



Fourth Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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The Honourable Louise M. Dacquay
Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, April 29, 1998

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Winnipeg Hospitals Food Services—Privatization

Ms. MaryAnn Mihychuk (St. James): Madam Speaker, I beg to present the petition of A. Granger, P. Landro, W. Hacking praying that the Legislative Assembly of Manitoba urge the Minister of Health (Mr. Praznik) to put an end to the centralization and privatization of Winnipeg hospital food services.

Mining Reserve Fund

Mr. Gerard Jennissen (Flin Flon): Madam Speaker, I beg to present the petition of B. Thompson, D. R. Habermann and M. L. Wall praying that the Legislative Assembly of Manitoba may be pleased to request the Minister of Energy and Mines (Mr. Newman) to consider immediately restoring the \$6 million taken from the Mining Reserve Fund.

Winnipeg Hospitals Food Services—Privatization

Mr. Doug Martindale (Burrows): Madam Speaker, I beg to present the petition of P. Rodzinski, C. Rodzinski, M. Orestes and others praying that the Legislative Assembly of Manitoba may be pleased to request the Minister of Health (Mr. Praznik) to consider immediately cancelling the hospital food proposal and concentrate on delivering quality health care instead of using health dollars to provide contracts for private firms.

READING AND RECEIVING PETITIONS

Winnipeg Hospitals Food Services—Privatization

Madam Speaker: I have reviewed the petition of the honourable member for St. James (Ms. Mihychuk). It

complies with the rules and practices of the House (by leave). Is it the will of the House to have the petition read? Dispense.

THAT the Urban Shared Services Corporation (USSC) has announced plans to privatize laundry, food services and purchasing for the Winnipeg hospitals; and

THAT it is estimated that more than 1,000 health care jobs will be lost over the next year as a result, with many more privatized in the next two or three years; and

THAT under the terms of the contract, Ontario businesses will profit at the expense of Manitoba's health care system; and

THAT after construction of a food assembly warehouse in Winnipeg, chilled, prepared food will be shipped in from Ontario, then assembled and heated before being shipped to the hospitals; and

THAT people who are in the hospital require nutritious and appetizing food; and

THAT the announced savings as a result of the contract have been disputed, and one study by Wintemute Randle Kilimnik indicated that, "A considerable number of studies have compared costs of service delivery in health care between self-operation (public sector) and privatization. Invariably, privatization is more expensive."; and

THAT no one in Manitoba seems to benefit from this contract, especially patients.

WHEREFORE YOUR PETITIONERS HUMBLY PRAY that the Legislative Assembly of Manitoba urge the Minister of Health to put an end to the centralization and privatization of Winnipeg hospital food services.

Madam Speaker: I have reviewed the petition of the honourable member for Point Douglas (Mr. Hicke). It complies with the rules and practices of the House

(by leave). Is it the will of the House to have the petition read?

An Honourable Member: Dispense.

Madam Speaker: Dispense.

THAT the Urban Shared Services Corporation (USSC) has announced plans to privatize laundry, food services and purchasing for the Winnipeg hospitals; and

THAT it is estimated that more than 1,000 health care jobs will be lost over the next year as a result, with many more privatized in the next two or three years; and

THAT under the terms of the contract, Ontario businesses will profit at the expense of Manitoba's health care system; and

THAT after construction of a food assembly warehouse in Winnipeg, chilled, prepared food will be shipped in from Ontario, then assembled and heated before being shipped to the hospitals; and

THAT people who are in the hospital require nutritious and appetizing food; and

THAT the announced savings as a result of the contract have been disputed, and one study by Wintemute Randle Kilimnik indicated that, "A considerable number of studies have compared costs of service delivery in health care between self-operation (public sector) and privatization. Invariably, privatization is more expensive."; and

THAT no one in Manitoba seems to benefit from this contract, especially patients.

WHEREFORE YOUR PETITIONERS HUMBL Y PRAY that the Legislative Assembly of Manitoba urge the Minister of Health to put an end to the centralization and privatization of Winnipeg hospital food services.

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

An Honourable Member: No.

Madam Speaker: Dispense.

WHEREAS the provincial government has embarked upon a project in which it is closing hospital kitchens and having hospital food transported in from Toronto for reheating; and

WHEREAS this proposal will not improve the quality of food but will cost hundreds of jobs to the provincial economy; and

WHEREAS on December 8th of 1997, the provincial cabinet staged a photo opportunity for the media in which government MLAs were served chicken breast from a chef flown in from Toronto for the occasion while the actual meal served residents that night was macaroni and peas; and

WHEREAS this proposal will result in more health care dollars being spent on questionable privatization projects; and

WHEREAS in December of 1997, the provincial government was forced to drop a similar privatization scheme involving home care which had been opposed by the clients, families and the public; and

WHEREAS once again the provincial government without consultation has committed itself to a privatization project which will likely cost taxpayers more money for a poorer quality service, thus forgetting the patients who deserve better care.

