



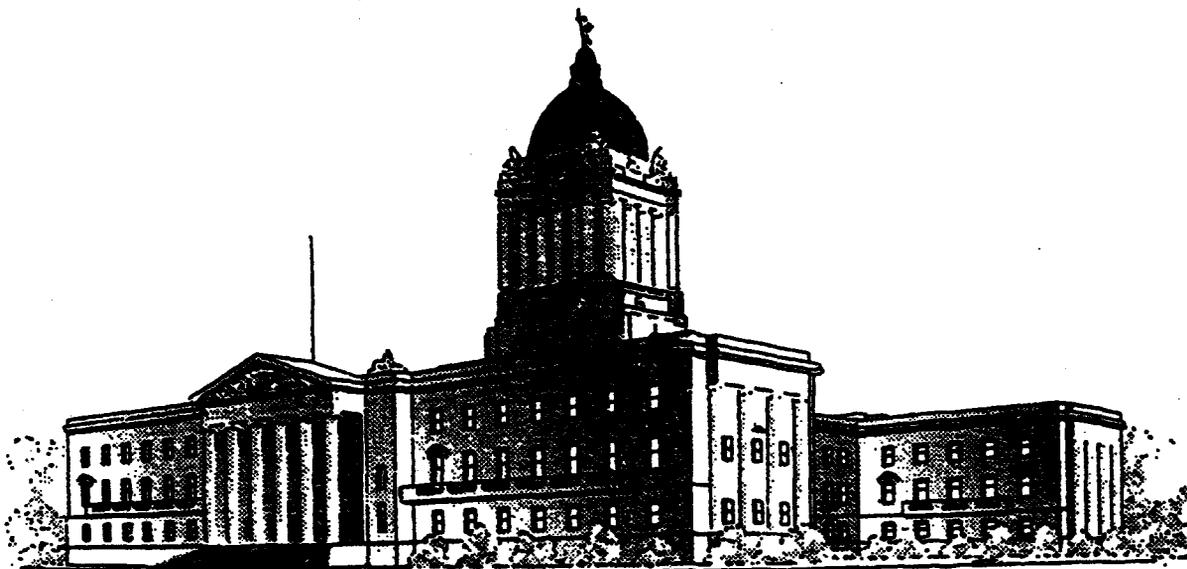
First Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(Hansard)**

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The Honourable Louise M. Dacquay
Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, June 2, 1995

The House met at 10 a.m.

PRAYERS

ROUTINE PROCEEDINGS

**PRESENTING REPORTS BY
STANDING AND SPECIAL COMMITTEES**

Committee of Supply

Mr. Marcel Laurendeau (Chairperson of Committees): Madam Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

I move, seconded by the honourable member for River Heights (Mr. Radcliffe), that the report of the committee be received.

Motion agreed to.

TABLING OF REPORTS

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): Madam Speaker, I am pleased to table the departmental Estimates for Manitoba Justice '95-96.

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, I am pleased to table two reports, one being the Annual Report '93-94 for Education and Training and the Annual Report for the year ending June 30, 1994, for the Public Schools Finance Board.

Hon. Vic Toews (Minister of Labour): Madam Speaker, I am pleased to table the Annual Report for the Manitoba Labour Management Review Committee covering the years '92 and '93, and the 1995-96 Supplementary Estimates for the Department of Labour.

INTRODUCTION OF BILLS

**Bill 13—The Split Lake Cree
Northern Flood Implementation Agreement,
Water Power Amendment
and Consequential Amendments Act**

Hon. Darren Praznik (Minister responsible for Native Affairs): Madam Speaker, I wish to move, seconded by the honourable Deputy Premier (Mr. Downey), that leave be given to introduce Bill 13, The Split Lake Cree Northern Flood Implementation Agreement, Water Power Amendment and Consequential Amendments Act; Loi concernant l'accord de règlement de la première nation crie de Split Lake relatif à l'application de la convention sur la submersion de terres du Nord manitobain, modifiant la Loi sur l'énergie hydraulique et apportant des modifications corrélatives, and that the same be now received and read a first time.

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

Motion agreed to.

* (1005)

Bill 12—The Louis Riel Institute Act

Hon. Darren Praznik (Minister responsible for Native Affairs): Madam Speaker, I wish to move, seconded by the honourable Minister of Agriculture (Mr. Enns), that leave be given to introduce Bill 12, The Louis Riel Institute Act; Loi sur l'Institut Louis Riel, and that the same be now received and read a first time.

Motion agreed to.

Introduction of Guests

Madam Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the Speaker's Gallery, where we have with us today Mr. Masuji Yamamoto, the Consul General of Japan.

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

Also seated in the public gallery this morning, we have seven adult students from the Adult English as a Second Language Program under the direction of Mrs. June Shymko. This school is located in the constituency of the honourable member for Concordia (Mr. Doer).

We also have twenty-eight Grade 6 students from Heyes School under the direction of Mrs. Struthers. This school is located in the constituency of the honourable member for Swan River (Ms. Wowchuk), and we have fifteen Grade 12 economics students from Maples Collegiate under the direction of Mr. Gordon Boyko. The school is located in the constituency of the honourable member for The Maples (Mr. Kowalski).

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

* (1010)

ORAL QUESTION PERIOD

Winnipeg Arena Donations—Tax Deductibility

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

On May 25 of 1995, the Minister of Finance in public statements that he made dealing with the revenue-loss issue with Revenue Canada stated that he supported the revenue status of a charitable status for corporations investing in the takeover of the Jets. He is quoted on public radio as saying that he feels it is worth it.

Yesterday, the Premier stated that he was opposed to this charitable status for the entrepreneurs. I would like to ask the Premier to clarify the position of last week with the current position of the provincial government on this matter.

Hon. Eric Stefanson (Minister of Finance): I would encourage the Leader of the Opposition to read the transcript. I believe he is referring to an interview with CBC Radio, where I was asked very specific questions on that.

I did not show support or nonsupport. I was then asked particulars about what the financial impact would be, and I said in terms of the payback to the province, it would be an additional one year, approximately, in terms of the payback to the province, and in terms of looking at keeping the Jets here for the next 20 or 30 years in terms of the economics of the issue, it was still in the best interest of Manitoba taxpayers because of the long-term benefits to our economy.

That was the kind of answer that I provided to that question, Madam Speaker.

Winnipeg Jets Status of Provincial Shares

Mr. Gary Doer (Leader of the Opposition): Last week, in a question to the Premier on May 29, or this week, I asked the Premier about the status of the share, the 18 percent share. The Premier indicated to this Chamber that this publicly owned share by the provincial government of 18 percent in the privately owned hockey team would remain as equity, as credit, for the people of Manitoba, in the hockey team.

Yesterday, the Premier indicated as part of the negotiations that are going on with the new groups of private owners that the provincial government would be shrinking its share from 18 percent to 9 percent as part of a \$90-million package.

Madam Speaker, the Provincial Auditor has identified this 18 percent share in the operating loss agreement as an asset to the people of Manitoba. I would like to ask the Premier whether they have negotiated funds in exchange for the shrinkage of that

share, funds to be paid by the private risktakers that could help defray the costs of the new arena, which the Premier has pledged.

Hon. Gary Filmon (Premier): As I indicated to the Leader of the Opposition, in terms of the imputed value of our shares, that has not changed. What has changed is that there has been a dilution of everyone's equity by the putting in of an additional \$78 million by the private-sector group.

Mr. Doer: If the Premier can tell us that Mr. Shenkarow's shares have been diluted, when we calculate that his shares, 1 percent, have gone up in value by 50 percent under this proposal, and the public shares certainly have not—yes, they have been diluted by the Premier, so we have, in essence, a situation where the privately owned shares are increasing in value as part of this agreement, and the public shares are not even being converted to help defray the costs of the arena.

Why do we have a double standard in the value of shares of the taxpayers, who are paying for the arena, giving the arena to the private group with all the concessions and who now also seem to be further subsidizing the hockey team with our asset, with our equity, for the so-called risktakers, rather than converting that to help defray the costs for the arena?

Mr. Filmon: Well, Madam Speaker, the Leader of the Opposition is wrong. The input of substantial amounts of capital by the private sector, the MEC group, Mr. Asper and others, results in ours being the same value out of a larger pie of equity in the arena.

In the ownership of the team, I might say that even in our previous agreement, in terms of the way in which it was structured, we maintained a value of asset, but we were not in it to make a capital gain on it. In fact, the agreement would have called for us to get the repayment of the money that we had put out in terms of the losses over time, because we did not put up any money for the shares, and anything over and above that would have rested with Winnipeg Enterprises, who were the original holders of the shares.

* (1015)

Winnipeg Arena Ownership

Mr. Tim Sale (Crescentwood): Last month, Madam Speaker, Winnipeg City Council approved rezoning of the land at The Forks. In so doing, the city totally abandoned the guidelines that it had adopted on February 1 of the same year.

Given all the bizarre twists and turns of the negotiations to date, can the Minister of Finance tell the House who will be the applicant of record to the Manitoba and federal environmental agencies? Who, ultimately, will have to approve this project? Who is going to actually apply for the permits, Mr. Minister?

Hon. Eric Stefanson (Minister of Finance): If the member is asking who will own a new facility, if a new facility is built here in Winnipeg, it will be owned by a company that is owned by the City of Winnipeg and the Province of Manitoba equally.

Obviously, through ownership of the facility, any actions that they need to take will be taken if a facility is, in fact, going to be built, Madam Speaker.

Mr. Sale: Madam Speaker, I put the question again to the minister.

Who will be the applicant of record to the federal and provincial environmental agencies who must approve the new arena at The Forks? Whose name will be on the application, Mr. Minister?

Mr. Stefanson: I repeat, Madam Speaker, that the facility will be built on behalf of a corporation that is owned 50-50 by the City of Winnipeg and the Province of Manitoba.

As I have indicated, in terms of the development of that facility, discussions are ongoing with the private sector, which has raised to date in excess of some \$60 million, about building the facility for no more than the \$111 million that has been committed; otherwise, they become responsible for any cost overruns, Madam Speaker.

Through the development by the private sector, through the ownership by the new entity owned by the city and the Province of Manitoba, the appropriate applications will be made, Madam Speaker.

Mr. Sale: Will the minister then confirm that, to date, nobody, no body private or public, has yet made any application to any of the relevant environmental bodies for this project?

Mr. Stefanson: I hate to have to remind the honourable member that at this particular point in time, no agreements have been reached to build any facility. No agreements have been reached to conclude the reorganization of the hockey team and so on. That has been the basis of ongoing discussions.

Members opposite know that full well. We have indicated on many occasions that if and when agreements are reached, as much information as can be made public and available will be made public and available, not only for members opposite but, indeed, for all Manitobans, Madam Speaker.

Winnipeg Arena Environmental Assessment

Mr. Gregory Dewar (Selkirk): My questions are for the Minister of the Environment.

Since this government has railroaded through a deal to construct a \$111-million arena at the Portage East site and there has been no mention by the province about the environmental impacts of this construction, can the minister answer the question as to whether this project is a Class 2 or a Class 3 under the federal regulations?

Hon. Glen Cummings (Minister of Environment): Madam Speaker, the member's inherent question is whether or not the appropriate reviews will be conducted. They would like me to prejudge any location and application, and I will wait until we have seen the applications.

Mr. Dewar: Has the minister had any contact with his federal counterpart to ensure that the federal regulations are fulfilled?

Mr. Cummings: Well, Madam Speaker, I am amused, actually, that the member is trying to—[interjection] Well, perhaps amazed is a better word, that the member is putting it in this context.

He is attempting to make sure that all appropriate licensing and approvals are in place. That is without question.

* (1020)

Mr. Dewar: Given the fact that nothing has been done so far, will the minister make a commitment today that he will fast-track the process?

Mr. Cummings: Did I just hear him say that he asked me to fast-track the process, after all the squawking that came from them about every environment licence that has been issued lately about going too fast? Now he wants to speed it up. [interjection]

Mr. Dewar: Right, the question is, will he ensure that the process not be fast-tracked?

Mr. Cummings: Madam Speaker, these are serious issues and not issues that will be dealt with in any offhand or poorly considered manner. I would remind the member that our commitment has always been that we will deal appropriately with these projects, but if he is asking me to prior commit on classifications and whether or not there will be particular processes, let us see what the application is.

Sustainable Development Forestry

Ms. Rosann Wowchuk (Swan River): Madam Speaker, the issue of environmental protection and sustainable harvest of forest has been a subject of much discussion during the Louisiana-Pacific hearings. There has also been great concern about the sustainability of how our forest will be harvested. Unfortunately, we did not have hearings before the forest was given away.

I want to ask this government when they are going to take seriously their responsibility about our

environmental protection and the sustainable management of our forests to ensure that we do not get F ratings from various groups, and when are they going to improve the environmental record of this province?

Hon. Glen Cummings (Minister of Environment): Madam Speaker, I am astounded that the member who represents the area where one of the single largest construction projects is ongoing at this point to prepare for jobs and opportunity that go with the harvesting of the poplar forest in this province is now indicating that she is prepared to line herself up with the Sierra Club which is making a political comment, not an environmental comment, as they review the forest projects in this province.

Louisiana-Pacific Environmental Law Compliance

Ms. Rosann Wowchuk (Swan River): Madam Speaker, in light of the fact that Louisiana-Pacific has been charged with violations of environmental laws in Colorado and in light of the fact that people in Swan River want jobs but they also want it done right and they want clean air, what assurance will the Minister of Environment give us that Louisiana-Pacific will follow the laws along with providing jobs? Give the people of Swan River—

Madam Speaker: Order, please. I would remind the honourable member for Swan River this is not a time for debate. This is a supplementary question.

Hon. Glen Cummings (Minister of Environment): Madam Speaker, again, we have a situation that is very difficult to understand coming from the opposition. They, too, choose to make political comment, not environmental judgment of whether or not the proper forest management process is in place.

That has always been the guarantee we have given the people of this province, that the forest management process will, first of all, be clearly put in the public record and approved through a public process.

Secondly, I would remind the opposition and anyone else who is interested in this that Manitoba not only has a forest licensing process, we have an environmental

licensing process that is laid overtop of the forest management process. That is the tightest, most restrictive forest management process in the country. What else does she want?

Ms. Wowchuk: Madam Speaker, since the company has a record of violating environmental laws in the United States and Canada, will the minister give the people of the Swan River constituency the assurance that he will have in place the staff to supervise the company to ensure there is not violation of environmental laws?

* (1025)

Mr. Cummings: Madam Speaker, the member obviously was not paying attention a while ago, when we indicated that we have already hired staff to be prepared for the management of the licence for the mill. Certainly, the forest management process is an ongoing one for which we have a significant number of staff in the field through Natural Resources and through the Department of Environment.

I am very, very interested that this member now is willing to stand up, criticize a company simply because it is an American company. You can point to the environmental records of other—

Point of Order

Ms. Wowchuk: On a point of order, the minister has said I have criticized the company. I am not criticizing the company. I am criticizing this government because they are not enforcing environmental laws.

Some Honourable Members: Oh, oh.

Madam Speaker: I assume we are now ready to continue Question Period.

Winnipeg Jets Capital Fund

Mr. Kevin Lamoureux (Inkster): Madam Speaker, my question is for the Premier. There was a private-sector capital fund that was created for the Winnipeg Jets back in November of '91 and which the province had guaranteed.

My question to the Premier is, is the Premier prepared to give a detailed accounting of the money that is spent from this fund through MEC in getting all the preparatory work prepared?

Hon. Gary Filmon (Premier): Madam Speaker, yes, I would be happy to provide that. I also point out to the member for Inkster that this fund will be reimbursed by the new capital that has been raised for the purchase of the team.

Mr. Lamoureux: Can the Premier give us some sort of indication when he would be prepared to table that detail?

Mr. Filmon: As soon as possible, Madam Speaker.

Mr. Lamoureux: I had a feeling he might say that, Madam Speaker.

Winnipeg Arena Contracts—Tabling Request

Mr. Kevin Lamoureux (Inkster): Will the Premier give a detailed breakdown of all the parties who have been awarded contracts under this new arrangement, given that it is not going to be up for tender? Will he make that commitment to doing that today?

Hon. Gary Filmon (Premier): Madam Speaker, as I pointed out previously with respect to this issue, four major companies—and they were listed, I believe, in the answer that was provided by the Minister of Finance (Mr. Stefanson)—with Canadian presences were asked to provide bids or proposals on it. Three did submit proposals of which the preferred one was selected by the MEC group, and it is to be the managing contractor on the project.

Beyond that, most of the work that is then going to be done on a subtrade basis will be done by virtue of tenders being called, and all of that information will be provided as the tenders are awarded.

At this point, I believe that there may have been one tender awarded for mechanical already, and we will get the details on that, but the others are yet to be put out publicly and will be awarded on a tender-call basis.

* * *

Madam Speaker: Order, please. Just quickly on a procedural point, I apologize to the House. I neglected to address the honourable member for Swan River's (Ms. Wowchuk) point of order.

In my opinion, the honourable member for Swan River did not have a point of order. It was clearly a dispute over the facts.

Provincial Parks—Northern Manitoba Cancellation

Mr. Eric Robinson (Rupert's Land): Madam Speaker, my question is for the Minister of Natural Resources concerning the creation of provincial parks earlier this year.

There has been concern expressed by groups like the World Wildlife Fund and even the federal Minister of Indian Affairs on the lack of proper negotiations with First Nations that have been affected by the creation of the parks.

I would like to ask the minister whether he has considered rescinding the Orders-in-Council that gave creation to these parks.

Hon. Albert Driedger (Minister of Natural Resources): Madam Speaker, no.

* (1030)

Legality

Mr. Eric Robinson (Rupert's Land): Madam Speaker, two years ago, The Provincial Parks Act was passed but not proclaimed by this government. Does the minister believe that the provincial parks that were created recently are, in fact, illegal?

Hon. Albert Driedger (Minister of Natural Resources): Madam Speaker, no.

Sayisi Dene First Nation's Concerns

Mr. Eric Robinson (Rupert's Land): The Sayisi Dene First Nation at Tadoule Lake recently forwarded a band council resolution to the minister.

I would like to ask the minister whether he has communicated with Chief Bussidor of Sayisi Dene with respect to his government's position on the parks, and what measures is this minister prepared to undertake to correct this very great injustice?

Hon. Albert Driedger (Minister of Natural Resources): Madam Speaker, over a period of time, I have indicated the process that took place in terms of establishing the four new parks in northern Manitoba. The process has been on record. I have also indicated that those people who have concerns about it, who maybe failed to respond initially, will have another opportunity as we move forward in terms of proclaiming The Parks Act, because we will be going through a hearing process, where we will define classes and categories of all the provincial parks in Manitoba.

The other point—and I have made this many times, as well, in the correspondence I have written to the people who have inquired about this—is the fact that aboriginal rights, the traditional rights of hunting and fishing are not affected by this and the same thing also under the Treaty Land Entitlement allocations. If there is going to be any land that is going to be impinged on in these parks, we will remove that.

Madam Speaker, I have tried to clarify this point over the last three, four, five months many times, and if people keep writing, I keep responding and clarifying it to them. I think if the member would look back on the record, he knows exactly what has transpired.

Post-Secondary Education Government Initiatives

Ms. Jean Friesen (Wolseley): Madam Speaker, the government promised the Roblin commission in the 1980s. The Roblin commission finally submitted its report to the government in 1993, and that commission underlined for the government, and I quote: that the most pervasive issue brought to our attention in the North is the lack of a comprehensive post-secondary education policy.

I want to ask the Minister of Education if she could tell the House what steps her government has taken in the last 18 months to develop such a policy.

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, I should indicate for starters that in terms of post-secondary education, we have done a number of things that apply to all post-secondary education at the community college level.

That has particular benefit to the North, because as we have pumped more money into community colleges and given them more ability to govern their own affairs, we have at the same time, of course, made the North more viable for students wishing post-secondary education, because it is the community colleges which service that area primarily as post-secondary educational institutions.

Keewatin Community College Impact of Restructuring

Ms. Jean Friesen (Wolseley): Madam Speaker, could the minister tell the House what the impact will be of the recent restructuring at community colleges, and in this case, Keewatin Community College? What will be the impact on ACCESS programs, on aboriginal participation in teaching and management of the colleges?

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, as the member knows in terms of ACCESS students, the federal funding that was withdrawn, some \$4 million that was there before, of course, is no longer there. We have actually, of course, been able to provide opportunities to increase access to those programs, to increase access to ACCESS through allowing more—[interjection] Well, if the member wishes to hear the answer, I would be pleased to continue.

When the member talks about the ability for people to take advantage of ACCESS programs, she must also recognize at the same time that the moves we have made to enable more students to sign up by having a partial bursary, a partial Canada student loan—[interjection] Well, is the member wanting then no specific information on the very item she identified?

Ms. Friesen: Madam Speaker, could I clarify for the minister my second question? She does not seem to be

able to grasp the point about KCC. I would be happy to clarify that second question.

President Selection

Madam Speaker: Order, please. Would the honourable member please pose her second supplementary question.

Ms. Jean Friesen (Wolseley): Madam Speaker, could the minister tell the House how she will ensure the participation of First Nation communities in a decision which is of great importance to the North, and that is the selection of a new president for KCC?

Hon. Linda McIntosh (Minister of Education and Training): I thank the member for finally being specific in her question, so that I can provide a specific answer.

Madam Speaker, the member also realizes that community colleges have been given self-governance, that they are conducting a search, that they will be looking for a president who will suit the needs of that area which the community college services. The process that has been put in place to conduct a presidential search is one that is deemed to be fair and workable.

If the member has any objections to the process, I would like her to indicate what they are for the record. Maybe in Estimates, if we get to them, she could indicate what her concerns are with the process that has been put in place to select a president for the area by the people of the area who are connected with the college.

Winnitoba Apartment Property Management

Ms. Marianne Cerilli (Radisson): Madam Speaker, the Winnitoba apartment on Young Street in Winnipeg is one of many substandard rental properties collecting rent from tenants, including tenants on social allowance, without making sure that the apartment dwellings are up to standard.

The government can do something about this by using the many tools it has to enforce the landlords to make sure that rental properties are maintained and comply with the work orders.

I want to ask the government, will they confirm that this property on Young Street has been taken over—the management has been taken over by the government—and that they are now collecting rent for this property, and will they ensure that the rent is going to be used for repairs?

Hon. Jim Ernst (Minister of Consumer and Corporate Affairs): Madam Speaker, I can say at the outset that of the more than 100,000 rental units in this province, 99.9 percent of them do not present a problem for other tenants or the government with respect to enforcement of its laws.

With respect to the specific question that the member asked, I can confirm that the Residential Tenancies Branch has, in fact, taken over the rents. We are dealing with the issues of repairs and work orders against the building by both Fire and Health Departments, and the issues of repairs are being dealt with at the present time.

Ms. Cerilli: Madam Speaker, again with the specifics of this property, how long have there been outstanding work orders on this property? Were there outstanding work orders before the landlord disappeared, and how long does it usually take—

Madam Speaker: Order, please. I would remind the honourable member for Radisson that questions are to be one short sentence and contain a single question.

Mr. Ernst: Madam Speaker, the enforcement of building standards lies with the City of Winnipeg inside the city of Winnipeg. So in the case of fire orders or building upgrade orders or Health Department orders, they all fall within the jurisdiction of the City of Winnipeg in this particular instance. The Residential Tenancies Branch may not even know there are work orders against the building, unless they are brought to the attention of the Residential Tenancies Branch.

In this particular case, they were brought to the attention of the Residential Tenancies Branch. The landlord, for all intent and purposes, had abandoned the building, so the Residential Tenancies Branch steps in, takes the rents that would normally have gone to the landlord and deals with the issues of outstanding utility accounts, repairs to the building and the work orders that are addressed against it, and we are moving reasonably quickly to deal with those issues that are most urgent.

Rental Properties Assumed Management

Ms. Marianne Cerilli (Radisson): My final supplementary is more general, because this is only one of many properties. How many rental properties does the provincial government currently have assumed management for in Manitoba?

Hon. Jim Ernst (Minister of Consumer and Corporate Affairs): Madam Speaker, as I indicated in my first question, this is not a large problem in Manitoba. The fact of the matter is I do not know the exact number, but my suspicion is that it is in the neighbourhood of two or three.

* (1040)

Elections Manitoba Independent Investigation

Mr. Jim Maloway (Elmwood): My question is to the Premier.

Elections Manitoba has hired an outside investigator to look into allegations that the Tories tried to manipulate the outcome of the last provincial election.

I would like to ask the Premier, will the Premier instruct his cabinet ministers to co-operate fully with Elections Manitoba investigators into the relationship between the PC Party of Manitoba and the independent aboriginal party during that election?

Hon. Gary Filmon (Premier): Absolutely, Madam Speaker.

Mr. Maloway: I would like to ask the Premier, has the Premier been asked for an interview, and will the Premier and his staff agree to be interviewed by Elections Manitoba during this independent investigation?

Mr. Filmon: I have not been asked. If asked, I will co-operate fully.

Mr. Maloway: My final supplementary to the same minister is, will the Premier instruct his political staff to also co-operate with Elections Manitoba in this important investigation?

Mr. Filmon: Absolutely, Madam Speaker.

VLT Revenues Information Release

Mr. Steve Ashton (Thompson): Madam Speaker, yesterday, the Premier indicated that he is still unable to comply with the request of many Manitobans, including the Manitoba Association of Urban Municipalities and many other Manitobans, for detailed information on the source of VLT revenues in this province.

I would like to ask the Premier or the Minister responsible for Lotteries (Mr. Stefanson) why it has taken four months to obtain this information and why yesterday the only assurance we got was that we would get it as soon as possible.

Hon. Gary Filmon (Premier): Madam Speaker, this must be Friday, because we are repeating Thursday's questions and the earlier questions of the week. As I indicated, I am as frustrated as the member opposite, and we will do our best to get that information as quickly as possible.

Mr. Ashton: A supplementary, Madam Speaker, I would like to ask the Premier why the Premier has been promising this and why the government does not know, apparently, where it is getting a significant portion of the \$240 million a year it brings in from lotteries. Why does the government not know where that revenue is coming from?

Mr. Filmon: We absolutely know where it is coming from. The point is the distribution, Madam Speaker, of all the various different lotteries programs that go to all the different individual municipalities and jurisdictions.

Gaming Commission Telephone Access

Mr. Steve Ashton (Thompson): As a final supplementary, I would like to ask the First Minister whether he will respond to the many suggestions that have been made, particularly to establish a toll-free line so that rural, northern Manitobans cannot only register for the commission hearings but also express their views, as was the case with the MLAs' allowance commission, something that resulted in hundreds of Manitobans being able to express their views on that issue.

Will the government consider complying with the suggestion that this be applied in this particular case?

Hon. Gary Filmon (Premier): Madam Speaker, as we indicated, we have given the broadest possible mandate to Mr. Desjardins and his commission to review any and all aspects of gaming in this province.

We have also given them the mandate to seek any sources of input that they can from the people of Manitoba, and we certainly encourage that.

Rock Ridge Community Centre Funding

Mr. Stan Struthers (Dauphin): Madam Speaker, on May 30, the Rock Ridge Community Council again found out that this government was unwilling to sponsor funding for its community hall.

My question is for the Minister of Northern Affairs. Given this government's willingness to provide funding for various private ventures, including private hockey teams and private golf courses, can this minister provide some rationale for his department's decision to refuse this funding?

Hon. Darren Praznik (Minister of Northern Affairs): Yes, Madam Speaker, absolutely. The

priority is sewer and water and necessary infrastructure in Northern Affairs communities.

Mr. Struthers: How much longer, Mr. Minister, will it take before this government takes seriously the needs of rural and northern Manitoba?

Mr. Praznik: Madam Speaker, I guess I should ask the question of the member, if it were appropriate, why, when his party was in power, they did not see fit to meet the needs of people in Brochet and other communities, where we have put in water and sewer and other essential projects for people in those communities, that were ignored for decades, over two decades, by the New Democrats.

Mr. Struthers: Madam Speaker, maybe I should tell the people in Rock Ridge to form a hockey team and apply for funding on that basis.

Again, I want to know why this minister insists on treating rural and northern people in this province as second-class citizens?

Mr. Praznik: Madam Speaker, I would ask the member for Dauphin to perhaps do a little bit more research.

I would remind him that the Northern Affairs communities have a process through NACC, where they work to sort out their own projects and priorities within the Capital budget. Within that organization, Rock Ridge quite frankly has not been able to convince their fellow Northern Affairs communities of the priority of that project over other priorities.

I will just tell him, within his own area in the last few years, the Department of Northern Affairs has paid for an excellent brand new firetruck for one community in those areas. We have helped Camperville when their community hall burnt down, and we provided the dollars to build that hall.

We have done sewer and water projects, Madam Speaker, in a number of those Northern Affairs communities, and I am prepared to tell the communities that are getting sewer and water and other projects that the member for Dauphin's preference is a community

hall in Rock Ridge, as opposed to sewer and water in their communities.

Flora Place Future Status

Mr. Doug Martindale (Burrows): Madam Speaker, Flora Place public housing consists of two short streets of single detached houses. They are getting old. Some are in a poor state of repair, but there is a wonderful sense of community and people want to continue living there.

I would like to thank the former Minister of Housing for inviting me to a meeting in her office and the current Minister of Housing for inviting me to a meeting in his office next week.

However, since Manitoba Housing has been boarding up these houses since last October, can the Minister of Housing tell the people of Flora Place what the plan is? Are they going to get renovations or new housing?

Hon. Jack Reimer (Minister of Housing): Madam Speaker, as mentioned by the member for Burrows—and I must say that we have been in contact regarding this facility at Flora Place—Flora Place truly is a unique entity here in Winnipeg, because it is a lot of small little homes, what we used to call wartime homes, small little homes that were built in the late '40s, early '40s. They have come to a life of their own in a sense.

A decision as to the direction on it is being considered along with the member for Burrows, along with the City of Winnipeg. A meeting is going to be called on it, so that we can discuss it along with the residents of the area in trying to come to some sort of formality of continuation or what development is going to proceed in that area.

Mr. Martindale: Does the Minister of Housing and his department have a plan, since they have been boarding up these units since last October? They must have had a plan when they started boarding them up. What are their intentions?

Mr. Reimer: Madam Speaker, one of the first things on the plan is consultation. There is a consultation

process that we are beginning, not only within the department but with the people in the area, with the representative from the City of Winnipeg, the representative for Burrows and myself to discuss this, along with people in the area, so there is an understanding and a direction and formality that we can come to on this.

Winnipeg Development Agreement

Mr. Doug Martindale (Burrows): Will the Minister of Housing consult with the City of Winnipeg and the federal minister under the Winnipeg Development Agreement, since there is money available for housing in the WDA, to allocate some of this money to Flora Place, either for renovations or for new housing?

Hon. Jack Reimer (Minister of Housing): Madam Speaker, let me make it perfectly clear. One of the things we are going to do in a very judicious manner is to have consultation and direction, not only, as the member mentioned, with the City of Winnipeg, but with the member, so that we can come to some sort of direction and a formality of getting this thing resolved.

* (1050)

Kildonan Youth Activity Centre Funding

Madam Speaker: The honourable member for Kildonan, there is time for one very short question.

Mr. Dave Chomiak (Kildonan): Madam Speaker, the citizens of West Kildonan, the school division, parents and others have come together to establish the Kildonan Youth Activity Centre. Unfortunately, because of lack of funding, we may have difficulty opening this year. Last year, Child and Family Services indicated apprehensions were down in the area. Difficulties were down because this centre was open.

My question to the Minister of Family Services is, will the department consider funding staff in order to keep the Kildonan Youth Activity Centre open over this summer?

Hon. Bonnie Mitchelson (Minister of Family Services): Madam Speaker, I thank my honourable friend for that question.

We in the Department of Family Services and in government do, indeed, feel there is a need to ensure that our communities and all of the partners within our communities try to come to some resolution on how we can resolve the problem of ensuring that children are safe and secure and protected.

Madam Speaker, that is an issue for the community, for parents and for all of those who do support children to work out a resolution to.

Madam Speaker: Time for Oral Questions has expired.

Speaker's Ruling

Recognition of Liberal Members

Madam Speaker: I have a ruling for the House.

On Thursday, May 25, a matter of privilege was raised by the honourable member for Inkster (Mr. Lamoureux) regarding recognition of Liberal members during Question Period on Wednesday, May 24.

After hearing submissions from the honourable member, as well as the honourable member for Thompson (Mr. Ashton), I took the matter under advisement. I have had an opportunity to review the Hansard in question and consult the relevant authorities.

The Canadian authority on privilege, Joseph Maingot, in his treatise, *Parliamentary Privilege in Canada*, has this to say.

"While it will be seen that the member enjoys all the immunity necessary to perform his parliamentary work, this privilege or right . . . is nevertheless subject to the practices and procedures of the House. Thus allegations of breach of privilege by a member . . . which amount to complaints about procedures and practices in the House are by their very nature matters of order."

Therefore, the member for Inkster may have had a point of order to raise, but it was not a matter of privilege.

The member was also coming close to reflecting on the actions of the Speaker in his submission. I am sure this was not intentional but would remind all honourable members that any suggestion of partiality or bias on the part of a presiding officer automatically shows disrespect and amounts to contempt.

I would just like to conclude by saying that these are my first days on the job with a House that is significantly changed in composition from the last Legislature. Some of our procedures are firm and fixed in the rules; others are more fluid and, as far as possible, within the parameters of the history, traditions and the rules of this House, I intend to be as flexible as possible in working with all members.

As the honourable member for Inkster (Mr. Lamoureux) reminded me last week, I am the servant of the House, and it is my duty and aim to uphold the principles and traditions of the Assembly and to recognize the rights and privileges of each member while ensuring that the House's business is transacted in an orderly manner. My intention is to do just that in as fair and equitable a way as I possibly can.

ORDERS OF THE DAY

House Business

Hon. Jim Ernst (Government House Leader): Madam Speaker, by leave, I move, seconded by the Minister of Environment (Mr. Cummings), that the sequence for consideration of Estimates as outlined in Sessional Paper 8, tabled on May 31, 1995, be amended so that the Estimates of the Department of Finance be considered in Room 255 prior to consideration of the Estimates of the Department of Education and Training.

