Committee that has done very good work. As I understand it, the government deployment list—and I am sure I will get statistics from the minister—says there are approximately 400 people who have been let go in the system who have not yet found employment at this point. Having said that, perhaps we will get some specific —[interjection]

Oh, I know the minister did not say that, I am saying that. That is my understanding from the work, but I am sure we will get updated information from the minister.

Can the minister perhaps give me an update on the status of the Provincial Health Care Labour Adjustment Committee? Because the minister would be, of course, aware that there were a series of seven recommendations made by that committee, very positive ones, with respect to retraining, with respect to a variety of packages and a variety of assistance to be provided for employees. As we understand it, the government is proceeding on the basis of only providing for a severance package which is based on the Civil Service model which is contrary to the recommendations of that committee, and also which does not take into account the other six recommendations of the committee. So I wonder if the minister might, in light of this discussion concerning LPNs and other personnel in the system, perhaps update us on the status of the committee.

Mr. McCrae: Mr. Deputy Chairperson, because the honourable member will remember—oh, by the way, on self-managed care I appreciate what the honourable member said. I did not know that was his position up until now. I appreciate hearing that. It is going to help a lot as we move forward.

The other thing is that deals with labour adjustment, the reason for having a so-called pause—I have to watch my language because the honourable member keeps thinking we are still on hold and we are not still on hold. There are lots of good things happening in the whole system here, but that was one reason that I wanted a pause, at least because in my estimation we had not adequately addressed the issues of employees who are being affected by change, by reform in the health care system.

Because we want to improve services for patients and there are shifts involved in doing that, there are staff in our facilities who deserve to be treated with some decency and compassion. That is why I asked the department and my colleagues to start addressing labour adjustment issues, so we could minimize the pain.

In that regard, the Labour Adjustment Committee made some recommendations to us. We have looked at them, and we are trying to address some of the concerns they raised, I cannot say all but some. I can say, too, that in regard to all of this, while we are looking at these issues, could we please look at the bumping issue? There seems to be some willingness to examine the whole issue within—having respect for the collective agreements.

I guess nobody is prepared to just let all that suspend those parts of the deal, of the collective agreements, but there seems to be some willingness at least to have a look at this. I maintain that bumping was kind of set up for more ordinary times, if you can use such an expression, where you are not looking at major shifts going on.

If there is one lay-off notice issued, I am told that as many as eight people have to worry about their jobs, and that is just wrong. That is not a sensible or sensitive way to deal with people. I really think it is something that there should be lots of co-operation on, and so we are asking for that. Maybe we are going to get some, and I hope so because people are involved.

I noticed in one of the union newspapers, the UFCW, put out a newspaper, and there is a little

column there dealing with some of the problems associated with bumping, so if we can address that. You know, there are areas of patient care that are affected by bumping or can be affected. It is alleged by some and in fact subject to grievance in some cases as well.

No matter how much experience a senior person has, to take them from, let us say, a medical ward and put them in the operating room, because they have their rights, how does that help the patient? I do not think that is fair, proper or anything else.

We have asked the adjustment committee to look at that, and we are looking at the things that they raise, too. I hope we can arrive at something very soon so that we can provide appropriate, fair treatment for people who work for the hospitals.

Mr. Chomiak: I certainly hope that management can turn its head around their problems with respect to bumping. I do not think that the minister's outlined—seems to imply from his comments that the problem appears to be bumping. I do not think that that may be a factor in terms of the movement of people, but that is not the major problem in my opinion. [interjection] The minister says he did not mean that, and I will accept that.

What about the specific proposals, the seven that were made by the committee? Is the government proceeding on them or what is the status of those?

* (2310)

Mr. McCrae: Mr. Deputy Chairperson, I hope then the honourable member will understand if I decline to talk very much about that because that is the subject of discussion between the government and the committee at this time. They could be better if we let those discussions go forward. I hope the honourable member understands that.

Mr. Chomiak: Yes, I can certainly relate to that issue. I would like to ask the minister when he anticipates the announcement or the unveiling of the policy on Healthy Child Development.

Mr. McCrae: Could we ask that question when Sue is here? Could you make a note of that and ask that question tomorrow when Ms. Hicks will be here?

Mr. Chomiak: Mr. Deputy Chairperson, can the minister indicate—perhaps it is more appropriate when we get to section 2.(a) or (b), but the minister had made mention of it earlier—when we might expect an announcement on the midwifery proposals of the government?

Mr. McCrae: Has the honourable member got his watch on? Very soon.

Mr. Chomiak: Mr. Deputy Chairperson, that certainly narrows it down.

Mr. McCrae: Well, I am not trying to be unduly cute here, but it is coming later this week—we will have something to say about that.

Mr. Chomiak: I did anticipate that. The Bell-Wade Report somehow has been made public. Is the minister going to table the Bell-Wade Report at this point? It has appeared in the Winnipeg Free Press.

Mr. McCrae: Stories have appeared. I am not sure yet whether the source for that has actually read the report or not. There are a number of reports. The honourable member has said that and made that clear, and I acknowledge that. It is not a question of if, it is a question of when. You know, we have got people working to try to implement things or to plan for implementation, and I sometimes wonder if it is fair to them to hold it up, and I sometimes wonder if it is fair to just dump it out there without any government response to it.

I mean, we have to be fairly open about this and say that if I were to release a report that had some important recommendations, well, you are immediately going to want to know where I stand on them. Unless I have developed or my department has in partnership with all the other players here has developed some kind of strategy that everybody can live with, then immediately you know the kinds of troubles you can get into.

So it would be my intention, of course, if it does not get leaked first, to make the thing public in a very formal and appropriate way. Sometimes these things happen. It happened with the obstetrics report, it got out there. There are so many reports and so many people. I mean, we have got quite an open process. Scads of people know about the

existence of these reports, and it is amazing how many do not leak these things. I expect it will be coming, but it is a question of when as opposed to if, and the when will be when we have more consensus built as to what direction we should be going. At that point, I would release the report and make public statements and answer questions about precisely what we are going to do with it.

Mr. Chomiak: Mr. Deputy Chairperson, can the minister outline for me how much the Bell-Wade Report cost?

Mr. McCrae: You do not outline those things, you just say if you know how much it is. We are undertaking to get that information for the honourable member.

Mr. Chomiak: I appreciate that. I note from the list of committees that there is a committee that I was not aware of functioning, and I am interested in it, and that is the committee dealing with the Terminal Care Committee. I was not aware of the existence of this committee, and I wonder if the minister might outline for me what the status is of that committee because the issue is very timely given public discussions and, of course, given the need in the community. I wonder if he might outline for me what the status is of that particular committee.

Mr. McCrae: The honourable member just keeps pumping out the questions. We will take note and answer all of them first thing tomorrow, unless they take longer, in which case we will tell you. Is that okay?

Ms. Gray: Mr. Deputy Chairperson, I was quite interested to look at the terms of reference for the Child Health Strategy Committee on page 9, and I am wondering if the minister has the information tonight as to when that particular committee plans to report.

Mr. McCrae: The last time the Deputy Minister of Health discussed this with the co-chair, the response to the question put by the honourable member is early fall.

Ms. Gray: Is this committee going to be looking at child health related to programs or government policy that does not necessarily fall within the

purview of the Department of Health, i.e. infant nutrition, subsidies, unemployment and poverty as it affects children, et cetera?

Mr. McCrae: The answer is yes, and the honourable member knows very well from her experience, I believe, that many Health offices are also Health and Family Services offices throughout Manitoba. We are trying to promote lots of interdepartmental thinking, and yes indeed is the answer.

In addition, in recent years—we budget together now in envelopes. We budget with so-called envelopes. We budget with Family Services, we budget along with Education, Seniors, and these various departments come together for budget purposes. We also have the Human Services Committee of Cabinet, and I am chair of that, and we have a number of issues that come together at that committee to try to get the departments thinking corporately in that. So the answer to the honourable member is yes.

* (2320)

Ms. Gray: Mr. Deputy Chairperson, is there any thought within the Human Services Committee of Cabinet of rearranging some of the programs that are offered by some of the departments and amalgamating them again into perhaps one department or switching some of them? Is there any talk about that?

Mr. McCrae: I think that is a question that talks about the ongoing operation of government. I am not volunteering to take over the whole Department of Family Services along with the one I have, but I like to do what I am asked to do as well. I know that in the past, I guess, there was the Department of Health and Social Services, which must have been a real job for whoever the minister was in those days.

But, for example, a question recently arose with respect to the Council on Aging which is now going to be reporting to the Seniors Directorate. I think that makes sense because of better co-ordination that the Seniors Directorate tries to do, multidepartmentally speaking. That is a small change in terms of administrative change, but it

may be a big change in terms of the way we view services to seniors. They are not all health services, you know, and I think that is valuable.

Whether it calls for a departmental amalgamation and downsizing at the administrative levels, that is a question that we have been addressing over the years. I think you will know, for example, when we first started Corrections came out of Family Services and went to Justice. It was a big part of Family Services. There was at one time a Department of Economic Security and another one of Community Services. They came together. Those kinds of amalgamations and restructures do tend to go on throughout the course of the years, and I am open to any good suggestions. I am open to passing them on to my colleagues as well.

Ms. Gray: Mr. Deputy Chairperson, can the minister tell me, speaking of jurisdictions of various government departments, where is the committee that meets on a somewhat regular basis which has representatives from the City of Winnipeg and the Department of Health in terms of looking at jurisdictional issues and potential amalgamation of City of Winnipeg public health services and the provincial public health service? I think they have been meeting for five or six years—no, actually more than that, because it is since before this government came into power. Where is that at? Is there any move to actually looking at amalgamating those services?

Mr. McCrae: For reasons the honourable member may understand, that has been abandoned. I guess there were plenty of efforts and nothing ever really came of it. I am not really close to the history of it, but I assume it is one of those backward and forward things that really did not amount to much. Maybe it was a question of jurisdictional protection. I am not sure; I was not there. I am just getting it secondhand at this point, but I understand it is abandoned at this time.

Ms. Gray: Can the minister tell us, are there thoughts within the Department of Health that we still have some fragmentation of services and duplication within the City of Winnipeg and that for the taxpayer, not necessarily for the department

as a provincial department, but for the taxpayer, we might be able to create some efficiencies, not necessarily financial efficiencies even but even service efficiencies by looking at an amalgamation?

Mr. McCrae: I am certainly interested in efficient delivery and co-ordinated delivery of services. I am not able to say today how likely would my chances of success be, but if the honourable member thinks there is a chance, then maybe my department thinks there might be a chance of some success if it was tried again. Maybe different people are involved now in both places. Maybe there is an opportunity here.

I would ask my department to place that on our agenda for further discussions, if it is something that can be revived. It is not an easy thing, the member might know that. Yet maybe we should indeed put aside whatever feelings that we have, that we have had in the past and do not really fit in a restructured reformed health system. Maybe the honourable member has a suggestion here that we ought to take up again and look at again.

I take it, we think there is an uphill approach required here but that does not mean we cannot look at it again.

Ms. Gray: I am not surprised. It is probably just as well the committee is not meeting because it was a waste of time, I would think, because after six years—I mean, the City of Winnipeg is insisting that they should deliver the service and the province saying the same so without any political will to really say, this is what you should really look at and come up with, I am not sure there would be anything accomplished.

In that vein, in terms of who delivers services, is there any committee or groups within the Department of Health looking at the sort of role of community-based services that are delivered by nonprofit organizations versus community-based health services that are delivered by government, i.e., are we looking at all at perhaps examining how we deliver services in the department, i.e., Mental Health, Continuing Care, et cetera? Is it possible that a nonprofit community-based

organization or a community-based regional health centre that is elected by a board of directors and given money and then held accountable by the department would do a better job of delivering those services and is that being looked at in the department?

Mr. McCrae: Oh, I think there is lots of room there for what the honourable member is saying. We deal with nonprofit organizations now all over the place. We are proliferating more of them with respect to support services for seniors organizations, community health centres that we support, and those are nonprofit. There are a lot of nongovernment, nonprofit agencies that we work with, fund and partner with all over the province. In mental health, the self-help groups are getting support from government that they did not get before.

I was talking about mental health services and partnerships with various organizations, more partnerships, more and more of them. In that Home Care sector we are dealing with the support services for seniors, but we are also dealing on a pilot basis right now with a private company which goes beyond the—I say we, the Seven Oaks Hospital is—which goes beyond the nonprofit sector, and the patients like it. So at this point we will look with anticipation to the evaluation of that to see what we see at the end of that in terms of evaluation. I would be interested to know some of the honourable members' views on it.

Ms. Gray: Mr. Deputy Chairperson, since the minister raised that issue, perhaps I could ask a few questions on that pilot project that is at Seven Oaks. I understand that the services that We Care are providing, that the cost of those services is being provided by the Seven Oaks Hospital or out of their budget. Is that correct?

Mr. McCrae: Yes, Mr. Deputy Chairperson.

Ms. Gray: Therefore, I am assuming that the Seven Oaks Hospital feels that it is less expensive for them to still pay for the cost of community care and discharge people earlier than it is to wait on home care. Correct?

Mr. McCrae: I assume you can assume. I cannot speak for Seven Oaks Hospital, but I assume they feel that this pilot project was worthwhile to enter into. It is a pilot, I underline, but it was their decision to make and they did it. While I heard initial reports about it, I am anxious to see what the final reports are going to be like, too. I understand it is a 12-week project.

Ms. Gray: The individuals that are a part of this project, the clients, the patients, are they regular individuals who would normally be waiting to be discharged into the community and be receiving home care, or are they higher care than would normally be in the community?

* (2330)

Mr. McCrae: They are people who could be properly and more appropriately be looked after somewhere other than in a hospital.

I understand that lots of people do not get selected for that too because they are properly placed in a hospital. They are in a hospital, and they should not be. The cost of that care and the quality, while it is high quality in the hospital—and I have a lot of time for Seven Oaks Hospital and the work they do, and I would not want to say anything about their judgment here, but the patients frankly do not need to be there. Sometimes patients are there for many days. The member mentioned the kinds of costs that—I think maybe not quite as high as in the teaching hospitals, but still, very high-cost places to be in are hospitals. Those are the kinds of patients that are getting looked after by We Care home services and not patients who should remain in the hospital.

Ms. Gray: Mr. Deputy Chairperson, can the minister tell us then, why is it that the Home Care program is not able to respond to these individuals? Why does Seven Oaks have to engage with another kind of service other than home care to get these people out of hospital?

Mr. McCrae: That is a very fair question, and the fact is that the Home Care program needs to be changed and not defended. If mistakes have been made, it has been in the area of defending a system which, as the honourable member has outlined, is

already obsolete after only a few years in terms of scheduling, in terms of co-ordination of service delivery. That is where we have work to do in our home care system. That is where the APM project, demonstration project, did teach us some things. I am sensitive about that because of some of the criticism that has been laid on, but that is—nobody else has to worry about that but me. The fact is, we have learned something from that demonstration project, and we have learned that there are a lot of things that we do not do very efficiently.

If I could get everybody to understand that—you cannot on the one hand talk about how things are not being done right and then on the other hand talk about the wrong solutions all the time. Somebody has to make some decisions and try some solutions and innovative, creative things to do for patients that will help make their lives a little better.

Most people who are in hospital prefer not to be there. If they have a home, why would they want to be away from it? They love their homes. I love my home, and other members love theirs. That is a part of the human condition. If they are not supposed to be there, why are they there? The Home Care program, I say, has scheduling problems. I only say that because I know that this pilot, so far at least, has demonstrated that there are better ways to do things, and we have been doing them. We can not only learn from the pilot for our own purposes, improve our own program, but if we can partner in this way to help us through, then I think it is the right thing to do if the evaluation is positive.

On the campaign trail last fall, I learned from people who had concerns about the Home Care program, too—that here we are in this building, a whole bunch of us senior citizens, living here and getting services, and there is a steady stream of service providers in and out of here, in and out of here, all day. When we have all these clients, why do we have to have so many service providers? It is not necessary. It is a waste. Why are we sending people from Charleswood over to Transcona when there are service providers who actually live in the Transcona area. Why are we doing that?

If we do not address these problems, the problems will only get worse, and if we do not acknowledge that there are problems, then we will not have the will to try to solve them. That is where I am coming from. That is what I am trying to do, and I need support, frankly.

Ms. Gray: Mr. Deputy Chairperson, well, I do not have a problem with trying to do a better job of delivering the home care service.

One of the questions I would have is, when these people are discharged and services are put in place by We Care, when does the Home Care program then kick in in terms of providing a further service? I am assuming that We Care is only in there for a certain period of time.

Mr. McCrae: Well, initially, I am just thinking back to some of the information papers that I was looking at, the We Care people were simply there to stabilize people in their homes, and I recall a number of hours or a short number of days, so that the Home Care program can then kick in. Another thing we need to learn from this whole thing is how home care can be more responsive than it is.

So it is not We Care taking over the permanent care of people. That was not what it was about. It was about getting them home and stabilizing them there while the government-run home care system can be ready to start providing services. That is what is really happening with the program.

Ms. Gray: Mr. Deputy Chairperson, what is being done then to change the practices of the Home Care program so that in fact they can be the first responders, not just at Seven Oaks but in the other hospitals so that people can be discharged when they are ready to go home?

Mr. McCrae: The issues that we are addressing in our own government-run program are our scheduling functions, which are not very automated for the '90s. When you consider all of the hundreds and, I guess, thousands of services that are delivered through this program and the number of clients that are involved and the different kinds of services involved, I think we need to improve our automation or get automated in a way that others are doing and have done. We

need to do that to provide for backup. When care provider (a) is not available for whatever reason, we should have a system that can tell us who is or is likely very soon to be ready to deliver a service.

The function of the home care co-ordinator and resource co-ordinator, I think, needs to be better streamlined and co-ordinated. So these are all, always seems like, at the administrative level because, at the care delivery level, I do not think we have the same kinds of problems, although I have heard from home care clients various comments and observations, even the odd complaint as well.

I think we have a workforce that wants to do a good job, yet we hear the odd time where a certain block of time is scheduled and yet the work gets done a lot sooner. I wonder if we are making appropriate use of the care providers in the time that we are paying for, and are the clients getting the maximum benefits for the dollars the taxpayers are paying for? Those are the kinds of issues that we have to address in Home Care.

Ms. Gray: The issues that the minister mentions, scheduling difficulties, looking at role definitions between resource co-ordinators and case co-ordinators and automation or lack of in the program, those are issues that have been around not just before this minister but before this minister's government was in power.

What are the barriers from getting these problems eliminated and moving to a system that is much more responsive to the public?

Mr. McCrae: I think the honourable member is really saying, what took us so long? Is that right? I sometimes have wondered that myself. I think, when I look at the funding for home care, that maybe is the answer. The answer to the honourable member's question is there in that. We have had the money up until recently, and even recently we have made this the priority. There has been lots of money going into this program. I think the questions have arisen about, are we getting value for the money?

Now that we are into the '90s, when we have reality to look at, all governments across the

country have that. We do not have choice anymore, just to pump more money in this has been the custom in the past. You pump more money in, and you can pick up support in votes and public approval because you have demonstrated a commitment. Here we are demonstrating a commitment to a program that is not efficient enough.

So what took it so long? I think the reality of the need to do it efficiently. Everywhere else has to be efficient, and that includes the Home Care program too. Efficient means better. It does not mean worse. It means better, and that is our intention.

Both governments of the last decade in this province have been well-intended here. Both governments, up until recently, have just put in a lot of money without all that much regard for how well it is being spent.

* (2340)

In the last few years I think there is more attention being paid, and the next few years you will see even more attention being paid. You will see us move to better-service delivery models, better administered.

All of this is to say to make no comment about the people who work in the system. It is the system that they have worked in. It is not their fault if the system has not been built efficiently enough for the '90s and for the next century. Well, it is time to make it efficient enough to keep running for many, many years to come. That is why it took so long.

Ms. Gray: In regard to the scheduling function, surely to goodness in this age of computers there must be some type of a program that could be used that would assist in the scheduling function. Why would that be so hard for the department to look at now? Granted, the department probably should forget about all of the computer committees that there are that are in the departments, and if they could just go and talk to someone who knew what they were doing rather than worrying about spending time on committees and talking about computers forever and a day, then we might be

able to get a scheduling program in place. I cannot see why it cannot be done.