WHEREFORE YOUR PETITIONERS HUMBL Y PRAY that the Legislative Assembly of Manitoba may be pleased to request the Minister of Health to consider immediately cancelling the hospital food proposal and concentrate on delivering quality health care instead of using health dollars to provide contracts for private firms.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Committee of Supply

Mr. Marcel Laurendeau (Chairperson): Madam Speaker, the Committee of Supply has considered

certain resolutions, directs me to report progress and asks leave to sit again. I move, seconded by the honourable member for Steinbach (Mr. Driedger), that the report of the committee be received.

Motion agreed to.

MINISTERIAL STATEMENTS

Manitoba Builder Bonds Series IV

Hon. Eric Stefanson (Minister of Finance): Madam Speaker, I have a ministerial statement for the House.

I would like to take this opportunity to announce that, once again, Manitobans will have the opportunity to invest in their province when Builder Bonds Series IV go on sale on May 25. Builder Bonds Series IV will refinance Series I which matures in June and will be the 10th anniversary issue of the combination of HydroBonds and Builder Bonds.

Builder Bonds Series IV will offer three great ways to save: first, a floating rate bond for a five-year term; second, a three-year fixed rate bond; and third, a five-year discount compound bond. Manitobans have embraced the concept of Builder Bonds and HydroBonds as they understand the power of their investment dollars, and they know those dollars stay right here in Manitoba to build a stronger future for our province.

Builder Bonds, together with HydroBonds, have a proven track record, raising more than \$2.7 billion for the province and have generated more than \$550 million in interest payments exclusively to Manitobans. Today they continue to benefit the province by allowing us to meet more of our refinancing needs right here in Manitoba. To ensure that all Manitobans have a chance to take advantage of this investment opportunity, the bonds will be issued in denominations as low as \$100.

* (1335)

I would also like to take this opportunity to thank Manitobans for the support that they have shown

through past contributions and to encourage continued investment in the future of our province. Thank you.

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, I would like to thank the minister for his statement today on the Builder Bond program and again a way of having Manitobans finance assets that are owned by Manitobans, managed for Manitobans and administered by Manitobans.

It is worthy to note that the Manitoba Hydro corporation, owned by people in this province, now has the lowest hydro rates in North America. It has the second-lowest hydro rates in the world.

The only building that has ever gone on with Manitoba Hydro to give us these results has been conducted by the party that developed the resources here in Manitoba, unlike the party here that mothballed Limestone. We built Limestone and had it paid for by the Americans. The Premier (Mr. Filmon) opposite, when he was a member of the opposition, opposed Limestone because he had no vision for the future of this province and the future of hydro-electric power here in this province.

We prefer to support builders programs as we have in the past rather than the wreckage program we saw with the members opposite with the Manitoba Telephone System. You will note that when members talk about for the benefit—[interjection] The Premier has established VLTs; I know that is his vision of the future. Our vision was Limestone paid for by the Americans. One would note, when we talk about the benefit of all Manitobans, that it is surely important to know that now, with Manitoba Telephone System, which could have been financed—if there was a difficulty in financing the telephone system—with Builder Bonds than having the wreckage policies of members opposite. The telephone system now is owned 80 percent out of this province by people who are not residing in this province, for the benefit of people, and the only way to rebuild Manitoba is to have some of the tools of our economy held by Manitobans through instruments like the Builder Bonds, unlike the members opposite that gave away our telephone system and wrecked a useful utility for all Manitobans. Thank you very much, Madam Speaker.

* (1340)

INTRODUCTION OF BILLS

Bill 33—The Municipal Assessment Amendment and Consequential Amendments Act

Hon. James McCrae (Minister of Environment): On behalf of the honourable Minister of Rural Development (Mr. Derkach), I move, seconded by the honourable Minister of Finance (Mr. Stefanson), that leave be given to introduce Bill 33, The Municipal Assessment Amendment and Consequential Amendments Act (Loi modifiant la loi sur l'évaluation municipale et modifications corrélatives), and that the same be now received and read a first time.

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

Motion agreed to.