Madam Speaker: Does the honourable government House leader have leave to move this motion?

Some Honourable Members: Leave.

Madam Speaker: Leave has been granted.

Motion agreed to.

Mr. Ernst: I move, seconded by the Minister of Education (Mrs. McIntosh), that Madam Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

Motion agreed to, and the House resolved itself into a committee to consider of the Supply to be granted to Her Majesty, with the honourable member for La Verendrye (Mr. Sveinson) in the Chair for the Department of Agriculture; the honourable member for Sturgeon Creek (Mr. McAlpine) in the Chair for the Department of Finance; and the honourable member for St. Norbert (Mr. Laurendeau) in the Chair for the Department of Health.

* (1100)

COMMITTEE OF SUPPLY (Concurrent Sections)

AGRICULTURE

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

Hon. Harry Enns (Minister of Agriculture): Mr. Chairman and members of the committee, I am pleased to once again be able to introduce for examination by the legislative committee of Manitoba, the spending Estimates for the year '95-96 of the Manitoba Department of Agriculture.

I suppose I should express my appreciation, Mr. Chairman, to the electors of Lakeside for making it possible for me to do so and my appreciation to my First Minister for again allowing me to have stewardship over the Department of Agriculture. It is a department that I have a great deal of respect for and a great deal of affection for in terms of the role that it

plays in providing the services to the farm community in Manitoba.

Mr. Chairman, I want to, right at the outset, indicate to the critic from the official opposition that I am advised by staff, and senior staff will join me shortly, that in fact there are no changes of substance at all in the administration, in the staffing, in the dollar figures throughout the department. The member will note a significant decrease of some \$7 million in the printed Estimates, but that is accounted for pretty well in its entirety by the changes and fluctuations in the crop insurance premiums and in some of the transfers associated with as we move out of the former tripartite support programs into the current NISA style program and I would point that out to the honourable members that that accounts for the changes in the printed Estimates that are presented to you and members of the committee are, of course, welcome to pursue this matter further with the Crop Insurance people when they are here.

Mr. Chairman, just while I am on that point, I wonder if I can, in fact, appeal to members of the committee. I will have different officials from different parts of the department available for more detailed answers, but with me this morning I have the senior administration of the Crop Insurance people here. If it would be suitable to have—if the members wish, it is entirely in their hands, to deal with crop insurance and related items, including the GRIP program, the safety net programs and so forth. It is just a suggestion that I make. I do not know where they stand in the printed order. It is just that you will have noticed, Mr. Chair, that my staff has been ready and eager and willing to present ourselves to this committee for the last two days.

The Crop Insurance Corporation is, of course, headquartered in Portage La Prairie. The Manitoba Agricultural Credit Corporation is headquartered in Brandon, so that it is not that easy for me to have senior staff here at all times, but the general manager and the senior people from the Crop Insurance along with other senior staff are here with me this morning.

Mr. Chairman, I am well aware that the winds of change that are sweeping all facets of our life tend to be

focused on those changes in health or in education or in other matters as we spend our time debating these issues in the Chamber, in the Legislature. Certainly I know the member for Swan River will be very much aware that there are very fundamental, very massive changes occurring in agriculture. I suppose if you had to put a focus on what is bringing about some of the challenges and the changes at this current time in agriculture, it is, of course, the significant changes that the federal government has announced to the grain transportation and its funding, the WGTA or more commonly known as the Crow.

Members of the committee will be aware, of course, that effective August 1, 1995—that is only two short months from now—the government will terminate payment to the railways. Termination of this program probably brings to an end one of the longest-standing agricultural support programs that the prairie region has had, while the WGTA program in itself had its origins, I believe, in the early '80s—'83, '84 as the current piece of legislation on the books. The principle that it entailed, the benefits that it entailed for prairie cereal grain growers, of course, goes back firstly to the formation of this part of the country, to 1897. It is a program of that long standing.

* (1110)

I invite the honourable members of the committee to debate with me or to put on the record their concerns, their thoughts with respect to the changes that they feel the department and Manitoba farmers will have to make as a result of this withdrawal of programming from agriculture. I want to point out to them at this stage that they are significant. I have a generally optimistic outlook about the future, in the post-WGTA era, but I do not for one moment make light of the fact that for the individual producers, for producers not only of cereal crops that are immediately and directly impacted by the very substantive changes in the transportation and, more importantly, in the freight support to be able to move grain.

While it impacts most directly on those primary producers in farming, it will impact on the entire agricultural industry as we know it. Livestock, processing, the need and the drive for continued

agricultural research to forever find alternative cropping opportunities, and, of course, all of that having to keep in mind the fact that from a province like Manitoba, as indeed we do from most of the prairie region, we export. We grow to export. Our farmers need open markets. Our farmers need access to markets, and so much of the future welfare of much of our farming will depend on how successfully we as a provincial government in concert with the federal government can provide access for our primary farming producers.

Mr. Chair, I will cease and desist from giving an overly lengthy overview of all that has transpired in the year '94, that has just passed, and the opportunities and the challenges that face us in '95. Let me simply point out to the honourable members that while we have seen some pressures on some of the livestock prices, by and large the livestock portion of our agricultural industry is vigorous. There could always be some stronger price support from time to time, but our beef numbers this year, '95, will likely surpass the all-time record of beef cows that we have had, that was established back in the year 1974.

Hog production continues to make significant gains, again despite the fact the pork prices have been under some pressure for the past little while, certainly since last October-November. There has been a recovery, but I am advised there is in effect virtually a 10 to 15 percent increase in capacity in production this year. Again, that is indicating to us that Manitoba farmers, Manitoba producers are maximizing their efforts in pork production.

Mr. Chairman, one of the brightest opportunities in agriculture has been in our thriving potato industry. Manitoba is fast becoming Canada's premier potato producer. We are now, I believe, in second place in terms of overall potato production. This comes as a shock and as a surprise to some of my Maritime friends, but the opportunities continue to exist for considerable growth in that part of our industry. What makes it so particularly attractive is that fully 90 percent of it is exported on to the international trade. Our potatoes are being recognized, our potato products are being recognized as world-class quality, and it would appear the challenges for us in agriculture will

be to convince an increasing number of growers that there are good economic opportunities in potato production. We will have to challenge our institutions, private and public, to provide the necessary capital to get into this kind of intensive farming, and it is intensive, from a capital point of view, to traditional farming. We will have to address the issue of water and water management because it is becoming more and more evident that the kind of potato production that I speak of is available to us only through some form of supplementary water, you know, through irrigation.

We experience again this spring the dilemma that we have on the Prairies and here in Manitoba in particular, where we see such an abundant flow of water coming through our city here in Winnipeg and damaging farmland, you know, on the way to its final source, Lake Winnipeg, up in the upper reaches between Brandon, Russell, right to the Saskatchewan border where a considerable amount of acreage is still under water and will undoubtedly not be put into crop this year.

If we accept the challenge of harnessing and managing some of that water more wisely then we can secure for future diversified agricultural production through the years when moisture is less abundant.

Mr. Chairperson, with those few comments, I commend these Estimates for the deliberations and consideration by members of the committee and look forward to their comments and their advice.

Mr. Deputy Chairperson: We thank the Minister of Agriculture for those comments. Does the official opposition critic, the honourable member for Swan River, have any opening statement?

Ms. Rosann Wowchuk (Swan River): Mr. Chair, I would like to begin my comments first of all by apologizing to the minister and his staff who were here yesterday and had hoped to start Estimates. Unfortunately, circumstances unexpected came up and we were not able to start yesterday afternoon. I would be quite happy to do the—although we had not planned to do the Crop Insurance one, we would be prepared to skip over and do Crop Insurance this morning, and in

that way enable his staff to not have to wait till Monday or come back again on Monday.

I would also like to begin by thanking, as the minister did, my constituents for the opportunity to come back to this Legislature and represent them. I am pleased that I have again been given the responsibility of the critic for the Agriculture portfolio. It is a very important part of the economy of this province and it is an industry that is going through a tremendous amount of change.

I think in years to come, as we look back at 1994/95, farmers will reflect on this as one of the years where the industry will change the most and where we have seen some of the real backbone, the fundamentals of the industry changing and farmers having to adjust to those changes. I think in the process of that change, there are many farmers who are going to suffer and I hope that the consequences will not be too severe.

In particular, I am very concerned with the change by the federal government to end the Crow benefit. It was a discussion that we had many times as to whether or not the Crow benefit should be paid to the producer or whether it should be paid to the farmers. Unfortunately, that discussion was taken away from us and I think the way it has been handled is a big mistake. I firmly believe that the Crow benefit should have stayed in place but if the federal government was going to choose to end it, that it should have been phased out over a period of time not to have created the problems that we have right now as to who should be getting the money, landowners or operators.

* (1120)

The next burden that has been added to that is the change to the pooling which we had anticipated would be a year later and, again, we have a change but no plan in place as to how it is going to be dealt with. This added cost, along with increased input cost that farmers are facing right now, I believe, is going to cause some serious hardship for people.

I hope they can adjust and find products that can be grown and that markets can be developed. That is a big responsibility that people are going to have work on

together, federally and provincially, to ensure that there are markets for the products that are going to be grown.

The minister talks about potatoes, and I am pleased that product is becoming so successful in southern Manitoba and that people are able to earn a living, but much more has to be done on research on how we can help people in other areas. We hear discussion about moving into livestock and hogs and, again, I believe those are changes we are going to see but again, for those changes to happen, we do not want to see the production increase at a rate faster than the markets develop where we have farmers producing, raising livestock at a very low price.

When you have the increased farm costs that we have right now with higher fuel costs and chemical and fertilizer costs, some farmers are going to be caught in the position where they are working for very little and that, I think, is something we have to work along with farmers to ensure that there are markets developed.

We met with the cattle producers the other day and they see a very bright future. They see that there is a tremendous market out there, and I believe it is the role of government to work with those producers to develop those markets. I am sure that the minister will be doing those kinds of things.

There have been other areas that are under attack or looking at being changed that we will want to address with the minister: the whole issue of the single-desk selling of hogs and other commodities, we will want to know what direction the government is taking on that; the issue of again hog production and how those hog and livestock predictions fit in with the other people that live in the community; the whole issue of pollution of water and what steps the government is taking to ensure that along with increased production we are not affecting the quality of life of the other people who are living in the area. So we have to look for balance between production and the sustainability of the rural community and the sustainability of the environment. One of the keys in that is the water supply which is one of the key issues that often causes concern.

I want to say that we were extremely pleased in the last year that the Canadian Wheat Board was able to

survive the test, when we had the media and a small group of people attempting to break down the monopoly of this institute that has served farmers so long over the many years. I was pleased with the election of the Wheat Board, and I hope that we will see support for this institution which has served farmers very well.

As I say, it is one of the areas that is still under attack and we still see people wanting to undermine it, but our support is very strong for the Wheat Board and we will be looking to hear that same kind of support from the minister.

When we look at the changes to the Crow benefit and the changes to pooling, I had mentioned that there was going to be increased costs, and in fact in my part of the province there is going to be some of the highest costs of shipping wheat from that area. We believe that one of the most important things for the people of the Parklands area is to develop trade through the Port of Churchill and enhance shipping of grain through there, and we will be looking for the minister's comments on that. The minister had indicated that he will be going to Ottawa to make presentations on the changes to the transportation issues and we would hope to spend some time discussing that issue as well.

So there are various issues that we want to discuss with the minister. I think we have to look at the ways we can work together to best enhance the agricultural industry and give the opportunity to people to continue in the industry and along with the industry, the survival of the rural communities.

I am particularly concerned about young farmers and support for young farmers and how they are going to get started in the industry, financial support, and also with farmers who are seniors who have invested all their savings over the years, their farm being their retirement package, and now with the changes to the Crow benefit and others, but particularly the Crow benefit, the fear that the price of land is going to go down, and these people will be losing part of their retirement package.

There are many issues to discuss under this department, and we look forward to that. I want to

indicate to the minister that we would be quite prepared to move straight to the Crop Insurance section, if that would be suitable, and then do that, and then move back to the other area.

I would also like to say that we have the representative from the Liberal Party here, and we would be quite prepared to have them have opening comments as well.

Mr. Deputy Chairperson: We thank the critic from the official opposition for those remarks. Is there unanimous consent for the member for St. Boniface (Mr. Gaudry) to make an opening statement? Leave has been granted.

Mr. Neil Gaudry (St. Boniface): Mr. Chairman, I would like to thank the member for Swan River (Ms. Wowchuk) and the minister for allowing me to put my comments. Firstly, I would like to say thank you to my constituents and what they have done to be back here and to be given again the critic portfolio for Agriculture.

Agriculture is one of the industries that is very important to Manitoba. There is a lot to be discussed, and I think the minister, who has been there for quite a few years, a number of years before, in his early years of serving Manitoba, I think we have always been proud to have the Minister of Agriculture, being one of his constituents at one time. His staff have always been very co-operative, and I would like to thank the staff that he has had in the past and the newcomers, if there are any, for the co-operation they have shown in the past. I will be looking forward to going over the Estimates with the minister and his staff in upcoming days. Like I say, I am prepared to participate in the debates with the minister and his staff.

Again, thank you very much for allowing me to say a few comments, Mr. Chairman.

Mr. Deputy Chairperson: We thank the honourable member for St. Boniface (Mr. Gaudry) for his remarks.

Under Manitoba practice, debate of the Minister's Salary is traditionally the last item considered for the Estimates of a department. Accordingly, we shall defer

consideration of this item and now proceed with consideration of the next line or that which we will decide right away.

Is there unanimous consent from the committee to deal with the Estimates lines dealing with the Manitoba Crop Insurance Corporation first? [agreed] Leave has been granted. At this time we invite the minister's staff to join us at the table, and we ask that the minister introduce his staff present.

* (1130)

Mr. Enns: Mr. Chairman, it is my pleasure to introduce the senior management of the Manitoba Crop Insurance Corporation. Right next to me is the General Manager, Mr. Brian Manning; Mr. Neil Hamilton, Director of Research; Mr. Henry Dribnenky, Director of Finance and Administration of Manitoba Crop Insurance Corporation. I would like to, as well, at this time introduce my two assistant deputy ministers. Mr. Dave Donaghy is, of course, our Deputy Minister of Agricultural Development and Marketing, and Craig Lee, Assistant Deputy Minister of our Policy and Economics division. Mr. Les Baseraba, another assistant deputy minister of ours is in the back, whom I will introduce at maybe a later stage.

Missing, of course, from my line-up of senior staff is the Deputy Minister, Mr. Greg Lacomy. Mr. Lacomy underwent very major and serious heart surgery at the beginning of April. I am pleased to report that he is, to my best understanding, making a good recovery. We are in contact with him from time to time, and he is calling back to find out what is happening in the shop and in the office. That is always a good sign, but he will not be able to return to active duty for possibly another couple of months. He will be taking that kind of necessary time to recover from what was very major and serious open-heart surgery that he underwent at the beginning of the year. I know that members of the committee will want me to wish him well and a speedy recovery.

With those few comments, let me just introduce the subject matter of crop insurance. Crop insurance continues to be the major and premium safety net program, if you like. I know that we speak a lot about

safety net programs. Let me just indicate to honourable members of the committee the scale of what this program has provided in times of need for our farmers. Just over the last few years, for instance, 1991 to 1994, over one billion and four million dollars have been paid out to Manitoba farmers in the various forms of insurance provided by this corporation, in the GRIP program, in the general crop insurance program—that is a major, major stabilization to a volatile industry.

It, of course, takes in some years where we had very serious pricing problems in our major cereal grains. We are certainly not out of those pricing problems yet, but there are more encouraging signs generally speaking in terms of world stocks of wheat and continuing demand for our edible oil crops—canola, of course. Nonetheless, this corporation has provided that kind of stability to our farmers and continues to do so.

Crop insurance is a risky business; it is more of an art than it is a science. I say that despite the fact that we have some of the best actuarial researchers in the country on the subject matter, but it is still a very difficult and imprecise science to try to do several things—to make the best guesstimates on price which is part of it, make the best guesstimates on weather which controls yield, make the best guesstimates that the management is there on the field, that disease will not cripple a major portion of the crop. All of those factors make the business of providing an actuarially sound crop insurance program a demanding challenge.

Our Crop Insurance Corporation in Manitoba can stand up and in most instances stands considerably taller than sister organizations across this country. I only find that out when I meet with and visit with my colleagues from across Canada, particularly prairie Canada, to make me realize that we by and large provide, in Manitoba, a program better suited to the needs of farmers and in most instances more generous.

I know the member for Swan River (Ms. Wowchuk), perhaps even the member for Dauphin (Mr. Struthers), who reside closer to our sister province of Saskatchewan, certainly would be aware of the fact that benefits provided under our programs have been substantially better than, for instance, in the big wheat and cereal growing crop of Saskatchewan.

Mr. Chairperson, with those few comments I invite any questions that members may have with respect to the crop insurance program as being offered to the Manitoba farmers. The agency is also responsible for the GRIP program so I would invite questions on that score, too.

Might I just, before I leave the table open for questions, make one further introduction, although he hardly needs any introduction. He is a colleague of all of ours. I am delighted to have the honourable member for Morris (Mr. Pitura) to have been appointed as legislative assistant to the Department of Agriculture and to myself as minister. The honourable member for Morris brings a unique insight into the Department of Agriculture having served in a very distinguished way for many years as senior ag rep in the Red River Valley. I am just delighted to have you on board, Frank, to help us in these deliberations and to help us generally make the department as responsive as we try to make it be to the real needs that Manitoba farmers have. Thank you, Mr. Chairperson.

Mr. Deputy Chairperson: For our new members, we are on page 15 of the blue Estimates book and on page 30 in the yellow Estimates book.

2. Manitoba Crop Insurance Corporation (a) Administration \$4,738,900.

Ms. Wowchuk: Mr. Chair, I would just like to also welcome Mr. Pitura to his new portfolio or new position, I should say, as assistant. I hope he enjoys it, and I am sure that he will bring new insight. I was not aware that he was an ag rep in southern Manitoba.

I would also, on behalf of our caucus, like to extend our best wishes to him, it would be very much appreciated, and I would again like to apologize to the staff for the delay yesterday for not being able to get started in ag Estimates. That was something that came up on my part, and I apologize and hope you do not have to make too many more trips back to Portage.

We have gotten into an area that is very important and we have several questions that we would like to ask on the Crop Insurance. One of the first questions I would like to ask is dealing with the delayed season

of seeding that we have this year. The cutoff date for some of the crops, I believe, is June 5 or just around the corner.

It is my understanding that in southern Manitoba the seeding has been very much delayed. We have been a little bit more fortunate in our part of the province that seeding is just about completed, so this is not going to affect the Parkland as much, but, with the difficult situation, the wet weather and flooding that we have seen in the southern and other parts of the province, I would like to ask the minister how his department is dealing with this.

Are there any plans to extend the dates for coverages and what would be the consequences of that? Are there increased costs or is it just a matter of extending the dates and is the department considering that?

* (1140)

Mr. Enns: This is a matter that has caused the corporation some considerable concern. I am advised that the board of directors for the Crop Insurance Corporation discussed this at some length at their last board meeting. I must advise committee members though, that my advice, and it is advice that I have accepted, is that there be no changes to the seeding date lines that have been established and are familiar with them.

These dates vary for the different types of crops but, just to give an example, June 15 for barley, June 15 for most of the wheats. There are some June 20 dates for some speciality crops. There are some earlier dates for, again, specialty crops like beans, June 5, particular variety of beans, some of the canola which is, of course, a major cropping requirement for Manitoba. They will vary between June 5 and the Polish variety, June 15, which a fair bit of it is grown.

Mr. Chairman, every day that we are getting this kind of weather is helping to resolve the problem. I am advised that in this kind of weather, we plant about 7 percent or 8 percent of the total crop a day in Manitoba with the kind of equipment that our farmers now have. So that, when we find that we have—some time ago, this was on—we have regions that are 60 percent and 70

percent and 80 percent completed these last few days. In most instances, we will see the deadline dates met.

Legal advice indicates that there is considerable difficulty in changing dates. We have become a more litigious society, and we have learned also to our regret, quite frankly, in crop insurance that you do not change the rules in the middle of the game. Honourable members, certainly the member for Swan River, will know what I refer to when I refer to the lentil case.

Our legal advice was that if we now, because of understandably some of the pressure that is on the Crop Insurance to change dates, we put ourselves at risk from those producers who went by these dates, perhaps maybe altered their seeding plans because they knew of these dates, but then if we were to extend the dates or change the dates, they could come back to the corporation and say, well, if I had known you would have done that I would have proceeded with my plan to plant this and this crop of which I have purchased the seed, of which I have put fertilizer in the ground and we were advised that those are the kind of situations that could have put the corporation in a difficult situation.

As well as the major one, the fundamental one, that is a concern to us. We are several weeks later this year than is normal and that exposes us, if we run into early frost in the latter part of the growing season and we have too much green crop, it could be a considerable liability on the corporation. We would accelerate that risk if we were to delay or set back further the seeding deadlines.

In 1993 crop insurance payments were some \$105 million. I am advised that a killer frost in late August could cost us anywhere from \$75 million to \$100 million.

So the answer is, the deadline dates stand as published.

Ms. Wowchuk: Mr. Chair, I can appreciate that, because certainly at the other end of the scale you will be exposing to a lot more risk. I guess the question is, the board has made a decision, and have there been a lot of requests for extension? Have there been a lot of

people who are looking for an extension of the deadline?

Mr. Enns: I am advised that the only specific request the corporation has had comes from the pulse growers for peas and the corn growers.

(Mr. Frank Pitura, Acting Chairperson, in the Chair)

Mr. Enns: I have personally, along with I suspect some of your other MLAs, received calls and concerns about that, although not many, and there is an issue that is quite separate and apart and that has to do with some of the badly flooded lands on the upper Assiniboine that will have to be dealt with in a different manner, not impacting on crop insurance.

It seems to be one area. Our new colleague from Turtle Mountain, Mr. Tweed, his area has more crops than others. Members will appreciate that the difficulty that we have in responding to that, we have had excess moisture in different parts of the province.

The other point also is, there has been available and continues to be available, insurance for unseeded acreage. You can, in other words, buy yourself some protection for not being able to seed for any given reason. I acknowledge that, regrettably, not too many producers buy that insurance. I am advised that in the last few years there has been some greater takeup, particularly in the Red River Valley, because of the two or three years of excessive moisture that they experienced.

Further to your specific question, the corporation advised me that they will discuss with the people that are growing peas for review of their requirements for the coming 1996 crop year, but, again, it is not the intention to make any changes in the year that we are in, '95.

Ms. Wowchuk: The minister touched on probably part of the answer to my next question that we would talk about insurance for unseeded acreage. What I want to know is, what will be the impact on a person's crop insurance if they cannot seed that acreage? Does it just drop out and if they have applied for it they do not have to pay the premium? What is the impact on their GRIP

coverage if they, through no fault of their own, have been unable to complete their seeding because of unforeseen weather conditions?

(Mr. Deputy Chairperson in the Chair)

Mr. Enns: I am advised that there is no premium charged. If that can be substantiated that that is the case that no crop was put in. If no premium is charged it should not actuarially affect his year.

Ms. Wowchuk: Could the minister explain a bit about this unseeded acreage coverage? I have to admit that I am not familiar with it. If a person is allowed to get coverage on land that they cannot seed, could you explain that, please?

Mr. Enns: You get \$30 an acre coverage if you avail yourself of the unseeded land insurance option. The lands cannot be seeded before June 15 or June 20. On August 31 of the previous year he has to provide this kind of information to the corporation.

Ms. Wowchuk: Just for clarification here, the minister is saying that as of August 31, 1994, they would have had to make a decision as to whether they were going to have unseeded acreage. If that is accurate, then that is of no benefit to the people who might be caught in the situation now where it was unforeseen to them that they would not be able to seed certain lands. So in actual fact those people who were not able to seed on that land this year cannot get any coverage.

* (1150)

Mr. Enns: Mr. Chairman, I think you were in the House when we had that suggestion coming from a member from the opposite side that crop insurance ought to be able to be purchased retroactively, like if you did not really want to buy the insurance now or lay out the premium dollars now, but if, after a crop failure or after you could not get on your land to seed your land, that is when you want to buy the insurance policy. I think it was a Mr. Evans from the Liberal Party that suggested that that would be an appropriate way to look at crop insurance. I do not mean to make light of a very serious situation. This is part of the problem. This is the insurance—it is a modest, I think it is, about

56 cents an acre. This is kind of a broad-stroke liability program.

If a farmer believes that he is prone to moisture or flooding problem from time to time, he should avail himself of this program. The fact of the matter is that they do not, you know, and is perhaps something that we ought to look at and review.

One of the difficulties, particularly in the situations like the upper Assiniboine Valley, most of those farmers have a combination of land out of the valley, high land, and some of their lands are on the flood plain areas of the river itself. They are not worried about flood insurance on their high land, and yet, to qualify or to enrol in this kind of program, they have to buy it for the entire farm.

Experience has shown, you know, that we have very few contracts that include that coverage. Just for general information, we had some 11,096 individual contracts, crop insurance contracts, in the year '94. We expect it to be in the same order, likely, in the coming year in '95. Might I just ask the corporation: Out of those 11,000, how many accounts would carry the unseeded flood protection that we are talking about? Two hundred and ninety-eight of the 11,000 contract holders avail themselves of this unseeded land insurance option.

Ms. Wowchuk: Can the minister indicate if this is a planning decision that a farmer has to make? I would assume that it does not only deal with flooding or wetlands, that if a farmer would decide that he has some, and this may be a hypothetical situation, but supposing he has some land that is quite weed infested, and he decides that he is not going to seed that land, can he take out this uninsured coverage on that, and what percentage of his claim can be uninsured? Can a farmer decide that he is not going to seed anything and buy coverage on all his land on this uninsured, and use it as a tool to clean up his land?

Mr. Enns: Mr. Chairman, I am advised that the corporation program as designed will only pay on a claim for the circumstance where a producer has not been able to seed because of weather reasons. If the producer chooses to simply fallow his land or, for other

reasons, not crop his land, this program is not available to him.

Ms. Wowchuk: So it is actually, Mr. Minister, an extra coverage that you are buying. It is a risk package that you are buying, just in case the weather is bad, and you insure only those areas that you think you might not be able to get onto, and have the extra coverage there.

Mr. Enns: That, I suspect, is part of the problem, why the take-up of this program is relatively light. You do have to insure your entire farm. So a farmer that is cropping maybe a thousand acres, but only 40 or 50 or 100 are at risk because of their positioning either at the low level in the flood plain of a river bottom, he has to insure the 950 as well. That is not being done. I am prepared to challenge the corporation to see what, if anything, we can do to make this program more attractive to producers.

In the final analysis, they have to have some actuarial integrity and, as well, I remind honourable members from the committee that we are not the sole partner of this program. The federal government is very much a partner in the crop insurance provided in our country and, as such, we have to negotiate or get the federal government's concurrence to any program changes that we may think are desirable, but we need their concurrence to effect a change to the program in itself.

Ms. Wowchuk: Just one more question for clarification, and I am also assuming that a person who is registered in GRIP but not in crop insurance would not be able to get this coverage. You have to have crop insurance. Is that accurate?

Mr. Enns: Mr. Chair, the member is correct. You have to be in the crop insurance program to get this program. You cannot have it attached just simply to the GRIP program.

Ms. Wowchuk: It sounds like it would be a good insurance, and I would hope that the minister would encourage the corporation to look at ways to make farmers more aware of it, because I quite honestly was not aware that program was there. It seems that there would be farmers who may want to take more up on it.

The minister—or I should say, I just mentioned GRIP, and I want to ask the minister if he can tell us what he believes the future of GRIP is in Manitoba. It is my understanding that Alberta is considering or has decided to pull out of the program. Saskatchewan is not in it any more. That leaves us as probably the only western province in the program. This started out as a national program, and we had hoped that when it was designed that it would be a program that would be equal across the provinces. So I would like to ask the minister for his views on it. Does he believe that GRIP can survive, and what does he see as the future and what kind of coverage does he anticipate over the next year, if the program survives?

Mr. Enns: Mr. Chairperson, the income insurance program, or we call it the GRIP program, as all members will be aware, was originally introduced to Manitoba as a five-year program. We were compelled, not compelled, but we were persuaded to extend the GRIP program and drop the sunset clause which was in the original agreement.

We did that for several specific reasons. Number one, that although the program—and I have to acknowledge the work of a lot of people in the Department of Agriculture both within the corporation and more directly, as well, from within the staff throughout the various agricultural representative offices, in its initial introduction a great deal of extension work was involved. It was not universally acclaimed. Nonetheless, it has performed, I would have to say, in a way that exceeded expectations and was a major, you know, proponent or portion of that significant support that grain producers received during these past five years.

* (1200)

I am not unaware of the developments taking place in other parts of the country, the fact that Saskatchewan has eliminated and opted out of its GRIP program entirely. As the member reminds me, Alberta is probably in the last stages of a GRIP program. The formal commitment that we have by having eliminated the sunset clause is that either party can serve notice, and the terms of the agreement that we have with Ottawa is a two-year notice period that we have to

serve when and if we should want to terminate the program. We have no plans of doing that at this particular time, but having said that, this is a changing world that we live in and the other major partner, the federal people, may well want to review their continued participation in a program like GRIP, particularly if Manitoba becomes one of the few or the only player in western Canada.

The federal government has and continues its emphasis on what the federal minister, Minister Goodale, calls the whole farm program, which we support and in fact have embraced to some extent by making the NISA-type program more available to other commodity groups, more than prepared to talk about the NISA program which we have extended and is in effect replacing the old tripartite support programs that different commodities had. It could well be that some further emphasis or some enhanced program of that kind could replace a GRIP program in the not-too-distant future.

The member asked my personal preferences, and one that I am trying my best to persuade the executive and the management at Manitoba Crop Insurance—and I should couch that somewhat different. It is not a question of me persuading them. One that I think that I detect a considerable enthusiasm for within the management of crop insurance is to concentrate on our basic crop insurance program and see what it is that we can do to enhance it, what can we do to make the crop insurance program as currently offered by the Crop Insurance Corporation, which has a long-standing record of performance—established in 1959, 1960. So it is a corporation that has served the farm interest for these past 24 or 25 years.

I am troubled by the fact that the participation rate in some regions is not where I would like it to be. That, of course, is what brings the kind of added pressure on governments for ad-hoc programs of support. I am a realist enough to realize that those days of ad-hoc support coming from either the federal government or from provincial governments are just not going to be there anymore.

The priorities of dollars on all governments—and I, as Minister of Agriculture and as a member of the present

cabinet, support fully the priorities of my government as expressed over and over again by the people that we serve, and they are Health, they are Education, they are Family Services. That kind of appeal that the farm community has been able to make in the past, in a difficult year, in a drought year, from that mean guy that used to be our Prime Minister—what was his name? Mulroney, Mulroney, Mulroney, it just slips my mind, when he came up with a billion dollars in a hurry, when the price collapsed or something like that. Those kinds of what I call ad hoc support programs, in my opinion, are not going to be forthcoming from the present federal government and/or from individual provinces.

I think we should be concentrating our efforts and we should try to use those dollars that are currently in place in agriculture support programs like the GRIP program, and see what could Manitoba Crop Insurance do with it if we took some of those dollars and they were able to enhance the program that they are offering to Manitoba producers so that we could have next to full participation in crop insurance.

Interestingly enough, Americans are moving in this direction. They are making crop insurance compulsory if you want to participate in other farm programs. We know for a fact that, in many instances, lending institutions virtually make it compulsory now, that if you are expecting to get substantial credit from a credit union or from a bank for your farming operation, one of the first things that the lending agency will ask for is a copy of your crop insurance contract.

Those are some of my thoughts that I am pleased to put on the record. I would be delighted if the challenge to the corporation is, between now and the next year or so, particularly as—I do not want to put it in percentage terms—but there is the likelihood of the GRIP program not being here forever—that we use this in between time to try to fashion and try to craft, try to design the kind of enhanced basic crop insurance program that would find a higher level of acceptance than the program currently is to more farmers.

Ms. Wowchuk: I want to say that I am very pleased that the minister and the corporation are looking at enhancing the crop insurance program because when I have been out speaking to farmers, there have been

people who have said that crop insurance is not what it used to be, that there is not the coverage. They would like to see a better crop insurance.

People are realizing that, as the minister has indicated, there are not going to be very many handouts from government and, certainly, what we have seen from the federal government with respect to agriculture, we are going to see less money. I believe people are looking for better programs. They are looking for better ways to insure themselves, and farmers that I have talked to have said that they are prepared to pay.

I know that there are not enough people carrying crop insurance right now, and maybe it is still a habit of the old style where government used to come in to bail out people when there was a difficult situation such as a drought or a flood. I believe we have to work at a better basic program, and I look forward to seeing the recommendations that come from the corporation and from the minister with respect to improving the program.

I guess I would ask the minister whether there is anybody working at designing new programs or enhancing the crop insurance programs right now.

Mr. Enns: I am sorry, I just did not get the last—

Ms. Wowchuk: The minister talked about his interest in developing a better crop insurance program, and I asked whether that is in the designing stages right now, whether there are any plans, or is it a matter of waiting until we find out what happens with GRIP and NISA and with those kinds of things.

Mr. Enns: Mr. Chair, yes, it is fair to say that it is being actively worked at, at the corporation. As I mentioned earlier, we have to constantly keep in mind that we are working with a federal partner in the design of a program like that, so the corporation has, at my direction, at their own initiation, been working on various different models that could provide for an enhanced program.

Just for some further general information, currently we are insuring some 6.3 million acres or 66 percent of

the seeded acreage in the province in the crop insurance program. In the revenue, in the GRIP program, some 76 percent, or 7.6 million acres are covered, so you have that fluctuation of between 66 percent to 75 percent of the acreage. I do not know what that is necessarily in terms of individuals and people, and it varies of course.

I am aware that we do have some areas, some districts where the participation rate is in the 40s, and others, higher. I am told that in the Swan River Valley there is a pretty good participation rate in the valley, generally speaking. You have some peculiar and special-risk problems up there with respect to frost which your producers are well aware of.