Mr. McCrae: I agree. I think that if we cannot set up a total automated system tomorrow morning, then we should start at least. I use an analogy. Remember Reggie Alcock's computer that we used to tease him about? He got a couple of things wrong and so we blamed it all on Reggie's computer. In Home Care, if one thing goes wrong, you know who is going to be after us. The people who might be affected by it. We have to do it well.

I agree that we should not wait until we know how to set up a whole system and then start. We are indeed seeking advice from people who know a little bit about this. I do not think that a computerized automated home care system will happen overnight, but I can agree with the honourable member when she suggests that do that which you know you can do and get started. That is precisely the process we are in.

Mr. Chomiak: One of the, I think, factors missing from the most recent discussion is the fact that the demographics and the type of individual and type of people who are being dealt with in this system have changed dramatically since the program was first instituted in the mid-'70s, and in a lot of ways it is like taking a 1974 or '75 car and applying it to the 1994 road and traffic, et cetera, conditions.

My question to the minister is—and the line of questioning from the member for Crescentwood I do not think the minister quite addressed the question—why when there are available resources were we forced to go to the We Care model when there are resources available within the public, within the home care sector that could have been utilized for this service?

Mr. McCrae: Mr. Deputy Chairperson, first off, I do not think we were forced. I think that Seven Oaks is an independent sort of hospital operation here in the city of Winnipeg and this was a judgment that hospital made. They sensed a shortfall in the availability of the publicly run Home Care program to meet their needs.

The people at Seven Oaks Hospital, to their credit, understand the need for the shift from acute

care to community care, and I fully believe that Seven Oaks is trying to assist in making this happen because the patients are better off. The patients like being looked after at home better than being looked after in a hospital.

I am speculating on all these things, but I have spoken with the chair and the administration at Seven Oaks enough to know that they care a lot about the people they are looking after. They know that you do not have to be in hospital just to get your needles, or you do not—I should not use a lot of examples that I am not qualified to talk about, but there are a lot of things that are done for people in hospitals that could very easily be done at home, and somebody along the way is going to have to—people are going to have to accept that this is the right thing to do because there is overwhelming support for it amongst the health care community and the consumers of health care services.

I think the honourable member's question is it would not have been forced if there had been some public sector agency. That would not have been a forcing situation, but because it was a private sector agency, it became a forced sort of thing. The honourable member shakes his head, but I tend to think that—I do not think there is anything wrong with attempting to find out if there is something that the private sector has to offer that we can use.

Seven Oaks is doing this on a pilot basis. I commend them for doing it on a pilot basis, to ensure that there can be a proper evaluation at the end of it. If it is successful then who knows what else might be possible, because I am working for the patient, and so is Seven Oaks apparently.

Mr. Chomiak: Mr. Deputy Chairperson, I am still searching for those individuals or the people that are not working on behalf of the patients, and I do not know where they are.

The minister is quick to defend the pilot project, but it is a pilot project. The minister seems to have concluded that it is a success already at this point, because he has indicated that he has talked to patients and that they think it is and that the CKY report said that some patients had said it was a

great success, but the minister seems to conclude that it is a success.

I wonder if there is a parallel intention on the part of the department to put in place to the resources and the co-ordination at home care in order to provide this kind of service. Everyone agrees, as the minister indicated, we want people to be home sooner and more frequently and receive the care at home rather than in the institution. I mean, there is 100 percent unanimity on that point, so is there a parallel effort within the home care system, utilizing the resources that have been available to deliver that kind of service as well?

Mr. McCrae: It is late, and I am not going to get into a tussle with the honourable member at this hour, and I am not going to question his interest in his fellow citizens either. I will reserve more aggressive comments for another time when no doubt we will have an opportunity to have a tussle.

I think that there is just no room for us not to consider good options. If Manitobans like a service and it is affordable and we can work it into our budgets and it brings them relief from their concerns, why would we just simply dismiss it because it is run by the private sector? Why would we do that? The private sector built our country in partnership with the public sector, which kind of joined in afterwards. The private sector started it, and away we go from there. There are great partnerships. It was people of my particular political stripe that started things like the Workers Compensation Board.

An Honourable Member: The CBC.

* (2350)

Mr. McCrae: Yes, the CBC, too—unemployment insurance, I think, came in with a Conservative government. Sir Rodmond Roblin, his picture is in the other room, he started up the phone company, nationalized it. [interjection] That is another story.

The point is, I think that if we could steer some middle ground on issues like this and not get caught up in that debate—I know that for some people it is easier to get caught up in it than others because of alliances that have built up. I understand those alliances. We will talk more

about them on other days when I am less likely to be so mellow about it and have a chance to say what I really think about some of these things.

The bottom line for me is, I have not made up my mind, and I do not think the department has or even Seven Oaks Hospital. I am going by early indications of a very, very positive program. Things can go wrong in the public program, and the member spends every day telling me about it. So, if that is the case, why should we not look at other options? I think there is lots of room for improvement in the public system, and while that is happening, I do not see why we should not look at things that give patients the relief that they want to have, too.

I will reserve the right to have a look at the results of the pilot at the end of the pilot, but certainly early indications have been very positive. Who knows? Maybe the honourable member can find somebody who was not satisfied with it, and we will hear from that person, too.

Mr. Chomiak: Mr. Deputy Chairperson, the hour is late, and I hesitate to go down a line of questioning that I would like to go down. So I will reserve that line of questioning for tomorrow.

The minister made mention of the fact that the pilot project run by APM—can he table the results of that pilot project for us, the demonstration project?

Mr. McCrae: We have talked about some of them tonight, results that told us that our automated information system is not adequate, that we have shortfalls in co-ordination, that the graph that I have pointed out says unequal levels of service, which in private discussion with the honourable member for Crescentwood, we may be able to bring other dimensions to bear on it as to how that might be accounted for, but it is also accounted for. We are satisfied from our researchers that there is an unequal interpretation of those criteria. That has to be straightened out. We learned about that. We learned that we have to straighten that out and have a fair degree of uniformity and a fair degree of flexibility, too.

This is a difficult area to talk like that in. How can you have both of those things? But you have to because you are dealing with people. You are dealing with people who might have exactly the same condition and one feels more pain than the other, exactly the same condition and one is more disabled than the other, and so you have to adjust your service delivery accordingly. You cannot just say, well, you have this condition and so this is all you get. That is not right, because some people that would be a crushing blow for, other people might be able to withstand it.

It is those kinds of issues that we learned about during that demonstration program. Here again it is not the kind of thing that is just written out in some of kind of glossy bound report. Although at the appropriate time I expect to be talking further about this when we strike the panels and the committees and things and to talk about, in more formal terms than I have today, the terms of reference for these bodies and the work they will be asked to do.

Mr. Chomiak: Mr. Deputy Chairperson, which bodies and which panels to do what work?

Mr. McCrae: The home care appeal panel and the home care advisory committee.

Mr. Chomiak: Okay, but my question was—specifically, the minister in his response dealing with Home Care indicated that the demonstration project offered by APM had done certain things. That was the specific area. I was asking the minister if the results of the demonstration project could be tabled.

Did I understand the minister correctly to say that part of that would result in the setup, the establishment, of the appeal panels, or are we talking about two different things?

Mr. McCrae: No, we are not really talking about two different things. I expect to be able to talk in more detail about our findings from that demonstration project on the same day that I announce the striking of that panel and that committee. It is at that time that I propose to talk about precisely—I think I have talked about it already today, but maybe in a more formal way,

maybe more in keeping with the nature of the honourable member's request today.

Mr. Chomiak: Mr. Deputy Chairperson, I am still toying with the idea of going down that road.

An Honourable Member: Well, go ahead. I am not going to fight back too much right now.

Mr. Chomiak: No, it would not be—I will ask another line of questioning, making note in my card system that I will get back to this.

Has there been any talk about breaking down the city of Winnipeg into some kind of a region or delivering health care on a regionalized basis within the city of Winnipeg on either a geographic or ethnic or any other kind of lines?

Mr. McCrae: I do not know exactly what the honourable member has in mind, and maybe we can explore this further later on. I am interested though—perhaps the honourable member missed this. The honourable member for Crescentwood (Ms. Gray) and I talked about—yes, you were here—more efficient service delivery in various areas, better communications between hospitals and other facilities. Certainly the tertiary care and secondary care reports are getting close to the thing the honourable member is referring to, I think, the regionalized service delivery where we cut out a lot of the duplication that you have with nine different administrations and so on.

You have to do that with careful respect for a few very important principles that I mentioned dealing with faith-based institutions and governance. You have to have regard for those volunteer boards who have put in so much effort. You have to hear what they have to say, and we certainly did when Bell-Wade were doing their work. I think the issue of governance is one of those things that became a very important issue as we deal with two sites for potentially one program in the future in a particular discipline.

We learned through that process, and I learned in rural Manitoba the values. There is no point throwing out values while we are reforming a health care system. You lose those values, you lose the heart of some places, and we are not prepared to risk that.

Mr. Chomiak: Mr. Deputy Chairperson, in terms of any kind of a regionalization proposal, your response is basically that it is only in the context of the Bell-Wade and the secondary services report and the whole question of the facility utilization, but there is no other plan in the works.

Mr. McCrae: I think I am answering the member correctly if I say that we do not have a geographic sort of division in mind for the city of Winnipeg. As I said before, geographically it is not so big that we cannot work with the facilities that we have here in the service delivery. That takes in the whole thing again, the whole continuum. That gets a little harder in a city like Winnipeg where there are a lot of services to co-ordinate. It is a big challenge. As we work on our tertiary and secondary care issues we will learn more as we proceed.

Mr. Deputy Chairperson: Order, please. The hour being twelve o'clock, what is the will of the committee?

Some Honourable Members: Rise.

Mr. Deputy Chairperson: Committee rise.

EXECUTIVE COUNCIL

Madam Chairperson (Louise Dacquay): Order, please. Will the Committee of Supply please come to order.

This section of the Committee of Supply is dealing with the Estimates for Executive Council. Will the Premier's (Mr. Filmon) staff please enter the Chamber.

Introduction of Guests

Madam Chairperson: Prior to recognizing the honourable Leader of the Opposition (Mr. Doer), I would like to draw attention to all members of the House that seated in the gallery this evening is the Douglas Mennonite Youth Group under the direction of Otto Klassen. These students are from the constituency of Rossmere.

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

Mr. Gary Doer (Leader of the Opposition): I want to move on with the Premier to another issue that we have raised before in his Estimates. We have agreed to disagree about the involvement of the Premier's office in advertising, and we agreed to disagree about the extent of it. We should now move on.

Shoal Lake is an issue that I know that the Premier takes a direct concern in, along with the Minister of Environment (Mr. Cummings). It is an issue that crosses, obviously, political lines in Manitoba. We are all concerned about the quality of water and the drinking supply in the city of Winnipeg.

I know it is an issue the Premier has discussed with the Premier of Ontario on a number of occasions and probably discussed it as late as their most recent meeting in Davos. I saw on the Premier's itinerary that the meeting with the Premier of Ontario was scheduled on his schedule in Switzerland.

I would just like to ask a few questions to get an update on the status of those discussions on Shoal Lake. I want to first of all start with the mine, Consolidated Professor mining proposal. We have heard, and I am not sure whether it is true, that Consolidated Professor has approached the federal Minister of Environment in terms of their potential application for a mining permit and have asked the federal government—and this is just what we have been told. This is not from the Province of Ontario, by the way. I just want to make that clear. They have asked the federal government, the federal Minister of Environment, to not have a federal-provincial hearing if the company applies for an application to process the ore off the island.

I would just like to ask the Premier whether in fact Consolidated has discussed this issue with the Minister of Environment or the Premier? Have they discussed the issue of a federal-provincial environmental hearing, and have they been in discussions, to the knowledge of the provincial government, with the federal Minister of Environment, Ms. Copps, or her department?

Hon. Gary Filmon (Premier): I am not aware of that.

Mr. Doer: I would ask if the Premier, in his capacity as Minister of Federal-Provincial Relations, could ascertain whether there have been any discussions between Consolidated, because if there is any application for the extraction of gold ore at the Consolidated site and the treatment of that ore off the island, we argue that Manitoba should be involved in any federal-provincial environmental hearing, Ontario should be involved, and so should the federal government, because this water crosses the boundaries of Manitoba and Ontario.

To have any discussions take place without Manitoba being involved I think would be wrong. We cannot obviously—in opposition we are not directly apprised of all proposals, but we do not believe the federal government at any point in time should waive their responsibility and our rights for a potential federal-provincial environmental assessment given that this is cross-boundary water affecting a lot of citizens in Manitoba.

I would ask the Premier on that issue whether he would check that out?

Mr. Filmon: I concur wholeheartedly with the position that the Leader of the Opposition has taken, and we have consistently put that position forward.

Mr. Doer: I wonder whether the Premier has discussed this issue with the Prime Minister? I recall when I was Minister of Urban Affairs, I think the Premier, then Leader of the Opposition, asked me some pretty pointed questions about a proposal to develop a number of cottages in one of the First Nations communities. If we did not build those cottages after a certain date, the now Prime Minister, the former legal counsel for one of the First Nations communities, suggested that they would immediately proceed unless they had a fairly large settlement. I believe it was \$75 million.

I was wondering whether the Premier discussed this issue with the Prime Minister in terms of the impact on Winnipeg and the quality of water in the

community of Winnipeg at his most recent, I believe March 2, meeting.

Mr. Filmon: Because we have been dealing directly with the government of Ontario and attempting to get a watershed management plan agreed to by the government of Ontario and First Nations and our provincial government, it has not been a matter that has been in the realm of the federal jurisdiction, and so we have been dealing directly with the government of Ontario, not the federal jurisdiction.

Mr. Doer: Yes, and I hope we are able to succeed. I think we have had a number of good years in succeeding with the Province of Ontario, and I want to congratulate the Premier for his discussions with Ontario. I know, from the first meeting you had, there were media reports from Ontario about Manitoba's concerns. I know the Premier takes a direct interest in this proposal. I hope that we can resolve it with Ontario and the First Nations communities on the watershed, and I agree with the government's strategy in dealing on a watershed agreement.

However, I have to say that I do want Manitoba to maintain the option of due diligence with the federal government with a federal-provincial environmental assessment because I think that gives us the ability to have a safety valve, if you will. I heard that Consolidated was approaching the federal government, and I got nervous about it. I just heard this a few days ago, and I know that all members of this House—we have all political parties involved in this issue now. We have the provincial Conservative government that is in government in Manitoba. We have the federal Liberal government that has dealt with this issue from different perspectives before, and we have a New Democratic government in Ontario. All we know is that the best protection for our water supply is not to have a mine in the middle of it, I would think, and that even if they are going to extract the ore and treat it somewhere else, we would want to have protection.

I just want to raise this issue with the Premier and perhaps—I know that we are dealing in a partnership way with Ontario, but we should not

have the federal government in any way, shape or form deal with any private company on a particular proposal without consent of Manitoba. As I say, the water flows across the boundaries, and we are the ones who are most directly impacted by any environmental damage if that occurs on the Ontario side in terms of drinking on the Manitoba side.

* (2010)

I respect the fact the Premier has not heard of this, and I may be hearing things as we do with a lot of projects that some is true and some is not. I just want to ask that tonight to the Premier and suggest that his officials deal with the federal government so that we can stick that position right clearly with the federal government before any decisions are made by them or on behalf of us without us being involved in it as a further layer of protection for Manitoba.

Mr. Filmon: Madam Chairperson, I just want to make it absolutely clear that we will do whatever is within our power, either legally or by the use of moral suasion, to influence strongly the decisions that are made outside our jurisdiction that will affect the water supply of the city of Winnipeg, the water supply for some 670,000 Manitobans.

I, not long ago, spoke about the quality of this water supply, the uniqueness and so on. The circumstances are unique in the sense that the application which is of concern to all of us for a mining operation, Consolidated Professor, is in Ontario's territory. Much of the potential for pollution lies in First Nations' territory, which is a federal jurisdiction. In all of this, Winnipeg has literally no official legal jurisdiction to control all of these potentially harmful things that could happen. Manitoba has no direct legal effect on it, and we have been operating, as I know the member opposite did in his time in office, not from a position of strength but from a position of moral authority, to act to do whatever is possible to protect the city of Winnipeg water supply.

We, after a great deal of work and effort, came up with the agreement with, I believe it was, Band 40, Shoal Lake Indian Band 40, and that was to

buy out their development rights on the cottage lot development on which the Leader of the Opposition (Mr. Doer) and I had various discussions and debate across this House, when our roles were reversed to some degree, on the issue. But, at all times, we have been using whatever is available to us.

By and large, I will say that the Province of Ontario, under the administration of Premier Rae, has been very sympathetic to our entreaties on the issue. Having said that, we have had some points of difference and strong points of difference. One is that we wanted to be directly involved in the negotiations with the First Nations on the watershed management plan.

Premier Rae and his officials asked us to stay out of it, not that we could inject ourselves in it, because we were talking about forcing agreements upon them in their jurisdiction which, obviously, we could not do legally. We were asked both by his minister, Honourable Bud Wildman, and I directly by the Premier. Because this has been done on the basis of direct discussions in good faith and, as I say, in I think the best of circumstances of acknowledging right up front that this is an issue that has to be dealt with in a positive fashion and that the water supply, no question, has to be protected, he has asked me to allow them to not make a huge fuss over the fact that they had to come to agreements with their First Nations prior to involving us at the table.

I have always put on two conditions that I said must be met; one is that ultimately in the final decisions, we had to be at the table and that I felt that the City of Winnipeg ought to be at the table. Since that was a problem for Ontario vis-à-vis their relations with their First Nations, depending on the number of people that we had who would be involved in the ultimate structuring of the watershed management plan, one of our nominees would represent the interests of the city of Winnipeg so that we could assure that that interest is represented.

We have done this, as I say, at all times in good faith and we will continue to do it that way, and we will take whatever action has to be taken. If there is

any suggestion that somebody is going to short-circuit or undermine Winnipeg and Manitoba's interest in the protection of the water supply, whether it be the federal government, First Nations, a private-sector mining company or the government of Ontario, we will speak out loudly, and we will certainly raise the issues publicly and aggressively if there is any suggestion that somehow something harmful to the city of Winnipeg's water supply takes place.

At this point, we have had a good relationship with the Province of Ontario, who have indicated that they, through their process of negotiation and discussion with First Nations, would do everything possible to represent our interest, but felt it was inappropriate to have Manitoba at the table until they resolved certain issues directly with the First Nations. That is why things have been conducted in the way they have, but there has been continuous contact.

I might tell the member that Mr. Wildman picked up the phone and called me a number of months ago directly and that in every discussion I have had with Premier Rae, including that at Davos, I always referred to our concerns about Shoal Lake, and I asked for a progress report, which he was more than willing to give me.

Mr. Doer: As I say, I think some follow-up with the federal government, the federal Minister of Environment and perhaps—I would hope morally, as the Premier indicated, that the federal government could not waive any responsibility here. I would hope that legally we also have a strong position because of the cross-boundary transfer of water between Ontario and Manitoba. I have always felt that the federal environment act is a good backup if we cannot resolve our differences with Ontario, morally, legally or diplomatically or by any other means.

I have some other questions dealing with the proposal on Shoal Lake. The agreement between First Nations and Ontario is proceeding, as I understand it, between the two parties to being ratified by the First Nations bands and by the Province of Ontario, at which point they will involve, as I understand it, Manitoba as partners in

the agreement. From what I hear from the First Nations and from officials in Ontario that brief me as a courtesy, you know—we did not ask the Premier any questions on this, it was a courtesy briefing—but we understand that that will involve Manitoba and that will be the next step in that procedure and, quite frankly, that may work better than just a press conference and a threat that we had in 1989.

The existing agreement not to proceed with the development on the watershed by one of the First Nations, I believe it is Band 40—I should know the bands, but I repeat them, 39 or 40. Band 40 is the one whose chief is Chief Red Sky, and that is the one where there is an agreement between the province, as I understand it, and the city and the federal government, but that matter has gone to court.

Can the Premier indicate what has been the result of that court decision and where does that stand in terms of the money put in trust and the use of that money? As I understand it the matter went to court and there has been some publicity about that and there have been some negotiations about that. Can the Premier advise us where that stands, arising from, I believe, the Schulman decision?