Bill 36—The City of Winnipeg Amendment and Consequential Amendments Act

Hon. Jack Reimer (Minister of Urban Affairs): Madam Speaker, I move, seconded by the Minister of Consumer and Corporate Affairs (Mr. Radcliffe), that leave be given to introduce Bill 36, The City of Winnipeg Amendment and Consequential Amendments Act (Loi modifiant la Loi sur la Ville de Winnipeg et modifications corrélatives), and that the same be now received and read a first time.

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

Motion agreed to.

Bill 39—The Highway Traffic Amendment Act (2)

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, I move, seconded by the

Minister of Highways (Mr. Findlay), that leave be given to introduce Bill 39, The Highway Traffic Amendment Act (2) (Loi no 2 modifiant le Code de la route), 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, and I would like to table the Lieutenant Governor's message along with the motion.

Motion agreed to.

Bill 40—The Domestic Violence and Stalking Prevention, Protection and Compensation and Consequential Amendments Act

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, I move, seconded by the Minister of Family Services (Mrs. Mitchelson), that leave be given to introduce Bill 40, The Domestic Violence and Stalking Prevention, Protection and Compensation and Consequential Amendments Act (Loi sur la violence familiale et la protection, la prévention et l'indemnisation en matière de harcèlement criminel et modifications corrélatives), and that the same be now received and read a first time.

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

Motion agreed to.

* (1345)

Bill 41—The Life Leases and Consequential Amendments Act

Hon. Mike Radcliffe (Minister of Consumer and Corporate Affairs): Madam Speaker, I would move, seconded by the Minister of Urban Affairs and Housing (Mr. Reimer), that leave be given to introduce Bill 41, The Life Leases and Consequential Amendments Act; Loi sur les baux viagers et modifications corrélatives, and that the same be now received and read a first time.

Motion agreed to.

Bill 42—The Norway House Cree Nation Northern Flood Master Implementation Agreement Act

Hon. David Newman (Minister of Native Affairs): Madam Speaker, I would like to move, seconded by the honourable Minister of Consumer and Corporate Affairs (Mr. Radcliffe), that leave be given to introduce Bill 42, The Norway House Cree Nation Northern Flood Master Implementation Agreement Act (Loi sur l'Accord cadre de mise en oeuvre de la nation crie de Norway House relatif à la convention sur la submersion de terres du Nord manitobain), and that the same be now received and read a first time.

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

Motion agreed to.

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 this afternoon Mr. Luis Hernandez, Consul General of Peru for Ontario and Manitoba.

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

ORAL QUESTION PERIOD

**Manitoba Telephone System
Undervalued Stock Rates**

Mr. Gary Doer (Leader of the Opposition): In 1996, we repeatedly asked the Premier (Mr. Filmon) to table information dealing with the analysis of the Manitoba Telephone System's sale and the information on the analysis on a public asset.

Madam Speaker, just recently the CRTC indicated in writing that the government sold the telephone system for a discount rate. The Premier went on to say that we

got this advice from the best people in the brokerage firms that we could.

I would like the Premier to explain why, in testimony before the CRTC, Wood Gundy was quoted as saying: at the time of the sale of the telephone system, relative to other Canadian telcos, the stock appears to be undervalued. Can the Premier explain why they sold it at a discount or undervalued rate, and could he table any analysis to show that the public of Manitoba was protected in this broken election promise?

Hon. Eric Stefanson (Minister of Finance): Madam Speaker, we are certainly satisfied with the price that we received for Manitoba Telephone System. An analysis was done by three independent brokerage firms, the same firms, by the way, that have represented Manitoba over the last many decades. The member for Concordia earlier referred to a project, Limestone, that was financed, as he referred to, through U.S. investments and so on. The brokerage firms that led those issues were the same firms that did the analysis on behalf of government, so they have a long-standing record of serving the Province of Manitoba and the people of Manitoba.

That analysis showed very clearly a benefit in terms of the sale, a benefit above the book value of the assets, and in terms of the comparison of other assets, other telephone companies across Canada, the selling price was a very fair one, and we certainly were satisfied with the proceeds that we received on behalf of the taxpayers of Manitoba. Again, the price was fair in terms of the value of the assets and the book value of the assets.

Mr. Doer: Who is the public to believe, the minister who was in charge of this broken election promise, along with the former minister of the telecom company and the Premier (Mr. Filmon) and Mr. Stefanson, or the Manitoba Telephone System whose green sheet, which was produced in evidence, a confidential memo, says: the price earnings ratio and the price-to-book value were both below the average for other telcos in Canada, and the yield exceeded the average, the dividend yield exceeded the average?