* (1210)

Nonetheless, that still leaves, at any given time, 35 percent of our farmers who are 30 or 35 or in some instances 40 percent who are not covered under any program. It is always a difficult question for whomever the government or whomever the minister is. It is a question of fairness. I mean if the program is available and on your farm you avail yourself of that protection, you pay the premium year in and year out, your neighbour does not, and then comes a year of calamity or price fall and you are treated kind of equally by government. That is not really quite fair, and yet that is what often is the case when governments provide these kinds of ad hoc support programs.

I think it is worth our while, as I said, and I will not repeat myself, to really challenge ourselves in this coming year to see whether we can develop a kind of a program that 90, 95, 98 percent of our producers would willingly want to enroll in. By comparison, Saskatchewan will probably be just around 50 percent participation in their crop insurance program. I am told that Alberta has lost a third of their acreage out of their crop insurance program from the years '94 to '95. So crop insurance programs are in some difficulty. Different provinces are approaching it in different ways.

Alberta looks to quite a different program, what they refer to as the GATT 70 program that tends to be a comprehensive income-based program that moves out

of the kind of specific programming like the crop insurance program. Whether my colleague Minister Paszkowski succeeds in introducing that to the Alberta landscape is perhaps too early to tell.

Saskatchewan's crop insurance program, Saskatchewan has had some difficult cropping years, the drought years falling on some just bad harvest weather years, some of what we experienced. Their overall program and their corporation, I am advised and I do not want to speak ill of a sister corporation, but they are in fairly serious financial problems that have accumulated over the years.

As I said in the introduction, crop insurance is more of an art than a science. We can have some comfort in the fact that we have not accumulated unmanageable debts in our Crop Insurance Corporation. In fact, certainly by comparison to virtually all other Crown and government agencies of a similar nature across the land, we are running a pretty good ship.

I am pleased at the expressions of support from the honourable members opposite, and I am sure that senior management is pleased to hear this. It encourages us to continue moving in this direction and we will do so.

Ms. Wowchuk: I would like to thank the minister for that comparison of the different provinces, and I look forward to hearing what will develop with the new programs. Hopefully, when these new programs are being developed, the corporation will not only consult with the minister but will also consult with farmers because they are the people at the grassroots who have to be comfortable with the changes in the program if we are going to have any hope of increasing the uptake in the enrollment in the program. Just like we would like to see every homeowner have fire insurance, we would like to see the same thing in farming, where all farmers would carry some insurance so that we do not have to go through those peaks and valleys of ad hoc programs.

I want to revert a bit to the GRIP. The minister had talked about extending the extension and dropping the sunset clause. A question that has been put to me by farmers is the fact that they signed up for a five-year

program and they did not opt out because they thought that the five-year program was the end of it. Now, with the extension, are farmers compelled to stay in GRIP because they did not opt out, when in actual fact it was a change made by government to make the extension?

Mr. Enns: I too have received some of those representations from individual farmers, although not many. I am reminded by the staff that in the 1993 crop year we made a special effort to remind the contract holders that if they were intending to leave the program at the end of the five years that they ought to make their declaration, apparently part of the agreement that in the third year you had to provide indication of leaving the program.

Some of them took advantage of that and notified the corporation and in fact are out of the program, but I must report that by in large, despite some of the initial and perhaps ongoing criticism over the program, the take-up of the program is significant, higher, for instance, than the regular crop insurance program.

Ms. Wowchuk: Can the minister indicate, and it may be in the book here but I have not found it, the financial status of GRIP? Are we in debt or are we ahead of the game? Where are we at on it?

Mr. Enns: My staff will find that in a moment, but just allow me to remind the honourable member that one of the motivating reasons for extending the GRIP program was because of the very significant payouts and deficit position that the program was in after the very difficult harvest experienced in 1993. Under the terms of the agreement, we would have had to substantially increase the premium for the last two years if we would have insisted on dropping the program in that five-year period. The terms of the agreement were, it was certainly the aim of the program to be in more or less a revenue-neutral position, and if it was not, then provincial and federal treasuries had to share in a preagreed-to formula. I think 35 percent might have been picked up directly by the province, 65 by the federal government. In the year ending '94, we had a \$175.3 million deficit in the GRIP account. In the year ending this year, '95, March '95, that has been dramatically reduced to \$55.4 million. In other words, we have retired \$120 million of that \$175-million debt,

and it is our expectation or our hope, quite frankly, that all things being equal, we have normal cropping conditions, perhaps prices that are moving upwards. A combination of these events could, I am privately advised, leave this program in a revenue-neutral position if that came together in this coming year. What that would mean is that would then certainly leave us in a much better position to make some decisions respecting the future of GRIP.

* (1220)

If we are by that time also convinced that we have designed and crafted a better basic crop insurance program, then we may well wish to initiate, as indeed did Saskatchewan and Alberta, leaving the GRIP program. We may be doing that mutually because if we are the only ones in the GRIP program here in the Prairies, our federal partners may be putting some gentle pressure on us to say, look, let us work something else out.

Ms. Wowchuk: Mr. Chair, the minister indicated that, I guess, the reason for the extension of GRIP was because of the deficit, and that was something that we had raised and we are aware of, that obviously the minister did not want to have to raise premiums at a time when farmers were in some difficult situations.

I guess I am looking here, and I am seeing the amount of revenue, the amount that is budgeted in the Estimates for GRIP being down some \$10 million. I am wondering, is that because the corporation, the GRIP account is sitting in a better situation where there is not such a high deficit? Is it because coverage, the price of grain is down? Why do you anticipate that you will pay out—why are you estimating such a decrease in the budget for this program?

Mr. Enns: The member is correct. It is a combination of the deficit being substantially reduced and, perhaps even more so, the strengthening grain prices, which actuarially reflects on the level of payout that the program will have to make. I think the only other question—just to take a moment to ask staff—while there has been some dropping out of the program on the part of individual producers, to my best knowledge it is just not a significant amount. We are in essence still

providing a program to roughly the same amount of contract holders.

Mr. Chairperson, I am advised that over the whole period of the program, going on to the fifth, sixth year, there are only about between 200 and 300 that have left the program. So that represents a pretty stable participation rate.

Ms. Wowchuk: If I am correct, did the minister say that there were some 11,000 participants to begin with, and of that we have only lost a couple of hundred?

Mr. Enns: Yes. Mr. Chairperson, for the year '94 we have some 11,104 contract holders in our all risk—that is our general crop insurance program—and in the Revenue Insurance Program for the year '94, 11,615. That compares to the year before, '93, in the GRIP program, 11,929. So there are about 300 fewer contracts from '93 to '94.

It has been pointed out to me that is not necessarily fewer farmers. There is always a certain degree of amalgamation, you know, partnerships forming, some farm amalgamation that continues to go on, and that accounts for some of these 300-odd fewer individual contracts.

To answer the member's direct question she asked me, in '93, if I am reading this right, we had 11,929 participants in the GRIP program. In the year ending, for which I am reporting, '94, that was 11,615. So there is a reduction of some 300-odd contracts.

Ms. Wowchuk: So then is there a comparison—the minister says it is amalgamation of land. Is there any indication as to the acreage, whether the amount of acreage has dropped?

Mr. Enns: Yes, in 1993 we covered some 7.7 million acres of land and that has dropped in the year '94 to 7.6. So there is some reduction of, roughly speaking, 100,000 acres.

Ms. Wowchuk: Mr. Chair, I am going to leave the whole area of GRIP—that section of GRIP. There are a few other areas of crop insurance that I would like to cover. Earlier on, the minister mentioned the lentil

case, and as a result of changes that had taken place in the dates of crop insurance, there is a court case that is being challenged, and I understand that the decision has gone in favour of the producers in that case. Can the minister indicate to us the status of that and whether or not payment has been made to those producers who challenged the corporation?

Mr. Enns: The member's information is correct. The individual producers took the matter to court and succeeded. We then chose to honour and extend the court decision to all contract holders that were impacted in that way in that year. On January 9, 1995, cheques were issued to some 963 Manitoba producers who had lentil contracts with the corporation covering some 176,000 acres. The net payout was some \$5,900,000 to the corporation, so it was a significant payout that the corporation made at that time. It impacted, it called, in terms of federal and provincial premiums—well, I better not get into that.

Ms. Wowchuk: It is my understanding that the people who were involved with this were challenging the corporation as to whether or not they should have interest paid on this money. I would like to ask the minister whether or not that part of the case has been settled, and if so, what was the cost to the corporation on that?

Mr. Enns: Mr. Chairman, we and the corporation are certainly aware that the group of concerned growers, as they call themselves, have made this claim with respect to interest. They have registered a statement of claim requesting that interest be paid, but interest was not part of the original judgment and as of January 23, '95, the claim has not been filed. There is, at this point in time, no further action being taken, as I understand it.

Ms. Wowchuk: I did not hear the minister. Is the minister indicating that those producers have dropped that part of it?

* (1230)

Mr. Enns: I cannot say what their intentions are. We are aware that a statement of claim has been filed with the courts with respect to asking us to provide interest payments on the money owed. We take the position

that the interest was not referred to or mentioned in the judgment against the corporation, and are not offering to pay the interest. This action, I take it, the statement was filed some time ago. There has been no further action with respect to that claim by these individuals.

Ms. Wowchuk: Can the minister indicate what the cost would be if the interest claim was made, what the cost would be to the corporation, and can the minister also indicate what the costs were of this court case to the corporation.

Mr. Enns: Staff advises that the estimate would be in the range of \$500,000 to \$600,000.

Ms. Wowchuk: On interest and on the court case?

Mr. Enns: Pardon, I did not understand that.

Ms. Wowchuk: I guess what I was looking for is what did this whole ordeal cost the corporation, and the part I am looking for is the legal costs in this case. Is there a legal cost to this and is this also accounted to the Gross Revenue Insurance account?

Mr. Enns: Mr. Chairman, I am advised that we have of course on an ongoing basis legal capacity within crop insurance, and so for us it was no additional legal cost in defending in this instance this losing case. I am being advised that some \$4,400 was part of the costs involved in the case that the corporation had to pay for the other people, I imagine, court costs, because of the fact that the corporation was on this occasion the loser.

Ms. Wowchuk: The other area, a group of people looking at a court challenge are the people in Risk Area 12 who were not happy with the situation that had arisen there with the kind of coverage that they were getting in that area.

Can the minister indicate whether or not there is a court challenge there, and what steps the corporation is taking to address the concerns of the people in the Risk Area 12?

Mr. Enns: Mr. Chairman, I would like to, first of all, indicate that the corporation has in fact addressed some of the initial complaints of the producers in Risk Area

12 in the Red River Corridor. What is at issue here is as well the question of retroactivity and what in the minds of certain of the producers at least is, was in fact an indication that retroactivity would be addressed. We are reasonably confident that our position with the actions, particularly with the actions that have been taken to address some of the situations that were highlighted as a result of a review group that studied the matter, that our position is strong.

I can only indicate to the honourable members, not wishing to deal too specifically with an issue that may indeed end up before the courts, that the claim is before the courts. We had moved a motion just not so recently to set aside the claim because of its lack of detail or its vagueness. However, Judge Darichuk, on April 4, which is just a short while ago, of this spring, dismissed that motion that was made on our behalf, but I am advised that will be appealed. So the issue is still very much alive and, regrettably, in the courts. We take no pleasure in being in the courts with any of our clients and producers, but they feel strongly enough that they continue to pursue this issue.

Ms. Wowchuk: I would like to ask the minister if this issue has resulted in a drop off in applicants or people who are applying for crop insurance in GRIP in this area.

The second question I have is, when there is a challenge by a group of people, usually there is a cost figure. Can the minister's staff or people at the corporation look at what the impact of this would be if these people should win this case and the corporation should end up paying retroactive pay? What would be the implications?

Mr. Enns: Mr. Chairperson, I am advised that in answer to the member's question with respect to ongoing participation in Risk Area 12 that it is one of the stable areas of participation and there has been no noticeable, you know, drop-off in the number of farmers availing themselves of the crop insurance program. The overall costs, should there be a ruling favourable to the group of producers that are taking action against the corporation, could be in the range of \$7.5 million to \$10 million, but that is a cost that is then shared by all contract holders across the provinces.

Your neighbours and your farmers, you know, in Dauphin and in Swan River and mine in the Interlake will pick up the difference through higher premium costs.

What is at issue here is, they maintain that they are in effect not being, you know, actuarially fairly dealt with relative to the yields and to the actual experience that they have had over the number of years. Again, we have different zones, different crop areas, impact on the level of premiums based, again, on years of data that has been meticulously collected by the corporation. All that translates into the rate structures and the premiums that are being charged. The area group, Risk Area 12, maintains that they have been overcharged or underpaid in terms of the data that they maintain is there from that geographic land area. We have not ever acknowledged that in the full extent.

* (1240)

We acknowledged that, I think, we made an adjustment in the range on which there was sufficient evidence, or we were led to that position, after the review committee I believe—was it Professor Kraft that was involved in the review committee that looked at that area? Pardon me, it was chaired by our own director of the Soils and Crops, Dr. Barry Todd, but people like, you know, Professor Kraft from the U of M were involved in this committee to look at this issue. Their findings, you know, I think it is fair to say, were instrumental in having crop insurance make an adjustment on that issue. So we believe that the issue itself is quite frankly resolved.

Crop insurance continues on a continual basis to try to refine and develop a better product. We are moving towards a program, and we are discussing this with producers to more accurately reflect today's cost of production, today's yields, to move to a ten-year average generally, and away from the 20-year averages. That is a significant move. It has some cost implications to both us the province and the federal government when we do that as major participants in the premium structure; but it would be, again, moving, I think, in the right direction, making the program itself more attractive to the participants, to get back to what we discussed earlier about doing everything we can to

make this a better program and a more acceptable program.

Ms. Wowchuk: Part of the concern of the people in the Red River Valley, Risk Area 12, was the classification of soil and coverage they were getting. That same concern was raised when representatives of the corporation were in Swan River by the people of The Pas, who feel that there are problems that the soil quality has changed because of drainages that have improved, and they are not happy with the level of coverage. It has been raised with the corporation many times.

(Mr. Frank Pitura, Acting Chairperson, in the Chair)

I would ask the minister whether his staff, whether the corporation has looked at this issue of reclassification of the soil in The Pas. If they have not looked at it, when are they going to look at it and have they analyzed the impact that this will have on coverage and levels of payment, when there is a payment for the people who are farming in that area?

Mr. Enns: I can report to the committee and to the member directly that there has been, in my opinion, pretty expeditious response by the corporation to the issues that she raises on behalf of the farmers in The Pas. I can personally attest to it, having a good recall of a meeting that I had with a group of some 25 or 30 farmers from The Pas area at The Pas, just on or about March 17. I had in my company the Chairperson of the Manitoba Crop Insurance Corporation, Mr. Terry Johnson. We listened to these complaints very directly. In fact, it was one of the reasons that Mr. Johnson accompanied me to The Pas was because he was responding to that earlier request that I think the member for Swan River refers to, meeting at Swan River on February 6, 1995, that this issue was drawn to the attention of the Crop Insurance people.

I can further report that just as late as last week agronomists were at The Pas, on site, on May 25. They were asked to inspect 12 specific parcels of land. I am advised that inspection has taken place, that review has taken place. That resulted in five of the properties in which there will be a raising of their classification, and two will remain the same. Five parcels will be looked

at in another two weeks from the time this inspection took place.

All in all, Mr. Chairman, Manitoba Crop Insurance, I am pleased to say, responded, as I would expect them to do, in addressing the issues that the farmers raised to the corporation and obviously raised directly with the member of Swan River at the very beginning of spring.

Ms. Wowchuk: I want to thank the minister and the representatives from the corporation for addressing that. It has been an issue that has been raised for the last couple of years by farmers in the area who felt that their classification just was not right.

What I want to ask now is, now that the classification has been changed, what will the difference be for the people there? Is it a matter of paying a higher premium, or will they be able to get a better coverage?

What will be the impact on the bottom line for these people now that they have a change in classification?

Mr. Enns: It is a combination of things, but if the classification moves upward, the individual contract holder will be in a position to get greater benefits. Specifically, do we have an example? We could certainly provide one. One would have to go back to the detailed records of the particular land in question in order to do that. In essence, it is a combination that tries to reflect more fairly or accurately the relationship between premium and benefit coverage.

Ms. Wowchuk: I would appreciate it if the staff could provide some sort of comparison, for example, on those five parcels of land that have been done—what the change in classification means, how much of a variation of a classification there was, and what the end result for these producers will be in their coverage—if that would be possible to provide.

Mr. Enns: Mr. Chairman, I note that staff has taken note of the member's request, and I have no doubt that shortly we will supply her with that information.

Ms. Wowchuk: That was one of the issues that was raised, I believe, when the crop insurance review was done a couple of years ago, and I am pleased to see that that one has been addressed. I would like to question

the minister on the crop insurance review. There were many recommendations. I do not have my book with me here right now because I was not anticipating getting into the crop insurance line today, but there were many recommendations that were made in that crop insurance review. I would like to ask what the status of the report is. How many of the recommendations have been implemented, and those that have not been implemented, are they being considered or are they considered dead issues by the corporation at this time?

Mr. Enns: Well, Mr. Chairman, I think I will just read into the record what has in fact transpired since that review committee's report was released on Friday, January 29, 1993, containing some 125 individual recommendations for consideration. I am advised that to date 52 percent of the recommendations or 65 in number have either been implemented in full or are in the process of being implemented at this present time. Another 24 percent of the recommendations or 30 are being further researched. They are of the kind that the corporation does not feel they can act on without considerably more research. Very often this would be a question of data collection as well in terms of how that impacts actuarially on the programs being offered.

* (1250)

There were some 24 percent of the recommendations or another 30 that simply did not apply to the crop insurance. These were recommendations for add-ons, if you like, or ad hoc support programs. Again, bearing in mind that they would have related to some of the specific difficulties that a regional portion of the province may have had.

So those will give you the idea of the response that the corporation has given to that program. Not having the review or the document in front of me, unless the member has some specific recommendations that she has in mind as to whether or not they are among those that have been implemented or are being implemented—but the crop insurance program, I know I repeat myself, I encourage the senior management of the Crop Insurance Corporation to continually consult with their clients. They cannot do that enough in my opinion. There needs to be an ongoing effort to

maintain and to develop and to enhance the trust and the confidence that our producers need to have in a corporation.

This is not a corporation here that is trying to skim off our producers. Governments in question are not looking to crop insurance as a means of enhancing its revenues' position. It is a service program to the producers, a service that is intended to be delivered at the best possible cost and price, and a program that governments, both federal and provincial, are happy to be participants in as a way of providing that kind of support to agriculture.

Ms. Wowchuk: I would ask if the corporation would at some point be able to provide me with a list of the recommendations that have been implemented and the ones that they—I do not think that would be that difficult to just give me the numbers of the recommendations, and I can go through the book myself. I would appreciate that.

One of the recommendations was that the corporation make itself more accessible to the producers, and I want to commend the corporation on the process of holding public meetings and meeting with producers.

I know that at times it might be a little bit discouraging when you get a small turnout at these meetings, but it is like anything else. You have to start the process, and if there is a small turnout this year, maybe next year it will be a larger turnout. If you are making information available and making people feel more comfortable by coming forward, then that is all worth it.

So I would hope that the corporation would not be discouraged by the turnouts that they have had at some of their meetings and would continue the process to go out and meet with the producers and make them more familiar with what is available and just make the program more user-friendly. I think that it is a good move that you have started to go out and meet with the public.

One of the issues that I want to raise that was in the review, I believe, was the accessibility of crop insurance to women. We have young women who are

starting to farm. Women are going into different careers, but there have been several cases where they have been denied their own insurance because they are—they have to be identified with their spouse or their father, and this has created difficulty. I guess it does not only apply to young women. There are young men who might also feel the burden when they have to be tied to their father and are not able to get their own separate crop insurance.

There have been a few cases, a couple of cases specifically that I know about, but I would just like to ask the minister how the corporation is dealing with that whole issue of women going into untraditional careers and being able to access their own insurance.

Mr. Enns: Mr. Chairman, I am advised that the corporation is very much aware of this concern that the honourable member of Swan River raises (Ms. Wowchuk). They have revised their scoring system by which they grant contracts. I do not pretend to fully understand it, but it addresses that issue or has helped address that issue. I am told that of some 100, 105 requests in this area, there has only been one appeal from the rulings made by the corporation, so that is a pretty good indicator that only one appeal of about 100 or 105 of this nature—a young son or woman. I would think that the issue that was raised to the review committee in this instance is being addressed by the corporation.

Ms. Wowchuk: I do not know where the corporation keeps these kinds of records, but I would like to ask the minister if there are any numbers available, if there is a breakdown of numbers of women who have their own crop insurance records, and I do not know that the corporation would keep those kinds of numbers.

Mr. Enns: I am advised that we are a very politically correct organization, and we do not keep this kind of data that could in any way be at some point or other used in a manner that would indicate that we have gender biases. We just list them as contract holders. It is something that we might pursue at a later date.

Ms. Wowchuk: I recognize that there should not be this distinction, but I guess I am looking for young people, how many young people there are who are

getting started farming but who have to tie their insurance to their father or someone else who has an existing contract because they might share equipment or do things like that, so they are forced then not to be able to get their own contract.

Mr. Enns: The general manager advises me, Mr. Chairman, that by again changing the scoring system we have made it more accessible, easier, for young farmers to get contracts; he also advises me that the participation rate of the younger farmer is relatively high. It does not surprise me that much because these would often be also people who are gaining entry into farming who are perhaps carrying a significant debt load with a lending institution. The lending institution is making it a condition that they so protect themselves.

* (1300)

Ms. Wowchuk: The minister indicated that this is a very politically correct corporation. I want to ask if the minister, through his staff, can indicate to us whether there is an affirmative action hiring clause in this corporation and what the number of people on staff are, including inspectors and what proportion of those would be women.

Mr. Enns: Well, firstly, Mr. Chairman, I want just to leave the committee with a little bit more information. Our province, I have been advised, is the only province that, in this particular program, has our process with respect to the manner and way in which we make insurance coverage available to Manitoba citizens that has been looked at and approved by the Human Rights Commission from, I would take it, the perspective of some of the issues that the honourable member raises.

Our system has also been sent to other provinces by Canada, as an example of how other programs should be altered or changed or improved to be more receptive to the kind of questions that the honourable member raises.

Ms. Wowchuk: I just want to ask the minister for clarification. Is he talking about the scoring system that is used to address contracts, and if so, if that is what the minister is talking about, can you indicate

when that scoring system changed from what it was before.

Mr. Enns: The scoring system was changed for 1995, so it is relatively recent changes that have been affected. I would take it, it is partly our response to the review committee's report that dealt with these kinds of recommendations, and I am advised that it is the scoring system that is being judged or looked at by organizations like the Human Rights Commission and/or as being applauded by our federal partner as being the most appropriate one in use, and it is being suggested that it should be applied to other jurisdictions where the federal government is co-partnering in insurance.

Ms. Wowchuk: I would then like, at some point, if the corporation could provide us with some information as a comparison with what the scoring system was and what the changes are. It is not necessary to go through it now, but if we could be provided with that and if there are any questions we can call back about them.

The other question that I had asked was on the percentages of women working in the corporation in management staff, if there is, and also in field inspectors.

Mr. Enns: I am sorry I was momentarily distracted, Mr. Chairman. I wonder if the honourable member could repeat the question.

Ms. Wowchuk: I was asking the minister if he could provide us with some numbers as to what the ratio is of women working in the corporation, or what the policy is on affirmative action in the corporation, not only women but other people, whether the ratio of the number of people who work as field inspectors with the corporation, whether there are efforts made to hire more women in that field.

Mr. Enns: Mr. Chairperson, I am aware that the issue is one that is being appropriately asked, no doubt, of all government departments. Our personnel services are very much aware of the importance of doing our utmost to comply with the standards that we as a government have set for ourselves in our different departments.

I am advised that the ongoing difficulty that we have in the Department of Agriculture is the availability of persons in the different facets of agriculture that are attracted to agricultural work. That makes it more difficult for us than perhaps some other departments in meeting, you know, so-called targets or quotas. Just as a direct response to the question—just cannot be real.

The corporation is way ahead of me. We have on our staffing an even 50-50 percent breakdown, male-female. If I am somewhat suspicious of these figures or members opposite are somewhat suspicious of these figures, they could be snowing me right now.

Ms. Wowchuk: We will have to check it out.

Mr. Enns: Then they tell me that in the supervisory, female staffing in the casual adjusters, the ratio is, as I would suspect, quite different, 146 male to 13 female. In the grading stations and the regional quarters, we have not been able to attract female employees to the corporation.

All in all, in female staffing we have three in a supervisory area; we have seven in the technical area; and we have 29 further people in the clerical work for a total of 42 in the field operations group. So, yes, looking at these figures, I think the corporation has done very well in terms of gender balance in their staffing requirements.

Ms. Wowchuk: Mr. Chair, in fact I am very pleased to hear that is their representation on the staff. I want to ask the minister, there is also a board, what is the size of the board and what is the composition in that? What is the balance of representation on that board?

Mr. Enns: On the board of directors, I think, we have a membership of five. We have one female member on the board.

Ms. Wowchuk: The minister had indicated, before he realized how many women there were in the corporation, that there was a lack of interest on the part of women to get into the agricultural field of studies. I guess although this does not fall under crop insurance, I do not want to miss the opportunity to raise the comment.

I think something that the department has to look at is promoting agriculture as a more friendly environment and do whatever is necessary to encourage rather than discourage young women, as they choose their careers, to look at agriculture, because it can be a very rewarding career. Agriculture right now does not mean getting out in the tractor ploughing up a field. There are lots of opportunities, so I hope that we can do more to promote agriculture with our young women and men. That is an aside from where we are in crop insurance.

I want to ask about a couple of specific cases in crop insurance. We were talking about women who were having difficulty getting their claims processed or getting coverage. One of the women whom I had spoken to was Susan Crawford, and I believe that that may be settled. I wonder if the minister could advise me on what the status of that case is and whether or not Mrs. Crawford's situation has been resolved and if she has been able to get crop insurance and Gross Revenue Insurance independent of her husband's operation.

Mr. Enns: The general manager confirms with me that as far as we are aware, the issue has been resolved. Mrs. Crawford had legal help, the lawyer involved in the situation. But again, as on some other occasions, I would ask staff to make a note that we would specifically provide the member for Swan River (Ms. Wowchuk) with details as to how it was resolved.

Ms. Wowchuk: If that is the case, I have one other case that I would like more specific details on. That is the case of Mr. Alec Hrychuk from Fork River who had faced some real difficulties. I believe he had his insurance cancelled, and also it is my understanding he went through the appeal process and was denied there.

In just a recent phone call from Mr. Hrychuk just in the last couple of days, it is my understanding that the corporation has sent him back his premiums and is now asking him to pay back all the coverage he got—some \$11,000, so along with having his coverage cancelled on a specific crop they are—and the reason he is being asked to refund this money, there was an error in the size of the field. The inspector who looked at the field did not measure the field, and then, in reassessing, Mr. Hrychuk was paying insurance on more acreage than

was there and now is being asked to reimburse the money.

This is a person who is under extreme hardship as it is because of having had his insurance cancelled on a particular crop. Now he is being asked to pay a large amount of money back. I would ask that the staff look into that situation and advise me on what it is we can do to help this family who is indeed facing some very serious difficulties. In fact, it has resulted in this person having to rent out his land; he cannot continue to farm and is away working. If he has to pay this additional refund of \$11,000 it will result, probably, in this farm family that has worked very hard and is contributing to a rural community maybe having to dispose of their land. It is a serious situation, and I would ask that the staff look into that and advise as to what we can do to help the Hrychuk family.

* (1310)

Mr. Enns: The honourable member will appreciate, with some 12,000 individual clients it is difficult for staff to have at their fingertips the details of each and every one of the issues that may involve a particular client. But, again, we have no difficulty in making sure that perhaps as early as when next we meet we will have those details of these two specific former clients of crop insurance for the committee.

Ms. Wowchuk: I want to thank the minister for that. I can appreciate that the staff will not have those answers. At a time when it is convenient, particularly in the Hrychuk case, as soon as possible to get some answers on that situation will be very helpful to the family, and I look forward to hearing that response and how we can deal with the problem.

The hay insurance program—there is a new program for hay coverage. There was one program and now a new one has been developed. Is that accurate? There is a new program, and if so can the minister fill us in on the differences between the feed program that we had and the new program that we have now?

Mr. Enns: There have been a number of changes in the various forage programs that have been operating for a number of years. We had, as the member will

recall, a forage review committee look at the overall question of forage insurance. I just might indicate and remind the honourable member that on that committee we had a fairly wide range of people participating from the Keystone Agricultural Producers, Manitoba Cattle Producers' Association. Of course, from our own department Manitoba Agriculture we had grassland specialists, Agriculture Crown Lands, Manitoba Crop Insurance people, and the representation from the Manitoba Forage Council. They presented some very specific recommendations to us in the early part of this year, January 11. I can report to the committee that all of the recommendations of the committee have been implemented except for inclusion of an individualized native hay program, and we discussed that program at some length.

The committee's view was that, while recognizing that there were some difficulties in that program—certainly there were difficulties in the former program we had. It was becoming extremely expensive to administer and obviously not that attractive to a growing number of cattle producers, for the participation rate was falling off pretty dramatically. Nonetheless, I do acknowledge that the committee and the corporation were prepared to try to offer a native hay program, but, in the final analysis, the government felt that native hay is native hay. It is more subject to the vagaries of the weather, and we simply ought to rethink the idea of having an insurance program for that and have left that out.

I have, since making that decision, been able to visit with many cattle producers in the course of my responsibilities as Minister of Agriculture. I have made a particular point of attending the numerous well-attended cattle meetings. They are called different things in different parts of the province. You have Ag Days in Dauphin, for instance, a very successful coming together in a mini agriculture show of producers and people involved in the agricultural industry. In different parts of the province, in the southeastern part of the province, in Vita, they are called Beef Days. In the Interlake we had several days, one scheduled in the Teulon area in the south Interlake, one further north in the Eriksdale area, and on all occasions I had an occasion to meet with a significant number of cattle people.

(Mr. Deputy Chairperson in the Chair)

Our people were always present. Our Crop Insurance people were present in most instances to explain the kind of forage programs that were available. I must advise the honourable member that there have been very little or no complaints about the fact that we are not offering a native hay program, and at this point in time we see no particular reason for changing our mind on that.

Ms. Wowchuk: The minister covered off one part of the program that has been raised with me, and that is the fact that there is no coverage for native hay. Although there are not that many people, in a good portion of my constituency there are a lot of people who harvest native hay and who have expressed concern that they had hoped that there would be a way to get coverage for it. I guess, looking back at the other program and this program, I want to ask, was there coverage for native hay under the previous program? The second question is, since the program was just brought in this year, when is this cut-off date for sign up?

Mr. Enns: Under the old livestock feed assistance program there was an area-based program, and that was the program that quite frankly fell into disfavour, because it took in no account for the individual situation that the cattle person or rancher found himself in.

What the review committee was wrestling with was the recommendation of a program that would zero in on the individual, much like the individual crop insurance program that is being offered to provide some type of coverage on native hay. I take full responsibility for not accepting that recommendation. I just was not convinced that it was the kind of a program we should be in.

* (1320)

Ms. Wowchuk: The minister indicates that it was his decision not to go with the native hay, but I wonder if there might be ways to consider. If this program is based on individual averages and individual yields, if there were ways that farmers could manage that wild

hay—although I know that is pretty risky at times, if they are going on individual averages and if they are prepared to pay the premiums, was there any consideration given to offering any kind of coverage perhaps if they paid a premium at a different rate than people do on their own cultivated hay?

Mr. Enns: Well, these were some of the kinds of considerations and debate that took place within the department and with my colleagues in caucus and cabinet. In the final analysis we simply felt that, whereas with seeded or tame forages there was some criteria and there was some management involved, there was a data base that could be relied on, a reasonable amount of data that different organizations had collected over the impact of fertilizer application on forage, the kind of health of a forage stand, when it was appropriate to restock, reseed forages, in other words, those are more comfortable things that in my opinion can be assured against and measured against in terms of setting premium dollars.

They have hay just by its very description. There is no management to native hay, it is native, it just stands there. So there is no way that you can make judgments as to management capacity of the individual contract holder that you are trying to insure, and it was felt, in my opinion, that it was just too loosey to try to provide an insurance coverage for that circumstance.

Ms. Wowchuk: This difficulty, Mr. Chair, that I have with this decision is, earlier on we were talking about going to more inclusive insurance where farmers would be able to take insurance on various things to protect themselves so that they do not have to depend on ad hoc programs.

Now we have a group of farmers who lived in a particular region of the province that, due to the landscape, the land that they farm on does not lend itself to cultivation, so we want to expand the cattle herds in the province.

The minister has indicated clearly that that is the direction that we are going in, but these people have to have some security too, and they are going to end up in a situation when there is a hay problem to come back to the province for support.

So I do not criticize the minister for his decision of not having accepted wild hay into the program, but I would ask that his staff review this and look at ways that we might be able to help these people that live in the fringe areas and work on land that is not suitable for cultivation and how we can also help them bring security into their bottom line.

With that, I also wanted to ask, the old program basically fell apart because the interest was not there, there was not the uptake in it. So now that we have a new program, what has been the sign-up rate? Is there a great interest expressed in this particular program, and do the fees range with soil classification across the province? I have a lot of questions so let us talk about the sign-up rate.

Mr. Enns: I am advised, Mr. Chairman, that the participation rate is not very high. Just going back to touch back on the earlier question with respect to native hay, the corporation advises me that they had many meetings earlier on in the year, some 40-odd meetings where crop insurance was being discussed with very low indication of producer interest in native hay coverage. Throughout these meetings they were able to identify less than a hundred potential people who indicated that they, if the program were to be offered, would consider buying it.

Well, Mr. Chairman, when you have less than 100 people interested in an insurance program, it gets difficult to write an actuarially sound program. We have had in the seeded forage acreage some 165 contract holders. That is down considerably from the year before when we had some 230 individual contract holders. But we will continue to offer that program and perhaps review it and modify it to see whether or not it can be more acceptable.