* (2020)

Mr. Filmon: I really cannot, because it is not something that directly falls under my responsibility. It is directly under the responsibility of the Minister of Urban Affairs (Mrs. McIntosh), who has briefed me in the past, and I have had briefing notes and summaries of these court decisions, but I do not have them at my finger tips and it is not something that I could honestly take responsibility for. I know that the Minister of Urban Affairs would be more than willing to give the most up-to-date information to the Leader of the Opposition (Mr. Doer) on it. In fact, if he wants to ask the question in Question Period tomorrow, she could probably answer it.

Mr. Doer: I try not to telegraph our questions too much the day before, although I know that sometimes we do. I would ask the—

Mr. Filmon: We will get the paper to write about it and then we will know it is coming.

Mr. Doer: Well, not always, not always. In fact, I think we relied very rarely on the paper this session.

I would ask the Premier then—I know he is being briefed by his minister, but the Premier has had a long history with this project and these projects and I know that we felt, I think all of us felt that this was a win-win situation for the band, for Shoal Lake quality water, when there was an agreement to have an economic contribution in exchange for no further overdevelopment of the area and therefore lowering of the risk of the potential garbage situation and other situations.

I know that the judge has made a ruling. I would like to see the government go to make sure that this does not fall apart on any technicality or small point, so that we find a way of working with the band and working with the city and Ontario to make sure the spirit of the agreement is kept, that we can have this agreement in place, because I think it makes much more sense to have this agreement and follow through on this agreement rather than have it fall apart and everything is back at square one.

So I would like to ask the Premier, I think it goes without saying, that he make sure that this does not disintegrate and fall apart. I just ask the Premier about that.

Mr. Filmon: The essence of the dispute—and certainly we want this agreement to be in place, to be firm and to be adhered to by all the participants. The essence of the dispute with Band 40, I believe, if that is the band that Chief Herb Red Sky is the chief of, is that the band was in default of certain requirements of the legal agreement. That default resulted in the two other partners, the City of Winnipeg and the Province of Manitoba, withholding payments that were on a schedule to be made to the band for one year. I believe it was in effect an interest payment on a particular amount that was being held in trust, and because the band was in default, had not carried out certain obligations that it had under the agreement, the

city and the province agreed to withhold the funding.

They went to court and the judge said that, yes, they were in default, but he thought—I am paraphrasing—that the payment should be made in any case and give them another year to comply. Another year was given; they did not comply. This time the province and the city again withheld their payment, and this time I do not believe that there has been a court decision in their favour. Whatever results, now the chief is attempting, I think, to comply with the requirements, and so I think it is being handled in the best manner. I mean we are not taking the matter more aggressively or into a higher-level dispute. We are attempting to do it by negotiation this time. As I understand it, it is going to be resolved, but I repeat I do not have the briefing note in front of me.

Mr. Doer: I would note that we both received a letter, copies of letters that were sent to the mayor and the Minister of Urban Affairs (Mrs. McIntosh), dealing with the judgment from Justice Schulman and dealing with the matters outstanding. The band clearly, in the letter that I received a copy of, indicated in quotes from parts of the judgment, the payments, the disbursements of the income shall not be unreasonably withheld and noted also on the agreement with the city and province that the party shall make every effort to promote economic development beneficial to the band and the Shoal Lake area.

Their position of course is that has not happened. Now I am not here to argue the court case. I just would like to make sure, coming back to my original point about the mine, because the mine is discussing economic development with the bands, and what worries me is that if we do not resolve on the one hand the outstanding court case with Schulman, the agreement with the province and the city and the federal government and the band, and the mining company comes in with an economic proposal, then I think we do not have a watershed agreement. We have a conflict between the economic goals of the band, legitimately stated, the profit goals of the company, who have already spent money on this endeavour with the

claim, and the water quality of the city of Winnipeg which, of course, the Premier (Mr. Filmon) is representing through his work with the Province of Manitoba.

So I do not like where this is heading potentially, and if the Premier indicates that this is resolved, I am just speaking from the letter and meetings that I have had on the matter. I would say that I think we have to go the extra mile to make sure this is resolved because I do not, and I know the Premier would not like a situation where the only economic activity or proposal is the mine which we are out to stop and the gold mine which we are out to stop. Of course, these entrepreneurs who are involved in the mine, I think they are smart enough to look at the whole situation of the watershed, and as I understand it, are providing proposals to the First Nations bands who want jobs in that region. It may get them offered from the consolidated mining. I just ask the Premier about those points in this issue at this point.

Mr. Filmon: I just want to point out to the Leader of the Opposition that there were some very key issues that were unfulfilled by the band. There was refuse, solid waste and obviously material that should not be in the immediate area of the water intake had been dumped by the Indian band, and it was required to be cleaned up under the agreement and it was not. So that is one issue that I think that the province and city were well advised to ensure was looked after. The second issue was the matter of the de-surrender of lands that the band was to have undertaken as part of the agreement which was not fulfilled.

Both of these matters have resulted in this impasse. We want it cleared up. We want to do whatever is necessary to have it cleared up, but the legal agreement was taken in good faith on our part, and we are concerned at the lack of good faith on the part of the band to carry out its responsibilities.

If the member wants to argue on the band's behalf, he is welcome to do that, but I suggest to him that he is not arguing then on behalf of his constituents in the city of Winnipeg who want their water supply protected.

We recognize the involvement of the mine in offering perhaps economic opportunities, and that obviously is a concern that we will have to deal with, but that really now takes it into the hands of either the federal government or the Province of Ontario. If they approve that mine for the purposes of economic impact on their province or the First Nations in their province, then they do so recognizing that it could have a deleterious effect on the water supply to the city of Winnipeg.

* (2030)

I certainly would be arguing very strongly against that. I hope that the member opposite will be joining us in that argument.

Mr. Doer: My concern is in the provision of the agreement to work for economic development: shall make every effort to promote economic development beneficial to the band in the Shoal Lake area. My concern is that we now have the Minister of Urban Affairs dealing with the city and the agreement, we have potentially a proposal from a mine that may be dealt with by the Minister of Environment, the Premier is dealing with the watershed agreement with the Premier of Ontario, and the mine might be dealing with the federal government in terms of their licence.

What I want to make sure is that, yes, all of us agree that the water quality to the city of Winnipeg is the preeminent concern of all members in this Legislature, and I want to make sure that there is a comprehensive approach to the disputes that are taking place right now. I do not disagree with—I think it is very important that we have a comprehensive approach because I want to ensure, and I know the Premier wants to ensure, that water quality is protected.

My last question is: Is the government of Manitoba or the government of Ontario dealing with any other alternative economic proposals dealing with water treatment and other proposals that may emanate from the band to fulfill the condition of further economic development which would be better for us on this side rather than one economic proposal, being the mine, on the Ontario side? Are there any other proposals that the

government is dealing with, and is the Premier aware of any other suggestions to deal with that?

Mr. Filmon: As I cautioned the member earlier, I mean, this really is not in the area of my direct responsibility, so I cannot give him any definitive answer to that question.

Mr. Doer: Yes, because it crosses over three or four different departments, Urban Affairs, Environment, federal-provincial affairs and federal-provincial environmental affairs. I would just raise this issue. There are other potential proposals that I have heard about, and I am not aware of them directly. I agree with the goal of having a watershed agreement which everybody agrees to, that does not allow any further mining developments on the lake and does not have massive economic development that affects the water quality. We all agree with that.

Doing that through negotiations and agreement, to me, is better than doing it through a confrontation. I just raise that with the Premier again. It is an issue, every year, we have raised in this House. Every year, hopefully, our information helps the Premier. It may not, but I would rather raise it than not, and I think there has been a fair degree of success if you measure it in the sense of not having further developments in the watershed directly, either cottage developments that were proposed or the mine.

I also know that the city is talking about other further economic developments on the intake area, whether it is a water treatment plant, or whether it is a second aqueduct for part of it, now that they have the extra capacity at the Deacon Reservoir with the expansion. There may be opportunities there for economic development, which is far superior. Economic development to improve water quality, I would argue, is superior to economic development that denigrates and potentially hurts our water supply with the mine.

So I do not know all these proposals. I do not have, obviously, briefing from administrative people. I just raise these questions with the best interest of the water quality in mind, and

recognizing that there are agreements of talk for economic development with the bands.

There are the proposals the city might have on this. There are court cases that are in dispute. There are mines that are going ahead, and it will need the whole leadership of the Premier, as it has in the past number of years, to co-ordinate his various ministries on this issue. Because I really believe this is a cross-ministry kind of issue and requires the full effort of the federal-provincial relations and the clerk of cabinet to carry out that kind of co-ordination, which I think is crucial.

I will just leave that with the Premier here this evening and wish him well in keeping our water clean and making sure that we have agreements to do so in a watershed agreement.

Mr. Kevin Lamoureux (Inkster): I had a question for the Premier actually. A couple of weeks ago, shortly after the tabling of the throne speech, I had opportunity to speak on it. I had sent over via a Page approximately 750 cards that were signed from households, if you like, of the constituents that I represent.

The card had read, for the Premier's information again, I am sure he did read the cards, possibly, and he has some in his hands right now, so he can follow as I read. It read: Dear Mr. Filmon, I, space—and quite often it was filled out by an individual or, in some cases, by a couple—believe you and your government should reform the way in which the school portion of the property tax is being collected. Even though there may be different services in Winnipeg School Division No. 1, it does not justify the difference in property tax I have to pay over everyone else in this city.

I guess the Premier, if he chooses, could stand up and respond and answer the question by saying, well, the residents that I represent live in Winnipeg School Division No. 1. They voted for these school trustees. The school trustees are the ones who decide in terms of what services they are going to provide, and if they do not like the level of property taxes that they are paying, that they should elect additional school trustees or new

school trustees or whatever sort of rationale that the Premier might be able to come to grips with.

I tried to word the card so that the Premier would be well aware that the constituents that I am representing are aware that the school division does offer different services. I would argue that there are many services that are provided in Winnipeg School Division No. 1 that are not necessarily funded through general revenues or compensated, and one that comes to mind are the special needs students.

Even though there is an equalization payment from the province, from general revenue if you like, it does not relate to the actual cost of servicing special needs. You will see that Winnipeg 1 has the disproportionate amount of special needs children. That is just one of the examples, and I could go on with examples.

I guess what I would like to hear from the Premier is how does he feel that this particular issue could be put to rest? Again, I would emphasize that we are not saying that we are paying too much property tax, it is more a question of fair tax, that we should not have to pay as much in terms of the disproportionate amount than everyone else.

* (2040)

Mr. Filmon: Well, I thank the member for Inkster (Mr. Lamoureux) for attempting to put the question in as balanced a form as he can, that is, his questioning here in the House.

But implicit obviously in the information that he shared with his constituents is a suggestion that somehow they are paying more than their fair share. I do not have any evidence that would suggest that they are other than in proportion to the services at the local level, the special add-ons that the local school division has chosen to provide.

I mean, I have been in the last number of weeks including on Saturday for the entire day at the parents forum, listening to people talk about education and their concerns with how the money is being spent, and have had people in many different school divisions within the city say they cannot justify the extra things that have been

chosen by the Winnipeg School Division from preschool and other services to place on the property tax burden of the people of Winnipeg No. 1. They think that the difference is very much the responsibility of the Winnipeg School Division and its priority choices. I think when you see the feedback that the advisory committees are giving to Winnipeg No. 1 these days, they are very vehemently disagreeing with the priority choices of Winnipeg School Division school trustees.

I think that to some degree the member is misleading his constituents when he suggests to them that they are paying something disproportionate that has not to do with the services they are getting. If you compare in the various divisions, I think that Winnipeg No. 1 has chosen to bring in all sorts of ancillary and support and special services, ones for which they do need assistance, and there are all these things that pertain to their higher proportion of students coming from disadvantaged homes, special needs and all of those things. The formula, as much as it can, provides for that, and before we had the formula we were putting millions of dollars of special funding in each and every year to acknowledge that.

No matter how much we or even our predecessor administration put in, Winnipeg No. 1 always chose to spend more, and it chose to provide these kinds of services that no other school division is providing. The relationship that they ought to have is one of going to their school division and starting to challenge them as the advisory committee now is about where their priorities are and how they are structuring their budget.

Mr. Lamoureux: Madam Chairperson, two things come to mind right offhand and the first is the level of services. Many constituents that I represent would argue, for example, on the property tax you pay one city tax. It does not matter if you live in Tyndall Park, Tuxedo, Charleswood, Transcona. It is all one level. Yet if you look at the servicing of those communities, it differs. Many different communities have parks that are located in them and so forth, yet they pay that one same level.

Other provinces have moved, in particular the Province of New Brunswick, where we see general revenue footing the bill for education, recognizing that it is more a progressive tax than a property tax. I understand even the Province of Alberta—and there are many things I do not like that is going on in Alberta with education reform—but I understand that they are looking at the shifting over to general revenues as opposed to the regressive property tax. I think that any shift over to the general revenue would in fact be a fair and more appropriate way of collecting taxes to finance their schools. That is the first thing that comes to mind.

The second thing with reference to it is, given the answer that the Premier just gave, would he give assurance that in fact costs such as special needs will in fact be financed through general revenues or at least ensure that it is more reflective in terms of the equalization payments of the actual cost and other programs that are deemed to be necessary.

In the inner city, for example, there is a high demand for breakfast for the children because it is tough to learn on an empty stomach, as the saying goes. There are special demands, learning disabilities, higher percentage, and it is individuals that happen to live in Winnipeg School Division No. 1 who are having to pay that extra portion. Again, I do not believe that people are saying that we cannot provide those additional necessities in order to try to provide an equal level of education opportunities, but they want to ensure that it is fair across the city of Winnipeg, that they are not paying that disproportion.

So I wonder if the Premier would comment on those two points.

Mr. Filmon: I guess it goes back to the heart of the issue of whether or not then that there is a need for local school boards. If the principle of democratic government is that those who make the spending decisions must raise the money to support their decisions, and if there is a continuing desire for local control and local input to those decisions, then we would have to say that people want to have that continued local involvement, and that does

imply then that they raise a certain proportion of their needs through a tax at the local level that justifies having that kind of school board involvement in a program. It is why the different divisions provide different funding, different programming and therefore put different taxes on the property.

The difference between the analogy that he makes with the City of Winnipeg despite some differential in services, some people having more parks and so on or less, different access, as much as possible I think the city tries to equalize the services that it provides. I remember in my day on City Council going through those debates as to who was getting more and who was getting less, and for every argument that could be made that a particular area of the city was getting less, somebody else would come up with an equally effective argument that that area was actually getting more.

So it was pretty interesting. I never did see anybody win that argument no matter how they tried to identify, if they did it by parks and recs spending, then the other would have more works and ops spending or more spending in protection or you name it. If one had more rinks, then the other might have an extra swimming pool or an extra 10 acres of park space. The city's levels of service—the only ones who have had some pretty reasonable arguments are ones that clearly were outside the normal urban services like St. Germain or Headingley, and there the level of service could be easily identified. But, everybody else, it was pretty difficult to argue.

The other aspect to what he says, of course, involves the differences in things provided by schools. I come from an area, Assiniboine-South, which still does not have an I.B. program. I look around and the people from St. James Assiniboia have at least two that I am aware of. Winnipeg No. 1 has Kelvin for sure, Sisler as well now. So you go through this and those are priority choices. The people in my area would argue that—well, many of them are arguing that they ought to have an I.B. program. On the other hand, when faced with the costs involved I think that my assessment is that

they probably support the Assiniboine-South choice not to go ahead with it.

* (2050)

These are local choices. As long as you are going to have school boards and local governance, you cannot take away their taxing power and authority. You have to then convince people—and one of the things I do, and I recommend it to the member opposite, is do not try and take on responsibility for some other level of government.

I know that the members of the New Democratic Party did it all the time. They tried to play mayor and council time and time and time again, micromanaging the city and telling it what its priorities ought to be and how to spend its monies and so on and so forth.

The more you get into that, the more you take on somebody else's troubles and get no thanks for solving them, to be honest with you, leave the responsibility for the decisions and make sure that people understand that the school board makes certain decisions and they have to be accountable for them, that City Council and municipal councils make certain decisions and have to be accountable for them. Do not try and suggest to people that we, as a provincial government, or the federal government ought to be responsible for them.

We will take responsibility for everything within our jurisdiction and control. We will take the flack for downsizing departments in the government of Manitoba, 2,200 staff positions since we have taken office. We will take responsibility for our funding decisions to health and to education and so on, but where the choices are clearly in the hands of the other level of government, then those are the people who have to be held accountable and responsible for it.

You may want to try and, for your own political purposes, get it somehow over onto the backs of this provincial government, but your local rate-payers ultimately know who makes the decisions as to whether or not they are going to have busing, as to whether or not they are going to have an extra I.B. program, a breakfast program, a lunch program, a preschool program. All these things

that cost money are their choices. We provide the funding for the special needs, yes. We provide the funding for students who have learning disabilities. We provide all those things that are expected of a quality education system, but then there are all sorts of variations beyond that.

I am only talking about the variations within the city of Winnipeg, but if you really want to get at the disparities, you want to look at and start talking with people as we did in those breakout sessions on Saturday, where, when the city people are arguing about these things, rural people say, what are you talking about; we do not have any of those things in our area—but they also do not pay the level of school taxes. They understand the choices that are being made.

I just recommend to the member for Inkster (Mr. Lamoureux) that he try and separate out the responsibilities and not for his own political purposes tie the can to the provincial government for things that are not within our responsibility, and that is one of them.

Mr. Paul Edwards (Leader of the Second Opposition): Madam Chair, can the Premier give members an update on the current status of his government's negotiations with Phaneuil Corporation, which I understand has been in negotiations with this province? I do not know the status of the agreement, whether or not they have reached one. Can he give us an update on what is happening?

Mr. Filmon: Madam Chairperson, the agreement is still under negotiation.

Mr. Edwards: I appreciate that those negotiations will be operating outside, off of the floor of this Chamber. However, I would like to ask the Premier, what operations of the Manitoba Telephone System, if any, are being discussed as part of that agreement? That, I think, is an important issue to clarify at this point. There were questions last week in the House about the agreement with Shaw Cable and some of the other private cable companies about the cable infrastructure. I wonder if the Premier is prepared to indicate whether or not there are current

operations of MTS, current work done by MTS, that is being brought into the negotiations at this point.

Mr. Filmon: Without getting too deeply into this because, again, we are into negotiations with a private corporation, and there are certain issues that will all be made public if we should reach an agreement with them. For the most part, it does not involve services that are currently being provided by Manitoba Telephone System. There were rumours, suggestions, maybe even intents, six months ago that might have involved some of the parts of the operation of Manitoba Telephone System, and all of that has been deleted. All I can say is that in terms of the rest of the detail, it can only be shared when and if we do have an agreement.

Mr. Edwards: I think that is what I was looking for. I am glad the Premier put those comments on the record because there certainly were lots of rumours and stories about what was and what was not being negotiated. It is important to clarify that, given that he was in a position to do so.

With respect to the AKJUIT proposal in Churchill, the First Minister mentioned that specifically in his opening comments, I noticed—I do not again know the specifics of the culmination of that deal, but I do notice, from the Manitoba Chamber of Commerce newsletter, that apparently it has been resolved, that there has been some progress.

Can the First Minister indicate, what is the current status of that project? Is there a timetable that has been agreed to as for construction and operation of that facility? Is he in a position to give us an update on where that proposal is at and at what point it might come to fruition for the people of Churchill?

Mr. Filmon: Again, these are not things that are directly under my responsibility, and in fact, I would think that the Minister of Industry, Trade and Tourism (Mr. Downey) could give a much better response to that in his Estimates.

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

I can say that our funding that was put into the AKJUIT proposal was partial funding toward a feasibility study which was also funded, I believe, in part by the federal government, Western Diversification, and in large measure by private sector funding, I believe principally from the Richardson company. They continue to carry out their feasibility study, but I gather concurrently, because of timing concerns, are going to do some refurbishment of the rocket range, or at least of the infrastructure around the rocket range, to put them in a position to get an early start when and if they can get contracts for launching satellites, which is the objective. Rockets carrying out a payload of communication satellites is the intent.