A statement that totally contradicts what the minister just said to this Legislature. Who are we to believe, the

confidential green memo or the minister here today who said we got the value of other telcos in Canada, when the opposite is true?

Mr. Stefanson: Madam Speaker, when the companies that do the analysis look at the value of a company, they look at various aspects, they look at price-to-book value, they look at issues like price to earnings and all of those kinds of comparisons. As I indicated earlier, the value of MTS compared well to many other comparable telcos in Canada. So, in terms of the value of the company, we were certainly satisfied with the value that was put on the assets of the company. That is quite different from when a share is launched and a share is put out into a market. It is not uncommon for shares to have a discount to them when they are selling to the public and through the market. That is a different issue and a different reference made by people who appeared before the CRTC than the comparisons done by the brokers relative to price to book, price to earnings, dividend yields and all of those kinds of analyses. Those were done by the brokerage firms, and certainly the ultimate price for Manitoba Telephone System fared well in terms of that kind of comparison.

Mr. Doer: Madam Speaker, it did not fare well for the employees that have been laid off; it has not fared well for the consumers who have had their prices increased; it has not fared well for the capital investment in the telephone system which was reduced by some 50 percent. Perhaps it fared well for the shareholders; perhaps it boded well for the chief executives and members of the board, some of them who have become millionaires through this, but it has not fared well for average Manitobans who were not told the truth in the election campaign.

Information Request

Mr. Gary Doer (Leader of the Opposition): I would like to ask the Premier: will he agree to table the information that they had, because the green sheet just absolutely contradicts what the Minister of Finance said in this House today that this earning ratio and price-to-book values and dividend yields were both below the national average for other telcos and the yield was expected to be higher?

Hon. Gary Filmon (Premier): Madam Speaker, I am happy to confirm, as I did during my Estimates, that we are prepared to table that information for the member.

* (1350)

Manitoba Telephone System Undervalued Stock Rates

Mr. Steve Ashton (Thompson): It took us a few weeks to put together one part of the jigsaw puzzle, that is the sale of MTS and what it has resulted in in terms of key people at MTS, particularly Tom Stefanson and the stock options. We are now seeing the other part of the puzzle which confirms that pretty well every major broker indicated that this stock was undervalued, whether it be Wood Gundy, who was mentioned earlier; Edward Jones, the stock is undervalued; Levesque Beaubien, an outright bargain; Nesbitt Burns, that stock is expected to settle at a level above its issue price.

Will the minister for MTS now confirm that one of the main reasons key people such as Tom Stefanson are going to be making up to a million dollars is because of the fact that they are able to get in at that cheap price, a floor price of just barely over \$14, stocks which today are selling at \$21 on the open market?

Hon. Gary Filmon (Premier): Madam Speaker, the member opposite obviously does not understand investment or the stock market, because six months after the stock was issued, it still was just running around less than 10 percent above its issue price. That was a reflection of the fact that markets go up and markets go down. Since that period of time, since the spring of last year, every single telco in Canada has gone up substantially, and in fact MTS has not gone up more than most of them. So what is happening is a reflection of investors driving up the market prices for all telcos, not for MTS in particular.

Mr. Ashton: Madam Speaker, I am wondering if the Premier now, who wishes to put himself forward as an expert on the stock market, can confirm that every major broker indicated prior to the sale that MTS was undervalued, and one of the main reasons that Tom Stefanson and other key people from MTS are going to

be able to pocket upwards of a million dollars is because they are guaranteed a price of \$14.63. The current selling price is \$21. They knew right from the start that MTS was undervalued, and they are getting a sweetheart deal that is going to benefit them all the way to the bank.

Hon. Eric Stefanson (Minister of Finance): Madam Speaker, I think it is important to go back to the CRTC ruling and clarify some of the issues that have been raised by members opposite talking about this issue of a premium for these shares. I will quote from submissions that were made that they have quoted from before from the Canadian association of consumers, I believe, and the Manitoba Society of Seniors and others that appeared before the commission. It is in the report from CRTC, and it goes on to say: while the new shareholders of MTS paid a premium for their shares over net book value.

Further on in the same report by CRTC, again, they go on to say: accordingly, the commission cannot justify a shareholder entitlement for MTS based on any portion of the premium that shareholders paid over book value.

So, again, the rulings from CRTC are perfectly clear that there was a premium paid over the book value of the assets of MTS. As I said to the Leader of the Opposition earlier, that does compare to other telco prices across Canada. So, again, from our perspective, the price was fair for the assets; we were certainly satisfied with the price we received for the assets of MTS, Madam Speaker.