I want to just respond to the issue that the honourable member raises, and it is a legitimate one. I have, quite frankly, made another arbitrary decision. When I say arbitrary decision, ministers when possible certainly like to act in concert or in step with the commodity organizations that they are legislating or providing a program for, to the extent possible. That is not always possible because organizations do not always represent the same interests that the government of the day feels

or in fact what may in fact be what the government of the day or the minister of the day's best judgment is in the interests of that industry.

I am referring specifically to my extending to all cattle producers in Manitoba the NISA program against the specific advice of the Manitoba Cattlemen's Association. I did so partly because of the very same reasons that the honourable member for Swan River (Ms. Wowchuk) just put on the record, that that in effect is a safety net program.

That program is designed—it had some difficulties in its initial years and for the start-up farmer, but I have a lot of respect for the program. It becomes, if you like, an enhanced RRSP program for that individual farm operation. I am particularly attracted to the discipline that is in that program that is individually triggered.

Governments tend, particularly in agricultural programs, we tend to be wasteful of money, and money is hard to come by, when we apply it with a broad stroke over a region. When we decide that the southwest or this half of the province is in a drought condition and we give everybody in that area a drought payment and a flat out acreage payment, there is always a handful or a significant number of farmers who have had quite a good year. They have hit every little spot of rain that has come over and they have had an average or an above average year, the year that they are also getting from the public treasury a support payment because of the inability of this kind of programming to be focused.

* (1330)

The NISA program is much more specifically focused to the individual farm operation and it, of course, is meant to be available to that individual farm operator when he faces a crash of some kind. It could be a price crash in cattle. It can be a disease problem that severely impacts on his income for a year or two. It could be a drought situation where his hay production is not what it normally should be and he has to go and purchase a fair bit of hay. You know, I think that providing that kind of support program for the particular cattleman in this case is an offsetting factor to the fact that they now have not available to them the

need of hay insurance program in which they showed very, very low interest.

I was probably trying to avoid answering a question that you asked before I started this discussion. If there was a question that you asked I would entertain it in any event.

Ms. Wowchuk: I will defer to my colleague.

Mr. Stan Struthers (Dauphin): Mr. Chairperson, I am interested in getting from the minister an idea of this Livestock Feed Security Program. Throughout the province right now we have had several areas where due to high levels of water, the flooding situations, we have cattle producers who are forced into choosing between a couple of options and neither option is a very delightful one. I have had producers come to me and say that on the one hand they may be forced to buy feed for their livestock from outside and truck it in, or No. 2, they could be facing the option of selling off a percentage and sometimes a large percentage of their herd because of a shortage of feed. Is there any kind of assistance through this program for these producers in those kinds of situations?

Mr. Enns: Well I have to, you know, indicate to the honourable member for Dauphin, that that livestock security program he speaks of, that program was cancelled and is not available to producers in this coming year partly because of the low participation rate and the growing administrative expense in administering that account. Now, that has been replaced by the programs that we just discussed in respect to the Tame Hay Insurance Program which responds to the individual producer's requirements. None of that really addresses the issue that I am well aware of, which he raises. There is a critical situation in some cases that comes about because of the excessive moisture this year. In some cases it was a question of individual cattle producers having hay but they could not access it because of water conditions or the hay being damaged by water.

My understanding is that my colleague, the Minister of Government Services (Mr. Pallister), who among other things is responsible for the Manitoba Disaster Assistance Board—these kinds of costs, these kinds of

losses will be compensated, will be covered by the Manitoba Disaster Assistance Board.

If a livestock producer has lost hay or has had to purchase hay for the reasons that we just mentioned, or, I am also advised that in some instances some pasture land particularly in the flood plain in the lower part of the valley will likely not be available for some of the producers this year, so that cattle may well have to be trucked out of the area to find—if the individual is fortunate enough to find pasture elsewhere—those kinds of costs would be covered by the Manitoba Disaster Board.

In other words, any and all tangible, physical costs like that will be accepted as within the criteria for compensation through that agency. I understand that Crown Lands is making available wherever possible alternate pasture opportunities. I know that under circumstances like that—although the department I had the privilege of being minister of prior to coming to Agriculture does not always do this with a great deal of enthusiasm, but we do under circumstances like that make available some of the wildlife management areas for emergency pasture use.

I encourage the honourable member, if he has calls of this nature, to contact our regional director of the department, Mr. Roger Chychota, who is resident in Dauphin, as I understand, and I am sure would be only too pleased to provide the kind of advice and details to which I am alluding.

Mr. Struthers: Mr. Deputy Chairperson, I wonder if the minister can tell me if only those ranchers who are insured under this program—are they the only ones who would get some type of compensation, or would it include others who were not included in the insurance?

Mr. Enns: No, this is available to all producers who are suffering. Now, let us be specific. We are talking about situations that can be attributed to flooding damage. I appreciate there has been some flooding damage in and around Lake Dauphin. The major portion of flooding damage, of course, is in the upreaches of the Assiniboine between the Shellmouth Dam structure and perhaps all the way down to virtually up to, you know, through to Brandon. But

those are the areas where the Manitoba Disaster Board is pitching in. It would be all-inclusive regardless of whether you had insurance or not.

Mr. Struthers: That sort of leads into what I was getting to next. Other than floods then, for any other reason, should ranchers find themselves short of feed for the cattle, for any other reason other than the flooding, what is available to support the producer then?

Mr. Enns: Well, I wish I would follow my own advice but I do not, and that is that ranchers should of course always have at least a half a year's hay supply extra to his needs on hand. Is that not the kind of advice Mr. Member for Morris used to give to your cattlemen in Morris? We do not offer any particular programs that can help out in that circumstance.

I repeat that we are making every effort to provide additional lands for alternative pasture use through our Crown land agencies. We encourage our farmers, and I think you will see a fair bit of it in particularly some of those areas that are going to be too wet to seed in the regular cropping condition but who might well be advised to put in some green feed for forage requirements.

Certainly the member for Swan River (Ms. Wowchuk) and I know the hay production is very weather dependent, and I am hoping that at least in my part of the world, the Interlake—we are getting finally a combination of some heat and that, quite frankly, is what has been missing the last several summers.

We have not had enough heat units to make our native hays grow, or our general weather conditions that made for maximum hay production. But ranchers are on their own in terms of finding the actual feed requirements that they require for the maintenance of their herds.

* (1340)

I should add—and, again, I thank the department—the Department of Agriculture does provide a kind of a cataloguing, a reference, a hay listing program. Any individual, again, where farmers or ranchers, people not

necessarily ranchers—there are a growing number of people who are living on acreages perhaps not farming at all but having hay made on it.

We have quite a few people that I know of in my area who are perhaps business people working in town or professionals, teachers, but they are living on a quarter or half section of land, which they have in alfalfa. They are not involved in regular farming and have that hay harvested on an annual basis. They get their share. They maybe get their taxes paid that way, but these people have been encouraged for the last number of years to list their hay with the ag rep's office, and at any given time, the department can direct a would-be purchaser of hay to a source of hay that is nearest to his area.

Ms. Wowchuk: I guess the minister just indicated how dependent we are on the weather. In some parts of the province, people cannot get onto the land. In other parts of the province, people are hoping that we will have a rain just so, with this warm weather, that hay crop will start to grow. Hopefully, it will all balance out, and there will be feed, so farmers do not have to end up disbursing those cattle herds that are very important to their well-being.

I want to just get back to the former program. Can I just ask, how long was that program in place, the Livestock Feed Security Program?

Mr. Enns: The program, Mr. Chairman, was started in 1984 as a test year, and so it was available from about the mid-'80s on, up until last year. I suspect it was also perhaps brought on by a drought year or a tight condition. We had at one point in time considerable participation, upwards of 600 participants, which, I would say, included a very high proportion of people engaged in livestock.

It became increasingly unpopular because of its area base format. It became a very difficult and a more and more costly program to administer. We ended up in some instances having more what we called monitors than we had participants in the program.

We had made arrangements with individual producers to act as a monitor for the program, so that

we had some yardstick, some measurement, of the actual hay production on his property, and we had these scattered throughout the hay-producing areas of the province and it fell into disfavour. At the end we were down from the 6,600 contract holders in 1989. By the time we cancelled the program there were fewer than 800-759 participants in the program.

As I mentioned, the cost of administering a program related to the number of people we were covering was just no longer acceptable. The administrative costs were running in excess of \$240,000. That is just the administration costs; that is not the premium costs. We did away with the program, and I must say, Mr. Chairman, one always has a reasonably good measure of the soundness of decisions when there was virtually no response to the cancellation of the program by the affected community.

Ms. Wowchuk: Mr. Chair, I have to tell the minister that I have not heard a great outcry of people asking him to bring that particular program back, but I have not heard very much discussion on the new program either.

One of the reasons I understand that this program came into disfavour with the farmers was the fact that premiums were quite high in return for what they were getting back. I want to ask the minister, since the program was in place for 10 years, what was the bottom line at the end of the program? Was there a surplus, and if there was a surplus, how much, and where did that money go?

Mr. Enns: We, at the end of the program, were \$1,600,000 in deficit, and that was cost to the corporation. Mr. Chairperson, I am advised that the corporation does not write off that indebtedness, that in effect that debt will be pursued and built into premium structures on future and existing forage and livestock programs.

Ms. Wowchuk: So I take it then that the minister means that you will be starting to build these costs into this new program and into the premiums. Is that accurate to say?

Mr. Enns: Yes.

Ms. Wowchuk: The minister indicates that is true. Then, can the minister indicate how the premiums compare in this new program that is on individual averages, the premiums and coverages versus the coverages under the old program? Are the farmers going to be getting a better coverage than they got under the old program or how would that be based?

Mr. Enns: Mr. Chairperson, I am advised that the programs are not that much different, the old, that is the cultivated forage program that we had and today's cultivated program we have. The major difference lies in the fact that we offer it on an individual farm basis. The premium structure is, I am advised, not that much different.

Ms. Wowchuk: Then, can the minister indicate whether there would be any people who would be disqualified from this program, or is everybody starting with a clean slate? I am looking at producers who do not use sound management practices and end up not getting the production that they should. Just as in crop insurance, people are disqualified. I guess I am looking at whether you are looking at back records, whether their management practices come into it.

* (1350)

Mr. Enns: There is, I am advised, an indexing system that the Crop Insurance people will use. They will go to an individual producer and go back to year '90, go through his records and establish an appropriate type of program for that individual farm, taking into account his management practices, his capabilities as best they can be demonstrated. I do not think that there would be any automatic exclusion of anybody.

I think perhaps the honourable member is specifically questioning whether or not individuals who have had less than the best track record under the old program, is there a category or a number of them who are automatically excluded, and the director of research shakes his head at that.

This indexing checklist, if you like, is no different than the kind of checklist or scoring that the Crop Insurance Corporation undertakes with all their clients in a regular crop insurance program to establish the

appropriate ratio of premium and coverage that reflects the best data that we can have on that particular piece of property on that farm.

Ms. Wowchuk: I guess what I am looking for, Mr. Chair, is since this program also comes under the same department of crop insurance, whether there is any cross-referencing on a person's performance on their crop insurance, on their performance, if their yields are bad under crop insurance they are not using good farm management practices. Are those numbers or statistics looked at when a person is applying for the new hay program, and does that reflect on the level of the insurance that that individual will get?

Mr. Enns: I assure the honourable member that is not the case. We try our best to establish an appropriate program based on what we are insuring. In this case we are talking about forage.

Ms. Wowchuk: Continuing on with hay production and feed for livestock, the minister had indicated that in a situation where farmers may have shortages of feed this particular year, that they have the option of growing green feed.

I want to ask the minister: What will be the implications and how will that fit in with Gross Revenue Insurance, with crop insurance if people are required to take a certain amount of crop out of their production? I guess, with Gross Revenue Insurance it would have more of an impact if, because of their livestock, they have to lower their yield because they do not harvest the crop.

Mr. Enns: It is treated in a fairly straightforward way. If the crop is seeded by the deadline, for instance, that is one of the criteria that has to be applied. If he then wants to use it for green feed and cut it as green feed it will be appraised as such, and that is taken into account with the final coverage level for which insurance was purchased. If the party is not meeting the seeding date deadline and they expect, in some instances, this is going to be the situation, then it is simply an uninsured crop; it does not factor into either the GRIP or the crop insurance program as such. But it could be a valuable system nonetheless in breaching that feed shortage that some of the cattle people are facing.

Ms. Wowchuk: I guess then, if that is required, if there are those kinds of shortages, the individual should be then contacting their agent to make sure that the proper paperwork, or whatever is required, is done, but I am looking at people lowering their averages because of their yield. They are helping themselves out in one situation but I worry about them lowering the yield on it, and maybe it is not as big a problem as I see it.

Mr. Enns: Management assures me that there is no penalty applied to them in that case. They would normally appraise the field in terms of its yield capacity and that would not alter the long-term average or the changes to it, the fact that in this year or in a given year they chose to not harvest the grain but take green feed off instead without penalty.

Ms. Wowchuk: We will leave that area for a while. I want to touch on the wildlife crop compensation. When we were at a forum in Portage la Prairie, the minister indicated that there was some change to the wildlife compensation program, and in fact the concern that we had been raising for a few years about elk damage and farmers who are in areas along the forestry service who were losing a lot of crop and not being able to get coverage, that there has now been a change. I would ask that the minister outline to us what kind of changes have been made to that program.

Mr. Enns: Mr. Chairman, I am looking at the clock because I am fading fast. I think we adjourn at two o'clock. We have established a fairly comprehensive committee to review the question of wildlife damage, both waterfowl and big game. The current level of support for waterfowl is at 80 percent value of the crop and big game at 75 percent.

But we have brought together a host of people serving on a committee, Manitoba Forage association, Manitoba Municipalities, Ducks Unlimited, Manitoba Wildlife Federation, Manitoba Heritage Federation, PFRA, Canadian Wildlife Service, Parks Canada.

All of these people, many of whom are actively involved in the promotion of healthy and populous wildlife populations, and I make as strong a pitch as I can on any occasion that we are delighted to see healthy wildlife populations—when I say we, those of us

in Agriculture—but it should not be borne on the backs of the farm population solely.

That is a societal responsibility that we support programs for conservation of our wildlife, for maintenance of healthy wildlife populations, so then we had better have in place the kind of support programs that, in my opinion, fully compensate the farmer for crop loss.

This committee is at work. They are specifically charged to look at the funding levels, eligibility, compensation levels and also make further recommendations for better preventative measures. A final draft is not expected until sometime this summer—it says here late summer—and what we would try to do is have some of these programs, some of these recommendations applicable to the program we are now offering by the '96 crop year, possibly the earliest. Again, it involves some multidepartments; it involves the federal government at some levels. But that is the position, generally speaking, on the wildlife damage.

I might just, for the member's information, indicate that the overall damages have increased considerably in these last few years. With the return to moister conditions across the Prairies, our bird populations are increasing.

As I know the member is well aware, the big game are not decreasing anywhere in the province, and they are wreaking their damage on the fields.

Mr. Deputy Chairperson: Order, please. The hour is now 2 p.m. Committee rise.

FINANCE

Mr. Assistant Deputy Chairperson (Gerry McAlpine): Order, please. Will the Committee of Supply please come to order. This morning, this section of the Committee of Supply meeting in Room 255 will resume consideration of the Estimates of the Department of Finance.

When the committee last sat, it had been considering Item 2.(a)(1) on page 63 of the Estimates book. Shall the item pass?

Mr. Leonard Evans (Brandon East): At that point, the member for Crescentwood (Mr. Sale) was asking questions, and I believe the minister was in the process of answering them, and I was just wondering, did the minister complete his answers? Yes.

So which line did you say we were on?

Mr. Assistant Deputy Chairperson: 2.(a)(1) on Page 63.

Hon. Eric Stefanson (Minister of Finance): I think when we were doing this yesterday, we agreed, if it is agreeable with everybody, that we would go, how do I define it, section by section, like we did the Administration and Finance section first.

We are now in the Treasury section, and we had a series of questions. From my point of view, I think we were mostly through the Treasury section, and then we would deal with that, and then we would move on to the Comptroller section and do it in the however many sections there are within the Estimates, if that is agreeable with everybody, Mr. Chairman. It seemed to work easier.

Mr. Assistant Deputy Chairperson: Is that the will of the committee? [agreed]

Mr. Leonard Evans: So we are still under Treasury. We still have some questions in this area to ask, mostly by way of information. Some of these questions of information, I think, are appropriate because over the years we have not spent too much time on this department, have not asked too many questions related to detailed administration.

In this branch, as I understand it, it maintains close contact with the world financial community through various—so it is knowledgeable about the status of markets relevant to the province. I am just reading from the documents supplied by the minister, supplementary information about the department. It provides advice to the minister respecting such markets.

I was wondering if he could now elaborate as to what markets we are talking about. What are the current

markets, I guess, geographically, or am I reading it properly? Maybe it is not geographical. Maybe it is some other dimension that we are referring to here.

Mr. Stefanson: Our markets are traditionally Canada, I guess in order of priority, so to speak, Canada, the United States, Japan and the Euro-Canadian, but as we discussed I think it was in response to a question from the member for Crescentwood (Mr. Sale) yesterday, we did undertake to give a breakdown of our debt on a regional basis and, again, I think as we discussed yesterday, our debt servicing today is all in either Canadian or U.S. funds.

In terms of our general purpose debt, about 67 percent of it is serviced in Canadian funds, about 33 percent in U.S. funds, and we have no debt servicing in any other currency. When we do borrow in, let us say, the Japanese market, we then do a swap and swap it into either a Canadian or U.S. exposure. I think we have had this discussion before. Our view certainly is to try to have as much of our debt in Canadian currency as possible because it matches our revenue sources, but if it is not in Canadian currency then we believe it should be in U.S. currency. They are our largest trading partner and, particularly when it comes to corporations like Manitoba Hydro, they have some revenue in U.S. currency.

* (1110)

Mr. Leonard Evans: This has been a change. There has been a change in the distribution of debt held in different currencies by different countries. As I understand it, and the former Minister of Finance made some point about this, and that is that his preference was to hold it all in Canadian, if possible and, secondly, U.S. I guess the purpose of that, of course, is to minimize the risk and to minimize uncertainty that can occur.

As we all know, these markets can be very volatile, too volatile sometimes. Yet, some years back, as I recall, with previous governments, previous Ministers of Finance, the effort was made to go to whatever market in the world that provided a good, low rate of interest for our borrowing. In other words, what you traded off was the cost of borrowing in various foreign

markets which at that time seemed to be very attractive vis-à-vis borrowing in Canada or the United States. So what we are trading off here is risk versus the cost of borrowing.

Now it is possible, I guess, theoretically, that Canada can also be very—this is the ideal world where Canada happens to be the lowest cost market so to speak for our borrowing or say, followed by the United States, so that we can have both advantages. We are minimizing the risk and at the same time we are getting a low rate of interest, but that usually, in the past at least, has not been the case. Canada has been a high cost area of borrowing.

I would just like to ask the minister a general question. What price are we paying for obtaining this—I just want to make it clear that I personally am inclined to favour borrowing in Canada first and the United States second. I am biased in the direction that the minister and the government has gone in this respect but at the same time there could be a cost, and I was wondering if the minister could give us some background.

Are we paying a cost in terms of—and I do not know if anyone has computed this—on whether we are forgoing a bargain, so to speak, that we are paying an extra amount of interest by virtue of the fact that we are borrowing more in Canada and the United States than we have in the past?

Mr. Stefanson: Mr. Chairperson, the overriding consideration is still what it is going to cost us to borrow. Having said that, as I said earlier, we have a policy of keeping our debt servicing preferably in Canadian dollars, but we are prepared to carry some in U.S. dollars. So even though we will borrow on other markets we will swap it back to one of those currencies, but when we do that we are doing it on the basis that we are borrowing at significantly lower rates than we would have been able to borrow at in Canada even though we borrowed, say, Japanese yen and done a swap back. So, am I making myself clear? We look, obviously, at our cost of borrowing. What is our cost of borrowing going to be? We want to get our exposure ideally back into Canadian currency, but we are prepared to take some U.S. exposure as a result.

The other part of that, Mr. Chairperson, as the member for Brandon East (Mr. Leonard Evans) knows, is always one of access to capital as well. Really, we cannot necessarily access all of our borrowing requirements or all of the provincial borrowing requirements and Canadian borrowing requirements within Canada. So when you reach a point where you do have to do some borrowing you then look at the access to capital and obviously getting the best rate you possibly can and keeping our exposure in Canadian or U.S. I am repeating myself, but we have absolutely no exposure in any currency beyond Canadian or U.S. With those kinds of parameters our objective is still to try and borrow within Canada and to keep our exposure within Canada, but sometimes we will end up with some U.S. debt servicing because it is the lower interest rate at that particular point in time.

Mr. Leonard Evans: The previous Minister of Finance was very critical of our policy where we borrowed extensively in foreign markets. Maybe I should know the answer, but I do not. I would like to ask the minister—maybe he can advise us through his staff at least—why did we not do this previously? I mean, we were criticized for borrowing so much from abroad and exposing ourselves. As I understand the minister, what he is saying is you minimize the exposure by immediately swapping into Canadian currency, which is fine, but why did we not do that earlier?

Mr. Stefanson: Swaps really became, in a very significant way, a way of doing business in the mid- to late '80s, and I guess that is probably the simplest answer as to why it was not more prevalent in the early '80s or in previous governments. Then you still have to look, even when you are doing a swap, obviously that it is still the most cost-effective decision. Of course, it is subject to other market conditions. We will have some years where we will borrow on those markets, we will have some years where we will not borrow on those markets even under a swap arrangement, because we cannot still get the best—we can get lower interest rates in either Canada or the U.S. So there is the issue of what the market is like at that particular point in time, but also that swaps just became a very significant way of doing transactions in the mid- to late '80s.

Mr. Leonard Evans: How do you achieve these swaps? I would sort of guess you go to one agency or another and get their advice as to procedures. They will do it for you, I guess. They will do the actual transaction for you and maybe advise you, so the role of the department is to decide whether or not this is good advice. Is that correct?

Mr. Stefanson: Really we basically perform two functions. We do work with our investment dealer who is proposing the transaction. Let us say, if we were doing a Japanese yen swap, we would work with one of our underwriters there, Nikkei or Industrial Bank of Japan. They would then go out and basically test the market for doing the transaction. We would also be monitoring the market to see what kind of rates were available, and if they come together, and we are satisfied that the rate is in our best interest better than we could borrow at within the Canadian market or directly in the U.S. market, then we will proceed with the transaction.

* (1120)

Mr. Leonard Evans: So the agency can vary, or do you always use the one agency for the swaps?

Mr. Stefanson: I think, as we indicated yesterday, we will work with our underwriters, our traditional underwriters in Japan, but then we will work with several banks. In response to, I think, a question from the member for Crescentwood yesterday, we indicated that the banks that we will deal with are medium AA or above credit ratings. So based on that it could end up being with one of several banks, but we will be working through our major underwriters in Japan, as an example.

Mr. Leonard Evans: Just again on the procedure, and I thank the minister for that information. So the agency will perhaps give you the advice but you still do your homework. You still do your research and make sure that we are getting sound advice and that all aspects are taken into account, all the data are taken into account and that it works in the interests of the Province of Manitoba to engage in a particular deal, a particular swap.

Mr. Stefanson: That is basically correct, Mr. Chairman.

Mr. Leonard Evans: I think that pretty well—there are other questions I had regarding other activities of this branch relating to establishing interest rates for loans to Crown corporations, and I just wondered how do you go about establishing the interest rates on Crown and government agencies? We touched on that a bit last time, but I am not clear whether I got an answer on that one.

Mr. Stefanson: We did discuss this at some length yesterday, Mr. Chairman. We do it monthly. We do it the first of every month. We get the rates from our three Canadian underwriters, take the average of the three, and as I indicated, if we saw one rate that was out of whack or appeared to be out of whack for some reason or out of line, we would then have discussions with that underwriter to get an explanation and determine whether or not an adjustment is required as a result of that, but normally it is the average of our three underwriters done on a monthly basis, and that is the interest rate that is charged to our Crown corporations.

Mr. Leonard Evans: It sounds very simple. You get three estimates and take the average and carry on.

Just passing on to the area of Capital Finance, still under Treasury, there is reference made to global capital markets where you are monitoring, initiating the borrowing activities of the government which have recently averaged between \$1.5 billion and \$2 billion per annum. I was just wondering how does this compare with previous years. It is a lot of money; how does that compare? You say here all documentation relating to borrowing activities is prepared by the branch. Is this a normal amount that you monitor and supervise?

Mr. Stefanson: Mr. Chairman, I think as the member knows basically the components of our borrowing, there are really three main components or there have traditionally been three main components.

One has been when governments were running deficits and you had to finance the deficits; two, we

also provided the financing for our Crown corporations; and three is the refinancing of various issues that come due in given years. So those are the elements that traditionally have made up our annual borrowing, and really over the last several years that has been going down on a cumulative basis in part because deficits have been going down.

This year we are running a surplus and have no deficit in 1995-96, and some of our major Crown corporation undertakings, particularly Hydro, have basically come to an end. So in this document it says \$1.5 billion to \$2 billion, I would think over the next few years our borrowing might be more in the \$1 billion to \$1.5 billion range and looking back over the last few years, going back in the early '90s, we were up in excess of \$2 billion, so there has been a downward pattern basically because deficits are being reduced and Crown corporation requirements have been less than in earlier years.

Mr. Leonard Evans: Thank you for that information. I would agree. I would think the fact that Manitoba Hydro is not undertaking any massive development—there is no Limestone development. I guess Telephone, which is the second largest corporation in terms of borrowing, does have some ongoing capital requirements, but you do not get any sort of massive surge as you do with hydro development.

The reference is made to a liaison with domestic and international rating agencies, and we talked about agencies earlier. I am just wondering, exactly who are they, or is this a large group or anybody who is out there that you want to deal with from day to day?

Mr. Stefanson: It is really the four bond rating agencies: Standard and Poor's, Moody's, Canadian Bond Rating Service and Dominion Bond Rating Service.

Mr. Leonard Evans: You said Standard and Poor's, Dominion Bond Rating Service, and Moody's and the Canadian Bond Rating Service. I guess DBRS is not one of the favourites at the moment.

Mr. Stefanson: That is not true.

Mr. Leonard Evans: I know the minister has a letter from their organization re the credit rating, and they say nice things about the credit rating which is fine, but they still have that table and the table, as I read it, shows a deficit of \$96 million, is it, for 1995-96. That is what the numbers show in the table, unless they have changed the table on us.

Mr. Stefanson: Mr. Chairman, we are quite pleased with Dominion Bond Rating Service. We had some concerns about a year ago with Canadian Bond Rating Service, their method of dealing, certainly with our government. We find the three, Standard and Poor's, Moody's and Dominion, do an extensive review of the Province of Manitoba, keep in good contact with our officials, and so on, to have a good understanding of our economy, of our fiscal situation.

We were somewhat concerned about a year ago with the Canadian Bond Rating, that they were doing a very general and superficial review of our situation, and we have had some discussions with them about that, that we think there should be a more thorough review and ongoing discussion with our officials, but the issue of Dominion Bond Rating Service—I certainly would be more than pleased to provide the member from Brandon East with a copy of the letter that Dominion Bond Rating Service sent.

They confirm that we have a surplus this year of \$48 million. All that they did is they took a one-time transfer of lottery funds that we have said all along is a one-time transfer, and they took some transfers that are from Crown corporations that are one-time and deducted them from the surplus and said if you did not have those one-time transfers, here is what the deficit would be. They do a similar thing right across Canada, and the reason for doing that is comparability. They want to try to maximize as much comparability as they can.

I think that is why we are strong supporters that provincial governments should co-operate as much as possible to try and create some fairly consistent standards right across Canada. It was no more and no less than that. Dominion Bond Rating Service wrote a letter clarifying that there is a \$48 million surplus. They make these adjustments each and every year with

various provincial entities, and that was the extent of it, Mr. Chairman.

Mr. Leonard Evans: On that, there is no question that if you have the money, whatever the source, and you put it in, you can reduce your deficit or come about with a surplus, obviously. The criticism, I guess, as the minister is pointing out, is the methodology. You want to have consistent methodology to be able to compare provinces or various governments. I think that is fair.

I can tell you, there were a lot of people out there who were concerned that this one-time payment from the accumulated Lotteries Fund put into your revenues that it was not the way to run a business. I had one constituent who was a businessman, a reasonable businessman, who said, and all he knows is what he read in the paper, that he could not run his business or would not run his business that way.

What I was concerned about also is how you could in this respect, and I know it is a bit of a footnote, utilize funds that I thought were received last year and transfer it to this year from the sale of Crown corporations.

The one I am most familiar with is McKenzie Seeds. I mean, everything we read in the paper was that the government was paid last year and received the money last year, and then all of a sudden some of that money or all of that money is transferred to this year. It seems to me, that is not appropriate.

* (1130)

Mr. Stefanson: Mr. Chairman, those kinds of things are all a matter of timing, and when you are selling off an asset or winding down an asset there are a whole series of things that have to be done even beyond concluding your transaction just with the buyer. That is not uncommon. I mean, that I am sure has happened over the course of the last many years and happens in other provinces in terms of when things are finally concluded and when the funds are in fact transferred across into general revenue.

Mr. Leonard Evans: Well, I gather, Mr. Chairman, that this is a discretionary matter, that the government could have showed it as last year's revenue or it could

have shown it as this year's revenue. It chose to show it as 1995-96 revenue. Is that what the minister is saying?

Mr. Stefanson: I would have to look at each one individually and see just what the timing was of the wind-down. In some cases there might have been some discretion, but in some cases it could also have been the, as I say, completion of the winding up of the entity and concluding that the entity will no longer have any function.

When you start talking about timing differences, I think, again, as the member for Brandon East knows, we have a modified accrual accounting system in Manitoba because so many of our items remain open for a long period of time. In terms of the finalization of what our share is under different federal funding arrangements, some of them are kept open for as much as three years in some cases in terms of finalizing the equalization on some of these kinds of programs.

So, I mean, one could argue you should be trying to determine what it is at a given point in time and then dealing with adjustments over the course of the three years. It does not make any sense because there can be such a variation. So ideally in any system you would like a full accrual system, but governments, not only the Province of Manitoba, provincial governments right across Canada, I am not aware that there is any government that is on a full accrual system because of the timing differences under a series of issues that remain open for many years.

Mr. Leonard Evans: I think, without doubt, that public finance is much more complicated than private finance; it is just the nature of the beast. There are so many people, so many departments, agencies involved, and as you are pointing out, we do depend on considerable flows of funds from the federal government, and those are subject to variation because of the way the formula works. It seems to me the formula allowing for corrections and further corrections so that, you know, now you see it, now you don't, and then all of a sudden some more is back—I think you had that experience not long ago where you expected a fairly large influx of money and then somehow or other it disappeared, or part of it disappeared.

Mr. Stefanson: We could probably discuss this issue all day about the accounting and timing differences, but just to illustrate my point about some other provinces, both Saskatchewan and Alberta handle their profits in a very similar manner to Manitoba, and I will give the two examples very briefly. Saskatchewan holds liquor and gaming profits in a special account until Treasury Board directs that they be transferred to Revenue. On March 31, 1994, \$155 million was held for future transfer in Saskatchewan. Alberta makes periodic transfers to General Revenue. They also make significant grants directly out of their lottery fund which does not happen here in Manitoba. On March 31, '94, over \$200 million was held in the fund in Alberta. So that is just confirming the point I made that these kinds of practices, as the member has acknowledged, are not uncommon to governments and public accounting which, one could argue, are not as common in the private sector.

Mr. Leonard Evans: What this does is call into question the value of trying to come up with annual estimates of budgets as opposed to, say, something of a three-year nature, to get a more true picture of what has happened to the finances. I know we have got quarterly estimates as well, which are even—because a smaller period could be subject to even more volatility, but it seems to me it is a very difficult job to budget and forecast, because you have got so many departments, so many agencies that put their numbers in and then you do not know—hopefully, you are going to get a handle on expenditures so you will have some idea that departments are going to be within their budgets, but on the other hand, revenues may fall very short of the mark or exceed the mark depending on what happens to the economy. So a large part of it then revolves around what you estimate to be the rate of economic growth and how your income taxes may grow or not, your sales taxes, other taxes and so on. This is the tricky part of it, and sometimes I wonder how valuable just the one-year estimate is. There is a better argument to be made for budgeting over a longer period and looking at a pattern of whatever has happened to provincial finances in any province or government and to get a more realistic assessment.

Mr. Stefanson: Mr. Chairman, and that is in part why—I believe it was three budgets ago now—we started

doing a three-year projection beyond our current year, so we do project out for three years what our estimated revenues are going to be, what we are estimating, what our expenditures will have to be and so on, and as well the whole issue of fluctuations is one of the reasons that we support utilization of the Fiscal Stabilization Fund, to provide that stability because of the fact that we can be open to some significant swings, particularly as it relates to transfers from the federal government.

Mr. Leonard Evans: Because of the way our system works, because of the social security legislation that all provinces and the federal government have, when you do hit a recession, some of these expenditures soar. I mean, welfare payments and other kinds of costs seem to be incurred when we have a lot of unemployment, when we have a great deal of recession. To some extent you do not have much control over this unless you change the regulations and cut back on the rate of payments or whatever. So you have that as well.

What has tended to happen is government budgets have tended to offer some sort of a stabilizing impact on the business cycle. In other words, you sort of automatically provide some stabilization because, say, your welfare payments, just to take one area, increase so that provides further funding, for some people at least, and to help offset a recession.

At any rate, I am one who has advocated that too much attention has been paid to whether or not a budget is balanced in any specific year. I mean, if it is so magical, if that is so great, why do we budget it every quarter, why do we not budget it every week? I mean, what is so magical about a 12-months budget? I am not saying you should be imprudent. I am not making the case for wild spending or being imprudent. I am saying that in reality it may be more appropriate to look at how the budget has been done over a period of three or four years, or how it is over a business cycle. The ideal, from a Keynesian point of view, is we should balance over a business cycle, presumably achieving surpluses in good times and deficits in bad times, and hopefully the surpluses pay for the deficits. It does not always work that way, but that is the theory.