They are very optimistic. We, of course, are supportive because we believe that potentially this could have a tremendous economic impact on Churchill, and job creation and economic spin-off for the entire provincial economy, but we recognize that none of this can happen until they get firm contracts from the corporations who eventually will pay for the launching of the rockets with their various payloads.

I cannot tell the member any more than that at the moment. That is just my understanding of where they are.

Mr. Edwards: I thank the First Minister for that answer. Of course, I think we all hope that those contracts are indeed forthcoming and that this thing can be financed privately and be self-sustaining and profitable and create employment in this area.

With respect to just briefly, Mr. Acting Chairperson, following up on my friend's questions about Shoal Lake, can the First Minister indicate, dating back to August or September of last year, what his involvement was in his ongoing discussions with the Ontario minister and the Ontario Premier surrounding the co-management agreement, which is now really at the point of fruition in that region between the various bands and the Province of Ontario?

It is my understanding, from speaking to some of the people involved, that they are in fact very

close, I think within weeks of negotiating a co-management agreement with a co-management committee. We are not a part of that committee. I raised that in the House here as, in my view, regrettable, as I recognize there is the independent agreement between the city and the province and one of the bands, Band 40. However, it seems to me that clearly the long-term solution to this, as I think my friend the Leader of the Opposition (Mr. Doer) has alluded to, is an overall consensus between the various levels of government and the bands. A co-management model I think would be appropriate if all parties were represented.

The indication from the Ontario government, when I spoke to them, was that they would like that too, ultimately. I heard from the minister involved that in fact we were rejected on that, or there was some indication that we wanted to be a part of it and were basically told not now, maybe later. At least that was what I recall from my question a couple of weeks ago.

* (2100)

Can the First Minister indicate what conversations he had, if any, with the minister involved, with the Premier of the Ontario government about our involvement in that new co-management model, which is really at the verge, I am told, within a few weeks of coming to fruition, covering the area?

Mr. Filmon: Firstly, the proposal for a management plan for the Shoal Lake watershed was our proposal. The terms and conditions that we wanted to see in such a proposal, we put forward—developed, drafted and put forward.

The Province of Ontario, since it is their jurisdiction in which the various bands are involved and their jurisdiction in which most of the watershed occurs and most of the concerns vis-à-vis mining occur, at this point I am not aware of any potential mining sites that are on the Manitoba side of that boundary, for instance. They are all within the Ontario side. I believe Band 40 and Bands 39A and 39B are within Manitoba. Correct?

Mr. Doer: There is a slight part of Band 40 that is on Manitoba's side.

Mr. Filmon: And 39A and B, are they—

Mr. Doer: I think they just access on that road. They have to go in by our road . . . Ontario side.

Mr. Filmon: The argument of the Ontario government was that virtually all of the jurisdictional authority was in their hands and that the bands that had to be involved in this were their bands. Despite our request to be at the table, our very strong request made personally from me to the Premier and also by the Minister of Environment to his counterpart, they asked that we be patient and that we allow them to negotiate the essence of the watershed management plan with the First Nations.

That has been going on for two years now. We had hoped that matter would be cleared up in a matter of months. It has been two years. Every time that we discuss it, we express the fact that we would have preferred to be at the table, but they assure us that they are very, very sensitive to our concerns and by their negotiations are attempting to be consistent with our concerns and that, ultimately, it will result in a co-management agreement in which we will have appointees on it.

So the issue that you were discussing with the Minister of Environment was not whether or not we would be part of the co-management agreement, it was whether or not we would be part of the negotiations that have been ongoing that are leading to a co-management agreement. My understanding is that Manitoba will be represented in the structure that is set up to manage the watershed according to the plans that essentially respect our interests and concerns that we put forward.

As I said, if we are able to get any more than one person, and I do not know what the ultimate size and structure will be, but if there is more than one person we will assure that at least one of our nominees represents the City of Winnipeg who, I would argue, have a very strong interest in being part of that co-management plan.

Mr. Edwards: Mr. Acting Chairperson, just to clarify—and I obviously do not have the background on this issue that either the Premier or the Leader of the Opposition do—but having met with some representatives from the Ontario government recently on this issue and their raising this with me, is the First Minister saying that it is his understanding that he has some agreement that the committee that is going to oversee this co-management plan is going to include at least one Manitoba representative? Does he have a commitment from the Ontario government and the bands on that?

Mr. Filmon: That has been our position, and I have no reason to believe that will not be part of the agreement.

Mr. Edwards: Mr. Acting Chairperson, that was not my impression, but perhaps I am wrong, from a meeting with the Ontario officials, and I will certainly hope that what the First Minister says is accurate.

Mr. Filmon: I have put on the record who I am dealing with. It is Premier Rae and Honourable Bud Wildman. I wonder if the member would put on the record who he got his information from.

Mr. Edwards: Certainly, Mr. Acting Chairperson. I do not have their names. I certainly have their cards and I will make that available to the First Minister. They were not political. It was not the minister or the Premier, obviously, but two of their officials from their department who visited here ostensibly—they asked for the meeting, not me—to brief me on this. I assumed they probably had the same meeting with—a courtesy briefing which perhaps was given to the Leader of the Opposition as well. I have those names, but I do not have them here.

Mr. Acting Chair, on the Shoal Lake issue, the First Minister indicates that he does not believe there is mining activity on the Manitoba side. However, it is my understanding that the diamond mining stake, which has recently been taken out in the southeast corner of the province, does in fact cover a large portion of the—[interjection] Well, I did not know it was on Jack Penner's farm, but we

can only hope for his benefit that they find diamonds there.

In any event, Mr. Acting Chair, it is my understanding that that exploration claim does include a large portion of the watershed. Is that accurate?

Mr. Filmon: I can neither confirm nor deny that.

Mr. Edwards: It is my understanding that it does. I wonder if the First Minister would undertake to perhaps advise, given that we are into this subject in some detail—it is obviously an area of great concern to him—provide us with an assessment as to what impact the exploration and potential mining of diamonds would have on the watershed, because clearly that would be a question that one would want to have answered before giving the opening to explore on that.

If in fact the exploration licence were to be given, clearly that question would have to be answered and the company seeking to explore would have to be told as to what the limits were likely to be on their ability to either explore, if that was to cause pollution in the watershed, or process, if in fact they find it.

I wonder if the First Minister would be agreeable to providing us with whatever briefing papers were done on that issue and on the effect on the Shoal Lake watershed of potential diamond mining and exploration in the watershed area.

Mr. Filmon: Mr. Acting Chair, I really think that we are getting into some detailed issues that should be in the Estimates of the Department of Environment, or Energy and Mines. I do not have the detailed knowledge of that claim that was staked. It does involve 2.7 million acres, but I have not seen a map of it, so I could not confirm or deny anything that the member is saying.

Mr. Edwards: We certainly will raise those questions with the minister. However, I remind the First Minister that it was he who made that comment. I was simply following up on it. He made the comment that there were no Manitoba mines or mining activity in the watershed area. I think there are. It is a claim that has been talked about extensively by the minister.

* (2110)

Mr. Filmon: I believe I said that there were no active mining interests in the watershed on the Manitoba side. Unless somebody puts forward a proposal for a mine which would then trigger all sorts of environmental assessments and everything else, I do not know of any active mining interests.

These people have taken a huge area which they have blanketed to allow for more specific detailed mapping and investigation, which will then perhaps be reduced into a number of small actual exploration commitments. That is the way the process goes. So at this point, I do not know of any active mining interests in the Manitoba side, unless he has information on it.

Mr. Edwards: We will take that up with the Minister of Energy and Mines (Mr. Orchard), who granted those exploration rights.

Just finally on this issue, is the Premier aware or involved, is the government involved in any discussions or negotiations between the Pembina Valley Water Co-op and the Shoal Lake bands on drawing water to the Pembina Valley from Shoal Lake?

Mr. Filmon: I have no information on that. I do not know whether he should ask the Minister of Natural Resources (Mr. Driedger) or the Minister of Rural Development (Mr. Derkach), but certainly I do not have any information on that.

Mr. Edwards: Finally, on this issue, it is my understanding from looking at—and I did look at the map of the watershed—however, there may be a number of different definitions of that watershed area, but it is my understanding that Falcon Lake in fact does fall into the watershed area.

Falcon Lake is a very populated lake, as we all know. I wonder if the First Minister can indicate whether or not the outflow from that lake, which of course does make its way into Shoal Lake—in fact I think it empties out fairly close to where the intake is for the aqueduct—whether or not that outflow is monitored regularly, in particular with the heavy development in the Falcon Lake area.

Mr. Filmon: That water, I know, has been evaluated from time to time, and that watershed of

Falcon does definitely run eventually through a variety of different streams and passages to Shoal Lake. The assessment in the past has been that by the time it got to Shoal Lake, the water from Falcon Lake had negligible impact on the quality of Shoal Lake because of the, as they call it, restorative capacity of the ecosystem.

Mr. Edwards: Well, I am glad to hear that, and I certainly recommend that that be tested fairly regularly. It is an issue which the band regularly raises, presumably with the government as well as with us. Clearly, there is a need to regularly check that. I think that the First Minister was indicating that there is no mining activity, and obviously none of the bands are located here, but it is important to remember that we have a fairly significant population around that Falcon Lake area, certainly in the summer months, and even in the winter months there is a fairly sizable year-round population that lives there. Clearly that has to be accounted for.

Mr. Filmon: Mr. Acting Chair, the irony of all of this is that a number of the people who are out there arguing in terms of saving Winnipeg water are also cottagers themselves, not at Falcon Lake, but right on Shoal Lake. Helen McCulloch and the other gentleman who are regularly quoted as being so concerned are people who have tremendous potential themselves to be polluting Winnipeg's water supply depending on the circumstances of their own sewage treatment and their use of power boats and all of the things that can put impediments and pollutants into Shoal Lake.

So if he wants to go to try and find the various contradictions and hypocrisies that are in this whole debate, he need go no further than Mrs. McCulloch and the others who are cottagers on that lake. Perhaps he can argue with them to remove their cottages so that we do not have the potential, but certainly if there is a potential for pollution from Falcon Lake, there is an even greater potential from those who are right on Shoal Lake.

Mr. Edwards: I do not think it is an either/or, Mr. Acting Chair. Obviously, there are those cottagers on Shoal Lake who have a more immediate

impact. I am not aware of the particulars of Mrs. McCulloch's cottage or whoever the other gentleman's cottage is, but I do know that there are a lot of people on Falcon Lake and the water does make its way down to the intake. I simply leave it on the record that obviously that is an area of concern for Chief Red Sky, and I just wanted to explore its legitimacy.

I think that it would be, if I can leave on the record the suggestion, that if in fact there is regular monitoring of that water, it might be that the results of that, if they are indeed as the First Minister says, should be communicated to the bands because they appear not to accept that or be aware of that monitoring.

In any event, Mr. Acting Chair, I do want to move on briefly to a contract that was signed a number of years ago by the province giving over Manitoba Data Services to ISM Corporation. I would like to ask the First Minister when the expiry of that contract is. I believe it comes up at the end of '94. I may be wrong about that.

Mr. Filmon: Is the member referring to the contracts that are currently in place for them to provide data services to provincial government departments and Crown corporations? It is sometime in '94. I could not tell the member the exact date not having the contract with me.

Mr. Edwards: I assume from that answer that if it is sometime in '94, it has not lapsed yet. Perhaps I can ask the First Minister, to his knowledge, and perhaps he does not have it here, what is the renewal clause that the contract states? In other words, will we be retendering for this service, or will it be an automatic renewal based on certain conditions?

The minister, I would have thought, if we were going through a tendering process, he would perhaps know more than he does. It kind of suggests to me that perhaps it is an automatic renewal. Does he have that information available as to what we are tied into with ISM in terms of renewing that contract, and if so, what term will it be renewed for?

Mr. Filmon: I do not know the exact details, but my recollection is that the choices will be in the hands of the Crown corporations as to whether or not they choose to renew or go out to tender or seek alternative services. The government, too, will have a choice to make based on its assessment of the quality of the service and the cost of the service.

* (2120)

The interesting thing about it is that in addition to having met their job targets, which as I recall were to maintain the 200 staff directly that they had, add an additional 140 by August of this past year, August of '93, and add another block of jobs by 1994, the expiry of the agreement whenever that is, plus various investments that have been made.

A summary that I saw not too long ago indicates these things: (a) they have made investments in Manitoba totalling in excess of \$100 million; (b) they have met their targets of maintaining the original jobs within the corporation and adding 140 and are fully committed to making the last addition that they have to this year. In fact, I think they are already along the way towards it. Part of which, this last when it is going to be achieved as a result of their involvement in Gemini, and additional jobs will be created by them in getting some Gemini business is my recollection—plus other things.

They brought here the University of Toronto library access systems which had a huge chunk of jobs and others that they have been adding through their investments in software development companies and others. So they have made over \$100 million investment, they have met their job targets, and they have lowered the cost substantially of the computer services that they are providing to the departments and Crown corporations.

(Madam Chairperson in the Chair)

In addition to that, I might say that their service levels appear to be such that those who will be making the decisions at the Crown corporations are certainly favourably impressed with what they

have been doing. So it certainly is going to be difficult for others to come in and offer a competitive service that will attract the business. But it is certainly open as far as I am aware for the Crown corporations to make those decisions and for the government to make those decisions within its departments.

Mr. Edwards: Do I take it then that the government is predisposed to renewing the contract, and if so can the Premier indicate what the renewal period is under the contract. Is there a specified renewal period that it would be renewed for, or would that also be up for negotiation?

Mr. Filmon: Firstly, I do not think it is fair to say that the government is predisposed to—I said that there were a lot of people in the user departments and Crowns that were impressed with the service they were getting and the cost. Having said that, we are going to negotiate the best price we can get for the government. It is a huge block of business. I think it is in excess of \$30 million of annual costs that will be at stake, and we will want to get the best price we can for it.

On the other hand, it is interesting that at the time that was transferred over to ISM, government contracts represented over 95 percent of their total workload, and today government contracts are down under 70 percent of their workload. They have been making inroads in providing services to the private sector, so they are not totally dependent any longer on government contracts to run their operations, and they also recognize the need to be competitive in the private sector and are currently doing very well at it.

The member probably knows that they are now principally owned by IBM and that they do have the kind of strong capital behind them that they have needed for the kind of expansionary mode that they are embarked on, which has been I think part of their success.

We will be looking for the best price we can get and the best terms. I do not know what the terms will be. I do not think we would be restricted. The last was a five-year term. This may or may not be of that length. I am not an expert in what will bring

us the best price. My assumption though is, when there is such a huge investment in capital equipment that these kinds of companies would be looking for a reasonable term like five years in order to justify the kind of investment they would put in capital to provide the service.

Mr. Edwards: Madam Chair, just on this issue before we leave it, the First Minister did indicate obviously the corporate link between IBM and ISM. I believe IBM owns 52 percent of ISM, and we now have IBM intimately involved in the Gemini system with their recent agreement.

The First Minister did indicate some linkages between ISM and Gemini. How is that going to work, given that these are under the same corporate umbrella? Is ISM going to use part of the Gemini system or the IBM portion of it for servicing of Manitoba Data Services' needs? Is there going to be an overlap or are these going to be two distinct stand-alone operations?

Madam Chairperson, I had the opportunity, I might say, just as an aside, to have a conversation with Mr. Etherington. I did not ask him this question. I wonder if the First Minister knows it. I think the First Minister and Mr. Etherington were classmates, if I am not mistaken. Am I wrong about that? As I recall, he was extremely keen on expanding IBM. I wonder if IBM's interest in Gemini is expanding to ISM and in a sense to doing some of this government work? Is it going to be an overlap, or are these going to be distinct stand-alone operations?

Mr. Filmon: These days a lot of people claim to have been classmates of mine. I am sure that the only thing that will stop that is when I am no longer Premier and I think that is going too far to stop that sort of thing.

Madam Chairperson, I have met Mr. Etherington on many occasions. We share, I think, the kinship of being fellow engineers, but we were not classmates. I have had a number of very interesting meetings with him and I think that, among other things, it has been in conjunction with our promotion of Winnipeg and Manitoba as a place for IBM to expand their business interests.

I was happy, I might tell you, that Mr. Axworthy and the federal government were able to put together a proposal that utilized the excess capacity that was going to be left in Gemini as a result of the pull-out of Canadian Airlines. I visited on the 20th of December in Montreal with both Mr. Hollis Harris and his vice-president, Mr. Morrison, in which I actually was one of the people making a proposal that the Gemini linkage could be solved by doing more computer service for the airline and utilizing Gemini's tremendous expertise in this technology area, computers and so on.

I was happy that—I might say, I did not do that without knowing that Mr. Axworthy was also preaching the same line, because that was indeed a good solution, a win-win. When it came about, one of the things that we put into the mix was a suggestion that ISM had the capability to do some of the work that would be vested in Gemini, and that it could be again a win-win. ISM could then build up their staff in Manitoba in order to do some of the Gemini work and that in fact is the way I understand it is happening.

ISM is in effect a service to Gemini and maintains and in fact increases jobs in Winnipeg as part of this whole process of having Gemini be more than just a reservation agency but a computer service bureau and arm of the airline. To me it is all coming together very nicely, and it all involves increasing employment levels and presence of IBM-owned companies, which does not hurt because they have the capital to expand, and if they acknowledge, as so many others are, the competitiveness of doing business in Manitoba, the high-quality workforce that we have in this whole field of computers and telecommunications, I believe that they will continue to look to Manitoba to expand their operations and investments.

* (2130)

Mr. Doer: I want to move on to a number of other federal-provincial issues. The rocket range was discussed in previous questions, and of course, we raised this last year. We wish the government well working with the private interests and the

community of Churchill. We know that this is a competitive situation with the Alaskan possible proposal, and we know that the government is proceeding. Is the government now, on the rocket range, satisfied that this is the best company and the best proposal, because there were some comments made by the mayor last year of the community of Churchill, that there were mixed messages. I believe the Deputy Premier (Mr. Downey) received that information about the rocket range, whether Manitoba was going to support this proposal or not. There was a bit of a confusion at one point last summer. I just want to know whether the government is satisfied that this is the best proposal for Churchill with this private company at this point.

Mr. Filmon: Firstly, I think it is safe to say that we are satisfied that this company is now in a vastly different position than it was when we had our concerns. Initially, AKJIT had no private-sector capital involvement of any magnitude, and their proposals were calling for all further steps essentially to be funded by levels of government, the taxpayer, to get to the development of the space port.

Today the circumstances are that we, along with Western Diversification, have funded a feasibility study, and should development decisions be made, they have at least one private-sector party with a great deal of capital at their disposal involved. They did not have that at the time when we were expressing our concerns, and in fact we had a copy of a study that was done for someone else on this, for a potential private-sector investor in this, that suggested that the feasibility was not there without some significant private-sector capital with it. Now that that hole has been filled by the involvement of the Richardson company with the proposal, we are very happy with the progress and the potential for this development to take off, so to speak.

Mr. Doer: I want to ask some other questions about Churchill. Can the Premier indicate the potential shipping from the Port of Churchill scheduled this year? The port itself is an ongoing federal-provincial issue. We were quite concerned

when we read comments from the new federal Minister of Transport that said, contrary to what we had heard in Manitoba last year from the then-opposition, federal opposition party, that they were going to treat Churchill just like any other port and let it sink or swim again without any leadership or stewardship from the federal government. I do not know whether the government has talked to Minister Young about that issue.

It seems to me that this year, with the tremendous backlog of shipments through the West Coast and the backup of railway cars right across the system and the fact that the cars going down to the United States seem to have two or three times the turnaround time of cars that would go to Churchill that Churchill seems to me to be, you know, it is a port waiting to be discovered by the rest of this country. I was wondering, what are the commitments from the government? Have we been able to enlighten the federal Minister of Transport, who seems to be relying more on the Seaway bias that we seem to have seen in the past or the West Coast issue?

With all this backlog going on in our transportation system now for the shipment of grains—we even hear that Japanese consumers of canola are very worried about the situation about the security of supply with the turnaround time.

I am just wondering what the status is and what the government is doing.