* (1355)

Mr. Ashton: Madam Speaker, as a final supplementary: will the minister responsible for MTS, who after several weeks still does not get the real bottom-line issue here that Tom Stefanson, his brother, is going to pocket, because of the deliberate undervaluation of the shares, which everyone including all major stockbrokers indicated—will he now take direct action to stop this rip-off of Manitobans, whether they be the people that owned the company before or the people who pay the phone rates, because they are now basically paying for Tom Stefanson and others getting a windfall profit at their expense?

Mr. Stefanson: Madam Speaker, we have already indicated that we had professional assistance in terms of the valuation of the company. We have also read comments from CRTC in terms of the valuation of the company and the fact that a premium was paid over book value, which does compare to other telcos in Canada. What the member for Thompson fails to recognize—and I am not surprised by it—he has no understanding of how the markets work or how the evaluation of shares works. If he were to look at telephone companies right across Canada today, he would see that many of them are performing very well on the stock market for a whole range of issues. But, in terms of the valuation of MTS, we certainly were satisfied with the price we received based on the best information that was provided to us by firms that have provided advice to this province over the last several decades when members like the member for Concordia (Mr. Doer) were a part of government receiving advice from those very same brokerage firms in terms of issues affecting the finances of Manitoba.

Systemhouse Desktop Services Tendering Process

Mr. Jim Maloway (Elmwood): Madam Speaker, my question is to the Minister of Government Services. In what may be the biggest megaproject in 10 years in this province, this government is replacing the 7,000 desktop computers that are made in Mexico, assembled in southern United States, shipped to Manitoba from a Toronto warehouse, and all Manitoba suppliers have been cut out of the process, costing Manitobans over 100 jobs. Would the minister explain and confirm this information?

Hon. Frank Pitura (Minister of Government Services): Madam Speaker, you know, as members probably all well know, certainly within the realms of government, with the multitude of departments that we have and the staff working, the ability to be able to communicate electronically is certainly identified as a need. I do not think anybody would question the fact that we should be able to go with more electronic data transfer within government. Very simply, the ability to do this was paramount, and we did not have the ability ourselves to be able to handle this transfer over to the electronic data transfer medium, so therefore we asked

for an RFP for this service, and at the present time we have Systemhouse that is putting this into place for us.

Mr. Maloway: Madam Speaker, can the minister confirm that the original tender required companies to quote prices with delivery to Toronto, placing companies at a competitive disadvantage, indicating an outright bias against Manitoba companies?

Mr. Pitura: No, Madam Speaker, I will not accept what the member has just indicated. The proposal went out to companies to provide this service for the provincial government, and as a result of the request for proposal and taking a look at it through the regular process that government does with all requests of this nature, it was then decided that this contract would be placed with Systemhouse as they were the qualifying bidder.

* (1400)

Cost Analysis

Mr. Jim Maloway (Elmwood): Madam Speaker, my final supplementary to the same minister is this: would the minister tell the House what this project will cost Manitoba taxpayers, and would he release a copy of the contract between SHL and the government?

Hon. Frank Pitura (Minister of Government Services): The member asks what the cost will be of converting over to the system. I am advised that—because of the fact that as the transition is taking place, and it is taking place as we speak—in terms of estimated numbers, we are talking about an incremental cost somewhere in the neighbourhood of around \$15 million.

Crime Prevention Anti-gang Strategy

Mr. Gord Mackintosh (St. Johns): Madam Speaker, to the Minister of Justice. The minister, who said he has been doing his utmost about the revolving door of bail and who has only to this point damned Ottawa, today made public a memo saying that he has not been doing his utmost. It says to the prosecutors: apply the law. It is a written confession.

My question to the minister is: rather than repeating a public relations exercise that did not work the last time because no additional tools had been given to prosecutors, when will the government start to deal with the threat of violent gang crimes and the causes of this cancer in our communities in a real way?

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, again the member for St. Johns is criticizing a very important initiative that was undertaken by the Crown attorneys, and I want to thank them publicly for the job that they did in reviewing a new aspect of the Bail Reform Act which has only been in force for approximately one year. There have been a lot of concerns about that particular provision, and over the last year the matter has been clarified. The Crown attorney who wrote the particular memorandum to the other Crown attorneys indicated that this particular provision could be used in order to address a very specific need where the administration of justice may be in disrepute if someone were released on bail. So I want to thank that particular Crown attorney, and I also want to thank the police officers who contributed to that discussion with the Crown attorneys.