Mr. Stefanson: I really think we will have many opportunities for debate on this issue. We do have the

balanced budget legislation which we will be dealing with, and I am sure the member for Brandon East (Mr. Leonard Evans) will be participating. So unless we want to get into this debate, I will not take the bait, and I will save a much broader discussion when we actually have the legislation before us, no later than this fall.

* (1140)

Mr. Leonard Evans: Well, I am sure we will have a lot of interesting debates in the House on the whole matter of balanced budget legislation, which I am very cynical about for various reasons, among others that it is not fixed in stone, that it can be changed, unless you have an amendment to the British North America Act as it pertains to Manitoba, as I understand. Any subsequent Legislature can change the rules and regulations set down by balanced budget legislation.

Referring to the Expected Results, mention is made that the government is expected to borrow \$1.4 billion in 1995-96. Yet I look at the budget document in the financial review section, page 5, and there is another number referred. Unless this is not the same kinds of numbers, I am wondering why there is this difference. The number mentioned on page 5 of the financial review is \$966,873,000, which is quite a bit less than the \$1.4 billion referred to in this report here.

Mr. Stefanson: Again, there is a simple answer to that, Mr. Chairman, and I think the member for Brandon East (Mr. Leonard Evans) will recognize it. The difference between these two numbers is that in 1994-95, we did some pre-funding of approximately \$400 million. We have had this discussion before in terms of when we access the market. We do it when we believe it is in our best interests in terms of interest rates.

This year was also a year where we knew there would be an election at some point in time, but we did not want to be in a position, again I think you can appreciate, of having to go to a market during a provincial election. We had an opportunity to do some pre-funding at the tail end of our previous fiscal year and we did that, and we might end up doing that again at the end of this fiscal year if the market conditions are in the best interests of Manitoba. That is why those

two numbers—our actual requirement for this year '95-96 is the figure just under \$1 billion, the \$900-and-some million.

Mr. Leonard Evans: Mr. Chairman, what the minister is saying is the budget document is a more recent estimate of requirements than this Supplementary Information provided for this Estimates review.

Mr. Stefanson: Mostly right except we are saying that by indicating the 1.4 here, we might do a preborrowing at the end of our '95-96 year-end, but the budget document as he has indicated is the one that is our actual requirement for '95-96.

Mr. Leonard Evans: Reference is made to require probably five to eight issues of securities, both domestically and internationally. Could the minister elaborate on that, could he give us some information on that?

Mr. Stefanson: Well, that really is based on that we normally go to the market for issues in the \$250 million to \$300 million range but we also end up usually doing a couple of smaller placements again, depending on market conditions and so on. That is why we suggest that we would be looking for about five to eight. If you do approximately four in the \$250 million range and do a few smaller placements, that can be anywhere from \$50 million to \$100 million.

Again, that is all subject to market conditions, what kind of a rate we can be offered, what kind of terms we can be offered, and so on. That is a number of issues of which we are in one right now, as we discussed yesterday. The Builder Bond program is one of those.

Mr. Leonard Evans: Mr. Chairman, reference is made to, we want to make sure that the most efficient market is used. What is the definition of a most efficient market?

(Mr. Jack Penner, Acting Chairperson, in the Chair)

Mr. Stefanson: The simple definition of the most efficient market would be the market where our debt servicing is in Canadian dollars at the lowest interest rate available at that point in time. That really is the

simplest way to define it. The objective is to have Canadian exposure at the interest rate that you can get it at any point in time. The other part of the efficient market is a receptive market, because obviously if we launch an issue, we want to be sure that it will sell well, that investors will buy our bonds and so on. Those would be the two overriding parameters of a definition of the most efficient market.

Mr. Leonard Evans: I guess, Mr. Chairman, markets tend to be national markets, in other words, for the central banking system and national banking legislation. There is the American market as opposed to the Japanese market, or are there variations within a nation?

Mr. Stefanson: There are various markets within each national market. We have the Canadian market, the U.S., the Japanese and so on, and within each of those markets, there are different markets to be borrowing from. Obviously again, we look at interest rates, we look at term and, of course, keeping our exposure to ideally Canadian currency, but also sometimes U.S. currency. So within those markets you might be doing a private placement or you might be doing a broader issue through an underwriter to traditional investment dealers and so on.

Mr. Leonard Evans: Well, I thank the minister for his explanation, but I am a little confused. I still do not know, I mean, the term "market" is used very broadly. I suspect what you are talking about is that within a country, within a nation, you may find varying circumstances so with one group of people you can get a better deal than with another group of people in the same city or maybe elsewhere, but I guess it revolves around what are you talking about when you are talking about a market. A market is a very broad concept. The Wheat Board deals with international grain markets. We are talking about financial markets, but maybe you should use another term.

Mr. Stefanson: Mr. Chairman, I think it is safe to say that the majority of the market—or I guess maybe the better way to look at it, the market is the investor, the person who is basically putting up the money and buying our paper. The majority of it would be institutional, whether it is insurance companies or

pension funds or entities of that nature, but there is certainly a retail component.

* (1150)

For instance, if you borrow on the Euro-Canadian market, that could be a retail issue where individual citizens within Europe will actually invest and buy a Province of Manitoba bond. Similarly here in Manitoba, the Builder Bond is really a retail market where we are going out and selling them to individual Manitobans. Again it can vary on where we are getting the best terms and the best rate, but the majority would be the more traditional institutional investor who would be what we would define as the market or the investor in Manitoba debt.

Mr. Leonard Evans: I think I understand the minister. I guess my complaint is the description of it here. It is just the generalization, you know, the most efficient market is used. There is nothing wrong with the word "market," but it is how you use it, and it just seems to me—well, really, it is a generalization and if you wanted to find out more about it, try to understand it, there is not enough information to allow a novice to appreciate what is being done. Well, I do not want to belabour that.

I would just like to pass on to the Money Management and Banking area which is still under Treasury. One of the objectives is to establish banking arrangements appropriate to the government's needs. Well, that is fine. What banking arrangements are we talking about? Specifically, I want to get at the point of what bank we are continuing to use and why. I think I know the answer but I am asking the question anyway.

Mr. Stefanson: Mr. Chairman, we do use all of the banks to some extent, but I am just going to the final question. In terms of the overall banking of the province, our bank for many years has been the Royal Bank. We are right now in the process of having put out requests for proposals on the banking for the province of Manitoba. Those have closed. We are going through the process of analysing those, and we will make our decision based on price and service, like any decision.

Our overall banking—the Health component has also gone out for requests for proposals, and I think, as I mentioned yesterday, the direct payroll system has also gone out. So we have three RFPs out right now for the most significant elements of our banking. We are going through that analysis, and we will be making our decisions based on price and service.

Mr. Leonard Evans: I am very pleased to hear what the minister has said. I have no problem with the Royal Bank of Canada. I have dealt with it in different ways. It is not my main bank, but I have had occasion to deal with it for various reasons over the years, and I have no particular problem, nothing. I hold no grudge against the Royal Bank, it is a fine institution and so on, but I have always wondered, and I have wondered this for years, why we continue to deal just with one bank just because of some tradition established years back.

If the minister is now telling me that he wants to ensure that that bank or indeed any bank will offer the services that we require to engage in financial administration in Manitoba, that we are going to get it not only at a level of quality but also at a level of cost, that makes us feel comfortable. There is always the question of whether some other bank will do it a bit cheaper, of course providing that they offer the same level of service.

Mr. Stefanson: Mr. Chairman, the member is correct in terms of what our objectives are. We have sent it out to all of the major banks and to Credit Union Central. I think like any service that any entity gets, particularly government, that at appropriate times you want to be sure you are getting the best price and the best service.

As I have indicated, those proposals have now closed, and we are going through the process of the detailed analysis. I do not think anybody has a lock on providing any service to any government or any entity. You want to always be testing price and quality and what changes have happened and so on. That is the opportunity and what we are going through right at this moment.

Mr. Leonard Evans: Mr. Chairman, does that mean whenever this process is completed and a decision

made that it is possible the Royal Bank will no longer be the major bank for the government of Manitoba?

Mr. Stefanson: That is certainly possible. I do want to just briefly indicate, we have been very satisfied with the service the Royal Bank has given us. As the member has indicated, they are a very reputable organization in our province, served the province well. That is entirely possible. They are in the process along with the other financial institutions in our province, and we will be making our decisions on price and service.

Mr. Leonard Evans: Just by way of observation, because we have inherited the British branch banking system we tend to have a very stable banking system as compared to the unitary system that you see south of the border. We have many, many small banks. In fact, I guess in some states, one company can have one bank building or may be confined to one community area as opposed to the system that we have become accustomed to.

The point of the branch banking system is that it does provide for a lot of security and safety. It seems to me that no matter which of the major five banks you dealt with you would be assured of dealing with a secure institution. I cannot say that for other than the big five. I am not as familiar with some of the others.

In fact I would not recommend—and I think the minister said you would be going just to the major ones, so I suspect it is the big five. I do not think you would have any trouble dealing with any of those in terms of security and confidence, although some of them are a bit smaller than others and may not have the same capacity to provide service as fully in all parts of the province. We have to remember that we are serving people in remote areas as well as the city of Winnipeg and larger centres.

At any rate, I note that this area deals with a lot of management of cheques and cash references made to 1.9 million cheques representing \$11 billion in transactions through the government disbursement system, plus not to speak of money orders and drafts and other things. This is obviously a lot of activity here. I imagine this is an area that lends itself to a lot of innovation by way of computerization and

introduction of new technology in order to cut down on the extensive paperwork that is involved and just to be more efficient in making sure that the payments are made with due expedition.

Mr. Stefanson: The member is correct. It is an area that continues to change with the sophistication of technology and equipment. We take off our bank balances daily through the bank computer system, as an example, all various things that are now happening that continue to reduce paper flow and paperwork.

* (1200)

As I mentioned, one of the three RFPs that we put out with the banks is to go to a direct payroll system as opposed to the current system that we have, so subject to being satisfied with at least one of those submissions, that, again, is another move to dealing with payroll transfers on an electronic basis.

Mr. Leonard Evans: There is reference made to the fact that the branch expects to enter into electronic media using services such as EFT to replace physical cheque and insurance receipts, which is what the minister just dealt with or made reference to. I am not clear when you say electronic media using services. I wonder if the minister could explain a little bit more. Exactly what do you mean by electronic media using services?

Mr. Stefanson: I know the word media always might conjure up certain impressions, but really it is just another form of saying systems, is really all that they are referring to, that we can transfer to an entity, they can transfer back to us. The word media has been used to reflect that ability.

Mr. Leonard Evans: Too used to thinking of media in a narrower sense than that, some favourite radio stations or television stations or papers or whatever as opposed to the true use of the words. Fine.

I would just like to carry on further. In dealing with Treasury Services, reference is made to monitoring foreign exchange markets. Arranging for the purchase and sale of foreign currencies is required to service the debt and convert the proceeds of new issues. I thought

I read that elsewhere, and I am just wondering, is there, and I am sure there is not but I will ask anyway, some duplication or overlap done in this section of the department with some other section of the department?

Mr. Stefanson: Mr. Chairman, the member would probably have seen similar wording when we were dealing with the Capital Finance section, but this section that we are in, Treasury Services, is really the servicing side now of the debt, the paying of the debt, the paying of the interest. Servicing at the capital market side, the lengthy discussion we have had is on the acquiring, and so on, of the debt.

Mr. Leonard Evans: I see reference again made to MPIC where you advise them or provide services with their major accounts. How does that work, Mr. Chairman?

Mr. Stefanson: Mr. Chairman, this is really the safekeeping function on behalf of Manitoba Public Insurance where we collect their interest on their behalf and control the investments, is really the function that is being performed within this division. Again, that split in terms of the functions, this is holding the investments, collecting the interest and then ultimately distributing funds back to Manitoba Public Insurance as required.

Mr. Leonard Evans: So MPIC is totally dependent on the department for this service. They just rely on you to offer this service and they sit back and collect the money, is that right?

Mr. Stefanson: Mr. Chairman, yes, that is right, and we do charge them for that service.

Mr. Leonard Evans: The Autopac policyholder eventually pays.

I am just wondering in a general way, because we are talking about the debt and the interest on the debt, how does Manitoba stack up with the other provinces in terms of this being a burden? There are some figures here in your budget document as to percentage of total expenditures that is related to interest payments. I think it is something like 11.7 percent public debt costs. This is on page 12, Financial Review of the Budget

document. It is a pie chart. Of course, it is in the table as well, interest on the public debt, public debt costs, 11.7 percent. I guess my question is how does this compare with other provinces in Canada?

Mr. Stefanson: Mr. Chairman, going from previous charts that I have seen, debt servicing as a percentage of our expenditures, I believe Manitoba has the second lowest in Canada with only British Columbia lower than us. I refer the member as well to page 9 of that similar section that he was looking at, and it shows the provincial per capita debt servicing costs. On a per capita basis our debt servicing costs are the second lowest in Canada with only British Columbia being lower than us. He can see how significantly higher some of the per capita debt servicing costs are in many other provinces in Canada.

Mr. Leonard Evans: Mr. Chairman, what page was the minister referring to?

The Acting Chairperson (Mr. Penner): Page 9.

Mr. Leonard Evans: I did not notice this particular table or chart which I guess I should have.

Relatively speaking, on a per capita debt basis '94-95 servicing costs in dollars, we are the second lowest in Canada, and in terms of per capita we are the lowest, which brings me to a point that sometimes I think we are overconcerned with the debt burden in Manitoba. We always want to have lower debt than higher debt, and obviously we do, but it seems to me that Manitoba traditionally, now and for some past years—I do not believe we have ever been in a situation where we have been experiencing the heaviest debt burden, at least in terms of interest as a percentage of spending.

I do not think Manitoba has ever been in that position. We usually end up somewhere around the middle. If we can be at the bottom end, that is even better. It seems to me that, and I do not have the historical, this is just for this year—I wonder if the minister's staff could advise the minister, what has been the highest percentage? Can anyone recall? It is 11.7 we are dealing with now. What has been the highest that we have ever had in terms of percentage of expenditure?

Mr. Stefanson: Mr. Chairman, if the member is looking for public debt costs as a percentage of our operating expenditures, again, the detail summaries on pages 20 and 21 of the same section show what public debt costs have been as a percentage of our expenditures. This one goes back to 1986-87. Obviously, if we went back to other budget documents you could see it going back to earlier years as well.

The member is right. Manitoba, in a relative sense, is in a very favourable position. We do have the second lowest debt servicing cost as a percentage of our expenditures. I think the reality is that still is a challenge for every province in Canada.

It is interesting—just an editorial comment—I think the federal government's debt servicing cost is a percentage of—it is about 34 percent, 35 percent I believe, in that vicinity anyway. Whether it is 35 or 40, it is way too high.

* (1210)

Mr. Leonard Evans: Mr. Chairman, I am very remiss because I remember now looking at this before—memory lapse here. There it is right in front of us. The minister is correct in his observation. Well, 12.7 I guess is the highest we have achieved, so we have not improved. We are still fairly good, relative to most provinces, but it has worsened. The best was '91-92, as I read it here in this table, when it was only 9.9, but there has been an escalation in the last four years.

I paid particular attention to looking at it in another way. You can look at it in terms of net debt per capita. That is another way of assessing your debt burden. Of course, that has gone up. As I have said in the House, under this government it has gone up by about a third, roughly, from \$9,372 in '87-88 to now \$12,272. It certainly has not—there has been some variation over the years, but generally the pattern has been upward. This year is less than last year, and '95-96 of course is a bit smaller than '94-95, but still we have tended to increase.

I guess you could also put it in another light and say, well, why do you not look at it in constant dollars and then it is not as bad compared to current dollars. That

is why in some ways using it as a percentage of total spending may be more realistic because total spending is influenced by inflation as well. If you are just taking it as a percentage of total spending you are sort of taking into account more or less the fact that the dollar is worth less and therefore—I mean, if you deindex, in other words, if you put this total net debt per capita on constant dollars, you would not find the same increase, you would not get the one-third increase. It would be a lot less than that because of the impact of inflation.

Mr. Stefanson: I do not necessarily want to get into a long debate on this, although again I am prepared to, but probably the more meaningful figure is the figure just above that which is the net general purpose debt because that is the direct debt of the Province of Manitoba. The total net debt, while I am not saying it is not an important number to be aware of, that does include the debt for our Crown corporations, Hydro and MTS, which as we know are self-sustaining. So it is the net general purpose debt which is really the direct debt of the Province of Manitoba, and this tracks it from '86-87 on a per capita basis.

If the member so wishes, I would gladly go back and update this table to show him the period 1981 to 1988 in terms of what has happened to net general purpose per capita debt as some additional information. It will show an interesting development with the net general purpose debt per capita over that period of time.

Mr. Leonard Evans: Yes, that is an argument that can be made. It is more relevant to look at net general purpose because the other is presumably debt being acquired to put assets in place, but I would make a case of part of the net general purpose debt puts assets in place. I mean you are building highways. You are putting infrastructure in place from time to time throughout the province, and you could even make an argument that some of it has gone for human capital investment, investment in people through education expenditures and so on.

There is always sort of an assumption made, well, if it is general purpose debt, it is sort of bad debt, and I would disagree with that. There is a lot of money spent under general purpose that is very necessary for keeping the quality of education, for maintaining

highways, for whatever. But, certainly, you have not had the same degree of increase, but still it has gone from 4,691 in 1987-88 to 6,149 in 1995-96. You do not have public debt costs or net general purpose debt costs as a percentage of operating expenditures in this table if I am reading it properly.

Let me ask you the question. When it says public debt costs 12.7 percent, does that not relate to the total net debt?

Mr. Stefanson: Mr. Chairman, our public debt costs are only on the net general purpose debt because we recover the debt servicing costs from Hydro and Telephones on the overall debt.

Mr. Leonard Evans: Okay, thanks. That is interesting. The public debt costs only relate to net general purpose debt and therefore excludes debt related to Crown corporations primarily. At any rate, we do not have that per se. I guess if you took the difference between the total net debt and the total general purpose debt, it is roughly \$6,000 for 1995-96. So what you are saying is about half the total net debt is related to investments in Crown utilities, essentially.

At any rate, Mr. Chairman, I think we are agreed that relative to other provinces, our debt situation is not out of line, and I do not think it ever has been seriously out of line.

Just carrying on, reference is made to Expected Results of the Treasury Services, and reference is made that the direct debt serviced by the branch is expected to approximate \$17 billion in 1995-96. I stand to be corrected on this, but I think on page 18 there is some reference to \$14 billion. The 1995-96 budget shows \$13.953 billion as opposed to \$17 billion, so I was wondering why—

The Acting Chairperson (Mr. Penner): I wonder if I could interrupt the honourable member for Brandon East and ask him to reflect on which documents he is quoting numbers from. It appears that you are working with three different documents, and I think for simplification to the minister and his staff it might be useful if you identified which documents you are quoting from.

Mr. Leonard Evans: Mr. Chairman, yes, the reference to the \$13.95 billion is from the Manitoba Budget 1995 document, page 18 of the financial review and statistics section. This is the table we were referring to earlier.

* (1220)

Mr. Stefanson: Mr. Chairman, the table the member is looking at in our actual budget document, the \$13.953 billion is net of sinking funds, but the actual debt servicing is the full \$17 billion, the debt that has to be serviced. This is showing the Expected Results and the functions of the department in the Supplementary Estimates, but the actual net overall debt, as it says on the table in the actual budget, net correct and guaranteed debt after sinking funds is approximately \$14 billion.

As the member said earlier, you can see that it is approximately 50-50. It is roughly \$7 billion for general purpose debt of the province and roughly \$7 billion for Hydro and other Crown corporations.

Mr. Leonard Evans: So the key word, I guess, is net as opposed to total.

Further reference is made to the servicing of the foreign debt obligations is expected to require the purchase of \$330 million U.S. I wonder if the minister—I am making reference now to page 46 of the Supplementary Information for Legislative Review 1995-96. The Chairman looks a lot happier now, and his assistant.

Mr. Stefanson: Mr. Chairman, what is being referred to is the requirement in U.S. dollars to pay interest and to retire any principle on any borrowings that come due during '95-96, U.S. borrowing.

Mr. Leonard Evans: Reference is made to new borrowing is expected to require the sale of \$300 million U.S. I wonder if he could elaborate on that. I am not quite clear on that statement.

Mr. Stefanson: I guess the simple answer is the \$300 is really potentially part of that almost \$1 billion, the \$900 million of expected additional borrowing

requirements for the year, that all we are saying there is we might well do one U.S. issue. It might end up not being a U.S. issue. It might be a Canadian, or it might be Euro-Canadian or some other. So that is just reference that, based on past practices, the expectation is we probably will do one U.S. issue out of our total requirements, but that final decision will be made when we get to the point in time when we actually require the capital and the cash. We will go to the best market with the best rate and the best terms.

Mr. Leonard Evans: Mr. Chairman, does this involve a lot of key staff and a lot of meetings with agencies and doing a lot of research and so on, or do you have it down to a science where you can almost intuitively feel your way around?

Mr. Stefanson: Mr. Chairman, it is really like we discussed somewhat yesterday. This division is in daily contact with the investment dealers and so on, on an ongoing basis, monitoring it on the screens of their computers and an awful lot of interaction between our department and the financial markets and the investment dealers and so on.

Mr. Leonard Evans: In other words, the staff lives and breathes the data and the fluctuations and what is going on out there.

I think that pretty well concludes our comments or rather our questions and comments on the Treasury, unless the minister wanted to add anything further. I think we have pretty well covered the major concerns, so we are quite prepared to pass that, unless—oh, there is no Liberal here.

The Acting Chairperson (Mr. Penner): Item 2. Treasury (a) Administration (1) Salaries and Employee Benefits \$128,800—pass; (2) Other Expenditures \$123,100—pass.

2.(b) Capital Finance (1) Salaries and Employee Benefits \$300,200—pass; (2) Other Expenditures \$37,100—pass.

2.(c) Money Management and Banking (1) Salaries and Employee Benefits \$418,000—pass; (2) Other Expenditures \$378,900—pass.

2.(d) Treasury Services (1) Salaries and Employee Benefits \$419,000—pass; (2) Other Expenditures \$43,300—pass.

Resolution 7.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,848,400 for Finance, Treasury, for the fiscal year ending the 31st day of March 1996.

Item 3. Comptroller.

Mr. Stefanson: Mr. Chairman, just because I know the member for Elmwood (Mr. Maloway) is interested in this, yesterday the member for Crescentwood (Mr. Sale) asked for the market distribution of where we have borrowed over the last five years. I will give this information to the member for Brandon East (Mr. Leonard Evans) to share with his colleague.

The Acting Chairperson (Mr. Penner): Mr. Minister, are you tabling those documents?

Mr. Stefanson: Yes.

The Acting Chairperson (Mr. Penner): Shall we move on then, or is there more documentation to table?

Mr. Stefanson: Mr. Chairman, there was also some question on cash and investments that I will table as well, and the last question was who our tax appeal commissioner is, and it is Mr. Glenn Russell.

The Acting Chairperson (Mr. Penner): The item then under consideration is 7.3.3. Comptroller.

Point of Order

Mr. Leonard Evans: Mr. Chairman, on a point of order, it is now 12:30 and we are expected to go till 2. My stomach tells me it is time to eat. I wondered whether we should take a 20-minute sandwich break, or whatever, or whether we take a five-minute break and bring some food here, although the Clerk tells me the rules do not permit eating, even in the committee. I do not know what drinking juice means, but anyway, I wondered how the minister felt about this.

* * *

The Acting Chairperson (Mr. Penner): The honourable member does not have a point of order. It is a matter of committee consideration that he is asking for, and I am going to ask the committee, what is the will of the committee? Do you want to break for a few minutes for lunch or do you want to continue? What is the will?

Mr. Stefanson: Mr. Chairman, I do not need much time. We have not had a chance to discuss what the plans are, but I am flexible. I guess that is the best way to describe it.

Mr. Leonard Evans: On this matter, we do not anticipate concluding today, possibly Monday but not today, so—

* (1230)

The Acting Chairperson (Mr. Penner): Should we break then for 15 minutes for lunch? We will be back here then at quarter to one. The committee has recessed.

The Committee recessed at 12:30 p.m.

After Recess

The Committee resumed at 12:45 p.m.

The Acting Chairperson (Mr. Penner): As a matter of note from the Chair it is now a quarter to one, the time for recess has expired, and we are waiting for the members to return to the table.

Mr. Leonard Evans: Mr. Chairman, the next section we are dealing with now is Comptroller's Office. I wonder, just a general question, whether there are any major developments in here that the minister wants to enlighten us on. Is there just status quo, nothing new, nothing changed, or is there something of significance we should be aware of?

Mr. Stefanson: Really nothing different than we talked about in a general sense yesterday. Two of the most significant undertakings in this area have been

that Corporate Human Resource Information System, CHRIS, that we referred to yesterday and the Integrated Management Information Strategy, the IMIS one. We touched on those yesterday. Other than those this area would be, in many respects, business as usual.

Mr. Leonard Evans: Mr. Chairman, I understand that, among other things, this branch or section is responsible for updating the financial administration manual, including policy refinements. This is obviously an ongoing process, but are there any new developments in policy refinements?

Mr. Stefanson: Mr. Chairman, really nothing significant other than Eric Rosenhek who has joined us, who is the ADM of this division, participates and is a member of the PSAAC, Public Sector Accounting and Auditing Committee of Canada. That really goes back to the issue that we touched on earlier today, talking about standardized accounting policies across Canada and those kinds of issues in terms of reporting of governments and public sector entities.

Mr. Leonard Evans: The Public Accounts committees in Canada get together once a year along with the auditors and so on. There is a lot of concern about standardization of accounting for better comparisons. If nothing else, I think we touched on that earlier when we were discussing the handling of accumulated funds such as lottery revenues or whatever and how we use them. I think there is a lot of interest in coming forward with standard procedures so that we can compare apples with apples.

Is there reference made to resolution of outstanding provincial audit issues? Can the minister advise us what the outstanding audit issues are? I have got the Provincial Auditor's report, but I have only got Volume 2, unfortunately. I do not have volume 1 with me.

The Auditor does, from time to time, delineate problems as she or he sees fit or identifies, rather, in various departments. I was wondering, are these audit issues relating to this department, or are these provincial audit issues generally that the Auditor identifies?

* (1300)

Mr. Stefanson: Basically it is this division of our department that works with individual departments to follow up and deal with any outstanding issues as a result of the Provincial Auditor's report.

Mr. Leonard Evans: I guess it would be too vague of a question to ask you, what are some of the outstanding issues? Is there anything really predominant that stands out that you would be concerned with?

I have always looked upon Finance as very complementary or supplementary to the Provincial Auditor's function because you have the overall concern of financial management. That is one of your major responsibilities. So I can see you having to work very closely with the Provincial Auditor on a lot of issues that do come up from time to time in the departments. I was just wondering, though, is there anything outstanding now that could be commented on?

Mr. Stefanson: There is nothing outstanding of what I would call of significance. As a result of the various individual auditors' reports, there are often accounting issues or those kinds of issues that we are the ones that follow up, whether it is, as I say, just how they are preparing their information, timeliness of information, a lot of those types of issues, but there is no particular initiative or area that is significant that is being followed up on at this time.

Mr. Leonard Evans: Thanks for that information, Mr. Minister.

Mr. Chairman, there is reference which my colleague for Elmwood (Mr. Maloway) has made in this document. He has pointed out, in this document, reference to development of a comprehensive government-wide travel expenditure database. I wonder if the minister could explain what is involved here?

Mr. Stefanson: That is work that is currently being done with American Express Canada to develop the entire database of all travel that is being done by departments, by everybody associated with government, with the Province of Manitoba really as a starting point to see the extent of travel being done

within government, the volume of travel, the destinations, with a view obviously then to looking at the broader issue of the requirements, but also looking at ways to continue to control costs in that entire area and get the best price, best arrangements on behalf of government whenever we are travelling.

Mr. Leonard Evans: Mr. Chairman, this would involve, I would imagine—maybe the minister can enlighten us. Most of the travel expenditure is with regard to use of automobiles, either government fleet or private, or are we talking beyond that?

Mr. Stefanson: This is really mostly related to airfare travel outside of the province of Manitoba.

Mr. Leonard Evans: As I understand it then, the minister said air travel outside of the province of Manitoba. I see.

Do you have any estimates of how much we are spending now in total, say, the past year?

Mr. Stefanson: The Public Accounts summarize expenditures. We happen to have the March '94 one as an example. Transportation on behalf of the government that year was just over \$32 million, but that is all transportation, I want to make clear. It is not only air travel. That is vehicle utilization, all travel and transportation on behalf of government. So that is in the Public Accounts broken down with many other areas of expenditure.

What we are really talking about—this just happens to be the '94 one and it is in section 5, page 16 and 17—but what we are talking about here in terms of the original question is air travel, getting the data base on air travel outside of the province, utilization, as I have already outlined, of travel and just to determine how we can keep those costs down, what kind of arrangements we can enter into that control those costs and to determine the need in all of those areas, how extensive it is and so on.

Mr. Leonard Evans: Did I hear the minister correctly a minute ago when he said this is being done in conjunction with the American Express card company?

Mr. Stefanson: That is correct.

Mr. Leonard Evans: Mr. Chairman, why American Express? I know it is one of the various credit card companies but there are others as well, including the banks, of course, that are into this. Why American Express?

Mr. Stefanson: Mr. Chairman, we went through a tendering process. They were the selected entity that could best perform it. I was just confirming. I do not believe any of the banks even responded or had the capability to perform this function as efficiently as American Express Canada.

Mr. Leonard Evans: I am not clear. We would have the data, not American Express. So what, in effect, is going to happen is you are going to have one or two or three people from that company, research people, who will come and look at the data and analyze it somehow or other and then give you some observations. Is that correct?

Mr. Stefanson: Mr. Chairman, it is more than that. It is a result of utilizing their credit card and account system for travel that then allows them the capability to, in an organized fashion, produce the information for our use.

We went through an RFP on that service to us, instead of where we do utilize credit cards or do want to have an account system of controlling our travel. Instead of having it through a series of different entities, it is more efficient to have it through one. We can get better prices, and then it does allow us now to have this capability to pull it all together to determine, as I have already said, the activity in that area. Are we getting best prices, are we travelling in the most effective and efficient way and all of those kinds of things, again, looking at controlling costs.

* (1310)

Mr. Jim Maloway (Elmwood): Mr. Chairman, I would like to ask the minister, then, does that mean that the travel that had been taking place on an individual department basis over the past years has now been pulled into a central ordering process? Will individual

departments still be buying their travel tickets individually?

Mr. Stefanson: No. There is no centralized service. It is simply the way that they will be paying for their account, which then allows the consolidation of all of the information, and then our ability to utilize that information to hopefully reduce costs.

Mr. Maloway: So really what it is is nothing more than a computerized record-keeping system then provided by American Express for what purpose, so that you use their card?

Mr. Stefanson: Mr. Chairman, record keeping and bill paying is really the function, not unlike we have to pay our air travel, so they are paid through American Express, as opposed through a series of different credit cards or through an account basis or an advance basis where money can be outstanding then for a prolonged period of time while people then submit expense reports and so on.

This way it is done immediately. There is no need to be giving cash advances to employees for travel, as it relates to that component and so on. So it is a much more efficient method, but it also allows us the opportunity to get information that we think we can utilize to continue to control costs.

Mr. Maloway: Mr. Chairman, then does that mean that the individual departments are still making the decisions as to which airline and which travel agency they use, the only difference is they are using the American Express credit card to pay for the travel?

Mr. Stefanson: Basically, yes, as opposed to a series where it could have been done through a cash advance, through a different credit card, through one of the many ways. That is exactly right.

Mr. Maloway: Mr. Chairman, then I would like to ask the minister, what is this new service costing us?

Mr. Stefanson: There is no fee for doing it. It comes with utilization of their card. In fact, we have quite reasonable terms with them, 60 days to pay accounts, which in today's financial situation is very reasonable.

Mr. Maloway: Well, that is consistent with what they have been doing with other organizations, I think universities and so on, for a number of years. Is there any agreement that is signed with American Express?

Mr. Stefanson: Yes, Mr. Chairman, there is a three-year agreement.

Mr. Maloway: When did the agreement start?

Mr. Stefanson: It started January 1 of this year.

Mr. Leonard Evans: I am not quite clear. At first I thought we were into an agreement with American Express to develop a database, not to deliver a credit card service, but now it appears from some of the answers that we are committing ourselves—maybe I am wrong—but we are committing ourselves to using their credit card system for three years.

Mr. Stefanson: Maybe it was not perfectly clear at the beginning. We developed the database but from information that we now get in on a consolidated basis from American Express Canada.

Mr. Leonard Evans: What about the use? Does it mean now that a civil servant or public servant must use American Express credit cards?

Mr. Stefanson: Basically any department or any individuals who are doing significant travelling on behalf of government would put that cost on an American Express travel card.

Mr. Leonard Evans: Does this mean a public servant is prohibited from using, say, Visa if he or she wanted to do that?

Mr. Stefanson: Mr. Chairman, any individuals booking air fare would book them through this basis, through their house account, which is with American Express. There is nothing precluding individuals using their own credit cards for travel and then putting that through a travel advance if their travel has been of course approved in the first place.

Mr. Leonard Evans: What is this service going to cost? Is there not a cost involved?

Mr. Stefanson: No, there is not. They are happy to, I think, have some cards in circulation, have the business. There are advantages to us. As I have indicated, we do not pay for 60 days, which are reasonable terms. We also do not have to put money out in advance as cash advances against travel, which we pay interest on or that costs us money. There are certainly cost savings to us as a result of implementing this kind of a system.

Mr. Leonard Evans: American Express is doing this to make money, so I guess it is making money by charging back to the airlines, who have to pay for the use of this credit service.

Mr. Stefanson: The process, Mr. Chairman, the way I understand it with credit cards, is there is a charge to the supplier traditionally. That would be the case here as well, whether it was with a travel agent or depending on the individual's amount of travel. Some individuals will be allowed to use these for booking accommodations and those types of things. So again, similar to any credit card, there would be a charge to the hotel. That is how American Express would obviously earn their revenue as well as having some cards in circulation with individuals who then might carry an individual card as well or those kinds of things.