Mr. Filmon: All of the points that the member makes are valid. We certainly agree that a commitment ought to be made. I know that our Minister of Highways and Transportation (Mr. Findlay) has been in touch with Mr. Young and certainly made him aware of the urgency of our desire to see the commitment made to major shipping out of the Port of Churchill.

The member may be aware that the federal Liberal Party, in running for election last fall, in their Manitoba version of the red book, made a commitment to 1 million tonnes per year out of the Port of Churchill, being shipped through the Port

of Churchill. We hope that they will fulfill that commitment.

Mr. Doer: I also recall other commitments on the Cruise Missile. I could not get near the Cruise Missile banner, there were too many Liberals there, Madam Chair. I also remember commitments from the Liberals about, we will never proclaim NAFTA unless the energy provisions that Mexico had obtained were a part of new amendments, but I do not want to get into that, because I just did it.

An Honourable Member: You do not want to get into those 52 hospitals over there in Saskatchewan.

Mr. Doer: No, I do not mind getting into that at all. I do not mind getting into that at all. Nothing could equal Nova Scotia's last budget last week.

Madam Chair, the million tonnes was a promise. We are aware of it, you are aware of it, the people of Churchill are aware of it. They voted considerably for change in that last election, as is their democratic right. To date we have not heard of any ships being committed. It is a bit early, but it is May. Are there any ships committed to the port? What is the status of shipping at the Port of Churchill?

Mr. Filmon: I am told, Madam Chair, that there have been no ships committed, but that it is understandable that this is indeed much too early for that kind of commitment to be made.

Mr. Doer: The hopper car situation, which is also—cement goes to Limestone, certain tonnage, but hopper cars with less tonnage are not allegedly able to go to Churchill. This is an ongoing dispute between CN and the Manitoba government and the federal government. Are we getting any resolution to the line being able to support the hopper cars that would allow greater productivity for the port?

Hon. Glen Findlay (Minister of Highways and Transportation): Madam Chairperson, this discussion goes on and on, and where the truth lies, sometimes I wonder. We have heard of costs—somebody says it is \$30 million to upgrade the line; the next person says it \$100 million, and really when somebody brings up the figure of \$100 million, it is really because there are several

bridges along that line that may be in worse shape than the line itself. We hear engineers' comments that the line can be stabilized. As I said in answer to a question in the House a few days ago, I met with CN, and at that time, I had a stronger commitment, continued attempt to use the line than I think we have ever heard before, so I was pleased to hear that.

The Liberal commitment of 1 million tons, I hope it happens, but as the member well knows, the Wheat Board is the one that sells the grain, and I am consistently told that they are attempting to find a buyer who will take it in Churchill.

The mayor of Churchill continues to work real hard on their behalf as a strong advocate for the port, as we do as government, and we will continue that fight.

The member may know that we had the Hudson Bay Route Association meeting two or three weeks ago, and we were certainly very disappointed that the M.P. for Churchill did not come to the meeting. It was not a very good sign in terms of the federal commitment.

* (2140)

Mr. Doer: Well, we wish the government well on this.

The VIA Rail hearings were held. The minister presented a brief on behalf of the government. This, of course, is an issue of federal-provincial relations because it is the federal government that has given us commitments, even with the announcement two years ago of the reduction in rail services in western Canada. I asked the Premier this question before. What is the long-term commitment to VIA Rail? We hear now that there is a proposal to cut off the Via Rail passenger service from Winnipeg to The Pas. Is that going to take place, and what impact will that have on U.S. tourists who would like to come to Winnipeg and take the train to Churchill as one of the tourist destinations here in Manitoba?

Mr. Findlay: Well, again, certainly we have grave concerns over what the intent is at the federal level with regard to Via. There were hearings held. I went to the first meeting in Churchill, gave the first

presentation that the committee heard, and we certainly advocated very strongly that all the people along that line who have no other means of surface transportation must be served in some fashion from the rail line, whether it is Via or what it is in the future. We certainly await response from that review committee as to what they are going to recommend from The Pas north and, again, from Winnipeg to The Pas. If that link is taken out, it will seriously affect the tourist industry, which is really growing with regard to Churchill.

Mr. Doer: Dealing with transportation, and the Premier is Chair of the Economic Committee of Cabinet, I am wondering, have we taken a position on the merger of the two rail lines in terms of its impact on Manitoba, and have we communicated that to the federal government in terms of its impact to us?

Mr. Findlay: In terms of determining what response should come from western Canada, this is a unique situation where western Canada, the operations are making money, we are subsidizing the East.

We are talking with the other three provinces to the west of us. It looks like certainly there will be Manitoba and two other provinces, maybe three other provinces who will go together in a study to analyze the impact and what position we should take if the discussions continue to proceed on the track they appear to be on. So the four provinces are going to respond in like fashion as a result of doing a study and analysis of what is going to happen.

In the broad general picture, I think Winnipeg will be a winner in this if they do go either way, because we are a hub, and I can see us being a hub if there is Newco in the East and two rails in the West, but I can assure the member that it is rather strange that western Canada subsidizes an operation in the East, and we cannot continue to have that happen.

Mr. Doer: That is something that I have grown up to believe that it is not new, Madam Chair. We may have different ways of resolving this eastern Canadian domination of our western Canada, and I

wish the government well, but Manitoba has a high proportion of rail employees. It has lost a lot in the last number of years, and I hope that while the government is participating with other western provinces because of the freight rates, the unfairness of the freight system, that we do work with the other western provinces. But we also have a unique position in Manitoba with both the railways.

I am wondering whether we have an analysis from the Premier or the Economic Committee of Cabinet. When I read the terms of reference it is to review existing jobs and future potential of job losses and job gains. I was wondering whether the Premier at all has had any work commissioned under his stewardship as Chair of the Economic Committee of Cabinet on this very, very important issue in terms of jobs. Again, the rates are one thing and I think that is very important, and jobs are also very important in Manitoba.

* (2150)

Mr. Filmon: I will just repeat, in case the member for Concordia (Mr. Doer) will not take the word of the Minister of Highways and Transportation (Mr. Findlay), that he has been in touch with the colleagues to the west of us to get that analysis of the impact on jobs and the operations, that his initial assessment is that Winnipeg will still be a winner in terms of maintaining a very strong presence and jobs, but that the greater study, of course, is not something one can pull out of a hat and is going to require the participation of the western provinces in order to make it a more effective analysis that we can have some credibility in when we go before any tribunal or any decision-making body. So that is where it stands, and we, like the member for Concordia, want to make sure that we have our facts at our disposal when we take a position on this issue.

Mr. Doer: I trust the government will look at this, and it may want to also look at the decisions they made on infrastructure, you know, the proposals. I mean, there are proposals for underpasses and overpasses, and if there is no railway line, perhaps those things should be re-evaluated. I hope that we do keep our jobs and our lines and everything else,

but I hope there is a co-ordination between the approvals of projects that are being granted now. I would hate to see us be building an underpass under a railway line that is no longer going to be in existence if they have a merger of rail lines and say, for example, we go through the centre of the city through the CP area in Winnipeg rather than south of the city on the CN, building an underpass for \$30 million. [interjection]

Well, the Deputy Premier may not be worried about it, but we got to—hopefully there is some co-ordination in terms of what the long-term traffic in trains are going to be and the infrastructure. I just leave that with the government. I am assuming they are doing that. I just assume they are doing that. That is not a question. That is an assumption.

The further question on federal-provincial relations, and I am going through a list of items that we have raised before and the government has raised before, and one is the cigarette smuggling issue and the reduction in taxes with the Province of Quebec and domino effect it has had in Ontario, Nova Scotia, New Brunswick—I believe are the provinces now that are dealing with it. Was there any discussion from the Prime Minister to the Premiers of provinces about the impact of this decision, both from a health care perspective, from a message of what it said to people that were smuggling north and south, and in terms of possible revenue drain on provinces as this smuggling changed from north-south to east-west?

Mr. Filmon: I will begin by saying, with respect to the previous question, that yes there is co-ordination, and with respect to this one, we continue to be absolutely adamant in our opposition to the position that has been taken by the federal government. I might say that it is heartening to have the kind of support that we have for the position by groups who are interested in the health care of Canadians right across this country, urging us to remain firm, to withstand the federal government's urgings to lower the tax and to be as committed as possible to stop the flow of cheap cigarettes into the province.

We, in fact, are receiving the wholehearted support of our western provinces on this issue. I

understand monetarily, as well, they are contributing something in the range of \$700,000 to the increased enforcement of the ban on importing cigarettes across the Ontario border. There is obviously a great interest in and support for our position right across the West and by all health care groups in this country.

We do not have any firm figures, indications of minor slippage in terms of cigarette sales in Manitoba. I say our projections at the moment are that for a revenue item that I think is approximately 140 million, it may be off by a few percent at the present time since the lowering of the taxes in Ontario. It may be due to the fact that there are not many people travelling back and forth to vacation spots and all those things.

At the moment, we just want to ensure that we do everything possible to retain Manitoba's position and to not lower the taxes. Premier Klein, of course, as the chair up until May 18 of the Western Premiers Conference, wrote to the Prime Minister, urging him to reconsider this matter and expressing the opposition of the western provinces to that decision.

It is on the Western Premiers Conference agenda for Gimli, as is the issue of the rail merger east of Winnipeg, so those are both issues that will be on the agenda. Of course, as I indicated publicly, that certainly was a topic that I raised with the Prime Minister in March when I met with him here in Winnipeg.

Mr. Doer: The Premier also, and I wish the government well on this issue. I think the U.S. Surgeon General's report came out about a week after the deal with the Province of Quebec. It indicated, again, what we know in Canada, there is a correlation between price and young people purchasing cigarette products. There have been some excellent committee hearings in the United States with the tobacco executives. They have not admitted all their advertising efforts, but it is clearly—by advertising analysis—geared to young people.

I mean, I have never taken to a holier than thou—I have never had the craving to smoke. I

have lots of other weaknesses in life, I suppose, but I am pleased I do not. I think it is really too bad that anybody picks up that habit. It does cost them in terms of their own health; it does cost us in terms of health care. There is a whole price sensitivity.

I think whether we are smokers or nonsmokers, even smokers in this room, I am sure, would want to see us stop—I thought he might; he usually does when the cigarette question is raised—would want us to stop young people from not starting the habit and would recognize the price sensitivity.

I know the Premier raised the issue of sales through mail with the Prime Minister. I saw the clip, how can you tell whether it is your aunt's cake—or something—versus a cigarette package? But you could stop the advertising that is going on and the solicitation that is going on if it is illegal. As I understand it, it is legal to sell through the mail; it is legal to mail a certain quantity of product; therefore, it is legal to advertise that.

I was wondering whether, are those assumptions correct? Is it legal to sell through the mail? What quantity is that? Is it legal therefore to advertise, which I understand is taking place? If those things are true, why would the federal government not change the law? If, at minimum, they could stop the solicitation of these mail products in terms of—I recognize they cannot tell the difference perhaps of a package of cake, although I thought dogs could discover some of these things, but I thought the answer was fairly feeble in terms of advertising from the Prime Minister.

Mr. Filmon: The member for Concordia asks the right question, why would they not attempt to do this to help us when they have gone to such lengths to help one province which had a serious issue, and that was the Province of Quebec, by lowering taxes all over, and creating a rather chaotic and I think rather controversial situation?

That was my question to the Prime Minister, and he did not have a good answer other than that he did say that if it were feasible that he would do it. We are now getting some promising responses that suggest that they are seriously considering it and that indeed legislation or regulation could be

formulated to accomplish this purpose. Then the enforcement would become the issue.

But I am really very much like the Leader of the Opposition in that I believe that there are ways in which they could examine these parcels and from time to time make arrests. It is ironic that one of the greatest disincentives that is taking place to people ordering through the mail is the fact that many of those people who are shipping them from other jurisdictions are scam artists and are taking the money and running, so to speak. So this is now discouraging people from responding to these ads. But we think there is a better answer, and the better answer clearly is that the feds should attempt to do something to help us.

The other matter is that the many groups that feel strongly about this, and indeed there are many groups that feel strongly that this federal policy is a bad policy, might be encouraged to be very prominent at the Prime Minister's National Health Forum in June and try and get the message through to him that way that the nation disagrees with the solution that his government came up with, and that it is a problem.

There are others who believe that the issue is going to be resolved as a result of the U.S. federal government raising its taxes to a higher level to fund medicare in the United States and so on. All these things in due course may in fact accomplish that purpose, but right now we have an unacceptable situation that we still would like to see as much as possible being done to prevent cigarettes from being illegally transported into Manitoba.

Mr. Doer: I wish the government well. As I say, just making it illegal would stop, I would think, at minimum, the advertising, and hopefully we could follow through on enforcement in terms of Manitoba.

The NAFTA centre, I, of course, do not believe that energy should be part of any trade agreement. I have said that before. I have said that even Margaret Thatcher did not even give away North Sea oil to the European Economic Community. We have had discussions about trade, the

Canada-U.S. trade agreement and NAFTA before. I also believe that once an agreement is signed, that is the agreement you live with. You implement it, and you live with it, because there is no such thing as a retroactive argument. We have an agreement now, those are the rules under which we trade in terms of North America, and GATT are the rules under which you trade unless you change them with the number of countries.

When the Premier announced the NAFTA centre at the chamber of commerce after the NAFTA was ratified, I said I supported the recommendation. Were there any reasons given to not provide that centre to Manitoba and has it undermined the International Institute for Sustainable Development in Manitoba by having obviously two international bodies, one to monitor environment in Montreal, and one to now be the United Nations response to the Brundtland commission report, which is located in Winnipeg?

Mr. Filmon: The Leader of the Opposition is right in expressing dismay at a decision that was purely a political decision that fit in very well with all of the things that we are attempting to do to make Manitoba and Winnipeg a centre for sustainable development and environment issues. It would have fit very, very well with the International Institute for Sustainable Development and so on.

I am talking from memory at the moment, but I did look at the independent analysis sheets that were prepared by, I believe it was, KPMG, the Peat Marwick management consulting arm who did the analysis on behalf of the federal government. Despite the fact that both Mr. Axworthy and Ms. Copps said publicly that one of the issues was that Montreal had better air connections in terms of travel here, the analysis that KPMG did showed, for instance, that there was something in excess of 30 direct and connecting flights weekly from Mexico City to Winnipeg and only a half dozen to Montreal, that the average length of time for travel from Mexico City to Winnipeg was an hour shorter than the average length of time for those flights from Mexico to Montreal.

Of course, the network of all the airlines coming through Chicago and Minneapolis means that any

point in the U.S. is easily accessible in a matter of, I think it is, something like five hours to Winnipeg, whereas Montreal is closer to certainly the eastern seaboard. Anything central east probably has a shorter distance, but certainly if you take everything on balance, Winnipeg is the most central. As long as you have the Northwest Airlines hub in Minneapolis and the daily direct flights out of Chicago to Winnipeg now, you can get there with United and all of the major connecting airlines.

* (2200)

So it was absolute nonsense, and KPMG's analysis did not support that comment. I was surprised that the federal government thought they could get away with saying that when there was no evidence to support it.

The second argument that they made, of course, was that there should have been some diplomatic presence here arguing that a consulate, for instance, or an embassy was essential to having this office here. That matter had been addressed directly by our staff in discussion with the Mexican ambassador to Canada, who very clearly stated that although it would be nice, it was by no means a prerequisite on their part to have consular representation in the city of choice. So, again, that was just a smoke screen that was thrown up by the feds to justify after having made the decision on purely political grounds.

The other irony of it is, of course, that when the KPMG analysis was done, they looked for like or similar or synergistic institutions and organizations, and, again, Winnipeg had more than twice the number of sort of like or synergistic institutions located here versus what was in Montreal.

The final thing was that the federal minister had said that the green record of the cities in question would be a consideration. I know that the green record of Montreal, no matter what anybody may want to argue about Winnipeg, clearly would not have matched up to Winnipeg's. So that is the kind of response to our analysis.

If the member has not seen KPMG's review of this, he may want to see a copy of it just to have that information at his disposal.

Mr. Doer: Yes, I would like to. If those documents are public, I would like to see them. They are paid for by federal taxpayers' money.

I also recall Fred Knelman's book on Montreal—I think it was Fred Knelman who wrote, I think it was in the late '70s, I read his book about the Montreal Island, and he made some very descriptive comments for a person who is a resident of Montreal—about the comparison of the Montreal system and the St. Lawrence River to various sewage systems that one would find in their household. So it was quite a descriptive book, and I think Mr. Knelman was considered a fairly enlightened voice in those days, and I do not think a lot has changed in terms of the situation in Montreal.

A number of other issues the Premier mentioned, and I am not asking this because of Quebec getting the environment centre, but the Premier has mentioned the French language negotiations going to the federal government and dealing with the settlement of that issue with the federal government. As we understand it, Saskatchewan and Alberta have a settlement. We also understood when we asked questions to the government last year that this was another matter of federal-provincial relations, that you were given a commitment that this would be paid for by the federal government and would not cost the Manitoba education system anything to implement the court decision.

The Premier in his opening comments noted that this is still a matter in dispute. I would like to know where this is at, because we were certainly given the undertaking in this House by the former Minister of Education that this would not cost us money, and at a time when there is a reduction in funds to the public school system, this could be a real hot point, I think, in Manitoba if this is not resolved.

Mr. Filmon: Well, we had anticipated that the federal government, having set aside a very large

amount of money to deal with a number of these issues. It began the discussions with the former federal government, but clearly for the last more than six months it has been in the hands of the current federal government. We had anticipated that the amount of money was sufficient to give Manitoba a fair proportion in recognition of the costs that would accrue to setting up this whole separate system of governance mandated by the Supreme Court.

Alberta and Saskatchewan are in a similar position. Alberta and Saskatchewan have not moved as quickly as Manitoba. They do not have in place their system of governance, and yet they have already been given allocations of money to allow them to fund the administration of that. The allocations that have been given to the Province of Alberta is \$24 million; to the Province of Saskatchewan, \$22 million; to the Province of Manitoba, we are being offered at the moment \$11 million. That is a final offer. It has been put as a take it or leave it by the representatives of the Secretary of State who are responsible for this agreement.

Now, that is bad enough, us being offered half, but in terms of numbers of students who are in these programs, we have twice the number of students as Alberta and four times the number of students as Saskatchewan. These are the approximate figures—sorry, that is a slight exaggeration. No, those figures are accurate. Alberta's school population in the français programs is 2,519; Saskatchewan's is 1,076; Manitoba's is 5,464.

So it is really a travesty, and we are very, very upset about it. Obviously, I raised it with the Prime Minister because our message was not getting through at the bureaucratic level. We have let the minister responsible for Manitoba in the federal cabinet know our extreme displeasure over this. It simply does not look like reasonable treatment.

Mr. Doer: We wish the government well on their negotiations. Obviously, the reading of those numbers, we are not getting (a) what the Minister of Education indicated last year would be the approximate amount of money to deal with this

issue, because those questions were raised in this House before, and (b) what proportion of students would be necessary. We understand that Minister Dupuy, the lead federal minister as Secretary of State, has been quite arbitrary in his dealings with Manitoba. I hope the Premier can have some progress with the lead minister in Manitoba, the Honourable Lloyd Axworthy, and I hope that the member for St. Boniface and others who would be dealing with these areas would help out on this area. I am sure the Prime Minister, who is committed to a bilingual country and bilingual services as his alternative to the more unilingual approaches in Quebec and outside of Quebec, would be receptive to the Premier's arguments.

Did the Prime Minister indicate, when the Premier raised this with him, why this was being held up and how we could resolve it?

Mr. Filmon: The Prime Minister indicated that he was not aware of the essence of the issue, and he has not responded to my letter on it. I will say in fairness that my discussions with Minister Dupuy, which occurred before this issue was raised to my attention, had to do with the Pan Am Games bid. Minister Dupuy was extremely co-operative and extremely supportive of Manitoba and Winnipeg and could not have been more responsive, I might say, to our requests to participate in helping us achieve the Pan Am Games bid.

* (2210)

So I am remiss in saying—I certainly would not say anything negative about his involvement. At this point, we have not been able to get beyond the bureaucratic blockage that has been saying to us, this is all you can get.

Perhaps with the help of Mr. Axworthy and perhaps maybe even with the direct approach—I have written to Mr. Dupuy, but I have not been able to speak to him. I was anticipating he would be here on a number of other issues, but he did not end up coming here this past month. That may help us get to that point, but we will certainly be seeking the support of all those, including the member for St. Boniface and others, to get this resolved.