Mr. Mackintosh: Rather than business as usual, as we understand from the courts, and talking about slowing the revolving door of bail, will the minister do something to stop it by giving more than lip service to the report of the Honourable Ted Hughes that says we need marketable skills and job prospects for those marginalized Manitobans to stop people from getting involved in gangs in the first place?

Mr. Toews: Well, Madam Speaker, I know that our government is committed to approaching this issue under a variety of headings. We believe very strongly in the issue of suppression. We believe very strongly in the tool of prevention, and we believe very strongly in the tool of partnership. All three of those aspects are a very important part of our overall criminal justice system.

Now under the heading of partnerships, we also partner with the business community to ensure that people who do not have marketable skills find places to work. I know that one of the recent announcements with respect to the call centre that is being put

downtown is one such example where people who may not have marketable skills for every type of a job at least find an opening to get into that job market so that they can become positive contributing members of society. I believe that they want to do that, and I believe that our government, and I know our government is committed to providing them with those opportunities.

Mr. Mackintosh: Well, if the government is truly committed to prevention, why did it cut all funding to the friendship centres in Manitoba? Why did the minister close down the Night Hoops basketball program in the north end? Why did it turn its back on the closing of the north Y? Why has it cut Access and BUNTEP? Why has it cut funding to foster parents, Madam Speaker?

Mr. Toews: Madam Speaker, I totally reject the kinds of comments that the member for St. Johns has been making. In fact, the British Columbia NDP government has sent its officials here to look at our youth sports camp to see why they are working as well as they are doing.

In respect of the issue of prevention, one of the things that I want to say is how supportive this government has been of police. Back in 1985-86, the provincial government only contributed 60 percent, a sizeable contribution, and yet, that in fact amounted to \$26 million. Today, Madam Speaker, for the '98-99 budget, the provincial contribution is \$52 million and that represents an increase of 8.5 percent over last year. That is one aspect of where we are supportive of prevention issues.

Court System Independent Review

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

Today I spent part of the day over at the Provincial Court Building, and it was in essence to share with some individuals a press release that the Minister of Justice issued today. I think that the Minister of Justice is hitting a part of the problem. The feedback that I was receiving, overwhelming feedback, is that it is

time—and we have to respect the need for an independent judicial system—but the time has been too long in the sense of government not fulfilling some sort of public requirement in terms of a judicial review.

My specific question to the Minister of Justice is: is this government prepared to have an independent review of our courts, in particular, our judges?

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, I think the member raises an excellent issue, because I know I had occasion to talk to his father who spends a lot of time reviewing the court system. I had a very interesting talk with him. In fact, he brought a lot of good points to my attention. So I guess, like father like son, he is raising these in the Legislature in a very timely manner, and I thank him for that.

I note that the Alberta government has instituted a review of the judicial appointment process and the whole concept of judicial independence, and I think it is a timely inquiry in Alberta. I am looking forward to seeing the results of that particular inquiry. I think much of what they will learn there can be considered here. So I am looking forward to the results of that particular inquiry.

Mr. Lamoureux: Madam Speaker, will the minister acknowledge, with respect to the individuals that I have talked to, there is a great need for us to have that independent review? It does not have to be professionals per se, but we do need to review the issue of our judges. Will the minister make that commitment to do that?

Mr. Toews: Madam Speaker, what I can commit to today is that we will continue to review all aspects of the justice system, whether it is issues of bail, whether it is issues of other policy initiatives that need to be undertaken, issues like urban sports camps, and, yes, the issues of the judiciary. We will continue to monitor that entire situation to see what needs to be improved.

Now, specifically with the judiciary, I want to say that, generally speaking, our judiciary here in Manitoba is comprised of very, very fine individuals; however, I know that from time to time there are issues that arise,

and my staff continues to monitor that. Should there be a specific need for any type of a public inquiry into any aspect, my staff will review that and make recommendations to me as well.

Mr. Lamoureux: Can the minister then indicate to the House when the government sees itself in a position in which we can strike an independent review? Because, when we see the press release that went out today, it is a step forward, but you are really missing the most important point, and that is this particular independent review. When can we actually see a very positive step towards that?

Mr. Toews: In view of the Supreme Court of Canada's decision in respect of the payment of provincial judges, they made very clear statements and very broad statements about what judicial independence means.