The Acting Chairperson (Mr. Penner): I am going to interrupt here and ask one of the members to sit beside the table to eat. We are not supposed to eat at the table. Those are the rules. Thank you.

* (1320)

Mr. Leonard Evans: Mr. Chairman, again, the reference in the document is to development of a database. Did I understand from the minister's previous answers that there is no cost in developing this database? I presume the Manitoba government has signed an agreement with American Express. The member for Elmwood (Mr. Maloway) suggests we maybe get a copy of the agreement.

Mr. Stefanson: I was just checking. I do not see any reason that that should not be able to be provided, and I will undertake to do so.

(Mr. Assistant Deputy Chairperson in the Chair)

Mr. Leonard Evans: I thank the minister for his co-operation. I wondered—I just want to backtrack a bit—did the minister say this was a three-year agreement? I know we will be looking at the agreement but this is a three-year period and the question is, is it easy to get out of dealing with the company once you have begun this? Now even though it is three years, is it that easy, that practical, for whatever reason, if you were not quite that happy, but maybe marginally unhappy, could you really get out of it easily?

Mr. Stefanson: If at the end of the three years we want to terminate, I do not anticipate that as any problem. Again, I am confirming and we will check the agreement as well.

I believe there is even a notification period in the agreement if we wanted to. I think there is a notification period in the agreement if we, for whatever reason, wanted to terminate it earlier.

Mr. Leonard Evans: Did the minister state earlier that we spend, according to the 1994 Public Accounts, \$32 million on air travel, or was that total travel?

Mr. Stefanson: That was transportation in total of all types—vehicles, air, whatever type of transportation is done on behalf of government.

Mr. Leonard Evans: Do we have easy access to a breakdown of that? Do we know how much was spent on air travel? What are we talking about here in this dealing with American Express? What total expenditure are we looking at?

Mr. Stefanson: That is not in the Public Accounts. We will undertake to see if that information is readily available. That is one of the aspects of what we are doing here; we will have a comprehensive database for our use on all government air travel.

Mr. Leonard Evans: So does the minister expect to get some analytical insight from this study, which may then allow him to make recommendations for changes in air travel regulations as it pertains to the civil service?

Mr. Stefanson: That may be an output of it. The most immediate, as I said, is a financial cost saving to government as a result of going to this kind of a system as opposed to what was in place before.

Mr. Leonard Evans: I am not pretending to understand how this whole system works in the government, of ordering travel, but at some point, it seems to me, the departments deal with travel agencies. Will that have any impact on travel agencies being used because, as I understand, American Express also owns or has some relation to some travel agencies?

Mr. Stefanson: It will have no impact on travel agencies that individual departments choose to use for whatever reasons. It is merely the method of payment.

Mr. Leonard Evans: We look forward to getting the agreement, Mr. Chairman.

Just on to another topic, references made to initiating a process to re-engineer the Public Accounts reporting requirements and preparation.

I wonder if the minister could tell us exactly what is happening? I like that term, "re-engineer" Public Accounts.

Mr. Stefanson: I will simply read what the outline is: The Provincial Auditors' Report to the Legislature comments on the presentation of information in the Public Accounts and the need to review the appropriateness of this information. This is being done.

Staff are preparing a proposal which would see significant changes in the appearance and to some extent the contents of the Public Accounts. The review takes into consideration the informational needs specific to Manitoba as well as the practices in other jurisdictions.

This proposal will be presented in the near future and may be considered for implementation in the '94-95 Public Accounts.

Mr. Leonard Evans: I was just commenting to myself, it is a good thing some members of the opposition ask these questions. The minister can find

out what is going on in more detail in his department. I just wanted to ask this question: If recommendations come forward to make some adjustments, who makes that decision? Is it made by the Minister of Finance or does that have to be a cabinet decision or does there have to be some agreement with the Provincial Auditor, as well? What is the decision-making process here?

Mr. Stefanson: I want to put the member for Brandon East's concerns to rest, that I do know what is going on in the Department of Finance. I do have the authority as Minister of Finance but there often are occasions where these are discussed at the Public Accounts committee of this Legislature.

Mr. Leonard Evans: As Chairman of the Public Accounts committee, or past Chairman and maybe future, who knows, I will be interested in seeing if and when this does come forward. At any rate, I guess we could pass on to the other area of this section, and that is Disbursements and Accounting.

Reference is made on page 54 of your Supplementary Information for Legislative Review document to preparing approximately 450,000 supplier payments in accordance with legislation and policy and so on.

This brings me to the question, is the reference made to a payment cycle not exceeding an average of 36 calendar days from invoice to cheque date? It seems to me that from time to time MLAs get complaints about suppliers not being compensated early enough, or something happens that for some reason or other they are not receiving their payment when they believe they should receive it.

I wonder if the minister can advise me whether he as minister or the deputy minister gets many complaints about tardiness with payments to the private sector for services rendered.

Mr. Stefanson: No, we get very few complaints. The average for '94-95 was 35 calendar days. If I recall it correctly from some previous studies I have seen and read about, we stack up very favourably in terms of the time it takes to pay our outstanding invoices.

* (1330)

Mr. Leonard Evans: What accounts for the time required, the 35 days? You receive documents and documents have to take their time because the staff have to analyze them and assure themselves that these are legitimate services received or goods obtained, et cetera, and that the goods are in good order and so on, but how is that 35 days broken down, because obviously there has been an analysis of this? What accounts for 35 days? Why not two weeks or why not three weeks? I am not being critical here. I am not saying 35 days is unnecessary, maybe it is excellent, maybe it is. I am not judging that, but why 35 days?

Mr. Stefanson: There are really two main elements within our department. From the time we receive the voucher to the turnaround to the issuing of the cheque is usually no more than two weeks. The other period of time is taken by the individual departments verifying the invoice, verifying the goods or the services were in fact received and performed satisfactorily, and all of those standard kind of functions that would happen in government, the private sector and the due diligence that should be done.

Mr. Leonard Evans: I have had one or two cases where I have had complaints, but then I found out there were extenuating circumstances. I gather if a supplier, for whatever reason, is delinquent—is that the term—on a payment to the government of Manitoba, let us say for income tax or whatever, that is taken into account when a payment may be made by the government to that supplier. I imagine you must have some system in your computerization of this of flagging this down or drawing this to the attention of the department.

Mr. Stefanson: We do, Mr. Chairman, have the right to offsetting. If there are delinquent accounts, money owing to the government and an amount is owed to a supplier, we do have the ability and the right to offset. The system is not integrated to the extent that we integrate receivables, payables accounts, all of those kinds of things by an individual or a corporate name. There is the opportunity, and occasionally we do have offsets.

Mr. Leonard Evans: Is this much of a problem, Mr. Minister? Is it a very minor situation, or do you find it creeping up from time to time?

Mr. Stefanson: Mr. Chairman, no, it is not a major problem. On outstanding accounts owing to us we do charge interest, but obviously if we are providing a service that has become past due or of course on any outstanding accounts.

Mr. Leonard Evans: There is reference made to collecting on a timely basis amounts owing on shared-cost agreements administered through the branch. I wonder if the minister can explain what these are. What are these shared-cost agreements? What are we talking about here?

Mr. Stefanson: The most common under this area would be agreements with the federal government where we implement, they owe us money, and we obviously pursue the collection. I guess the most current example would be the infrastructure agreement where we are the delivery vehicle, but obviously the federal government is paying one-third of the overall program, and we collect the money back from them.

Mr. Leonard Evans: Is this just federal cost-sharing or are we talking about municipal as well?

Mr. Stefanson: Mr. Chairman, they are virtually all with the federal government. There might be one or two there with the municipalities. An example given was there was some ring dike agreement with some municipalities at one point in time but that does not happen very often.

Mr. Leonard Evans: Do we administer this usually rather than the federal government? Do we administer this and then collect monies or transfer monies to the federal government, or is it on some occasions the federal government takes the lead and we use their services?

Mr. Stefanson: I am not entirely clear on the question but we administer—I will use the most recent one, the infrastructure agreement, as an example where in most cases the implementing jurisdictions are the municipalities, but obviously the province is contributing one-third, the federal government is contributing one-third, and we administer the distribution of the two-thirds from the federal and provincial governments to the municipalities. Under

some of these agreements, the federal government takes the approach that they want to deal with one entity, the Province of Manitoba, and then we become the delivery vehicle.

Mr. Leonard Evans: Mr. Chairman, are we having any current problems with the federal government? We are talking about collection here. This could include a collection from the federal government.

Mr. Stefanson: Mr. Chairman, collections that fall under our department, no. I think, as the member knows, there might be some outstanding issues in Family Services, as an example, under social assistance for aboriginals off reserve. I think members are well familiar with that issue and the concern that the federal government used to pay 100 percent and they are now paying 50 percent. There is an outstanding continual dispute over what they should be paying, and to date that has cost the Province of Manitoba over the last period of time some \$60 million, those kinds of issues. But under what we administer here, no, there are not any problem areas or outstanding issues.

Mr. Leonard Evans: I think it was 1989 there was a problem with firefighting costs and the federal government was not going to pay a certain share which we thought they should be paying. So you are saying, in effect, that would not be in your department. That would be Natural Resources probably.

* (1340)

Mr. Stefanson: That is correct, Mr. Chairman.

Mr. Leonard Evans: Then what is covered? Could you give us some examples of what is covered or if the minister would like to prepare a list.

Mr. Stefanson: Mr. Chairman, these are the 1993-94 Public Accounts. I refer the member to page 37. It shows amounts receivable with the government of Canada, but it is all inclusive, so it does show the Canada Assistance Plan and Disaster Financial Assistance, and so on, but it does also include the ones that we administer which tend to be the smaller ones. I can certainly undertake to give him the breakdown from this list of which are the ones that are dealt with

through the Department of Finance, but this section will show him not only the ones through the Department of Finance but all of them that are with the government of Canada.

Mr. Leonard Evans: Which year was that for that the minister referred to? The Public Accounts for 1993-94? That is the latest, I guess.

Mr. Stefanson: That is correct. It is the 1993-94 Public Accounts, and those are the most recent.

Mr. Leonard Evans: I would like to pass on, then, to Legislative Building Information Systems, which is still in this section, and ask for an explanation of this reference to installing a new information technology system in the Legislative Building. Apparently it is based on the so-called open systems concept. Could the minister give us an update on just what is going on here?

Mr. Stefanson: The status of the Legislative Building information system is that Wang has fulfilled its obligation to the province, and no issues remain outstanding. The new system has been installed in the Legislative Building and is operating satisfactorily. All offices are using the new system and applications are in the process of being converted.

The Legislature now has a very powerful, flexible and open system which is well positioned to meet the future needs and is capable of providing it with access to the information highway.

In addition, some of the original Wang micro-computers and printers, which served the Legislative Building, have now, over a period of about five years, been redeployed to government departments with the highest priority needs. So they are still being utilized within government.

Mr. Leonard Evans: There was reference to Wang, about developing Wang or using more Wang, and yet there is a reference here to generally phasing out the use of the current Wang system.

Mr. Stefanson: I think the confusion for the member is that I referred to the Wang agreement. The member

will recall previous discussions we had about penalties under an agreement with Wang.

This has been the implementation now of non-proprietary systems in the Legislative Building to create an open system. They are not Wang products. They are products like Mind computers, which is one example that I can provide. I can give a breakdown of the other kinds of products being utilized. So it is the fulfilment of the outstanding penalty through the implementation of a system and hardware that is open.

But as I have also indicated, the equipment that we have been utilizing for the last five years is continuing to be utilized within government in other departments that do not need an open system.

Mr. Maloway: Mr. Chairman, I think it is a good idea to develop an open system and I am wondering why we did not do that before.

Mr. Stefanson: I think what really happened is we are going back over five or six years when the original Wang agreement was put in place, and what has happened is both thinking and technology have changed in terms of the ability of these open systems and the nonproprietary systems. As a result, we will be able, through the utilization of the penalty, to implement now an open system utilizing products like the Mind computers but still continue to have value for the system that was in place from Wang.

Mr. Maloway: Mr. Chairman, I think the minister should recognize though that the open systems have been around for many years. Does he see this as an error in judgment to have accepted the idea that Wang should introduce their proprietary system into the building, which in effect probably costs us a lot more money by being stuck with one type of technology that is closed?

Mr. Stefanson: Mr. Chairman, no, the Wang agreement has not in any way cost us a lot more money. It was a part of a much broader strategic initiative at the time. That was the reason for a penalty provision of approximately \$2 million, which was utilized to acquire the hardware and the system that we now have in place.

We have the situation today where we utilized that penalty to put in place Mind computers and others in the Legislative Building information system, and we still have access to the utilization of the original Wang hardware and system that was put in place some six years ago. So by having written an agreement that had penalty provisions in place and binding penalty agreements, we were able to end up with an open system here that is very efficient and should meet the needs of this facility and members in here and individuals in here for many years to come.

Mr. Maloway: Mr. Chairman, could the minister outline for us what the costs are of this new open system, what the equipment is and who the providers are?

Mr. Stefanson: The hardware and software came from a number of vendors. I will certainly provide the breakdown of that information. My recollection is the penalty was in the vicinity of about \$2 million, but I will give a detailed breakdown of what the penalty was and the systems and vendors that software and hardware were acquired from.

Mr. Maloway: Mr. Chairman, can the minister tell us what the time frame is for the implementation of this new open system? When was the agreement signed? When do they anticipate the final unveiling of the system?

Mr. Stefanson: My understanding is all of the hardware is in place and there is the continuation of the implementation of the software to the various offices, whether it be the E-mail system, the correspondence tracking system, the various elements of the systems that are available for everybody to utilize.

Mr. Maloway: Mr. Chairman, was this process open to tender at any point?

Mr. Stefanson: Well, there are two elements. Various aspects of this have definitely gone through public tender. In terms of the Wang penalty, we worked with Wang in terms of selecting hardware or software that was deemed to be most appropriate to meet our needs.

Mr. Maloway: Mr. Chairman, I do not think the minister still has told us which elements of this computer buy, because that is what it is, have been put to public tender. There is a \$2-million penalty from Wang. Presumably, that \$2-million penalty was used to purchase some of this equipment from Wang, I understand.

Mr. Stefanson: I indicated aspects of it have been public tender. I will undertake to provide the detailed breakdown of which were done directly as a result of utilizing the Wang agreement and which had been done through a public tendering process.

Mr. Maloway: Mr. Chairman, would the minister then tell us what the total cost of this new open system will be?

Mr. Stefanson: I will undertake to provide that information.

Mr. Maloway: Mr. Chairman, clearly then the minister is admitting there are elements of this work that were not put to public tender.

Mr. Stefanson: No, I am not confirming that. I want to go back to the settlement with Wang and determine what aspects did go through public tender.

Mr. Maloway: My final question, could the minister tell us how long he anticipates that this exercise will take then in providing us with a breakdown as to the suppliers in this project, the cost of the project and which elements of it were tendered?

Mr. Stefanson: The member for Elmwood knows that I will provide that information to him as soon as possible.

Mr. Leonard Evans: As part of the agreement with Wang, was there not supposed to be some manufacturing concluded in Manitoba, some manufacturing put in place by Wang?

Mr. Stefanson: I would have to go back to the original—you are talking about the original agreement with Wang. I think it was not manufacturing, it was more the development of imaging technology and the

creation of a centre of excellence here. That never occurred. As a result of that, there was a penalty clause in the agreement which I believe was approximately \$2 million. That penalty clause was then utilized for one of the many projects that we had to move forward on, this one being the Legislative Building Information Systems.

Mr. Leonard Evans: Just passing on then to Internal Audit Services, Mr. Chairman, I imagine this is not an area that involves any private auditing services. Is that correct?

Mr. Stefanson: That is correct. It is totally internal.

Mr. Leonard Evans: This Audit Services is a very large function, I am sure, of the department. I was wondering to what extent this section of Finance co-ordinates with the Provincial Auditor in these services. Are we duplicating what the Provincial Auditor does, or do we work hand in glove with provincial auditing staff, just what is the arrangement?

Mr. Stefanson: Mr. Chairman, there is no duplication. It is an entirely separate and distinct function. It used to be broken down individually through all of the departments. It has now been centralized into one, under the Department of Finance, and they do work in direct co-operation with the Provincial Auditor in terms of the service that the Internal Audit Services provide.

Mr. Leonard Evans: Do departments not maintain for their own purposes some form of auditing function within the department as opposed to what you are doing, or the Provincial Auditor?

Mr. Stefanson: No, they do not. It is now done through here. It still allows the opportunity for departments to prioritize their needs, but it also allows us to prioritize on a government-wide basis which departments require and should be utilizing this service.

Without getting too technical, you get into issues like materiality and a whole range of decisions when you decide how extensive an internal audit function you should have. So, once again, by approaching it in this method we believe we will get much better utilization, better value. I believe that was with the support of the

Provincial Auditor that this is a more efficient way to perform this service.

Mr. Leonard Evans: Mr. Chairman, I guess this was one of my questions, how do you co-ordinate this? I mean you are co-ordinating what you do with the Provincial Auditor. You do not want to duplicate. Although in some cases you have to, I am sure. That is the nature of auditing; somebody checks the books and then somebody checks them again and again. I am just wondering how this worked.

I know the Provincial Auditor has staff assigned to specific departments, in some cases several staff, to various sections of departments. I imagine you would have staff assigned to particular departments as well, so I am just wondering how this co-ordination worked with the Provincial Auditor.

Mr. Stefanson: Mr. Chairman, they really are quite different functions. I mean the internal auditor is the day-to-day control systems, mechanisms that are in place to—basically, I will come back to the word control—have a system of control in place in terms of monitoring the delivery of the financial requirements and services and so on. Whereas the Provincial Auditor will get into functions that are quite different, will get into attest functions, attest audits, will get into project audits on individual projects within a department, which is different than the day-to-day control of monitoring that the checks and balances are in place, to be sure that if material is coming in that the invoices are checked. They are checked to be sure that all of the regular ongoing internal control functions are done.

They really are very different functions but they do have an interrelationship. That is why there is co-operation between the Provincial Auditor and the internal auditor.

Mr. Leonard Evans: I gather then that this has been a recent development, taking some of these functions out of the departments, putting them into Finance and centralizing them. There is reference made here to the completion of the consolidation of the Internal Audit Group, on page 58 of your Supplementary Information. You are actually locating them into a common office,

so you have taken them right into the department physically, and doing other things, developing an internal audit manual. I guess the idea there is to try to bring about some standardization throughout the government.

When will this be completed? I mean, you are in the process, but when do you expect to complete this development of an internal audit manual?

* (1400)

Mr. Stefanson: The physical relocation is finished. The manual continues to be worked on.

Mr. Leonard Evans: Just going on to Information Technology Services, is this where this ITRO is?

Mr. Stefanson: Mr. Chairman, we will get to that when we get to Treasury Board which is further in our Estimates process.

Mr. Assistant Deputy Chairperson: The hour being two o'clock, committee rise.

HEALTH

Mr. Chairperson (Marcel Laurendeau): Would the Committee of Supply please come to order. This section of the Committee of Supply will be dealing with the Estimates of the Department of Health. We are on item 1. Administration and Finance (b) Executive Support (1) Salary and Employee Benefits \$163,600—pass.

We are now dealing with 1.(c) Finance and Administration.

Mr. Dave Chomiak (Kildonan): I have a question on 1.(b).

Mr. Chairperson: Oh, you do.

Mr. Chomiak: Yes.

Mr. Chairperson: Well, we already passed it. Is there leave of the House to revert to 1.(b) to allow the member to ask a question in 1.(b)? Leave? [agreed]

Mr. Kevin Lamoureux (Inkster): Mr. Chairperson, Health for the Minister of Health (Mr. McCrae) and the New Democratic critic for Health is an area of responsibility that actually has been assigned to me from the leader, and I do plan on spending a great deal of time in the health care area. Obviously, when you have a caucus of three, you have a number of different responsibilities. This is one of those responsibilities in which, as I have indicated, I do plan spending a considerable amount of time on.

I have found in the past that you learn a lot by listening the first go around through the Estimates so I do plan to do a lot of listening, at least in this first go around. In future Estimates, I will probably be a bit better briefed on all the different line-by-line discussions, but suffice to say I am hoping to be able to contribute in a very positive way with respect to health care. The types and line of questioning that I would hope to be presenting to the Minister of Health will be one of trying to find out what the government is doing with the whole idea of health care, a change and reform.

All of us should acknowledge right up front that there is a need for change, and I think what we have to enter into is dialogue and debate that is very open wide, wide-ranging that is, and at times I have always felt that health care gets too political, that political parties will try to score excessive points, if I can put excessive points, at the jeopardy of preventing genuine health care reform from taking place.

My very good friend and former colleague, Dr. Gulzar Cheema, who now lives in British Columbia, and I had numerous conversations about health care in the past. I believe that the Liberal Party over the years has taken a fairly responsible approach in dealing with health care in the province of Manitoba. I hope to be able to continue that albeit short, seven-year tradition in terms of promoting where I can that need for change, as I have alluded to, and to ensure—and this is what we have been doing over the last couple of years—that the government materialize on some of the things that it says it is doing. It is, at times, difficult to find out where it is doing what it says it is doing, for example, the deinstitutionalization of health care and the actual health reform package.

I will not hesitate myself, as I am sure we will see within the Estimates, to venture into some of the politics of health care, just to indicate to the minister and the New Democratic critic that I too can be very passionate on this particular field. I feel very strongly, have very strong feelings and opinions on the importance of ensuring that we have a health care system in Canada that goes from one province to the other in terms of equal treatment. Those five fundamental principles are something I hold very close to my heart and feel that we have an obligation to do what we can to ensure that those principles are adhered to.

I know from both the minister and the New Democratic critic I will receive some criticism with respect to the federal counterparts. I am very cognizant of what the federal government is doing. Equally I understand and want to ensure that the federal government knows that we want the federal government to play a very prominent role in the future of health care. That is going to be a very high priority for me.

* (1110)

As I have indicated, deinstitutionalization of health care is one aspect of health care reform. Looking at the professions that are there, whether it is the nurse's aide to the medical doctor to the pharmaceutical, we have to start getting a better appreciation of what it is that these individuals, health care workers can do for health care in the province of Manitoba and to get them involved in a very significant way in the whole health care changes that need to be done. We have to ensure that we have an inclusionary policy that is out there to get their opinions and advice, because ultimately those are the individuals that are on the front lines. If we have a sense of co-operation and wanting to do what is in the best interests of the patient, which has to be the first and foremost priority for all of us inside this Chamber—I know personally that is my first priority.

I have argued at the door time and time again and will continue to argue it. Whether you are seven years old or you are 70 years old, you never know if you are ever going to require the type of health care services that we have today, and we have to ensure that we do

what we can, that health care is going to be there for our future generations. I feel very strongly to that.

Again, Mr. Chairperson, I appreciate the opportunity to be able to participate in a very significant way during these Health Estimates, even though I have been in attendance in previous Health Estimates in terms of sitting in every so often to hear some of the dialogue that was going on, but I will defer questions to a bit later this afternoon. We will see how things proceed, what lines we go on, again, because I am entering into the Health Estimates a bit on the late side primarily because I was the critic for the Executive Council with the Premier (Mr. Filmon) and Executive Council just wound up, thereby allowing me to sit in where my other responsibility of health care is.

Thank you very much for the opportunity.

Mr. Chomiak: Mr. Chairperson, in my last line of questioning yesterday in this particular appropriation item, we were discussing the release or nonrelease of the document the minister had that outlined the various activities and composition of membership of the committees in health care reform. The minister is going to give us an answer today as to whether or not he would be tabling that particular document. I wonder if we might resolve that right off the bat this afternoon.

Hon. James McCrae (Minister of Health): Mr. Chairperson, before responding directly to the honourable member for Kildonan (Mr. Chomiak), I would like to welcome the honourable member for Inkster (Mr. Lamoureux) into the discussion of the Estimates of Expenditure for the Department of Health for 1995-96. He may not know but in terms of opening statements he has added very well to what his colleague the honourable member for The Maples (Mr. Kowalski) had to say the other day in the Estimates review.

I take, with pleasure, the words that he has offered us today in terms of listening. It is an important thing to do, obviously. These kinds of reviews can provide us all with the education that some of us need. However, the honourable member ought not to operate under the impression that I think that he has not been listening for the last seven years because I believe he has. I believe

also that he will be a formidable participant in the discussions on the Health Estimates or the Estimates of any number of departments, and I know that he is probably in charge of a number of them now.

He is spreading himself pretty thin, but we do not take the honourable member for Inkster for granted when it comes to discussion on health care. When he says he feels passionately and very strongly about health issues, I believe him without question. He is like a lot of Manitobans, if he is like that, because that is what makes Manitoba such a special place. We feel very strongly about each other, and we feel strongly about caring for each other.

I was glad to hear him say there is a need for a change. That is consistent with the position his party has taken since the advent, if you like, of health reform, which began officially in the spring of 1992. We are glad that he enters the debate on that basis. He wants open dialogue and he does not want the discussion to be unduly political, so then he will be my partner on that point, as well.

Our health system is too important for us to be playing games with it. The more we can pull together as political parties and work together as political parties the better.

Dr. Gulzar Cheema, indeed, began a tradition with the Liberal Party of working, I believe, co-operatively with the government of the day in producing the best health system that we can produce as a society. I join with the honourable member in saying that the contributions made by Dr. Gulzar Cheema when he was in this Legislature were indeed constructive contributions. When the criticism was called for he was there, and he offered that criticism. It was almost always—in fact, I think it was always constructive criticism. It was not only appreciated by my predecessor, Donald Orchard, but also appreciated by me as I sat by and listened to some of the discussions.

The honourable member also appears ready to deal with any criticism that might come in respect of the federal colleagues in the Government of Canada. My criticism is not going to be as pointed as maybe the criticism of the honourable member for Kildonan.

We all say we believe in those five principles of the Canada Health Act. I do too. They are the principles of universality, accessibility, portability, public administration and comprehensiveness. Those are ideals that are written into the Canada Health Act, but there is not that much by way of definition of what those things mean. They are nice words and I like them, too. I do not blame the honourable member for saying what he said about it. Every time we have a debate about, let us say, universality the honourable member's view of universality and mine and that of the member for Kildonan might be a little different from time to time. That is what the debate is very often about.

My criticism for the federal government, I will state it very briefly and get it over with. I am not going to try to make the honourable member for Inkster (Mr. Lamoureux) responsible for the shortcomings of the federal government on these issues, because this federal government is not so different from the previous two in that the challenges were already becoming apparent by the late '70s. The government of that time, the government of Pierre Elliott Trudeau, began to address the challenges that the federal government was facing with respect to, how do you finance all these things that the federal government got into with its partnership with the people of Canada through their provincial governments?

I am trying to look at this in a realistic way. I recognize the extreme problem the federal government has. It is worse than ours. So if we are trying to address our own problems here in Manitoba, fiscal ones, then why would we want to be critical of a federal government who wants to be dealing with their fiscal problems, which are much worse than ours? They do not have a choice in the matter. The bankers of this world are going to start running our country for us if we do not watch out, so I recognize that.

Here is where it comes down to the point, though. I have problems with some of the rhetoric that we all indulge in from time to time. We have not got a whole lot of leadership on health from the federal government, because they are not able to provide it because there is no money, and that contribution to the medicare pot declines every year and will continue to

decline until the federal contribution is extinct, we do not have one any more.

* (1120)

I know that federal Minister Marleau and the Prime Minister may not enjoy that particular discussion, but they do not seem to be shying away from it either, which I give them some credit for, but I only have a few bits of leadership or bits of advice that have come down from the federal government, and they are not frankly as helpful as I would like them to be.

What I mean by that is that, you know, the federal Minister of Health, she is going to protect the health system, right, at about 17 percent—is that about the rate about now? About 17 percent of the funding of health care, government-run health care services, is federal dollars down from some 50 percent just a couple of decades ago. That is very significant when you remember that health spending is the largest area of spending of any provincial government. So you cannot remove yourself from that part of the health care system as a federal government and then say, but, no, we are going to enforce the Canada Health Act, because nobody is going to listen to you any more. In fact, as that pot gets smaller and smaller, we provincial partners begin to shake our head and wonder that they even say anything about it at all, and eventually we will be laughing at them because they will have no teeth whatsoever.

So any debates that we had during the Meech Lake Accord or the Charlottetown Accord about national programs, as important as we thought those debates were in those days, when compared with federal budgets over the past few years, and very especially the most recent one, the debate about a federal sea to sea health care program becomes more and more meaningless. This is a real prospect. It is a fact. It is happening, and this causes some Canadians a lot of fear and worry, and so it should in some jurisdictions more than others.

In Manitoba, however, we believe that we have structured our government and protected our ability to spend money on health care probably to a greater extent than other provinces have, always remembering

perfection is an ideal that is never achieved. You know, I do not try to say we are perfect here in Manitoba.

An Honourable Member: Close.

Mr. McCrae: Yes, when you say things like that your own colleagues are going to heckle you. I know that, but perfection does elude us. It is true, but we are doing well in the scheme of things in Canada. We will compare the Manitoba record on health care with that of any province in this country. It does not mean that we have no worries because all the provinces have the same difficulty that we have.

So it is just that when federal Minister Marleau says that she is going to protect the principles embraced in the Canada Health Act but in doing so she is going to be, and I quote, very flexible, I would think members like the honourable member for Kildonan (Mr. Chomiak) get a little nervous about that. So do I, and so should the honourable member for Inkster (Mr. Lamoureux). That defies definition too, this business about flexibility, when we are talking about principles in the first place, and lack of definition, and we are going to be flexible about that. It is kind of worrisome, but I am not going to dwell on that all day because that is not what this is about. What is happening is happening.

I remember the member for Brandon East (Mr. Leonard Evans). I think he was being critical that we are not fighting the feds hard enough. Well, I do not think we have ever fought any feds harder than we fought the Mulroney government on issues. So we are not afraid to stand up and be counted with any federal government, but there is a reality that has set in in this country. The federal government seems to have recognized the reality and is trying to do what it can about that in the face of severe criticism from some quarters.

You will not get that severe criticism quite so much from me, because I have been telling them since long before I became a politician. I remember in the early '70s, the days of David Lewis, when he and John Turner kind of really helped put the icing on the cake for the destruction of federal-provincial relationships in

the future. I remember in those days being an employee in the House of Commons in Ottawa and very carefully shaking my head in disbelief that these people could be ruining the future for myself and my children and my grandchildren.

But I am now in a position to say I am not going to let those people from yesteryear ruin the future for all of us. We are in a position where we can do something about it in this Chamber right here. We are going to have made-in-Manitoba solutions to some problems that were made partly in Manitoba but made partly elsewhere, as well. So when I hear the things the honourable member said, I am encouraged because they were spoken in the same spirit of Dr. Gulzar Cheema and the way that he laid out the approach that would be used by the Liberal Party in Manitoba, to lend support where support was deserved and earned and to be constructively critical where that was required. I know that there are very, very few times the latter approach is required but when it is, I can expect to see it from the Liberal Party.

The last comment I make in response to the honourable member for Inkster is a note of gratitude that above all he is putting the patient first. If he is going to do that, then we are going to get along very well indeed, because that is who we are here to represent. I know that some people see their duty as representing other groups or whatever in society other than the patient. We have to be mindful of everybody's concerns and issues and needs and so on. Certainly priority No. 1 is the patient, and I share that with the honourable member. I thank him for his comments.

With respect to the point raised by the honourable member for Kildonan yesterday and again today, he is asking about health reform established committees. He has a document from last year that basically sets out who is who and what is what. We have, I guess, an updated document this year. I would table that now. Is there someone who can make arrangements for the honourable member for Inkster to get a—oh, we have a copy. We will table one, and we will give a copy to the honourable members as well.

Mr. Chomiak: Mr. Chairperson, I thank the minister for forwarding an updated copy of the information that

was provided last year concerning the various committees of health care reform.

I did want to proceed through this committee structure relatively systematically. Commencing with the Central Bed Registry system working committee, I have a general question and a specific question.

In terms of the general question, is the goal of the Central Bed Registry committee to achieve what is, in fact, in the name of the committee, a central bed registry for all of Manitoba or for Winnipeg? Is that the ultimate goal of this particular body?

Mr. McCrae: Mr. Chairperson, the document I gave to the honourable member has terms of reference there for his review. A central bed registry is an important step—in the city of Winnipeg here we are talking—in getting some corporate and co-operative and consultative sort of thinking going on between the various institutions in Winnipeg.

(Mr. Mike Radcliffe, Acting Chairperson, in the Chair)

I gave the honourable member an example yesterday about an incident or about an emergency room closure which I maintain was not necessary. If Central Bed Registry was running and running the way that it should be running, I suggest that emergency room closure could have been avoided. The implications of that are kind of important to me as a Minister of Health. When an emergency room closes, besides the inconvenience that happens for the people directly involved, there is an impression created because of the event itself that, unfortunately, can be an incorrect impression, but certainly if it were avoided in the first place, we would not need to be worried about that impression.

Some of my lawyer friends may know the expression that justice must not only be done but it must also be seen to be done. I am sure the honourable member for Kildonan has heard that expression many times. When it comes to the operation of our health system, I believe not only must we have a well-functioning health system but the population must believe that the health system is operating well.

So I think that is an important principle because there are times when the honourable member or others could bring forward an example of something that went wrong in the health system to make a point that the whole health system does not work. Well, I reject that, of course, and so do the people involved in the health system, other than those who are on some other agenda.

* (1130)

So I believe that a bed registry is an important step with respect to bringing people together and getting them to work co-operatively to put the patient first as the honourable member for Inkster has said. I hope to see a more appropriate use of the beds that are available in our Winnipeg hospitals.

The Acting Chairperson (Mr. Radcliffe): The member for Kildonan.

Mr. Chomiak: Mr. Chairperson, an unusual voice. I welcome you to the Chair.

The Acting Chairperson (Mr. Radcliffe): Thank you.

Mr. Chomiak: What I am trying to get at is under the terms of reference, it says once the system has been implemented, so I am assuming that the structure calls for a board or a central registry that will indicate where people are, what is going on, where the openings are, where the slack is in the system, where you can move people. Is that, in fact, what is being established?