Mr. Doer: I respect the statement the Premier has made about Minister Dupuy, and I am glad that he is co-operating and has co-operated with the Pan Am Games.

I have some other questions dealing with federal-provincial relations, and I am sure the Leader of the Liberal Party will as well. Social services—there is a whole revamp of the so-called social services, the training, UI, social assistance, manpower or human resource planning and development, the delivery of, et cetera. A couple of weeks ago a meeting was cancelled based on a draft that was circulated allegedly—apparently somebody pushed the wrong buttons and some of the drafts got out.

Does Manitoba have a position on revamping of the system? Are we taking a position to the table? Can it be shared with members in this Chamber? Where is this fitting with where the country is going? Apparently, we are going to have the first draft of this in June, which is a month away, and this has a huge impact, of course, on Manitoba and Manitoba citizens.

Mr. Filmon: I know that papers and positions are being developed by the Minister of Family Services (Mrs. Mitchelson) and the Minister of Education and Training (Mr. Manness), and they were scheduled to attend that meeting. But I could not give the member any satisfaction on that answer because I do not have anything at my fingertips on it.

Mr. Doer: Will there be any discussions or any draft proposals or ideas shared in this Chamber before it goes to ministers' meetings? This is an issue that is of major, major significance to all of us in this Chamber and we have already seen the reduction in UI benefits that has to have an impact—we understand about \$30 million potentially on the social assistance side of the province. We had this previously with the former federal government and federal Ministers Mazankowski and Bernard Valcourt, I believe. Will we be having any discussions here or will it be just a discussion between governments of federal and provincial stripes without any citizen participation or will that be at a later stage?

Mr. Filmon: I know that there is a public meeting consultation coming up, I believe, on Saturday, later this week. With respect to some of our consultations on the Welfare to Work initiative, single mothers in transition, I believe, and I cannot tell you though what the minister intends vis-à-vis any discussions here in this Chamber. So I would invite the Leader of the Opposition to ask the Minister of Family Services (Mrs. Mitchelson) about that.

Mr. Doer: Can the Premier indicate what was the cost to Manitoba? He had numbers in the December 1992 budget of the federal government about Manitoba's cost to social assistance with the reduction in the UI benefits, and he made some very strong statements at that time. Can the Premier indicate what is the cost to the Treasury of that federal decision in terms of its impact on social services in Manitoba?

Mr. Filmon: Again those are numbers that are really directly within the purview of the Minister of Family Services and neither my staff nor I have those numbers at our fingertips.

Mr. Doer: The government came to an agreement on equalization which you could argue was half empty and half full. It is empty in the sense of where we were; it is full in the sense that we know where we are going. It is still quite a bit below where we were even back in 1991, as I recall the numbers. That having been said, the agreement is there, it is there for all of us to see. The numbers are there, they are predictable, et cetera. In Health and Education the government has continued the GDP minus 3 percent formula that was opposed by Manitoba in the early '90s.

Can the Premier indicate for how long is that formula going to be continued by the new government on the Health and Education, which basically means that the numbers are—if you have a 3 percent growth in Canada this year, and a 3 percent decline, it basically means, as I understand it, just status quo in terms of funding and therefore a reduction in a percentage sense on the health and post-secondary side in terms of costs.

Mr. Filmon: I just would like to correct the Leader of the Opposition and say, we came to no agreement with the federal government. That was unilaterally imposed, and it certainly was not what Manitoba was arguing for. Manitoba was arguing to have the caps lifted off the increase in equalization payments. They were in the ironic situation of whenever the numbers in the formula dictate that our share goes down, we get the full cut, but when they dictate that our share goes up, we are limited as to how much it can go up. That was imposed by the former administration. It has been maintained and reinforced by the current administration. It is certainly harmful to Manitoba's interests.

The other, which I believe is on EPF transfers that he is speaking about, I am informed is a three-year commitment, that it will remain at that GDP-minus-three level.

Mr. Doer: I am glad that the Premier clarified the issue of equalization. We were watching, I think the conference is in Montreal, and we were just interpreting the Minister of Finance's comments as conciliatory with the new government. I thought it was in an "agreement." I did not know it was arbitrary.

I was wondering why his comments were positive, because I looked at the numbers relative back to 1990, and it seemed to us that it took a while for us to get there, and we are not going to be much ahead in a couple of years. The other side of that is, they were in cement in terms of that there was a massive expansion of the economy of Ontario, British Columbia and Alberta that the numbers were capped. So I did not know it was unilateral, and I thank the Premier for explaining it to me. I apologize for misrepresenting what the meeting presented to Manitoba.

The three-year projection—it is an important issue. We have raised questions about this before with the previous government, we will raise it now with this government. I think it has been an issue that we have raised in the Premier's Estimates quite a bit before, because this does represent over \$1 billion in our budget. I think it is \$1.4 billion. There is no larger source of income for the

government of Manitoba than federal agreements or federal initiatives.

The government has now a projection to the year 1997. Originally, there were projections by the year 1999 that some provinces would not be getting very much money at all from the federal government under this formula, but it looks to us as if we are going to be in the 20 percent range by the year 2000 in terms of medicare payments if the present formula continues. I want to know the trend line in terms of the three-year announcement and what it will mean for the percentage between federal and provincial governments.

* (2220)

I think in 1981 it was 50-50. It went down before '84; it accelerated in '85; it accelerated again in '88 and '89; it accelerated again in '92. This massive acceleration in 12 years, where will it leave us in terms of the federal contributions, and what will this mean in terms of the federal Prime Minister's role in health in terms of the forms and the funding of health care?

Mr. Filmon: I understand that there are some tables on pages 20 and 21 of the budget document that contain some of the information that we have. The document that was leaked that the member referred to earlier, I think contained some proposals from the federal government to get out of funding post-secondary education through the—to take it away from the EPF transfers and to fund directly to the colleges and universities from the federal government. So I cannot tell you what the state of play would be in the current federal intentions and what that would mean to us.

I would invite you to raise that with the Minister of Finance (Mr. Stefanson) and get his best current information on it.

Mr. Doer: Yes, concurrent to the discussions going on with the transfer of health, post-secondary education cap, equalization, UI, other programs, is the whole issue of the revenue issue that the federal government is reviewing, and that is the whole issue of the GST. Has the Province of Manitoba put in any proposals on the GST replacement that has been promised in the red

book and is now being studied by a parliamentary committee?

Mr. Filmon: Not to my knowledge, Madam Chair.

Mr. Doer: Will the Province of Manitoba be submitting a proposal to the federal government about the GST replacement?

Mr. Filmon: I believe that there has been some assurance that this will be the subject of discussion at federal-provincial Finance ministers' meetings prior to a final decision being made by the federal government, and that will be the time at which we will have our input.

Mr. Doer: There are a number of suggestions that the GST be moved to the provinces, that it be made invisible so people will not feel it as much and that concurrent with that would be reductions in spending; sharing from the federal government will be reduced to the provinces.

I know the Premier has met with the Prime Minister in December on financial matters and I think that this concerns a lot of us. We hear from the small-business community that they would prefer this because obviously it eliminates one set of duplication for them, but I guess Canadians were told before, the manufacturer's sales tax, when it was removed, was a killer of jobs. Of course, it did not apply to exports the same way as it did to domestic goods and, of course, I think Canadians were not fooled by that. Ultimately, they were quite angry about it.

I am wondering, is there a possibility that this tax is being moved to the provinces and a reduction in spending from the federal government would be part and parcel of that in terms of the federal government's commitment on this tax.

Mr. Filmon: That is a pretty complex issue and we would be very concerned about that kind of proposal unless there was some method of equalization plugged into it, because giving the GST over to the provinces would mean that Ontario and British Columbia and Quebec, the big provinces, would gain tremendous bags of money out of it and the smaller provinces would not. So unless you had some form of equalizing the

revenues that would accrue across the country from this tax, that would be an unfair distribution of that federal taxing power, it appears to me.

I will say that in, shall we say, off-the-record discussions that I have been privy to with representatives of the federal government, two themes recur. One is that they want to have the tax hidden, and two is that they want some form of harmonized collection with the provinces, harmonization, to overcome the great criticisms that are coming from small business of having to collect two different taxes and to reconcile their books.

I just want to point out, not that it is absolutely onto the question that the member asked, but people raise an issue that has to do with the fact that our government indicates in its list of tax cuts, reductions that it has made to Manitobans, the reduction that we made by not cascading with the GST when it came in. Some have said, well, that was a tax you would have had, but you did not really lose anything. In fact, Frances Russell wrote a column on it, and I am not sure whether any opposition members have made that criticism. The point is that prior to the GST coming in, we did collect the sales tax on the manufacturer's sales tax, which was buried in the price of every item.

When that was removed and replaced with the GST, the only way we could have retained our comparable income was to put our tax on top of the GST. We chose not to do that and thereby left \$30-odd million of tax in the pockets of Manitobans. It was in fact a reduction of take on our part from the sale of goods in Manitoba. So I just want to be sure that that is an understood concept. I think I answered the rest of the question before.

Mr. Doer: A couple more items of federal-provincial relations and then I will leave it for my honourable colleague. Of course, then we have a lot of questions on the western meeting as well.

Is the provincial government involved in the transition from the Department of Indian Affairs to the self-government model that the federal government is talking about? Who is involved

from the Premier's staff or federal-provincial staff in these discussions that are taking place with the chief and councils of communities and the federal government?

* (2230)

Mr. Filmon: Madam Chair, we have had no involvement. None of my staff have been involved in any discussions. Clearly, as observers, we have concerns with respect to the process and the potential for an offload of federal fiduciary responsibility to the provinces. Having funding that is intended to go for certain things to the First Nations, if those services then are not performed by First Nations or people leave their jurisdiction, they will still be getting the money, but we may end up having to pick up the cost of their services, as happened when the federal government said that Status Indians living off reserve were now the responsibility of the provincial government, an arbitrary decision that cost this province \$20 million annually.

There are other things that could potentially happen as a result of these negotiations, so we have a very strong interest in it and concerns, but we have not been asked for our input or involvement and we have had none.

Mr. Doer: Yes, I am concerned about that, Madam Chair. I think this is a very good idea. I think we all know the kind of bureaucracy that has been involved with the federal Department of Indian Affairs and the need to have transition from that system.

I also attended part of a meeting that was taking place between the financial institutions in Manitoba and the First Nations leaders and chiefs; one which I think the provincial government was invited to and I think was not able to send a cabinet minister but rather sent an official. There is nothing wrong with an official, but I just thought that major vice-presidents of banks, major participants in this whole process were joining together discussing finances or financial opportunities for the transition and the provincial government was not there at a cabinet level even for the original panel presentation.

I am hoping the government, and the Premier particularly, can work with Grand Chief Fontaine and the bands. This is a major opportunity and also represents a major challenge for us all. Nobody will pretend for a moment this is going to be easy. It is going to be long term. Apparently they are just looking at some of the initial terms of reference for the first three years. I do not pretend for a moment that it is going to be easy to reverse literally decades of Canadian history and decades of Canadian administration with our First Nations communities.

I am not sure whether it is appropriate to ask whether the provincial government is involved or not. I am not even sure, you know, what levels of discussion are taking place, Madam Chair, but I am wondering whether the Premier has had discussions with Grand Chief Fontaine in terms of the involvement of the Manitoba government with this proposal and is it a good healthy relationship between the Premier's Office, the Premier himself and Grand Chief Fontaine in terms of where this is going.

Mr. Filmon: The relationship that we have been working on has been one between the Minister of Northern and Native Affairs (Mr. Praznik) and Grand Chief Fontaine. They have had, as I understand it, meetings on a fairly regular basis to talk about any and all things which would include this particular topic I am sure.

May I, just before the Leader of the Liberal Party (Mr. Edwards) gets up, say that I have had an opportunity to briefly peruse the agreement that was signed with the Winnipeg Jets, going back to the pre-dinner question about whether or not the scenario could evolve that would see the Winnipeg Jets being sold but remaining here to see out their obligations under the agreement to stay until 1997.

That scenario was contemplated in the agreement; I now see by virtue of the way in which certain clauses are structured. The way in which it was contemplated was that we have the right to force their continued presence here by continuing to fund the deficit and could do so if we chose.

On the other hand, it would not be in the interests of the majority owners to leave the club here if they were making a commitment to either sell it to somebody else or to move it. In selling it to someone else, the only thing of value that they really have is the player contracts. If you had a period of time of two or three years before you moved the club and before the actual sale took place, those who were buying it would not know what they were buying because people's contracts would perhaps expire; they would play out option years and all sorts of things. They would in essence be buying something that they could not justify. Any kind of transaction like that would not be in the best interests of the majority owners to keep the team here and have sold it or agreed to a transfer somewhere else.

So there is a default clause in which we would figure an end to the agreement by simply not paying the deficits after this period of time, whereby they would be then free to move it immediately and sell it immediately. That clause continues to be in place.

Mr. Doer: I do not dispute that. What my concern was and my question was was that we do not get an agreement by June of '94 and we do not purchase it or deal with the arena issue or exercise our option to purchase, by June of '94 the owners of the team then evaluate what their situation is. They could be located in Winnipeg in the '94-95 season, they could be playing in Winnipeg in the '94-95 season. They have not sold the team, they have not moved the team, but they could be in the process of entertaining other offers, and we would therefore still be in the nightmare scenario, as I describe it, where we are liable for the operating losses of the team. This to me is what I call the nightmare scenario.

You looked at Pocklington when he was potentially moving the team around in Edmonton, and even though they had some pretty tight agreements with them and the community eventually got one injunction with the team, the attendance dramatically dropped. The community of Edmonton and the Province of Alberta were not responsible for the losses. So the issue of whether

the team moves or the team is sold, I am satisfied with. But as we move into the '94-95 season, all of us want to prevent that. You know, I just say that that is the nightmare scenario, and I think that the contract does not deal with that issue. We are still liable for the losses. Hopefully, all of us want it resolved.

Mr. Filmon: Well, it does deal with the issue to the extent that we could therefore trigger the default and essentially get them moving very quickly by simply not paying our share. They then have the right to move as quickly and as immediately as possible.

Mr. Edwards: Madam Chair, following up on some of the federal-provincial discussions that the honourable Leader of the Opposition and the First Minister have been having, one of the things that was mentioned in the budget, mentioned in the Speech from the Throne, and the minister has mentioned again in his opening comments today, was a new Winnipeg agreement, a third round, essentially, of the Core agreement, although this one, I understand, will have a new name.

I wonder if the Premier can give us an update on the status of negotiations towards a conclusion of that particular agreement. Is a signed agreement imminent? If so, can the minister give us any indication as to when we might expect that to be signed?

* (2240)

Mr. Filmon: The state of play basically is that it is a little more comprehensive and complex than the previous one in that it is not restricted to a small geographic area or areas, as the previous Core Area Initiative was. I think it is fair to say that it will be called by some new name. It has been the subject of ongoing discussions amongst the City of Winnipeg, the mayor, Mr. Axworthy and, I believe it is, the Minister of Urban Affairs. They have considered a number of different alternatives as to the content of such an agreement, and they are now about to go out to public consultations to try and confirm the extent of the agreement and what are the major elements that should be contained within that agreement.

Our expectation is that at the end of the public consultations, they will then get their heads together and make the final detailed agreements as to what will be contained, what are the priority issues and how it is to be funded. Now we have said very strongly that since we are viewing it from a position of putting new money into such an agreement, we expect the same treatment from the federal government. Although in the beginning that did not appear to be the route that the federal government was going—it looked as though it might be dependent on old or recycled money—we are now becoming more confident that the federal government will be putting, as we expect to be putting, new money into the agreement.

Mr. Edwards: The public consultation that the Premier speaks of, is that going to take the form of public hearings of some sort? If so—well, perhaps I can just leave it at that. Is this going to be a public hearing process?

Mr. Filmon: I think those discussions are still going on among the three levels of governments, but the basic intent is that our minister, the federal minister, the mayor, would through some type of forum receive presentations. Hopefully, it would be in a public forum in which people would make representations on their views of what should be the nature and content of such an agreement.

Mr. Edwards: Is the primary thrust of the province's discussions about this agreement still with a training focus, with a human focus? I recall discussions a long time ago as we were heading into this, and I believe, and perhaps the First Minister will correct me, that that was a statement that was made. It was certainly, I think, made at the other two levels that they wanted a training educational focus for this money, rather than bricks and mortar per se.

Is that still the position of the provincial government with respect to this new agreement?

Mr. Filmon: There are three basic components: training, sectoral development and addressing the issues of the deterioration of north Main. I think that the member opposite could see that the issues of north Main may well involve some bricks and

mortar in terms of an urban renewal type approach to cleaning up north Main.

So the bricks and mortar is not ruled out completely for sure. In fact, I would think that in order to have a balanced agreement, there should be some part of the agreement that does provide for some of that.

Mr. Edwards: I take it from those three areas that one project that is not being discussed as part of a new Winnipeg agreement would be some form of a tri-level contribution to a new arena.

Has that ever come up in these discussions as a possibility in the negotiations thus far?

Mr. Filmon: The Leader of the Liberal Party is correct that that has not been a part of the discussions on the urban renewal agreement.

Mr. Edwards: Well, we, of course, look forward to a successful conclusion of those discussions and a move to the public consultation process which I hope will indeed include some public hearings. I think we all in this House have said publicly many times that a new agreement would be most welcome in our city, and we look forward to a successful conclusion of a tripartite discussion.

With respect to the earlier comments my friend was making about the GST and the PST, there is now—I do not know if a schedule has been set—there are going to be public hearings on the GST done by representatives of the House of Commons standing committee looking into this issue. Will the province be taking a position in front of that committee?

Mr. Filmon: Normally, we do not go to public hearings to make presentations when our ministers have direct access to the minister who will be making the decision through the vehicle of the federal-provincial ministerial meetings. That is how we are informed we will be involved in the process, so we will make it directly to the minister's face as opposed to through some parliamentary committee.

Mr. Edwards: Madam Chair, does the province have a position, a suggestion that they will be putting forward, if not directly at the hearings, then

indirectly through the ministerial contact, about how the GST should be restructured?

The minister has indicated in his off-the-record discussion about concerns that have been put forward. One is—and I am not here to verify or not verify, I am simply taking the minister at his word that it has been indicated to him that they want it hidden and that they would like it to be unified. Having said that, can the minister indicate whether or not he agrees or disagrees with those two principles and what the provincial position on this is?

Mr. Filmon: I would just point out that it was the Liberal Party that ran for election on the basis that they were going to get rid of the GST and replace it with something else. One presumed that they had some plans in mind when they said that; one presumed that they had some sense of commitment to that principle, so we are awaiting the federal position on that to respond to.

I will tell him, as he is well aware, that for a variety of reasons we have been opposed to those two points that I raised earlier in the past, because we believe that hiding taxes does not make governments more efficient or more committed to keeping the taxes down. It, in fact, puts them out of sight and out of mind and maybe in some ways is just an attempt to con the public into thinking that they are not paying the tax. We have been supporters of maintaining the tax visibly at the cash registers. In fact, you know, we passed that as a requirement in our provincial legislation to maintain the visibility so that people would know how much they were paying, to make it more difficult for governments to then keep raising it along the way.

With respect to the other issue of harmonization, we resisted harmonization because we do not want to put the tax on all of the services area in Manitoba, broaden it to that degree. The tax today does not apply in Manitoba on a whole range of services and items that it would have to under a harmonized version. So we are not fans of harmonization unless there is an agreement to recognize the exemptions that we would want to recognize in this taxation.

What was the final question? [interjection] No, I have said that it is the federal government's responsibility. I mean, they are the ones who ran for office saying, we are going to replace the GST with something else, so they must have had something in mind when they ran for office, and we would like to hear that before we respond.

* (2250)

Mr. Edwards: Clearly, as this government has done on numerous occasions, they are seeking public consultation in that process. This government has now done it on virtually everything, parents forums, budget discussions. After six years in government they have discovered public consultation. They are hardly in a position to criticize another level of government for seeking public consultation.