What we need to do is to see how the application of that particular judgment goes over the next period of time. So I think at this time it is premature to look at any kind of inquiry. I know that my colleague the Minister of Justice in Alberta has other very pressing issues that prompted him to proceed with an inquiry as to the appointments' process. That again is something that I know our province was a leader in and also issues such as whether judges should be appointed for life or simply for terms. That is one of the issues that my colleague in Alberta has been concerned about and indeed has communicated with me. I look forward to seeing the results of that inquiry.

* (1410)

Grain Transportation Short-line Railways

Ms. Rosann Wowchuk (Swan River): Madam Speaker, last night Justice Estey held public meetings on the grain transportation and handling system. Although there was a very small group of people there, they expressed very well their concerns about the transportation system. One of the major concerns was the problem of operation of short-line railways, and given that the primary objective of the branch line abandonment provision of the Canada Transportation Act was to promote short-line railways rather than to

discontinue services, in reality this is not working because railway companies are retaining control of key sections of the railway lines that make it difficult for short lines to operate.

I would like to ask the Minister of Transportation if he has made contact with the federal Minister of Transportation on this issue. If he has not, will he contact them to ensure that the problem with the Canada Transportation Act is corrected so that short-line railways can operate in this province?

Hon. Glen Findlay (Minister of Highways and Transportation): Last week the four western provinces met with Judge Estey and talked about all the issues around the grain transportation review, and clearly Mr. Estey has found out that this issue is a lot more complex than he might have first thought. I think he has a good handle on all the issues from all directions and will probably be challenged to come up with the appropriate recommendations by the end of December. That is a pretty short time frame.

With regard to short lines, certainly the Province of Manitoba strongly advocates the use of short lines to bring grain to the main lines. We have certainly passed an act to facilitate that process, and we continue to work with, as the member had mentioned, the federal minister and the railways to try to identify the opportunities that exist for short lines. Clearly the Hudson's Bay route was certainly the best short line that we have been advocating that has happened in Manitoba and parts of Saskatchewan, bought by OmniTRAX, and will function as a very effective line in Manitoba for movement of goods to and from the Churchill port.

Port of Churchill

Ms. Rosann Wowchuk (Swan River): The other issue that was raised, Madam Speaker, was the opportunity to save farmers' money by using the Port of Churchill. I would like to ask the minister why, in his presentation that he made to Judge Estey, he did not even offer Churchill as an alternate route to offer some competition to the mainline railways so that farmers could save money and get their grain to port cheaper. Why did you not make that offer in your presentation?

Hon. Glen Findlay (Minister of Highways and Transportation): All ports have been discussed in the process. The joint submission has covered all the ports, and clearly advocates of Churchill bring forth the cost-effectiveness of it and nobody disputes that. So it has been recognized and presented, and I clearly indicate that Churchill will play a much greater role in grain movement in the future than it ever has in the past, because now we have strong advocates operating the port and the line as opposed to what was the case in the past.

Comprehensive Review

Ms. Rosann Wowchuk (Swan River): I would like to ask the minister what he meant by his statement where he said, and I only quote part of it: modifications have only made the system more cumbersome. A fundamental different approach is needed, not merely some tinkering around the edges.

Is the minister saying the line abandonment we have seen in this province is just tinkering, and he wants to see more line abandonment in this province? What kind of tinkering are you proposing?

Hon. Glen Findlay (Minister of Highways and Transportation): Madam Speaker, I am not sure what direction the member is trying to go, but the statement means the grain review as a whole. We think that there are a number of issues in grain transportation as a whole that must be addressed, not just tinkering on this little issue and that little issue. We want, as four provinces, competition; we want accountability; we want increased efficiency; and we want more dollars back at the farm gate. That is what we mean by comprehensive review, not just tinkering. Everybody, every province, is on side with greater accountability, greater efficiency and more money for producers at the end of the day. That is what we mean by comprehensive.

Students-at-Risk Report Government Action

Ms. MaryAnn Mihychuk (St. James): Yesterday we raised some issues raised by the study that the government itself raised concerning students at risk.

This was an independent study which brought together 18 focus groups as well as three of her own staff, three groups from her own ministry.

Madam Speaker, I would like to ask the minister, relating to this study: how can the minister ignore the clear loss of confidence by educators when all of the groups, including her own staff, agreed that Manitoba Education and Training should try and repair the breakdown in communication and trust and listen to the field? Is this not a clear vote of nonconfidence in this minister and her policies?

Hon. Linda McIntosh (Minister of Education and Training): I thank the member for the question because it does give me an opportunity to clarify for the House here and for others who may be listening what this study was about, what we hoped to gain from it and what we are doing with it. The member speaks about this as if it is something like the Roblin commission, when in fact it was simply part of the ongoing consultation that the Department of Education does on a regular basis with the field. In this case they are talking to eighteen 10-member groups of people who are working in the schools, getting their perspectives.