Mr. McCrae: Mr. Chairperson, like so many other things, the development of these registries and systems that are designed to improve performance, it is an ongoing sort of thing. Sometimes they move along for some way and then there is a pause and they pick up and move on again and keep on developing. Do not forget, we are working with a lot of partners. We do not do anything all by ourselves. The moment you try to do that I find that you end up with failure and you wish you had not started that particular way.

The committee is there, and we will continue to work towards the achievement of a bed registry. We have that in place and yet the automated aspects of it are not

in place at this point, and so, you know, these things take some time to develop.

Mr. Chomiak: Mr. Chairperson, the minister did answer the question. I am trying to get some idea of the structure and the functioning of this particular bed registry.

Does the minister—and I promise him I will not come back and hold a press conference because he missed the deadline—have any idea when the actual, if I can put it in these terms, I know the minister indicated it is an ongoing process—but when the final product might be in place. Is there a goal towards a final product being in place, or what are we looking at in that regard?

Mr. McCrae: I think the other day we talked about Winnipeg in a general sense, and now we are talking about the Central Bed Registry. There are a lot of things that, it is hoped by me, will be coming together as a result of some important meeting of the minds with respect to the city of Winnipeg as a city.

I have made reference to this before, and I think the honourable member knows, maybe even agrees with this approach, that in Winnipeg we are not a big city. I know that by Manitoba standards we are a big city, but Winnipeg is not a big city, and we have five community hospitals, two tertiary hospitals and two large long-term care hospitals. That is a number of buildings. It is a number of autonomous boards and administrations in these facilities. I remain of the view that in a small city we can do a better job of getting people to work together for the benefit of everyone in the region, if you want to call it that, but in the city area.

We talked about Bell-Wade 1 and Bell-Wade 2. I think, doctor, you are stuck with that now, Bell-Wade 2, even though you are not even doing that, but what the honourable member calls Bell-Wade 2, I will go back to calling the secondary care review.

As part of that, it would be my expectation that we will make further progress with our Central Bed Registry proposals once we achieve more of that meeting of the minds on the issues of health care, secondary health and tertiary health care services in the

city of Winnipeg. We have not come as far as we need to come with respect to getting people together. It is not that people do not want to work together, but they do have to see some basic principles, and they have to be really clear and understood and accepted and embraced before we can move as quickly as I would like to move and maybe as the honourable member for Kildonan would like to move, too, because some of the things we want to do, I believe he sees as a good idea.

Some of the things are maybe not such a good idea, but after consultation with the whole community, if it seemed to be that both kinds of ideas are good ideas, despite what the honourable member or I might think, then we should move forward because we are relying on the best minds available in our province to help us in the planning of these things.

* (1140)

I have said a number of times that when it comes to some technical and some medical and professional issues, I do not really like very much to substitute my political judgment or the honourable member's, for that matter, for that kind of advice, yet we both serve a whole population, and the whole population has to know what we are doing and approve in order for it to happen, or else it will not happen. So we have to work very hard in our consultations with the partners that we have to bring about consensus.

The consensus has to include the partners, the department, the government, the opposition, the people, and we want the opposition to be part of the solution to the problems we will, without a doubt, have if we do not make the changes the honourable member for Inkster (Mr. Lamoureux) talked about. Changes have to happen or we will lose our health system. That is not something I want to be presiding over, I can guarantee you that. So we have demonstrated, I think, over the years our commitment to health care and expenditures for health care. Now let us work together to prove that we are committed to make it all happen effectively.

Mr. Chomiak: Is the minister aware of any other jurisdictions in Canada that have a central bed registry of this sort?

Mr. McCrae: Mr. Chairperson, we know that other centres are working in the same direction. I do not know that I can stand here and say that they have absolutely completed the job in places like Toronto, Hamilton or London in Ontario, but I know that they have some goals that might be similar to ours.

I am told there are some 42 hospitals in Toronto, and I am sure the job of getting them working together would be just as challenging as getting our nine here in the city of Winnipeg working together, and, ultimately, in some areas, we will be wanting the personal care home sector to be working with us, too.

It is a job of building consensus and bringing people together in order to bring—and agreeing on principles like outcome principles and value for money principles and those sorts of things and putting aside the so-called turf protection that exists. No one is going to deny that exists in our system. If we can do that and if we can put the patient first we will succeed. Other communities are in the process of doing some of the same things that we are trying to achieve here in Winnipeg.

Mr. Chomiak: I would like to move on to the palliative care committee that is listed in the documentation. My question for the minister is, I understand that the palliative care committee has already tendered a report. If that is not the case, perhaps the minister can correct me. I understand they have tendered a report and I wonder if the minister might indicate what the status is of that particular report and of the committee itself. [interjection] An original document for—and I am just looking through the big one. I know it is right after O, is it not?

Mr. McCrae: I tell you what I will do, Mr. Chairman, in the interests of using the time as well as we can we will get an update for the honourable member and make it available to him.

Mr. Chomiak: I thank the minister for that. The palliative care committee is a subcommittee of the Provincial Cancer Control Committee. That is where it is located. I appreciate the minister's response.

Given that we are going to get an update on the palliative care, I would like to turn to the northern

health, Rural Health Advisory Council and I likewise, knowing there has been a fair amount of activity in this area, not the least of which was a report recently as well as the ministers approval of the various health care districts, I wonder if the minister might update us specifically as to what is happening in this area as relates to the districts and the planning process that is obviously ongoing with regard to the restructuring outside of Winnipeg.

Mr. McCrae: Mr. Chairperson, the Northern Rural Health Advisory Council has been a key health reform group, and the honourable member is correct that in terms of the rural boundaries for regionalization purposes, recommendations were made, and an appeal process was put into effect, so that those who felt aggrieved by the initial recommendations had a chance to be reheard, and as a result of that appeal process, adjustments were made.

Adjustments, for example, in Westman, instead of the OBR, one big region concept, we made it into three in that area. We allowed the Churchill region to be a region of its own. Those were the kinds of adjustments that were made as a result of the appeal process. I know that the Swan River Valley people had argued for a separate region, and it was decided ultimately that we would leave the Swan River Valley as part of the Parkland Region and watch very carefully as to the performance of that particular configuration.

The trouble with change is not everybody gets exactly what they want. However, I do not think it was any problem with respect to the process that was used here. It was one which allowed for maximum opportunity to have your view put forward, and, ultimately, a decision got made.

The next steps then led last year about this time to the council putting out pretty significant advertising to let people know that they were moving on to the next phase, which was to examine the governance and the structure of the regional boards that should govern the regions that had been set up.

They had hearings last fall, and there was publicity in the spring and during the summer and then again in the fall, and I do not have in front of me the numbers of

submissions that were heard, but I think it was fairly significant, the interest that was shown, and the Northern Rural Health Advisory committee has been working since that time, sifting through all the various presentations that have been made and have been making their recommendations.

I have not yet received their report, but I understand I will have it in my hands within a very short period of time now, and it is going to be an important report. It will be in that report, I assume, that will be discussed some of the issues about how outlying areas in a region get proper representation on the central board, what happens to hospital boards in the future, who is elected, who is appointed and all of that.

* (1150)

I do not know what all the recommendations are going to be, but, no doubt, I will have to make some decisions as a result of those recommendations. The issue of funding of these programs and services in those regions will also be an issue for us. The idea, of course, for the regional associations is, in a way, to decentralize decision making to the regions, with there being agreement on what the core types of services ought to be in a region. There are some provincial programs that should remain provincial programs. There are certainly standards that we want met, that the province should remain seized of in terms of responsibility, and yet, in the regions, there ought to be some strong regional input into their health system. I think the beauty, one of the very important things about this whole process is that, well, it is certainly a made-in-Manitoba approach.

We have seen what has gone on in other jurisdictions with respect to regionalization, and, frankly, I believe it is too painful, the way they have done it in those areas. However, we have chosen an approach that provides for a more evolutionary approach rather than a revolutionary approach. It allows some empowerment, but it also talks about a more comprehensive method of decision making. When you start talking about mental health and you start talking about home care and the various kinds of services that are out there instead of just talking about hospitals and their budgets and that sort of thing, you are talking

about the whole person. You may even be getting closer to some of the economic issues that have to do with our health.

If you are poor, you are not going to be as healthy as somebody else. That is now a well-documented fact. If you take a profile of a poor person, they have a lot of disadvantages as opposed to the rest of the population. Well, at least the Manitoba Centre for Health Policy and Evaluation, whose work is highly valued in our province, will be involved in the process of the evolution of these boards and the evolution of the services that will be under their control. Rather than introduce legislation in this House a year or even two years ago to carve up the province in the way it has been done in some other jurisdictions, we have chosen this approach. It has taken longer.

There are some people who are frustrated, and they say: Why do not you get on with this; we know what we want. Well, the fact is, not everybody does know what they want, and they have not made their point of view known. This process has allowed that to happen, and I think the result is probably going to end up being better because of the process that has been used to arrive at the result.

Mr. Chomiak: Because there is a report pending on this particular matter, I am not going to do extensive questioning in this area because it is redundant and I assume the minister will be unable to answer a lot of specifics. The minister indicates, just around the corner. I appreciate him advising me of that, so I am not going to go down a whole line of questioning in that regard. I would like, and if the minister could provide us, and I tried to get it from MHO, with a copy of the map, a map of the regions. I would like a map of the regions so that we could have some ideas as to the specific boundaries. Would that be possible, shortly?

Mr. McCrae: Mr. Chairperson, this morning my colleagues were talking about being amazed, amused and astonished. I am stunned that the honourable member for Kildonan does not have a map of our regions, and I will make sure he gets one right away.

Mr. Chomiak: I just have one final question in this area. We are still sort of contradicting what I

previously said. I just want to clarify something. I assume we are not going to be—in terms of the global budgets for the regions, we are still within those global budgets. We will be excluding the medical services, that is the roughly \$250 million that we pay for medical services. Those will still not be part of the mandate of the various boards that are set up. Do I understand that correctly?

Mr. McCrae: Mr. Chairperson, I am sorry for the delay. Initially, of course, the present arrangements apply, unless there are some physicians working for a locally governed organization.

In line with the discussion that the honourable member and I and the member for Crescentwood (Mr. Sale) had yesterday, there is lots of opportunity, I suggest, for pretty significant change in the future, as we address other remuneration models for physicians in Manitoba.

Mr. Chomiak: I thank the minister for that response. I am just turning now to page 63 of the March 1 document, and I am actually quite confused about the STEP project. The minister recently announced, together with the heads of all the hospitals in Winnipeg, the emergency room program. Is that in conjunction with the STEP project advisory committee, or is that a separate program? I am referencing the announcement of several months ago of the seven or eight specific emergency room projects that were being undertaken around the various hospitals in the city of Winnipeg.

Mr. McCrae: This is the committee that is involved with the announcement that was made and is involved and will be involved with monitoring and helping to evaluate what we learn from the Short Term Emergency program. I think that answers the honourable member's question.

Mr. Chomiak: Can the minister give me an update as to when the pilot projects are anticipated to be completed at the various institutions?

* (1200)

Mr. McCrae: We will make available for the honourable member, and incidentally I would not mind

knowing myself the present status of the various projects, and so we will come back with more detailed information for the honourable member on that.

Mr. Chomiak: I previously asked a question concerning a committee that was established by the minister to review nursing homes, nursing home standards and the like, in Manitoba, and I wonder if the minister would outline for me what the status is of that committee and their recommendations.

Mr. McCrae: I think we talked about this one—was it earlier this week?—in Estimates. I have not got the information that I wanted to make available for the honourable member yet. The honourable member did ask simply for the names of the people on the committee. I understand that I have that, and I can make that available now, as soon as we can pull it out here.

It was a committee that was chaired by a representative of the Seniors Directorate, so it was not really my department's committee, but my department has certainly got interest in it. The chair of the inter-departmental Steering Committee for the Review of Seniors Residential Care was headed up by Kathy Yurkowski, executive director of the Seniors Directorate. Our provincial nursing advisor, Carolyn Park; and from Family Services, Wes Henderson, who is the executive director for Management Services; and Scott Murray of our Central Policy Management Secretariat were the people involved on that committee.

Mr. Chomiak: Has that committee reported yet to the appropriate authorities with recommendations?

Mr. McCrae: We have that committee's report and expect to be making public statements about it in the near future.

Mr. Chomiak: On May 28, 1993, an excellent report was concluded, at least in a preliminary sense, known as the Primary Health Care Task Force Report chaired by none other than John Wade, steering committee chair. I am wondering if the minister can indicate what the status is of that particular report and the recommendations contained within it.

Mr. McCrae: That task force report was one of a number flowing from the Health Advisory Network. Dr. Wade, indeed, was a key player in all of that. A number of these reports have been made available to department personnel, and a number of recommendations either carried forward or acted on, in some cases perhaps not or rejected for one reason or another, but a number of health advisory network reports have really formed the basis for a number of the improvements to the system we have been discussing for the last two or three years.

Mr. Chomiak: Mr. Chairperson, I wanted to go through some of these recommendations specifically to see what the status was of some of these recommendations. Are we in a position to perhaps deal with some of those recommendations?

Mr. McCrae: I think I could welcome the kind of discussion the honourable member wants to have, having given me notice that he wants to do that. If he would give us some time to prepare for that discussion then on a subsequent day, we could perhaps engage in that discussion. I am told it will be a good discussion from somebody who knows.

Mr. Chomiak: Yes, I look forward to the discussion, because I think it is fairly significant and impacts on virtually everything that is happening in terms of the health care field.

One of the other major reports—this is notice, as well. I will be questioning fairly extensively the report on the Health of Manitoba's Children, the Brian Postl report, and I would also appreciate an opportunity, at some future point, whenever is appropriate—I do not know what departmental officials the minister will require or want, but I will be questioning the minister on that fairly extensively.

Mr. McCrae: I am glad, Mr. Chairperson, the honourable member has identified Dr. Postl's committee's report on the health of Manitoba's children. I think we should really be enthusiastic about the fact that we have such a report, the first of its kind in Canada and an extremely comprehensive one, one that—the honourable member has not denied it, but we are pretty sure—formed a basis of the platform, for not

only his party, but my party too, for the recent election campaign. I think it is such an important discussion that if the honourable member will work with me to set the time when he thinks we should discuss that, we could have Mr. Reg Toews with us, who is also the head of the Child Secretariat for Manitoba.

The only warning I give to the honourable member is that the report covers much more than just the narrow responsibilities of the Health department but, for once in our lives, talks about the health of children on the basis of where they are born, who they are, and what group in society their parents come from.

All of those determinants form the basis for this so, of necessity, bring in far more than just the Health department, and that is good because that is the way we should start to—we should have always been looking at Health that way. It is certainly never too late to start doing the right thing, and this is the right thing.

* (1210)

As long as the honourable member is not going to be sticky, I do not think he is, on the issue of what is legal and proper under the rules and as long as the chairperson is prepared to not even notice the rules as long as the participants go along with that, I think, similar to the kind of discussion we engaged in yesterday, which I felt was a constructive and helpful discussion, we can probably have that on this fundamentally important matter.

The education of our children, the nutrition of our children as Manitobans, the predisposition to certain types of disease, statistically speaking, is important, and I am just delighted that we are, as a society, beginning to smarten up in this area.

Some people talk about a healthy start for children, and I agree with that. It goes back even further. It goes to the time of conception of a child. How well is that child's mother being looked after in the prenatal period and so on? That is also very important to the years that a child lives. The head-start programs of the United States have demonstrated very clearly what results can flow just from giving very, very young children a fighting chance at the earliest time of their lives.

The former member for St. James, leader of the Liberal Party, talked about a free lunch, or school lunch program. Of course, his heart was in the right place. No one is questioning that. I often wonder what all of the disadvantaged children in Manitoba are getting for breakfast. Everybody knows that you cannot do a very good job learning on an empty stomach.

The question is, no matter how it is put, it is very, very important, and the leader of the Liberal Party raised that during the election. I think he did the right thing. We may go at it differently in terms of how we deliver that lunch to the kids or which kids get the free one and so on, but it is fundamentally important.

I saw the honourable member for Kildonan nodding his head in agreement that he will set up with me when we should have Mr. Toews here with us, and when we do have Mr. Toews with us, I think we can have a very useful discussion.

Mr. Lamoureux: I want to maybe change the direction of some of the discussion that has been going on and possibly go a bit more to some of the basics in terms of the understanding of health care as we have it and start it off by using an example, if I may. I will often talk to a health care professional or a health care worker. To give you a specific example, I was talking to a nurse—and this would have been quite a while ago when I had this particular discussion. She had indicated to me—I asked, you know, what, in your mind, is this health care change and reform about? She works over at the Health Sciences Centre. She had indicated to me that it is a bit frustrating as a health care worker when, late in the evening, a lot of individuals are being brought into the emergency ward and they do not necessarily need to be brought into an emergency ward. That is one aspect.

What we are really talking about there is health care facilities. We could talk, for example, of the senior that does not necessarily need to be in a hospital, that could be in a personal care home, or a senior that might be in a personal care home that could be in fact, if you had enhanced services in homes, living independently. The other aspect of change that I think often needs to be referred to is, what it is that the health care workers are doing in the many different forms of health care

services that are offered. An example that I often gave in the past was the seven-year-old child that is riding a bike and falls on the bike and scuffs up his or her knee and is brought to a walk-in clinic, for example. A nurse will do all the preparatory work, get everything virtually done, possibly putting on the necessary disinfectant. Then a doctor is called in to verify that, yes, it is a scratch. I do not want to make lightly of what it could be type thing.

It brings up the other issue in terms of what it is that our health care workers in fact do and what sorts of roles health care workers have. I guess what I would like to get into, in terms of some sort of dialogue with the minister, is on those two points, one, of course being the types of health care facilities that are out there, which are quite wide in range, from our hospitals, personal care homes, community health clinics, provincial labs, group homes, mental health services, to the different types of occupations of health that are out there, from the specialists to the doctors to the idea of the nurse practitioners—I am really interested in the nurse practitioners and to what end the government has got into nurse practitioners—to the many different levels of nurses, the B.N., the R.N., the LPN, the nurse's aide and other health care workers that are out there.

What we are trying to do is to get a better understanding in terms of the current status, where this government, for example—we look at the LPN. I remember having discussions with the former minister with respect to the LPNs. It was a fairly candid discussion that we entered into, and I said, you know, I think that we underutilize the LPNs. The then-minister said, well, you know, the member for Inkster should be aware that one of the problems with the LPNs is the price and how much an LPN costs in the province of Manitoba compared to the province of Alberta, and maybe that the LPN is pricing its way out and making it more feasible for us to be using R.N.s as opposed to an LPN and supplementing them with nurse's aides.

I think that when I brought that—and I had an internal, within my riding, health care group, ad hoc group, if you will—and I brought that up as an example. I say, well, look, you tell me that the LPNs are being phased

out, and it is a shame, and these are the reasons why we need to fight for them. Then I am told, well, one of the reasons why they are being phased out is strictly because of the cost, and the service can still be delivered at a lesser cost by complementing through R.N.s and the nurse's aides and still be able to deliver the same level of health care. Then it was pointed out to me, well, you know, the LPNs in the province of Manitoba do so much more than, let us say, an LPN in the province of Alberta.

* (1220)

So I want to be very careful when we talk about the differences in the different trades that are out there. I have always thought that—Lloyd Axworthy has often talked about prairie integrations, and there are certain aspects of it that I really appreciate. I think it would do well for us to look into in a more serious way, and I believe in all likelihood we probably have, to a certain degree, and that is in terms of our health care institutions that are out there that train and educate health care workers. Is there not a role that extends through the Prairies, so that if in fact we do have some deficiencies in some areas, in specialities and so forth, that we have individuals that might be from Saskatchewan and in Alberta, for example, that might be able to come over to bridge that gap until we are better able to fill it.

So the roles, responsibilities of our health care workers—I made reference to the ones that I can think of right offhand, no doubt I am missing others—to the facilities. I would end the comments by asking more so the specific question, and maybe the minister can provide me the type of health care service facilities that are within the province. Imagine, if you will, if I were going to a foreign country and I was wanting to say, here is the type of health care facilities or services that we have in Canada, in particular in the province of Manitoba, and I wanted to explain, for example, we have a hospital, and this is the primary purpose and role for the hospital. Do we have some sort of a listing of these sorts of facilities?

Mr. McCrae: Mr. Chairperson, some of the concerns the honourable member raised are part of the everyday issues that come forward for the department and for

myself. I think the honourable member knows that, in that first year of my appointment as Minister of Health, I travelled very extensively in Manitoba, although I did not do a whole lot of out-of-Canada travel, as the honourable member may know if he read about my excursion through Grand Forks, North Dakota.

I did a lot of travel within Manitoba, and at last count I have hit 65 Manitoba communities, visiting in the last couple of years, not quite two years, about 20 months or so, in various types of facilities as the member has referred to, talking to the various kinds of health care professionals.

Indeed, there are doctors; there are all kinds of specialist doctors. There are registered nurses and LPNs and nurse's aides, and there are people who operate and maintain hospitals and other health facilities. There are people who run the physical plants, the people who look after the dietary needs, there are physio and occupational therapists in our system, there are chiropractors, there are eye doctors and all of the various professionals.

It becomes important, I suggest, as we try to reform a system and make the patient the focus of it all, that we get all these different people working with more of a sense of team play, team spirit, esprit de corps. We need integrated approaches. When we talk about nurse-managed care and nurse practitioners and so on, sometimes we tend to do that in isolation from everybody else who is part of the system, and the patient can benefit if you have a nurse working in conjunction with a therapist, or a nurse working in conjunction with a doctor or as part of a team, which leads to the types of facilities that the honourable member is talking about.

In general terms, we have the tertiary or high-end medical facilities, which in Manitoba also combine the teaching function at St. Boniface Hospital and Health Sciences Centre. Then we have what we call the urban or community hospitals which includes the Concordia, Seven Oaks, Grace, Misericordia, Victoria Hospitals and Brandon General Hospital, which is a major regional centre of extreme importance to the Westman area serving some 180,000 to 200,000 people. As a matter of fact, not everybody realizes, but Brandon

General Hospital is the third biggest hospital in Manitoba. A lot of Winnipeggers do not think about it that way, you know. We also have some long-term, rehabilitative and chronic care facilities at places like Deer Lodge hospital and the Riverview hospital, formerly known as the municipal hospitals.

Those are what you might put in the general classification of acute care, although there are some functions that are not acute care in those facilities. Then you go to, what they call rural, large rural, intermediate rural, small rural hospitals. You have community health centres, which the honourable member may be familiar with, places like the Women's Health Centre or Klinik or the—there is a place in Hamiota which really—the hospital is part of what they call their community health centre.

It is a model I often refer to because in that place you have your integrated system where you have salaried doctors, nurses and the other professionals in the health field who work very much as a team. It is interesting, you might some time work it into your schedule, have a visit there, and go as I did to one of their daily meetings. It is interesting because every morning they get together and they trade chairmanship of the meeting. Everybody gets a say when it is necessary, and they plan for the care of the patients and the community at that meeting every day.

So, health care can go so far beyond what we see it in our mind's eye. I think our mind's eye says, health care is a hospital where you get an operation and maybe, if you are lucky, you recover and you go home afterward. There is a lot more to it than that I have learned in my short time in this job.

As a noted health researcher and adviser tells me, picture a road with a cliff at the end of the road, and then the road continues on the other side of the canyon or the valley; and the cars just keep going up that road, come crashing down—they come up that road and come crashing down—and so the thinkers decided, what are we going to do about this? So what did they do? Instead of building a bridge to connect the road at each end, they built a hospital at the bottom for all the people who came down and crashed off the road. That kind of thinking really does not make any sense.

I remember in one of the debates, my colleague the honourable member for Kildonan, said that one of the most important developments in the health of our society was the invention of the pipe, the clay pipe, for delivering of clean water to people, because there can be nothing more fundamental to our health than a good supply of water.

I was invited to take part when the Manitoba Medical Association was launching their bicycle safety program a week or so ago, and they had a bunch of children there, and they were going to issue them helmets and comic books and stuff to remind them about bicycle safety, and I got a chance to speak there. There were 20 or 30 young people, and I was talking about prevention being a very important part of our health. The emphasis has not been there to the extent it should have been in the past.

I said to these young people, oh, yes, when I go on my speaking tours, I tell people to look both ways before crossing the street, and they sometimes look at me funny when I say that, but think about it. If you do not look both ways before you cross the street, not only are you going to be in grave danger, but you are going to cost this health system a lot of money, too, because if we have to send an ambulance to sort of remove you from wherever you are lying and take you to an expensive acute-care place, like the Health Sciences Centre or something like that, then would it not have been better if you had looked both ways?

So it is really not that silly. It makes sense. Anything to do with the protection of your health is important. Anything to do with promoting good health, i.e., clean water, good habits, good hygiene, good nutrition, all of the things that you know are not good for you are the things you should avoid, and you should do things that are good for you and so on.

* (1230)

I am not forgetting what the honourable member said about LPNs, because I want to discuss that too, but he asked about types of facilities and types of occupations, and I maybe did not give the whole list of types of facilities, but in the north country, we have nursing stations that the federal government is involved with in

the medical services branch, and here, a gentle reminder for the honourable member again, we are looking for partners, and if the aboriginal people of the North are at the low end of the economic spectrum, then you know they are at the high end of health care expenditures, and they are. You can check that out in the statistics. It is very, very clear.

So if you are looking for opportunities, look at those communities where you want to see a difference. Pukatawagan is an example. Once they get their water cleared up, you are not going to have 90 percent of the people there sick all the time. Is that not a shocking and disgraceful sort of statistic?

I think so, and I am glad the federal government moved in quickly, once it became well known that there was a problem there. They moved in quickly, and they made commitments, and I do not know if they need to follow through on the commitment to the extent they made. I think what they should have committed to is to fix the problem, rather than put a price tag on it. I do not know if they have committed more money than they need to commit or not. If they commit more money in one area and they do not have it for another area where you need it—that is the only reason I mention it that way.

So aboriginal Manitobans deserve a better break, and they have not been getting a good break for over many, many years, and I am not very pleased about it, and I do not think anybody should be.

The Manitoba Centre for Health Policy and Evaluation is a very good organization for the honourable member and his colleagues to acquaint themselves with. I think they are open to your inquiries and would probably be very helpful and co-operative. If you want population health information, that organization is one that Dr. Cheema spoke very highly of. I would recommend the honourable member to touch bases with them, and if he needs any help, my office would assist.

I have learned so much from having the Manitoba Centre for Health Policy and Evaluation existing in Manitoba. It is one legacy we are proud to leave to future generations and future governments, because

they have so much to do with helping us develop quality and effective policy.

I have some concerns, like the honourable member. In my travels in Manitoba, I have met with hundreds and hundreds of licensed practical nurses and heard their complaints and their problems.

(Mr. Chairperson in the Chair)

I have also met and discussed with their professional organization, the Manitoba Association of Licensed Practical Nurses, and the issue about competitiveness remains, I suggest, an issue. They do not like it when I say that, but it has had an impact, I suggest, in staffing mixes in Manitoba, and I cannot deny that.

I have a lot of respect for LPNs because of the human dimension of the work they do. They are very close to patients. Patients feel very comforted by licensed practical nurses, and they have a very down-to-earth approach to bedside care, and I think it is much appreciated.

Sometimes, though, when we hear about the layoff of LPNs at places like St. Boniface Hospital, there is a sense that, oh, some people got laid off, and they sort of drop off the face of the earth or something. That is not entirely true.

There is another side to this equation. You do not put over 500 new personal care home units into operation without hiring LPNs, and I am told by the private-sector people I know in the health sector that they cannot find enough LPNs.

So somewhere in there, there must be a fact that we can draw from and feel comfortable with, that it is a reliable one. It is true that enrolment is down for LPNs, no question about that, because there was a reduction in the numbers of LPNs working in acute institutions in Winnipeg, but, certainly, in my travels, I learned from hospital boards and administrators that LPNs are very valued, certainly in rural Manitoba hospitals and in personal care home situations, and I understand that in home care services, both private and public sector, the LPN is a valued member of those teams, so there is certainly a role for the LPN.

However, sometimes there is quite a debate about the role of the licensed practical nurse and/or the role of the nurse's aide or the role of the registered nurse. Unfortunately, it sounds very much like a turf protection discussion that we are having, and it is, I am often lead to believe. On the other hand, these problems did not seem to be getting resolved very well, certainly not very quickly. In my own frustration, as a relatively new minister, I said, well, what are we going to do about this?

All I ever hear is a registered nurse over here telling me that the LPN can or cannot do this or that, and then I go to another room and then there is a group of LPNs in there talking about what they do not get to do, and then I overhear, there is the psychiatric nurse who has a view one way or the other about things, and then, of course, the nurse's aide who does not have the benefit of a professional association but also are human beings and fellow Manitobans and workers and valued people in our system.

What do we do? I say, well, I am tired of hearing all of you people talking about each other in the absence of the others, why do you not all get together and maybe my office can help make that happen?

So about a year ago, we brought together the Manitoba nursing professions advisory committee, and we asked Carolyn Park, the new Provincial Nursing Advisor to help us in that. We asked the leadership of the various professional associations to name members to that multidiscipline group. We also asked the Manitoba Nurses' Union to take part.

The council has been meeting fairly frequently ever since, and they are addressing nursing education and nursing role issues, which is a big issue. Nursing roles and of course nursing education is important as we redefine what needs to be done in the health system in the future, but that particular group, I have found has been doing some pretty useful work, because when they make a recommendation now, I am getting a recommendation from all of them. Later on, if somebody wants to raise this matter, that they are not practising a particular role that they think they should be, I can then say, well, you know, talk to your leadership about it too, because I am not the one that

drives all of these things. I simply feel I have facilitated some dialogue, and I think that was a good thing to do.

I hope for more positive results in the future and policy directions from that particular council, because the issues are not easy. In a changing environment, the issues between nursing professionals are not easy issues to deal with. I have a lot of praise for Carolyn Park, our Provincial Nursing Advisor. The fact that Dr. Park came on board has been noticed by the nursing profession, I believe, and commented on in a positive way by the nursing profession. We need that kind of help, I suggest, and we are glad to have it.

I think the issue of integration—if you want to take anything from this lengthy answer—is important. Whether we are talking about nurse-managed care, neighbourhood health centres, enhancing the role of the nurse practitioner, whatever it is we are talking about in these areas, it is important, I suggest, that even though we want to make use of the nursing capabilities that are out there and perhaps not being tapped to the extent that they could be, while we are doing that I still think it is important that we have all of these professionals finding ways to work together as teams. As soon as it is seen as a turf war in which one party is gaining ground at the expense of another party, all you have really created is confrontation. It kind of works well for some people in some circumstances but it does not work well for the patient, as far as I am concerned, and that is who we are working for.

* (1240)

Mr. Lamoureux: Mr. Chairperson, for the minister, I would like to talk specifically now about some of those facilities that are out there and the general direction the government would like to see them go. For example, we look at a major aspect of health care reform, the deinstitutionalization of health care, and I want to talk about those urban hospitals. At one time—the thing that comes to my mind right away was the question of obstetrics.

I can recall a number of years back when we had a caucus meeting and we were trying to say, look, we should have an obstetrics out in Seven Oaks Hospital,

for example. Dr. Cheema provided us all sorts of numbers and so forth, indicating in order for it to be feasible you have to have a certain number of deliveries at that particular hospital facility. A lot of the debate went on, well, do we believe in community-based obstetrics or being able to have your child in the community in which you live in as opposed to having them go to one or two hospitals.

In our case, for example, the closest hospital for obstetrics would have been possibly the Grace or the Health Sciences Centre. My argument at that time was, you cannot have it both ways. You cannot say, for example, you are going to have obstetrics at the Grace and no obstetrics at Seven Oaks unless you are able to demonstrate to me, and I do not believe that was ever done, for example, that the Grace Hospital had a larger catchment area that allowed for more births than the Seven Oaks Hospital. Knowing the growth in The Maples, Tyndall Park, Meadows West area and the younger families, just looking at the demographics, I would have thought that that would have been the case.

Now, why do I bring it up? Well, if government policy is to say, well, look, we want to try to be more efficient in delivering babies, so we want two or three hospitals to do it, then I am interested in terms of the criteria that is being used to decide which hospitals are the ones that are providing this service. On the surface, it was hard for me to justify, for example, in this particular case, obstetrics, why it is that Grace would still have obstetrics and Seven Oaks would have been denied.

I am wondering if the minister could give some sort of indication and if he could maybe address the issue of the obstetrics unit, or maybe he could just expand that in terms of talking about the community-based hospitals and decisions in terms of efficiency versus delivering a service in the community.

Mr. McCrae: I thank the honourable member for raising another important one. In Winnipeg, we are blessed with 11,000 to 12,000 babies every year, so they are going to get born somewhere, are they not, and we want to make sure that we carry on the tradition that Dr. Frank Manning, head of obstetrics, said in his report; that is, if you are going to be born anywhere,

probably the safest place in the world to be born is in the city of Winnipeg.

The earlier part of the member's comments reminded me of a situation in Killarney, where we are hearing a fair amount of comment from some members of the population in that area, that they are not pleased that obstetrics are not being carried out at the Killarney Hospital anymore, unless it is under some emergency circumstances, and this is not happening anymore because the number of babies being born at Killarney Hospital were not high enough or large enough to justify having that service there or to allow the doctors to practise safely. It is important for doctors who deliver babies to deliver a lot of them, frankly, in order for them to maintain their skills as obstetricians.

The fact is a lot of moms from southwestern Manitoba are going to Brandon to have their babies. Now, that decision is being made in conjunction with the moms and their doctors, I assume, and that is what is happening. So that is where the traffic is going, and I can feel and understand the regret that some people in the Killarney area would feel, that obstetrics is no longer going to be done there, and it is the College of Physicians and Surgeons that has an important role in making that decision. They set some standards and if you do not deliver very many babies, then you should not be delivering a small number of babies.

I raise the Killarney issue because the honourable member is talking about a Winnipeg situation, where he is talking about closest. When I was a younger fellow, I lived in Southdale, and our first three children were born at the Health Sciences Centre. Now maybe, in terms of distance, there might have been a hospital that was closer. I suggest perhaps maybe even a rural hospital would have been closer than the Health Sciences Centre. I do not know that for sure, but we are talking about a small city here in the city of Winnipeg.