Having said that, the province obviously has a deep and abiding continuing interest in how the GST is run, collected and under what terms. It has a very serious effect on our consumers, our business community, as the First Minister has indicated himself. It is interesting that the province does not have any specific proposal as to how to better the tax and is simply waiting for the federal government to come up with one. However, I am sure they will at the end of that process, and I am sure we will hear it loud and clear from this First Minister exactly how he feels about it at that point. Another solution or alternative I gather we are not going to hear.

In any event, I would like to move on and ask the First Minister about the most current agreement with Louisiana-Pacific taking the cutting rights from the Repap agreement, giving them to Louisiana-Pacific, without getting into the specific details of the Louisiana-Pacific agreement, but dealing with the Repap agreement.

The time line was extended five years under that. The trade-off—I do not think there was a need for a trade-off, but apparently the Premier did—was taking away the cutting rights from a section of that land and giving it to Louisiana-Pacific.

Is there any indication from Repap that the First Minister can give us, any assurance that he has

from Repap and their officials that they have any intention in five years or in 10 years or in 15 years of coming through on their commitments under that agreement to not only sustain employment, but to increase it and to make major investments?

Mr. Filmon: Repap has consistently said they have never changed their position on this issue, that they do intend to go ahead whenever they have the financial wherewithal to proceed, and that financial wherewithal would obviously be generated by major improvements in their markets and the current price of pulp and paper. Most firms are losing money.

Repap, which has probably as modern a plant throughout their system as anybody in the pulp and paper industry, is likely to be the first to benefit by virtue of a rebound in prices that will see them achieve profitability probably earlier than many of the old larger, more financially secure firms, who regrettably own much older technology plants. Comparisons would be of, say, an Abitibi-Price's assets versus a Repap's assets. So we believe that Repap is still positioned to have a turnaround in their fortunes, better than others perhaps. It will take a pretty significant increase in the pulp and paper prices, but we have absolutely no indication whatsoever that Repap is not intending to proceed with the investment in expansion and additional jobs at The Pas.

Mr. Edwards: That is good to hear. I will believe it when I see it, Madam Chair, in terms of the expansion.

Can I ask the First Minister—he says there is no indication that they do not intend to meet their commitments. In the discussions leading up to the allocation of part of those cutting rights of Louisiana-Pacific, was there a positive indication from Repap officials that they, in fact, would move into the expansion promised under the original agreement within that five-year extension? Not that they did not say that they would not; did they say in those discussions that in fact they would? Did they make a commitment that they would do that within that five-year term?

Mr. Filmon: I was not involved in those discussions, so the member clearly, when you are wanting to get into that kind of detail, would have to ask that of the Minister of Education and Training, who is the lead minister on that.

Mr. Edwards: We will follow up with that minister. With respect to the agreement to allocate part of those cutting rights to Louisiana-Pacific, why did the government feel, and perhaps the minister will defer again, but I want to ask him, why did the government feel that under the terms of that agreement, they had to give any deferral to Repap in order to take away part of the cutting rights and give them to anybody, take away all of the cutting rights, given that there had been a repeated and substantial breach of the agreement by Repap?

Mr. Filmon: I cannot do justice to the response that ought to be given by the Minister of Education and Training, but there is—Repap does have a legal position that in fact, because they were never given the licence through the process of environmental assessment and review, they argued that the breach was caused by failure on the part of the federal and provincial governments to issue a licence to them.

Mr. Edwards: We do not want to get into a legal dispute here. I do not intend that, I do not want that. Do leave it on the record that I think, in my view, it was not a responsibility to guarantee a licence. They in fact did not apply and sustain the application and see it through. There was never, in my view, a sustained effort to secure a licence for the expansion.

I expressed that frankly to them personally and have on a number of occasions and in fact I can communicate to the First Minister that in February I met with representatives at their plant in The Pas and specifically as well put that question to them as to their future expansion plans and in fact they indicated it was highly unlikely that they would ever proceed with that expansion.

I am dubious at best about that and perhaps the Minister of Education and Training may want to repeat those questions. Perhaps he will get a

different answer, but that was certainly the answer that I got.

Mr. Filmon: On the other hand, the agreement contemplated them shutting down the sawmill operation, and they have not only carried it on but improved its productivity dramatically and its profitability and are employing a considerable number of people in that area that was not going to have occurred should they have gone ahead with the expansion. So there is a number of sides to the issue.

The other element of it, I might say, is that in order to—I appreciate the fact that the member is a lawyer and would perhaps have some interest in pursuing that legal point with Repap, but it is certainly a better situation that we were able not to be tied up in the courts for a considerable period of time when Louisiana-Pacific's intentions—understand that there is no government money involved. It is all of their money, and they are in a position where they need to add to their market production in some reasonable period of time. If we were tied up in a court action trying to take it back involuntarily from Repap, that court action might take place at such a long period down the road that we would never have the opportunity to have a Louisiana-Pacific come into the province.

* (2300)

So it is a judgment call, but the judgment was in favour of ensuring that we did have the allowable or sufficient timber quota to be able to allocate to Louisiana-Pacific, whereas with the other system, we would not have been in a position to ensure that and might potentially have—in fact, most would argue that we would undoubtedly have lost the Louisiana-Pacific opportunity.

So rather than get involved in a fine legal argument, we chose to be in a position to allocate the timber resource and have a second company in the development stage for 450 potential jobs for the Swan valley.

Mr. Edwards: Well, Madam Chair, I just cannot imagine a better result for Repap. Not only do they not have to follow through on their contractual commitments of expansion, but they, in fact, get an

extension of the time line for complying with that, and they do not face the very specific and onerous penalty clauses.

It is not just a question of them not going through and forfeiting a part of cutting rights which they were never going to use anyway when, in fact, they were able to successfully escape enforcement of those penalty clauses. To me, it is speaking modestly of a sweetheart deal, and I think the province has seriously underenforced, if you will, that contract.

I do not think that enforcing it in stronger terms would have in any way compromised the ability of the province to take those cutting rights and essentially sell them to others, use them for others. I do not think that would have been tied up in the courts at all. I think the provinces just could have done it.

The agreement was absolutely brief on substantial terms. I do not think Repap would argue seriously otherwise. Perhaps they have to the First Minister, but they certainly did not to me.

In any event, Madam Chair, that is an argument which occurs at this particular statement.

Mr. Filmon: I suppose that is the difference between somebody who operates in a position of legal theory and prefers an adversarial system in which they would take the litigious approach and impose their will on Repap, with a potential of (a) losing Louisiana-Pacific in the midst of a court battle, and (b), if they ultimately did it in a way that forced a breach of agreement on Repap and tried to exercise a penalty which would likely result in Repap shutting down and removing its operation.

So losing both might be of great interest to the Leader of the Liberal Party in order to show his fine legal skills and understanding, but there are not many people in The Pas or Swan River would thank him for that.

Mr. Edwards: Again, we will agree to disagree. On the contrary, the government clearly, I think, was walked over start to finish on this deal. Far from securing the type of contractual promises that were made that they sang the praises of on numerous occasions, ran on in the 1990 election, it

did not come to fruition—far from it. Not only that, not only were the contractual promises not followed through on but, the contractual penalties—virtually meaningless.

I do not think there is anything wrong with asking whomever signs a contract to abide by that contract. It would not, in my view, have prejudiced that operation, which is now extremely profitable, would have been, would have stayed profitable. The price of lumber is good, is high, and that sawmill operation is in fact making money. The pulp operation is not making money, and that is why they are not expanding. The First Minister indicates financing difficulties again. We will agree to disagree.

I read the market reports on Repap that are issued regularly, which clearly suggest to me that there is certainly available monies. The real problem here is the price. The problem is that they do not see a market for this product, that they were intending to use those cutting rights for—do not now and are not likely to. I think, frankly, it is time that the Premier and the government was honest about the prospect of that development ever occurring, because frankly I do not think anybody in the industry, certainly I do not think anybody in Repap really has any clear indication that they will ever progress with the development that was promised under the original contract.

The Premier seems to be hanging onto it. I do not think anybody else seriously is, Madam Chair.

Mr. Filmon: If the member opposite thinks that it is so simple for Repap to achieve the financing that he says is so readily available, why would Mr. Pedde have gone to the extent of giving up his majority ownership of it in order to save the company if it was so simple to just get money anywhere?

Mr. Edwards: Madam Chair, the point is that the financing, in my opinion, was secondary. The main factor here was the market. The market will dictate the fact, according to them—this is as recently as a meeting in February—that there is no real prospect, no real hope that expansion will ever take place. The First Minister and the government

appear to continue to cling to that, that it is going to happen, and I think that is dreaming in fantasyland. There is no prospect of that. The Premier cannot tell me that there is some positive indication that it is going to happen in five years. There is just another five-year extension.

Mr. Filmon: The member said it himself, based on market, and until the market rebounds, it will not happen. I have said that. If he is assuming that the market will never rebound in pulp and paper, then there are thousands and thousands, maybe millions, of people who have invested in the pulp and paper industry on the assumption that it will rebound.

Mr. Edwards: The First Minister said both the financing and the market. I am saying the dominant factor, if not the sole factor, is the market, Madam Chair, and so the financing does not need to be a part of this discussion because even if it were in place, it is not going to happen. It is not going to happen because the market is not there. The market analysis that was made by the company when they entered into that contract—they are the experts, not the First Minister, not me, as to what the prospect for future pulp prices are going to be.

Clearly they miscalculated seriously on the market. Clearly they ran into other financial difficulties because of others. Given those circumstances, we had penalty clauses in that which were negotiated by the company at that time. If we get five years down the road and he is still in a position to exercise authority over this contract, my question to the First Minister is does he have any intention ever, or would he, of enforcing those penalty clauses and, if so, under what circumstances? He clearly has not exercised them now for the last five years when I believe he could have.

Mr. Filmon: The answer is yes, if it is in the public interest to do so.

Mr. Edwards: Madam Chair, with respect to the cutting rights which have been allocated off to Louisiana-Pacific in this particular agreement, the Louisiana-Pacific project is now being divided

into two in terms of the environmental licensing. The plant is going to be assessed on a stand-alone basis, I understand, followed by broader environmental assessment of the cutting rights. Has the First Minister had any discussions with federal representatives about that secondary environmental process on the cutting rights, given that we have, obviously, enabling legislation for joint panel environmental reviews? I believe that the original Repap environmental review on the cutting rights was going to be a joint panel. I may be incorrect about that, but I believe that at the time that was being discussed, the government was discussing using the joint-panel approach.

* (2310)

What is the government's intention in regard to that second phase? Are they at this point considering a joint-panel review for the woodcutting rights?

Mr. Filmon: That really is a question that ought to be asked of the Minister of Environment (Mr. Cummings), Madam Chair.

Mr. Edwards: With respect to then restricting it to the Louisiana-Pacific plant and the stand-alone approach to the plant itself, has the First Minister spoken to Louisiana-Pacific officials about the licensing of the plant in a first-stage basis? Specifically, my concern, I guess, arising from any staging in this type of a situation, flows from the experience of Rafferty-Alameda in which after a dam was built, a court basically—I am paraphrasing, obviously—said that because so much investment and work have already occurred, therefore, what we might have done, we will not do, and it can go ahead and be completed.

That is a concern that arises when projects like this are broken up with an initial investment in a plant being assessed on its own, followed by a cutting-rights assessment in which the fear is that the proponent may say: Because we have invested so heavily in this plant now, we cannot have limitations on cutting rights that we cannot live with to sustain the plant.

Has the First Minister had any of those discussions with Louisiana-Pacific and explained

to them that that type of an argument in a second stage on the woodcutting rights would simply not be acceptable, and that if we are going to assess the plant on its own, it has to stand alone and that the initial investment cannot be used later on as some kind of leverage in the cutting rights environmental process?

Mr. Filmon: Madam Chair, I have not had any such discussions with Louisiana-Pacific. The member may well want to ask the Minister of Environment (Mr. Cummings) about that.

Mr. Edwards: With respect to the coming into the Manitoba market of AT&T and Unitel, can the First Minister indicate whether or not there have been any provincial funds allocated to either of those two companies as they have come into the Manitoba market?

Mr. Filmon: I do not believe that there is any provincial funding to Unitel, and AT&T is here to do a specific community of the future project, which is a project of the Department of Rural Development. The member would have to ask the Minister of Rural Development (Mr. Derkach) the specifics of that program.

Mr. Edwards: With respect to the GWE move into Brandon, which has been raised previously in this House, can the minister indicate whether or not originally, to his knowledge—I believe it totalled about \$336,000 in training money. That is my indication; perhaps I am off in that. Madam Chair, \$600,000 was the initial capital contribution to the facility in Brandon. I am given to understand from GWE officials that there was approximately another \$336,000 total in other human-side monies made available. Can the minister indicate what the arrangement is with GWE as to control of that money? Is the money being funneled through ACC, Assiniboine Community College, or directed by Workforce 2000 staff, or is it essentially being directed by GWE?

Mr. Filmon: That is a question that the member will have to ask the Minister of Industry, Trade and Tourism (Mr. Downey) about.

Mr. Doer: I want to move on to the western Premiers' meeting, and I would say on

Louisiana-Pacific that we have raised some questions about the involvement of the government with the First Nations community in that vicinity, given the jurisprudence on Oldman River and other decisions that have been made in terms of courts and injunctions.

We have said this to the company, and we will say it to you and the people in the community that are involved in economic development. It worries me a bit because the company is saying, I think, the government should deal with the First Nations in the valley. The government is saying the company may have to deal with them. When we look at the Minister of Native Affairs' (Mr. Praznik) answers in the House, there is the potential for First Nations who are in a relationship directly with the federal government to involve the federal government, and I am not so sure this is being handled, again, in a way that would be consistent with statements of the government in terms of jobs and economic development happening in the short term.

So I would suggest very strongly that there be some effort from his Minister responsible for Native Affairs in this area. It was asked in the House by our critic of Agriculture, our member for Swan River (Ms. Wowchuk). The answer back was, are you for jobs? Are you for this or not? But it was not Ian Tyson that stopped some of the initial developments of the Oldman River; it was bands in the area that were directly affected that went to the courts. I have said this in my meetings with the Louisiana-Pacific. I will say it directly to the Premier, I do not think this part of the file is being well handled, and I note that when Repap started renegotiating with the government, they did cite this issue as well with the Cross Lake Band and the courts, and it was one of the reasons they alleged was the breakdown in negotiations.

So I just leave it with you. It is not a question in Question Period. It has been raised before, but I do not believe—there is a lot of partisan politics going on in this, and that is fine, although I think that at a certain point that works against the economic goals of people, and it may work against the expediting of decision making of this project.

We have said all along we want to make sure that the job of one person in the valley is balanced with the health of another person in the valley. I think that is the position of everybody in this Chamber, and, hopefully, they can be all accommodated with the consensus in the community and in the province. But I think there are some—when we listen to various groups dealing with this issue, we see some issues that are not nailed down in terms of a communication strategy and decision-making strategy with groups in that area. It has potential implications, so I would recommend strongly that the bands directly in that valley area be contacted by this government because to say we are on this side or we are on that side is easy, but down the road I would suggest to you that there is the potential for court action. We have seen that all across this country, and it is so predictable that it disturbed me greatly to listen to the Minister of Native Affairs try to be one of the group with the rah-rah answer in the House, and not deal with the substantive issues that are very important that he deal with or whoever the government has assigned to deal with this and be able to develop.

* (2320)

I want to move on to the western meeting. The government has signed an agreement on, quote, trade in western Canada. It has different stages of trade dealing with government procurement directly, then moving into other potential procurement in Crown corporations. I want to know the status of that agreement in terms of the western Canadian provinces. Is that subsumed in the federal trade discussions that are going on, which I think have been greatly aided by the conflict and the resolution of Ontario and Quebec. I think that Premier Rae's strong stand with Quebec was a good step forward. I know we could never get buses into the province of Quebec before because they had to be subsidized by 75 percent by the government of Quebec, and they would only be subsidized if they were produced in Quebec. Is this being handled by the national discussions at this point?

Secondly, another issue we have raised in western Canada is the issue of bidding for jobs. We have talked about Cargill in Alberta; we have talked about Gainers in Saskatoon; we have talked about fertilizer plants being developed in Regina by the previous Devine government. I know now that we are in a fairly competitive situation on telemarketing jobs. Manitoba is doing quite well. New Brunswick is doing quite well, and Saskatchewan has had some developments in telemarketing. But I know that there—you know, we talked about GWE.

I do not know whether the province had to give money because they were competing with other provinces or not, but surely we should get an agreement and stop this bidding for jobs with taxpayers' money as part of a trade agreement. So I would ask: Is that part of the western Premiers' discussions as well? As I said, I know Manitoba and Saskatchewan are competing for jobs in telemarketing. I wish our province well. I think we have had some success in telemarketing jobs. I even hear that there are future ones to come here in Manitoba, and that is great, but I am concerned about the grants to companies. I know that New Brunswick is providing incentives, and I know Saskatchewan presented incentives for Sears. That includes the new government there—I guess they are getting into the ninth hole of their term. But I just ask the Premier about those two issues in terms of trade.

Mr. Filmon: Although it is assumed that the western provinces' agreement would be subsumed by the national agreement, it would remain in place if there are any areas of coverage that are different from the national agreement. We would still have the right to exercise our rights under that agreement. We are trying to get the national agreement because I think it is appropriate to have everybody at the table.

The western Premiers, though, have—and it is at Manitoba's urging—put in place a commitment to what is referred to in the communicative that was released on the 25th of November last year in Canmore. Point No. 2 on the western economic co-operation communiqué is: Develop a code of

conduct to prevent destructive competition for investment.

That was the Manitoba position that was included in the communiqué, for the very reason that there is this destructive competition that provinces, like Alberta particularly, with very rich treasuries in the '80s, bought Cargill's big beef plant and other operations, and really essentially raided Manitoba of the packing plant industry over a period of two or three decades with tremendous commitments from the treasury.

The members opposite will probably disagree, but I think our province has been relatively light on the subsidy issue in terms of attempting to attract jobs. I can tell you that, of the major telecommunications call centres that have come here, no financial commitment to Canada Post, no financial commitment to Canadian Pacific, no financial commitment to Unitel, a combination of which are over 800 jobs; yes, financial commitment to GWE, partially in recognition of the greater difficulty that the smaller centres like a Brandon or a Portage or a Boissevain would have in attracting that. Had it been in Winnipeg, chances are that we might not have been looking at the size of subsidy.

I will say this, we did lose the Sears outlet to Saskatchewan because we did not really want to get into the bidding war. We did lose the major one, Purolator, to New Brunswick because we refused to go into the great extent that New Brunswick did. I mean, our best information is New Brunswick put over \$7 million into that centre; that is to attract at best 400 jobs. I think initially 200 and something, but it may turn out to be 400 jobs in the long term.

That is a very, very heavy commitment, and that is really buying the jobs. We chose not to be in that kind of league. We very openly said, if that is all you are after—to the firms—then go somewhere else because we are not in that kind of bidding game.

So we think we have the competitive advantages that will see several other big centres here with little, if any, public investment in those. The big

ones may involve some financing, but that is a different matter than giving straight-up grants of, as I say, in excess of \$7 million. There may be some roles for us to play through a variety of issues. We have used effectively Grow Bonds. Dead instruments are ones that pay off.

We had a discussion earlier today about the MacLeod-Stedman, which was a repayable loan that ultimately we had security on and did not lose a penny on and had all the jobs there when that company was, in fact, refinanced and bought out by Cotter. It became Cotter Canada with more jobs than we had bargained for in our original deal and the total repayment of the loan to the Province of Manitoba. So where there are dead instruments, those I think can be effectively utilized and also pay off in the jobs and the opportunities for Manitobans.

But we try and stay away from those grants. Training is a different issue because in some cases when you are trying to introduce a new type of skill into—there is not, for instance, another call centre in Brandon; it is its first. So I think there is some justification in having training grants for Brandon to be able to help that firm develop the qualified workforce that they are looking for.

We rely to a much lesser extent on grants and buying jobs than almost any other province right about now. The member probably knows that a lot of money is being put on the table, not only by New Brunswick, but even Nova Scotia these days. In fact, Nova Scotia is outbidding New Brunswick these days. What the position of Saskatchewan, Alberta and B.C. is varies a good deal depending on what they see their prospects are. So it is in our interest to develop this kind of code of conduct, and we will push very hard for it.

Mr. Doer: I wish the government well on the code and particularly the enforcement of this code. Again, I was flabbergasted when I was involved with the Premier of Quebec, previous Premier of Quebec, about buses, and I could not believe it. Of course, this has gone on in Canada for a long time. Munro Construction could not get into Saskatchewan for telecommunication contracts, yet we let Saskatchewan companies come here. I

talked to Robert Andrew, the former minister of industry in Saskatchewan, and everybody just pretends it does not happen. It is just terrible in this country with—you talk about any province that is cutting back health beds and health resources, any province, and then at the same time putting money into companies because it is a bidding war. It is ridiculous.

* (2330)

I think that with telemarketing we have all the advantages. We have the time zone. We have a quality, trained workforce. We have the lower telecommunication costs. In fact, Manitoba Telephone System, I think, can provide, I have been told by people in the industry, cheaper rates than the private carriers in both western Canada and eastern Canada. So it is a tremendous advantage for us.

I happen to know a little bit about tele-, not telemarketing, but telephone surveying from somebody in our family in terms of costs and other issues, and Manitoba is a great place to do business in this area in terms of our competitive advantage. I think we have all of the advantages of—I think we are the place for telemarketing in Canada. I do separate telecommunications jobs from telemarketing. The Premier and I had that discussion before.

We wish the Premier well. I have been apprised of a few possibilities that are coming here, and I wish them well on it, and I hope, as he says, we will not have to contribute or bid for these jobs because I think we have the advantages.

I want to move to a couple of other issues for the western Premiers' meeting. Before the last western Premiers' meeting—we have not raised this, I have not raised this question before, but the whole issue of the western stock market has been talked about being located in Winnipeg. Is there agreement from the federal government and the western Premiers to have a western stock market located in Winnipeg? I know we have the Commodity Exchange here now, and what is the status of this idea or promise that was made about two years ago: Is there agreement from the other western

provinces? There is already the Vancouver Stock Exchange. I am aware of some of the work that went on to enhance a very, very diminished reputation. Winnipeg's commodity market has an excellent reputation.

I was wondering, now that we have had the commitment, where is it and is there agreement from other western Premiers, or is the federal government going to go it alone with the provincial government to establish it here in Winnipeg?

Mr. Filmon: This gets into this whole area of co-operation. It may be a good time to raise the issue.

The Winnipeg Commodity Exchange is of course the only commodity exchange in Canada. We are fortunate to have it here, because many of the commodity trading firms then are also headquartered here. There is a very large employment nucleus that surrounds the activities of that exchange.

There are of course, in western Canada, stock exchanges in Calgary, Vancouver and Winnipeg. The issue in amalgamating those exchanges is, where would the exchange be located. We would argue that it ought to be in Winnipeg, but I can tell you that the other provinces would argue that it ought to be in Calgary and Vancouver. The difficulty of trying to bash heads and force a choice of one is that there would be no consensus on it, and there would be no sort of sticking to the deal, so to speak. There is no reason why we, in a free country, could prevent somebody from maintaining an operation somewhere else.

You get into the scenario, for instance, of the Western Canada Lottery Corporation, where, what you set up in one location to achieve economies of scale and efficiencies of operation breaks down when, as it happens, that one location is not the major centre of business.

So first, British Columbia breaks off, saying: We are not getting the economic benefit; all the jobs are in Manitoba; all the activity is in Manitoba; we do not get any economic benefit out of having the lottery corporation in Winnipeg, and we sell 40

percent of all of the lottery tickets—40 percent of the business comes out of British Columbia. Chop that off, they leave and set up their own.

The next thing that happens is that Alberta threatens to do exactly the same thing unless we take some of the economic benefit and put it into Alberta. So then you set up an expensive operation in Stettler, Alberta, for marketing. You set up another plant of Pollard Banknote in Alberta for producing them. The next thing you know is, you start to lose some of the efficiencies and the advantages of the scale that you had in setting it up initially, and so it almost is not worth having the operation done when it is in a distributed kind of form in that respect.

There are so many complexities to the issue that I do not know whether it is going to be possible to come up with a plan for a western stock exchange that is acceptable and that makes economic sense. If so, where it is going to be located will be the subject of tremendous controversy and conflict, I would think.

I just point out this: Nowhere in the discussion, for instance, of the Liberal Leader in Manitoba has there been the acknowledgement that, by far, the greater overlap and duplication is between federal agencies and arms of government, and the provinces. If you were to take a look at overlaps such as between PFRA and provincial Agriculture and Natural Resources, that is where people out in the rural areas, for instance, see the PFRA trucks go and the Agriculture and Natural Resources trucks go with people on similar projects or even the same project, and the duplication overlap of involvement of things such as wetland habitat restoration and/or development of the irrigated farm industry, and all those kinds of things. That is where the real saving would be.

There, you would not have the competition as to whether or not this thing is going to be headquartered in Regina or headquartered in Calgary or headquartered in Winnipeg. It is all overlap and duplication within one province. What it does require is an agreement to consolidate, transfer the resources to the province from the federal government with appropriate financing to

be able to allow them to do it, and then the real savings would take place.

That is just one of them, but there are many, many of those areas as you get into labour force development, labour market development, those overlaps, things, whether it is federal involvement in promotion of tourism, economic development initiatives. If we could work with those, I would say that (a) we would not have the inter-jurisdictional battles of trying to figure out where the headquarters or the offices would be located and (b) we would have probably more to gain in terms of the efficiencies and the effectiveness of delivery of services.

Those are the things that we will have more discussions on. I am happy to say that the western Premiers are onto that agenda and wanting to pursue it.

Mr. Doer: Yes, I think that the public liked the idea of a western stock exchange here in Winnipeg. I hope that we can get agreement from the other provinces on it and the federal government can proceed. As I say, I think the commodity market has been excellent for us.

I think there is an undertaking by the federal minister responsible for western diversification for that commitment. I think the public liked the idea, generally. Western co-operation I think is a positive idea, and we wish the government well on this issue of co-operation/duplication.

The further question I have is on the Western Canada Lottery Corporation. I believe Mr. Manness has left and gone to Ontario, I have heard. I also hear that he made some statements at his going-away session about the Western Canada Lottery Corporation, and there is some concern.

As I understand it right now, we have between 150 and 200 employees here in Manitoba working in Winnipeg. Yes, the Stettler operation was opposed by all of us in this Chamber, the marketing—but there is marketing still here in Winnipeg. A lot of the tickets are printed by the Pollard company for the Western Canada Lottery Corporation, printed here, as I understand it, for Manitoba and Saskatchewan.

* (2340)

Can the Premier advise us of the status of the Western Canada Lottery Corporation and what the situation is? There is a fear—I will just ask that question.

Mr. Filmon: I really only have exactly the same information as the member has. He would have to ask for more specific detail of the Minister responsible for Lotteries.

I know of Mr. Manness' leaving. I was informed of it and then read the news coverage and would assume that would lead to some examination of operations there and whether or not there are still the efficiencies that there were some time ago before a number of things happened, including the break-off of British Columbia and the redistribution of many of the economic benefits to other provinces.

Mr. Doer: I would hate for us to go in the opposite direction. I would hate to see us at the western Premiers' meeting in Gimli having communiqués on co-operation and having a further breakdown in co-operation in this entity. I hope the Premier is able to resolve any issues that are always outstanding as you have a co-operative arrangement with the three provinces in western Canada.

The jobs here are good jobs. A lot of them are skilled jobs, and they represent good payroll to Winnipeg, I believe. I just hope the Premier will deal with this issue if there are any co-operative issues to come out of it.

I know that we were all opposed to the Stettler operation being established and B.C. heading off in its own direction, but it seems to me that the three of us should be able to participate in this thing and be able—certainly I think it is to Manitoba's benefit right now, with the majority of employees located here, notwithstanding any offsets, but with the majority of employees here, living and working and paying taxes here and everything else, the indirect benefits and the direct benefits I think from where I sit—and I do not have any economic material—certainly would offset any major changes.

I have some questions on an issue that has been raised to the Premier but which I describe as a constituency issue. I have a number of other questions, but it is getting later so I am going to pass on those. If the Leader of the Liberal Party (Mr. Edwards) wants to ask some questions on the western Premiers' meeting, I just want to save us a couple of minutes on a specific issue, rather than coming back tomorrow.

Mr. Edwards: I can say that it is certainly my intention, as well, that we want to wrap this up tonight. Just on the issue of the Western Premiers Conference again, I do not think I mentioned in my opening comments, it is a great source of satisfaction and pride to all of us that it is in Gimli.

I know, as well, Gimli, I think this summer, is going to have the World Boardsailing Championship. We all know that community is going to do an outstanding job and make the province proud for both of those events.

With respect to the Premiers Conference, the Premier mentioned in his opening comments, I believe, that they were going to be looking at jobs and the economy and so on and so forth.

What is the Premier's first priority and goal at that conference? Is there one idea or one policy that the Premier is taking into that, that he would like to be first and foremost on the communiqué? Can he tell us what he is going into the meeting wanting most from the Western Premiers Conference?

Mr. Filmon: Regrettably, I think, I cannot give a simplistic answer. The Leader of the Liberal Party does to me what my wife often does which is, let us cut to the chase. Do not give me all of the verbiage about it. Tell me in one quick sentence just exactly what it is you really enjoyed about that particular six-day conference you were at, or something like that.

We have a number of files that we as Premiers have to work on. We have to work on the issue of removal of interprovincial trade barriers and try once and for all to push it to a conclusion. I will say to you that two of the provinces that are probably the most difficult in getting to a conclusion today,

out of the 10 in Canada, are from the western provinces, so it is going to be a critical meeting.

Getting on to this development of a code of conduct to get out of the destructive competition for investment is a critical issue in the long term in terms of Manitoba taking advantage of its competitive advantages and attracting investment and job creation. It is a very important file.

The issue of continued work towards western co-operation, I see more and more the opportunities and the necessity of us to work together on a whole host of issues. I mean, coming up, we have to deal with all of these different agricultural issues, whether or not we are going to replace GRIP with something else or change the manner of our safety net programs in agriculture. It is very, very important, and we have to work with this one.

We need to deal with the federal government I think very straightforwardly on this matter of great concern to us to try and change their mind on the taxation, the cigarette taxation issue. We need a strong western consensus to be expressed to the Prime Minister on that issue.

We have a variety of these issues, the continued work towards stimulating our economies and creating jobs, creating the kinds of attractiveness for investment in the West that we all believe is true and getting that message out and across.

Those are important to Manitobans, and we will work on all of them. I do not think I will prejudge what is the most important issue. I would like to have considerable work done on all of them and an ongoing commitment towards things like education reform and health care reform, including a topic that was raised by the member about, for instance, some shared services in the field of education.

We are in a position today where I think, if possible, we ought to be doing more curriculum sharing. The cost of development of individual curricula for various subjects throughout—it is not only the cost but the effectiveness of coming up with the best curriculum that could be a shared effort, as the Atlantic provinces have done.

We currently have nonduplication of things like physio and occupational therapy here and veterinary medicine in Saskatchewan. We start to look at the numbers of people who are being trained in dentistry, for sure, maybe even medicine, and we start to wonder about the economies of having those programs presented in each and every university or province in western Canada. I would argue that we have to start talking openly and realistically about some of these issues.

Health care reform, we all know we do not have enough money to meet all of the demands that are out there. Each province has embarked on its own form of health care reform. I have said publicly in this forum reasons why I believe our own approach to it is a better approach, but I am willing to listen and to learn. Since it is such a critical issue on the minds of most of our citizens in western Canada, I think it is imperative that we do a lot more note comparison and approach comparison on those issues.

* (2350)

British Columbia is pursuing, incidentally, an agreement with the federal government on immigration, and so are we, so we will have some discussions about the things we are trying to achieve and maybe reinforce each other's position on that issue.

Mr. Edwards: Madam Chair, I have just a last question in this area.

The last Western Premiers Conference, as I recall—I cannot remember the exact date of it—there was a communiqué which was released which indicated that the western Premiers had agreed on some set number of areas they were going to seek active co-operative agreements in. I do not recall the exact number. I do not have the press release in front of me, but there was certainly a statement, and the First Minister recently indicated in the House that same number to me.

Is he taking that in with him this time with a progress report? I assume that that does not just die, but that it carries forward to the next western Premiers' meeting. Is he prepared to table that list with what has happened in the interim between the

two conferences in terms of progress in those areas?

Mr. Filmon: The member is right. A comprehensive report was developed giving the summary of areas of co-operation to date, an historical summary. That was released on the 25th of November, 1993, so we are talking about five months ago or so, a little over five months ago.

The Province of Alberta retains the chairmanship and the lead role until the meeting begins on the 18th of May, and they will be bringing forth a report on progress to that meeting. So once that is brought forward, I can share that with the member and indicate just exactly what progress the Province of Alberta, through their consultations, can report.

Mr. Edwards: That would be appreciated, Madam Chair.

The minister indicates that there was a list of areas in which co-operation had already occurred. Is there another list of areas that Premiers have agreed give the most potential? Is that what progress is going to be reported on, or is progress going to be reported on the ones we have already got in place? What I am interested to know is, is there a defined list we are working on, on a set timetable?

Mr. Filmon: The continuing work was essentially refining the existing areas and expanding on them.

Mr. Edwards: Just so I am clear on this, at the time of the last meeting, there was no list of various priority areas for expansion, as such, where Premiers were going to be actively seeking to move forward?

Mr. Filmon: The areas of intended work were a co-operative and co-ordinated regional trade promotion and marketing plan, with a special focus on Asia, and that was a project that came out of a proposal by Premier Harcourt who suggested that rather than go individually—and this was supported I know by Premier Romanow and myself; I am not sure if Premier Klein was fully supportive of it, but I think accepted that if the other three were willing to try it—to go on a joint trade mission, for instance, to Asia-Pacific, rather

than as occurred last fall that within a six-week period, three of the four of us were there plus Premier Wells, plus Premier McKenna, et cetera.

The intent actually was put forth on the 21st of December at the national meeting of all the First Ministers that maybe we have a time when Prime Minister Chretien goes with Minister Roy MacLaren and as many of the Premiers as want to go, go with them so that it is a team-Canada approach, and we do not have duplicated missions and we do not have duplicated costs of all these things, and we create a much bigger impact in terms of international coverage of the trade mission. So there was that aspect.

The second was the development of the code of conduct to prevent destructive competition for investment, a real area of co-operation that would be effective.

The third was a review of the operation of financial institutions in the West and the adequacy and availability of capital, especially for small business and agriculture producers.

Fourth, recommendations for stepped up co-operation among western electrical utilities. We still see the western electric grid as a good potential.

Fifth, a western strategy for co-operation in science and technology.

Those were the key areas in which they were going to focus and look for recommendations.

Mr. Doer: I know it is getting late, but I have a specific question that I promised to raise with the Premier on a specific constituent in the community of St. Clements.

The Premier sent a letter to this individual dealing with the absence of one Harold Neufeld and suggested that he could represent anybody on a constituency matter. He sent that letter out on July 13 to the Rolof family who are located at 74 McKay Road.

The Rolof family wrote the Premier back dealing with a concern they had for a number of years about massive flooding at their home. I met with the Rolof family, and apparently the

Premier's staff have met with the family on a number of occasions.

I think this family has been really, really aggrieved. There is a development plan, a municipal plan that was put in place that had massive flooding at this home, and nobody is accepting any responsibility. The plan was approved in the mid-'80s. The municipalities proceeded, it appears to me, with elevation plans that mean a family is getting their major investment of their life flooded, massively in '91 and three times in 1993. When the individual goes to the municipality, they say, well, it is the province. When they go to the province, they say it is the municipality.

I think the Rolof family has been tremendously aggrieved. I went through the file and all the material, and it seems to be one of these situations where nobody is taking responsibility, nobody is taking charge.

I cannot imagine how any of us would feel if we invested our whole life's savings in a home and the home was in a sinking site that meant that it would be flooded from all its neighbours all around, including septic material from its neighbours.

This is something that I would not wish on anybody. I know the Premier would not wish this on anybody. His correspondence secretary sent back a letter saying, this will be brought to the Premier's attention. Then we had a follow-up from the Deputy Minister of Rural Development and other letters from Mr. Reimer.

I just think this family is going through tremendous hardship. I guess my theory on these things is to try to treat an individual citizen the same way as we would want to be treated ourselves. I do not think any of us could stand this. I do not know how you could survive this kind of, your life investment being virtually a septic field because of poor elevation, poor planning, and then nobody taking responsibility for it.

Municipalities are an act of the provincial Legislature. Planning is an act of the provincial Legislature. The Premier wrote this individual to promise to deal with this constituency problem in

the absence of Mr. Neufeld. I do not think it is the same constituency, but he did get the letter at 74 McKay. He wrote you back, and then it has been shuffled into the departments and away. The Premier's staff has dealt with this.

I just think we should treat this person and his family in the same way as we would want to be treated ourselves, and I cannot imagine, if I put all my life savings into a home and had it flooded with septic material a number of times, how I would feel about the plan and the follow-up.

I just raise this with the Premier. I would ask him to have the most senior attention paid to this and stop the back-and-forth buck-passing on this issue. Let us treat this citizen as we would want to be treated ourselves in terms of what has happened to him and his investment and his family.

Mr. Filmon: Madam Chair, I just say to the member opposite that I am very sympathetic to the situation. Indeed, my chief of staff met for an hour and a half with the Rolofs in Selkirk. The unmistakable conclusion is that it is totally within the responsibility of the municipal government. That is where relief and satisfaction has to be sought.

The actions that have been undertaken that have resulted in this problem are not those of this provincial government or any previous provincial government. They are the actions of a municipal jurisdiction. That is where the solution lies.

Were this a problem that could or should be solved by the provincial government, I would willingly take the responsibility, but I cannot.

* (0000)

Mr. Doer: I would just ask that if the municipality is not taking responsibility, is there any opportunity for an aggrieved citizen, given that it is under the provincial Planning Act, and it is an act of this Legislature that municipalities are constitutional creatures of the provincial government—that there is some follow-up from the Premier's senior staff and the Minister of Rural Development (Mr. Derkach) or his staff so that the municipality knows that we just do not let citizens get potentially treated this way without, you know,

us feeling very, very concerned about it and having the kind of sense of fairness in dealing with a legitimate grievance for this citizen as we would for ourselves. Rather than it just sit there and sit there not being resolved, that we have this kind of ability to provide some leadership through our own instruments of government.

I just ask the Premier, would the senior staff do that? Please, on behalf of this family, let us try and get this resolved. Let us try to bring the powers to be somewhere to get this thing resolved, rather than just going back and forth and back and forth. I just really believe that is what we would expect for ourselves, and that is what we would expect for our fellow citizens, and I think they have a right to expect that of us.

Mr. Filmon: I just want to assure the member that the Department of Rural Development continues to deal with Mr. Rolof and to pursue this issue in terms of the municipal responsibility. It has not been dropped, and we will attempt to try and resolve it through whatever authorities we have at our disposal.

Madam Chairperson: Item 1.(b) Management and Administration (1) Salaries \$1,830,700—pass; (2) Other Expenditures \$440,200—pass.

1.(c) Intergovernmental Relations Secretariat (1) Salaries and Employee Benefits \$331,200—pass; (2) Other Expenditures \$70,000—pass.

1.(d) Government Hospitality \$10,000—pass.

1.(e) International Development Program \$450,000—pass.

At this time, I would ask that the Premier's staff, please leave the Chamber.

Mr. Filmon: Madam Chair, I would like to ask, or at least express my gratitude to the Leaders of the two opposition parties for their courtesy in dealing with these issues and hope that we have at least indicated a willingness to try and respond to them, although in a number of cases, we were not able to as a result of the detail of the questions being asked that could appropriately be asked of other ministers who, I am assured, will be co-operative in attempting to give those answers to them. I thank them for their courtesy.

Madam Chairperson: Item 1.(a) Premier and President of the Council's Salary \$26,600—pass.

Resolution 2.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,158,700 for Executive Council, General Administration, for the fiscal year ending the 31st day of March, 1995.

The hour being after 10 p.m., committee rise. Call in the Speaker.

IN SESSION

Madam Deputy Speaker (Louise Dacquay): The hour being after 10 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, May 2, 1994

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