So when he talks about closest, are we talking about outcomes, or are we talking about—what are we talking about? It is that sort of thing that I am trying to get people, not always to agree with me but to say, oh yes, we have hospitals within maybe 15, 20, 30 minutes maximum away. We all know what can happen if you

leave heading off for birthing assistance for too long, and so that is why it is important to have good prenatal care and advice from professionals as to when the pains are so many minutes apart, then you get yourself some help, sort of thing.

I do not want to get into the debate about Seven Oaks or Grace Hospital or any other hospital at this time, as a matter of fact, because all I want to do is see that those 11,000 to 12,000 children are delivered safely and at the highest levels of care we can provide for them. I am kind of proud of that safest-in-the-world tradition referred to by Dr. Manning, and it would be my wish to carry on with that tradition. We know Misericordia Hospital will be getting out of the birthing business, if you can call it that, and Misericordia is being asked to do some other very important things.

I do not think the honourable member was really going so far as to advocate for one thing or the other, except to engage in a discussion of it. All I want to do is assure the people of the area around the northwest corner of Winnipeg or the southeast corner or any corner that we are working along with the best minds available on the subject to create the best environment possible. Now that we are into LDRP, which stands for labour, delivery, recovery and postpartum, it is a far more consumer-friendly, consumer-oriented way to bring about the existence of a child, the life of a child, into this world.

I have had the pleasure of visiting the Victoria General Hospital and I have had the pleasure of visiting other ones that are making adjustments to prepare for LDRP. I visited new moms with their babies in the hospitals, too, and they are pretty happy with that particular approach to the delivery of the babies.

See, in the olden days, I guess everything was built around what worked best for the people who provide the service as opposed to what works best for the people who get the service.

* (1250)

In my day you went through a lot of steps just to get into the hospital in the first place. We are trying to smooth that out a little bit, but you went to the labour

room, where in the olden days you were lucky if you could have your husband near by for a thing like that even, and not have him waiting out in the waiting room, but then from there you would go to the delivery room or the case room. After that you would go to another room and then maybe even another one after that.

So you are talking about three or four movements of the patient, and I recommend—I do not recommend the whole production, but the Monty Python movie, *The Meaning of Life*. Please understand, I do not recommend the whole movie because there are parts in there that I would not want to be associated with, but that first scene—I was talking about this yesterday with the honourable member for Crescentwood (Mr. Sale)—just watch that first scene and it will tell you why we need to reform the health system—very, very graphically it will tell you that.

So that LDRP is one example of a patient-focused approach to health care delivery. The report I got—of course, a new mom just having finished a normal birthing experience, once they get their strength and energy back, are in a pretty good mood because they have a new baby and everything is working out fine, but those who are able to compare the two, like me, say there just has to be a better way to do things, and it is. So we are seeing the development of more choices for women with LDRP, and we are grateful for the partnership that we have with the medical profession and the other health professionals in the development of these ways of doing things.

When our babies were arriving, we thought we were getting the best, and I dare say we were. We did not have as many choices as we do even today, and now with the midwifery option coming along as well, that is another option that is going to be available for Manitoba women.

So I ask the honourable member to, again on the issue of obstetrics, I am sure we can give the honourable member all kinds of information about trends and what is happening at Grace or what is happening at Victoria or wherever the babies are being born to give you the kinds of numbers you need to help

you make an enlightened and informed decision about where you want to stand on any particular thing.

But my bottom line is that all of the babies from the Winnipeg area have the safest possible care, and their moms, that we can give them. If that happens in who knows where, so be it. The patient will be the focus of what we will be doing in the future in Manitoba.

Mr. Lamoureux: Actually, I used obstetrics because it is probably the most—that I am familiar with it, because we have had discussions and debates previously with this particular issue.

What I am talking about is more so a concept, and that is, if I say to you, you give me the arguments as to why we have obstetrics over at the Grace Hospital, if you could you would likely say: Well, there is this number of births and that justifies being able to have it there. I then in return say: Okay, using your criteria, I can substantiate us having an obstetrics unit over at Seven Oaks. Now, I could be a tad bit off base because I do not necessarily have all those numbers at my fingertips. It is basically using what understanding I have of Statistics Canada and the demographics of the two areas, if you will.

Now, you make reference, for example, to Killarney and you say, people in Killarney would also like to be able to have their children in a local hospital or a hospital that is closer by but ought to go to Brandon for a number of different reasons. Again, what I would do is I would point to that criteria, if you will. If you establish a criteria in order to justify having an obstetrics over at a particular hospital or institution, then communities have something on which they can go by.

Unless government is going to say, well, look, what we want to do is it is more of how we can get more money for our buck, and we believe that all we can really have is—I will use the city of Winnipeg—we have our two teaching hospitals, the Health Sciences, St. B., and we want both obstetric units to continue on there, and we are prepared to have two other urban hospitals in the city of Winnipeg deliver obstetrics. Well, then it is a question in terms of which would be the two that

would be most in need, or have the greatest potential demand for a service of this nature.

I use obstetrics as an example. I would imagine that you would probably be able to use it in other areas of health care. As the Minister of Health pointed out with Misericordia, Misericordia is no longer going to be delivering babies. Well, there is going to be a change in focus with that particular hospital. That can be a very positive thing. Ultimately, if that is what we are looking at in terms of every hospital within the city of Winnipeg, then maybe it is trying to get some sort of a dialogue that is created.

It is one thing—and we have to be very cautious as elected officials, that yes, we can consult with the administrations and the working groups and the minister has quite a few committees that are out there. We can consult with them, but ultimately we have to ensure that we are consulting with the patients, or our constituents, if you like. If I have a better idea, for example, what is happening at Seven Oaks Hospital through debates inside the Chamber because the minister is prepared to be straightforward with what government's real intentions are with respect to any given health care facility, then I am better able to gauge what it is that my constituents would be prepared to accept and possibly be able to contribute that much more.

Again, it is not a question of, well, gee, Seven Oaks does not have an obstetrics, we should have an obstetrics. It is more so looking for consistent policy making from government. If in fact you have a criterion that is established, it is important that that criterion be applied to all regions of the city.

I would ask the Minister of Health, with respect to our hospitals, does the minister have, for example, here is the Concordia Hospital, this is what we believe the future is going to hold for Concordia Hospital, maybe it is a five-year projection of the hospitals that are out there in terms of where they are today, where they anticipate that they will be tomorrow, the sorts of services that are going to be delivered.

Mr. McCrae: The honourable member for Kildonan, out of some regard for my department staff and maybe

for me too and others, suggests that we take a five-minute or six-minute break. I agree with that and I wonder if the honourable member for Inkster does—I will answer his question. We are going to take a five-minute break and I will answer your question?

* (1300)

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

The committee recessed at 1 p.m.

After Recess

The committee resumed at 1:10 p.m.

Mr. Chairperson: The committee will come to order.

Mr. McCrae: Mr. Chairperson, I listened with interest to the comments made by the honourable member for Inkster and, as he was speaking, the concept of centres of excellence occurred to me.

If we can make the concept work in practice as good as it sounds in theory, we will have made a very, very good contribution to future delivery of acute care services in Winnipeg hospitals. We need only point to the Misericordia Hospital and the ophthalmology program there to know that what we said could be done can be done, that there can be an improvement and we can also save money and serve more people.

I may have told this story before, but I hope the honourable members will bear with me, because I am actually waiting for the member for Inkster to hear my words.

There is a rule, for the benefit of the member for Crescentwood, he may know this already. You are not to make reference, according to the rules of the House, to a member's presence or absence, so I just know the member for Inkster will be hearing my words at the appropriate time and I do not think that time is all that far off.

The ophthalmology experience, I believe, demonstrates that that experience can be replicated in other areas as well. I was at a public town hall meeting, answering questions, as I so often try to do, and a woman asked the question, why does it take so long to get a cataract operation done? Why do we have to wait for so long? My mom had a very long wait last year for cataract surgery.

As luck would have it, and this was not arranged or anything like that, but another woman rose in the meeting and said, oh, that is strange, because I just got mine done and I had a very short wait and I got really good care, got better and everything is great now.

Which demonstrated to me the difference between the old system and the new one. I just want the honourable member for Inkster to know that I realize that I have not said very much in the last couple of minutes, I realize that, but there was a reason for that, which I am not to refer to.

The honourable member was talking about not just obstetrics but what goes into the thinking and the reasoning and how we arrive at the sorts of decisions to make shifts in the location for where care is delivered and such issues like that, and he asked about criteria, and population health outcome criteria more and more will be the reason for change. When we can show through our population health data, which in Manitoba is more complete than anywhere else in the world, when we can use that data to help us make quality health and health care decisions, then we should.

Even when that happens, you are not without problems or not without debate because just a day or two ago the Manitoba Centre for Health Policy and Evaluation released what I think is a very important report on comparison of efficiencies of the various hospitals in Manitoba. Through a review of various data and using certain recognized methodologies, they came up with certain conclusions.

Well, the honourable member knows not everybody accepts those conclusions coming from an extremely reputable agency with a credibility rating that is probably as high as any for an organization of its type in North America, and yet there is still going to be

debate. So we will have criteria; we will make decisions based on criteria, and there is still going to be somebody who is going to disagree with the decision that gets made. I know that, and I accept that.

We will be establishing centres of excellence in various places in Manitoba, and that is for very good reason because excellence is important to us, as Manitobans, as Canadians, and delivering excellence in an expeditious and efficient way is important. I would like the honourable member, and I think he does this already, to embrace, like I do, the concept of a network of hospitals in the city of Winnipeg rather than a collection of individual institutions.

If we look at our plant and equipment, if you want to call it that, our infrastructure, and that includes professional knowledge base, if you look at what we have as one delivery system, a number of sites, we will prepare ourselves better I suggest for change that will flow, I fully expect, from the secondary care review which there has been some discussion about. I think that review is going to be very helpful to us as we design that network of services to best serve the needs of all the citizens of Winnipeg and, in some cases, all the citizens of Manitoba.

Mr. Tim Sale (Crescentwood): Yesterday we were discussing the question of federal transfers, and I supplied the minister with an Ontario report that predated the election of the new federal government in 1994, and I am not sure whether he wants to table that —[interjection] I have my copy already. I simply wanted to refer to that report.

While the report in question deals primarily with Ontario, and it was for the benefit of the government of Ontario to understand what was happening, I think it is a useful background on EPF and the history of the Established Programs Financing Act and the transfer issues. Briefly, for the record just so that we start from a kind of historical base, I would just make a few comments about the evolution of EPF so that I can then ask the minister where he believes we are headed based on this past history.

In 1977-78 when the Established Programs Financing Act transfer process was put in place by the Trudeau

government, the process included the transfer of tax room, tax points to each of the provinces, and the federal government committed itself to continue to pay a cash transfer virtually under the act in perpetuity. The reason for that—it is a little bit technical but it is not terribly technical.

In 1976 the federal government transferred a certain amount of money for health care. Let us use the sum of \$1,000 for an example. The 1977-78 arrangement said, we will split the \$1,000 in half—you raise your taxes enough to raise \$500 of the \$1,000, we will give you in cash the other \$500. We will commit that the \$500 in cash that we give you will grow each year in line with the growth of the Canadian economy adjusted for your provincial population. So that is the old EPF formula.

What that means in macro-economic terms is that the federal government will always contribute a fixed minimum proportion of Canada's economy to our health care system because they said in 1977-78 we will give \$500, in my example, and we will grow that \$500 with the economy in perpetuity, and we will adjust it for population. So actually it was not only going to be fixed to the economy, it was going to grow as our population grew. That is not an inflationary assumption because it simply says as fast as the economy grows, we will increase this funding. We will not increase it faster—that would be inflationary—but we will make sure that your ability to spend on health care keeps up with the economy. That was '77-78.

* (1320)

By 1982-83, when the next renewal of that legislation came up—it is a five year agreement—the economy was in a recession. The minister will remember, and many of us will remember, that we were in the recession prior to the one that we have just come out of, that is the 1981-82 recession, '83 recession. The provinces were having a great deal of trouble with their revenues, so they scrambled for some way of renewing this agreement that would help them with their revenue problem. Being only slightly paranoid, I think that the federal Finance officials saw a golden opportunity and made a proposal. It is almost like, I will make you an offer that you will not be able to refuse.

Essentially they said, we will recombine the tax revenues and the cash, and we will say your entitlement is now to be calculated as the total take from the tax with cash added to it. In technical terms, the cash became a residual. That is, you calculate the province's entitlement by saying, how much are you entitled to per capita based on the formula? How much did your taxes raise, your tax points that we gave you in 1977-78—how much did you get from those tax points? We will give you the balance in cash. So cash became the last thing calculated in the new formula in '82-83.

Even though it is an arcane piece of mathematics, that is what has opened the door to the elimination of cash over the long term. As the value of the tax points rose, the value of the cash that had to be transferred could fall because the entitlement was fixed. It was fixed to whatever was happening in the economy per capita. So, if the value of the taxes grew more quickly than the entitlement, the cash could shrink.

Mr. Mulroney in his time in office made sure that it would shrink even more quickly than it would have done anyway by changing the entitlement. First, he took 2 percent off the entitlement. Then he took 3 percent off the entitlement. Then he froze it for two years. Then he froze it for five years. The bottom line after all of that is that by 1994-95, Mr. Chairperson, the Canadian provinces had seen their revenues from the Established Programs Financing Act reduced by some \$35 billion cumulatively over the 12 years from '82-83 to '94-95. The detail on this province by province and year by year is very nicely captured in Thomas Courchene's book, *Social Canada in the Millennium*, in a table on page 232, I believe. That is a book which I would commend to all members of the House because, while Courchene is a middle-of-the-road economist, I think he points out some of the scenarios that are possible for Canada's social programs given the kind of cuts, given the realities that have been imposed on us.

So we are now at '94-95. The Liberal government, which assumed office in 1994, had opposed all of the Mulroney cuts in opposition. They had been eloquent in their opposition. When in government they immediately continued the freeze for two more years and announced that they would be doing a wholesale review of social programming, and we have heard lots

about that in the last year. But in the very last days of that review we began to hear about something which the civil servants in Ottawa were calling MOAT, and maybe the minister heard about MOAT. MOAT was the acronym that the civil servants were using for the Mother of All Transfers, which turned out to be the Canada Health and Social Transfer. It was first announced as the Canada Social Transfer, and when the health advocates in the nation said what has happened to health, the federal government quickly amended it to the Canada Health and Social Transfer.

The minister, I am sure, knows all this detail, but I want to have it on the record that in 1996-97 this transfer will be reduced by \$2.5 billion, in 1997-98 by a further \$4 billion. The transfer is the sum of all of the cash now given to provinces for the Canada Assistance Plan and the Established Programs Financing Act cash transfers, that is, for post-secondary education, health and social services. In the current fiscal year that amounts to \$17 billion. By three years hence that will be down to \$10 billion. The inside mathematics of that transfer have not been sorted out, but I hope the minister will be able to tell us whether they are being sorted out at this point.

On a straight arithmetic projection, that would mean that the transfer for health care from the federal government by 1997-98 will be in the region of \$3 billion. The total will be 10, because the Canada Assistance Plan is now between seven and eight. In other words, it is more than a third of the total transfer. I am assuming that health will be deemed to be about a third as well. So in the reduction I am assuming that each are reduced proportionally. That may not be the proportions in the final analysis. I do not know because I have not been privy to discussions.

The best face we can put on it is that health will get \$3 billion and a bit three years from now, and that will be, at current trends, something less than 7 percent of the total cost of medicare, probably closer to 5 percent. That is the scene we are in, and I am sorry to make a long sort of historical speech about this, but I wanted to have that perspective and then to ask the minister if he could tell us what the strategy of your department is and what sort of discussions you have had—that you could share with us—with your colleagues across the

country, other Health ministers as to how do you enter in now to the discussions about the Canada Health and Social Transfer. What is your objective in these discussions? What is your candid assessment of what is happening? I apologize again for the length of the introduction.

Mr. McCrae: Mr. Chairperson, I thank the honourable member for the words that he has put on the record. It does help everybody and anybody who reads this record to understand the environment in which we are working in the various provinces.

I do not want to pretend that I am able, as to the extent the honourable member or perhaps the Minister of Finance might be, in a discussion of the complicated EPF and CAP and MOAT arrangements.

I prefer not to venture into territory which correctly belongs to the member and the Minister of Finance in their discussions. But I do know a few things, and one of them is that it is not getting easier as we proceed year after year. It is not getting easier to operate our important social network. The honourable member is very right to engage himself in this sort of discussion and very right to be concerned too. Like any Canadian, I share with him the tremendous responsibility as a person elected to work in that environment, so our jobs are becoming increasingly important as we work in the social areas of government endeavour.

The honourable member has clearly taken an interest in the issues of the raising of the money end of things as well so that we can finance those critically important programs. I call them critically important and very important and all of those things because, like the honourable member, I suspect I am a very passionate and patriotic Canadian. I had an opportunity once to choose to be something else and I chose to be Canadian.

* (1330)

Our social network was a key reason for my making that decision. Like so many others, my community and my family and myself have benefited from the shared responsibility we as Canadians shoulder for each other and for our country.

I am the product, as most everybody else around here, of our public school system, and we are fortunate to have family members who have assistance when they need it in our hospital system or our health care system. Others, of course, require more than maybe the honourable member and I require in terms of services, but you never know when your time might come, and it is nice to be a Canadian for all of those reasons.

I probably look at it a little differently from the honourable member, otherwise he would be on this side over here sitting beside me, but I am more optimistic, I sometimes say, than my honourable colleagues opposite. We face daunting challenges imposed on us as a nation by our own profligacy. You cannot blame Mulroney or you cannot blame Trudeau or Howard Pawley or the Premier of Manitoba today or anybody else. We have been in this together all along.

As a nation we made a decision that we are going to be, some people call us, a welfare state where we do look after those who cannot look after themselves. We made that conscious decision to do that; we did it as a nation. We fought elections on it. We brought forward policies that headed us in that direction that makes us different and better, I suggest, than a lot of other countries in this world.

In fact, a number of countries have emulated what we are trying to do here, some of them before us, but most of them after, so let us understand that. I guess we all seem to want to go to the same place, but I do not know if we all agree on how we should get there, and the criticism that I have has kind of moderated in this way. I do not really point a finger at any one person or in any one direction, because the people were there to elect governments that did the things they did. They were there to elect the Trudeau regime, the Pearson regime before that, the Mulroney one after that and so on.

The only thing about being a provincial politician is you are sometimes left to respond to the will of the people when they voted on a national level. I know that the numbers that the honourable member has made available by providing me with the Informetrica review that was prepared for the government of Ontario—I see those numbers and I do not know whether to take issue with them or not take issue with them, but I assume

they are close enough to be an accurate—to point out a very serious challenge that we have, and I leave the detail of that for the honourable member to go over with the Minister of Finance (Mr. Stefanson) who I suggest is in a better position than me to discuss those things.

Near the end of his comments the honourable member said, well, what are you doing about it? What arrangements can you possibly make to deal with that sort of challenge that we are presented with? That is an extremely relevant question, because members on this side of the House remain committed to a social network that we can afford, but probably even more importantly that we can sustain over the long term. We can make decisions today, or we could have in the last few years, to really treat ourselves. That is what we did, we really treated ourselves with borrowed money for a long time.

Now that the tap is being closed on us by those who lend it to us and also by the voters of this country who have said enough of that approach, we are leaving a horrible legacy for those who come after us, an argument you will often hear from this side of the House. I just happen to believe that argument, and I think that we have to make adjustments now to protect what we can for the future.

I hasten to add, I believe firmly that we can protect a lot of what we have and sustain it at the kinds of levels of spending that we are seeing today. Next year and the year after is the nub of the honourable member's question, and the years after that, too. That is why I am grateful as a Minister of Health to have a department which has laid enough groundwork in Manitoba with the people that we work with that there is enough level of trust, I believe, and goodwill to work closely together. Recognize that we simply have been—and we will continue to be—asked to do more with less, or to do as much with less, at least.

Some people say that is totally impossible and they refuse to talk about it. That is the biggest disservice, I suggest, refusing to talk about it. I can be very upset with the tap being turned down on us than I am, but what good does it do? Does my voice change that? I do not think so. I think the answer is in the election results, federal ones, that says politicians have been

spending too many of our dollars in whatever way they have been spending it.

The rank-and-file Canadian does not always have chapter and verse before him or her as to in what ways governments have not been spending their dollars appropriately. All across the west certainly, Canadians spoke out pretty loudly. Maybe Manitoba is a little different.

Manitoba has 12 of our 14 members of Parliament with the governing party, but look where the governing party is taking us. Do you know why they are taking us there? Because they do not have any choice anymore, No. 1; and No. 2, there is no support to carry on the way they have been carrying on.

Manitobans more recently said, yes—this is my interpretation and subject to correction—but said, yes, so we are facing some very difficult times, and we can see revenues being more difficult to achieve. Once you get the debt paid off it will be better, but that is a long way off, but fight the best you can for your fair share of the federal pie, but by jingo, the federal pie has to get a little smaller too. I think that is where the majority of people are these days, so I am bound to deal with that.

The honourable member has some suggestions about how we can change what is happening in Ottawa that would be acceptable to the people. I am very interested in learning from this discussion and this debate whether the numbers should go down more quickly or less quickly or how that should be done. I leave for people who are able to look at those formulae and understand them better than I.

My job as a Health minister is to try to achieve as much as I reasonably can in terms of funding for the operations not only of my department but of all of those agencies that we fund. Basically, that is also the job of the Minister of Finance (Mr. Stefanson). My job is to make sure we are not wasting the money that is given to us from the Finance department, and that is where I sometimes look pleadingly across the way and look for support.

* (1340)

I need that, we all need that, we need more of a sense that—there are two battles to be fought here, the one the honourable member of Crescentwood (Mr. Sale) is talking about and the one that the member for Kildonan (Mr. Chomiak) and I often talk about. The battle on the one hand is to raise enough money to run the operations we need to run and then on the other hand to make sure that we spend the dollars that we are able to raise appropriately.

It is the job of the member for Kildonan and me to make sure that we are getting the maximum benefit for every dollar, every nickel that we spend in our health care system. We sometimes quarrel about that, and that is the way it should be. Much as I enjoy the discussion with the honourable member for Crescentwood (Mr. Sale), I really think the Minister of Finance (Mr. Stefanson) is in a better position than I am to talk about the raising of the dollars.

Very quickly the honourable member says so what happens now in health. We are fortunate, I suggest, that we have laid some important foundations for change. The advent of the Manitoba Centre for Health Policy and Evaluation is very important in that, because we need to have public support for changes that have been made, and I think that was demonstrated recently in the election result, support for a careful approach to health reform. It is part of my job to gather support for change, and with the Manitoba Centre for Health Policy and Evaluation we have an independent agency that can give us those report cards that we need. So far, pretty good. When we get a bad one, we are going to have to respond appropriately to that too, and we may yet get one of those. We have not yet, in my view, although even the centre urges caution and care in all of the decisions we make.

I accept that kind of advice. But, you know, the doomsayers of a year ago, or two years ago, when their arguments are compared with the facts, their arguments do not add up. I guess my point sometimes as a politician is, let us not be doomsayers just for the sake of being doomsayers. Let us base our arguments on the facts. If we are attempting to spend our dollars and move some dollars into the community, well, and when that is happening, let us recognize that it is happening. If it is not enough, then that is fine, you can say that

too, but if you are going to say it is not enough, then be prepared to offer advice as to where we should have got it, and it is not always from Ottawa.

Now, maybe the member thinks that we can, by making a strong enough case, get Ottawa to put more money in the pot. I do not think that is going to work, but if there is an unfair sharing of that pot for our province, I will join with the honourable member any day in raising that as an issue, and the member for Inkster (Mr. Lamoureux) wants to join in that. That is something that may be one of the reasons we remain on this side of this Chamber, that when it was a federal Conservative government, there were those of us who were prepared to speak out on issues then, too.

The honourable member for Inkster, no doubt, is going to have to face that a few times in the next few years, and I wish him well because it is not always easy to do. As I said, I have the scars to prove that I did that, and I did, and I am still here and they are not, and that is important to remember, too.

Mr. Sale: Mr. Chairperson, could I share with the members this chart. [interjection] Yes, it is not detail, it is just a visual.

I just say to the minister and his staff, this is page (d)(1). I am sharing this because yesterday Hansard asked for copies so that it would be accurate. There is one for the other members, if they want to just take a look at it. I would say to the minister that I understand his comments. I understand that you feel that the raising of funds and the administration of EPF is a matter that the Minister of Finance (Mr. Stefanson) is primarily charged with and that is not primarily your role to be concerned about that.

Point of Order

Mr. McCrae: On a point of order, Mr. Chairperson. I just forgot to say to the honourable member, federal and provincial ministers will be meeting and discussing this very issue, the Ministers of Health, later this month provided we are done with this process.

Mr. Chairperson: The honourable minister did not have a point of order.

* * *

Mr. Sale: Points of order are so useful, Mr. Chairperson. Thank you.

That was one of the things that I was wanting to find out. Are you in fact as minister sitting down on this specific issue? That is, under the Canada Health and Social Transfer, we are essentially in a new ball game because there is, at least as far as I know, no predetermined assumption about what proportion of the \$17 billion is for post-secondary education, health or social services. The proposal is to lump them, but then the question of allocation is an issue.

I understand as well, Mr. Minister—and I do not want to go on a long time because that seems to encourage you to go on a long time, and I would rather have a dialogue than two monologues. I also understand that there is some proposal, and I am wanting to know if the minister has heard this, that Health will be fixed in some level and not subject to the continuous erosion. I have heard that from several sources.

I would like to ask if the minister can confirm that and if he can share any details on the issue of, first of all, to be clear, what proportion of the 17 is going to be deemed to be health. Secondly, will that proportion be calculated in some method that is different from GDP minus 3, thereby taking it to zero in a fairly short time?

Mr. McCrae: I apologize for the point of order. I usually try to make sure my points of order have a lot more substance to them than that one. But, as a courtesy, I had forgotten to answer the honourable member's direct question, so I thought it was a good idea to try to do that.

My officials tell me, sir, that there is precious little sort of supporting, or any other kind of, information available from the federal government that gives us the kind of help we need in understanding what is going on. We will certainly be asking that question that the honourable member has asked when that opportunity is there for us. I suspect that if a lot of work went into the preparation for the February federal budget, and there is a lot of paper to support that, then there is little evidence that has been shared with us about that.

Very quickly, before the honourable member asks another question, I guess it was yesterday or the first day in Estimates, we were asked about Debbie Vivian, my assistant, who is a Professional Officer 8. I was asked how long she had been working in that function and if there is a job description. Debbie Vivian has been in the position since July 18 of last year, 1994. During the period of March 21 to April 27 of 1995, Ms. Vivian was on a leave of absence without pay.

Assistants to ministers are engaged through Executive Council on contract rather than individual departments and approved by Order-in-Council, and basically the job is to assist ministers in the administration of their duties. I think the honourable member for Kildonan (Mr. Chomiak) is somewhat familiar with that sort of thing, but I thought the member for Kildonan should have his question answered, and maybe the member of Crescentwood (Mr. Sale) would be interested in it too.

Mr. Sale: Yes, I had a series of encounters with the person in question during the time in question, and it was a great time all around.

I want to keep on this question of the cuts to EPF and the role of the health ministers. You have asked, what can we do? I think that one of the things that you can do, we can do, that all those concerned about the health care of our country can do is to try and do some public education around the roles respectively of the federal and provincial governments in our federation. I believe, I think, and I cannot put any intellectual dignity on my belief—all I can say is it is my belief that in a nation as wealthy as Canada is, it is simply unacceptable to me as a Canadian that the federal partner pays by 1997-98 significantly less than one-half of 1 percent of our gross domestic product for health care in this country.

* (1350)

I do not think that is even a question of a lot of ideological debate that would come forward. I think almost anyone who is faced with the question of should you spend less than one-half of 1 percent of your total income on your health would say, gosh, that is an awfully small amount of money. If you were asked

should that amount go to zero over some short period of years, I think the response would be to say it could not—it could not go to zero—we have to maintain our health, and we cannot maintain it with no federal participation in this exercise.

So I would say first that I do think that there is a very significant role for the government in abandoning some of its previous baggage under previous ministers that first of all denied that the cuts were real for some period of time, then when it became apparent that that was not a sustainable position anymore, in effect just stopped talking about that issue.

I think we have a responsibility to all Manitobans to educate them as clearly and in as nonpartisan a way as we can that we cannot maintain a federal, a national health care system with no national participation. I am personally offended by the posturing of federal ministers, prime and otherwise, when they say that the Canada Health Act can be maintained with no federal money.

I would want to ask the minister this question: Does he have or does his government have a qualified legal opinion from constitutional lawyers, whether in government service or in private service, as to whether the Canada Health Act can be maintained with zero federal dollars being transferred for Health or not?

Mr. McCrae: I do not know, Mr. Chairperson. I will find out. I have a common sense opinion about it, if the honourable member wants to know that. I share his sense of indignation and offense about that.

Here is where the honourable member for Inkster (Mr. Lamoureux) and his colleagues will have to prepare themselves for this part of the discussion. The member for Crescentwood is very correct when he says that Health ministers have a public education role.

I am sorry that I have not yet in all my efforts been able to galvanize public opinion on this issue. I have tried lots of times. At every opportunity, every public meeting I have said: Wake up, everybody, please.

I use the analogy of the Meech Lake Accord and the Charlottetown Accord, the national debate we had

about that and what those constitutional arrangements would mean for our national programs, and the honourable member will recall those things. Those discussions went on for months and years.

It was all relatively insignificant next to the realization that comes with the February 27 federal budget. You can do with the dollars almost immediately what you cannot do in several years of discussions about trying to change the Constitution.

I was Constitutional Affairs minister, and I often wondered why we are spending so much time on these things. Are we really only just trying to rediscover who we are as Canadians by talking about ourselves so much and everything?

I remember the former member for River Heights, Senator Sharon Carstairs, and the role that she played in all of these things, and I used to think, she is banking her political life on these constitutional issues when someday someone is going to come forward and it is not going to matter anyway. I knew that then but I did not have enough foresight to make a public statement about it, because I do not set myself up as being such a public authority on these things, but I will tell you, that budget does much more than Meech Lake ever contemplated doing, in my view, that is my opinion, in terms of fracturing our system.

So I will do my part to educate the public on what this really means. I do not know how far I can go to get the federal government to change its mind about things, but if the honourable member's figure of less than half of 1 percent of federal money going to Health is correct, then it is extremely laughable indeed that any federal government could claim the moral or any other kind of authority to tell us how to run our health systems. Just because of the existence of a piece of paper called the Canada Health Act, that is really all it is going to be—a piece of paper. It is going to get dustier and dustier too because nobody is going to be able to rely on that act. Accessibility will mean what it means in B.C., and it will mean what it means in Newfoundland, and it will mean what it means in Ontario, and not what Ottawa says it should mean. Universality, same thing, all of those principles are going to mean different things in different places.

Is that what we want? I join with the honourable member for Crescentwood (Mr. Sale), and I say no. We do not want that. We want to have a national health system, and that is troubling about the federal budget because there was no pretence even about priorities in it. Maybe on issues of degree, numbers of dollars and levels, we will differ because I still maintain there is a bottom line the federal government has to respond to, and that is the public outcry about the debt and the annual deficits. I am on that side over there, but on the other side I feel very strongly like the honourable member does. I know that, if we do not address the debt and deficit, the other argument is useless anyway because if you do not have the dollars to put on the table, you do not have a national program.

* (1400)

I think they could have done more in terms of prioritizing their budget, leaving a little more in there for the preservation of Health and giving it some kind of guarantee that down the road there will be an acceptable minimum amount whereby it will still be important to us here in Manitoba, the federal contribution will be important enough that we will listen when a federal Minister of Health tells us what we should or should not be doing in Health.

Mr. Chairperson: The hour being 2 p.m., committee rise. Call in the Speaker.

IN SESSION

Mr. Deputy Speaker (Marcel Laurendeau): The hour being after 2 p.m. this House is adjourned and stands adjourned until 1:30 on Monday.

Erratum

In Volume XLV No. 6 - 1:30 p.m., Tuesday, May 30, 1995, on page 306, first column, second last paragraph, Mr. Doer's comments should read:

I may disagree with the ideology of the individuals, but I am not—certainly, with the clerk of cabinet, I know he is a very, very good person and carries out his responsibilities very well.

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, June 2, 1995

CONTENTS

ROUTINE PROCEEDINGS

Presenting Reports by Standing and Special Committees		Louisiana-Pacific Wowchuk; Cummings	527
Committee of Supply Laurendeau	523	Provincial Parks--Northern Manitoba Robinson; Driedger	528
Tabling of Reports		Post-Secondary Education Friesen; McIntosh	529
Estimates, Justice Vodrey	523	Keewatin Community College Friesen; McIntosh	529
Annual Reports: Education and Training; Public Schools Finance Board McIntosh	523	Winnitoba Apartment Cerilli; Ernst	530
Annual Report, Manitoba Labour Management Review Committee; Estimates, Labour Toews	523	Rental Properties Cerilli; Ernst	531
Introduction of Bills		Elections Manitoba Maloway; Filmon	531
Bill 13, Split Lake Cree Northern Flood Implementation Agreement, Water Power Amendment and Consequential Amendments Act Praznik	523	VLT Revenues Ashton; Filmon	531
Bill 12, Louis Riel Institute Act Praznik	523	Gaming Commission Ashton; Filmon	532
Oral Questions		Rock Ridge Community Centre Struthers; Praznik	532
Winnipeg Arena Doer; Stefanson	524	Flora Place Martindale; Reimer	533
Sale; Stefanson	525	Kildonan Youth Activity Centre Chomiak; Mitchelson	534
Dewar; Cummings	526	Speaker's Ruling	
Lamoureux; Filmon	528	Recognition of Liberal Members Dacquay	533
Winnipeg Jets Doer; Filmon	524	ORDERS OF THE DAY	
Lamoureux; Filmon	527	Committee of Supply	
Sustainable Development Wowchuk; Cummings	526	Agriculture	535
		Finance	562
		Health	586
		Erratum	612