They came back with a whole series of the thoughts and ideas and feelings, some of them contradictory, some of them not contradictory, all of them worthy of examination. They came back with essentially seven thoughts of things they would like us to do, all of which we are in the process of doing. For example, they indicated that they needed an integrated community and service agency approach, which we have put in place. They talk about needing to get into early childhood development to help schools, which we are doing. We have many examples of what we are doing there, and I will continue with the next question.

Ms. Mihychuk: Madam Speaker, how can the minister explain the fact that the groups have identified that there is widespread belief across the whole province, including her own staff, including teachers, principals, administrators, superintendents and the public—that there is widespread belief that the provincial public policy and best interests of students at risk are moving in opposite directions?

Mrs. McIntosh: Of course, the member is not correct in her preamble because she again is talking as if this is widespread consultation with the public, à la the Roblin commission, et cetera. This was approximately 180 people working in the field; the workers in the field asked for their perceptions. It is not the broader public, or they are not formal consultations, and they are very direct in how they feel. Some of the results are contradictory as I say. Some are asking for solutions that were in place in other provinces, saying why reinvent the wheel. Others are asking for made-in-Manitoba solutions, directly contradicting each other.

Similarly, you will see coming through the particular concerns of the workers, which I am not saying are in contradiction to the needs of the students or the wider public, but they are the workers' concerns, and we are interested in them. But their concern with exam results, for example, was no one wanted the publication of exam results because they feared that teachers might be blamed. Of course, that is not the purpose; it is not the perspective that others might take on those issues. So she is leaving a direct—[interjection] I will conclude later.

Ms. Mihychuk: Madam Speaker, my final question today is to the minister concerning this report. This is clearly a massive condemnation of the minister and her policies from all educational sectors. Would she admit now that her priorities are her political agenda and not the needs of students, which is clear in her role for the past three years?

* (1420)

Mrs. McIntosh: As I say, the department consults regularly with workers in the field, with parents, with others. This is with workers, and they have given seven recommendations, all of which we are either in the process of doing or have done. So, in the final analysis, despite the differing opinions that were held in the report, the conclusions they came to fall in line with a lot of what we are doing. This report confirms exactly what we have been saying all along about the system, that there are students at risk who require interventions to take them out of the at-risk category, and it is unfortunate that when they were in power, they discouraged this kind of consultation with workers in

the field. We encourage it. We want to hear what kinds of problems are perceived by workers so that if there is merit in them, we can begin to address them.

As I say, of the seven recommendations brought forward, each and every one of them falls in line with what we think we can do to help students at risk.

Urban Housing Starts Decline

Mr. Leonard Evans (Brandon East): Madam Speaker, I have a question for the Minister of Housing or perhaps the Minister of Finance (Mr. Stefanson).

The government desperately tries to portray the Manitoba economy as being buoyant and expanding, and yet data that we have on urban housing starts—the residential construction industry—now available show a decline, a very sharp decline, of over 23 percent in the first quarter of this year, whereas while we are declining, the province of Alberta is expanding by 22.1 percent, and our cousin province, our sister province of Saskatchewan, has grown by 34.4 percent. We rank, Madam Speaker, only seven out of 10 provinces.

So my question to the minister: if our economy is supposed to be in such great shape in this province, why is the demand for new housing declining and compares very, very poorly with the rest of Canada?

Hon. Jack Reimer (Minister of Housing): Madam Speaker, the one thing that I have always enjoyed, being in this House, is when the minister—pardon me, the member for Brandon—[interjection] Former minister, yes. I believe he was a former cabinet minister so he realizes the importance of accurate figures and accurate interpretation of statistics. I am always amazed at how the member for Brandon East can sometimes come up with these.

An analysis of the housing starts across Canada and from province to province is done at snapshot intervals. The member must realize that taking out of context a particular time in the analysis of the figures sometimes can put a difference in balance between the various regions and the various cities. If you look at the overall economy and the overall stats, there are some times

where there is a levelling off or an improvement in the statistics.

So, Madam Speaker, I would wait until there is a more finalized figure on the housing starts from various areas of Manitoba and Canada before we make an assumption like that.

Mr. Leonard Evans: Madam Speaker, the figures come out every month, month after month, year after year.

Will this minister acknowledge that our seriously declining real wages in this province, together with a very serious loss of population to other provinces, including Saskatchewan, Alberta and B.C., are contributing factors to this abysmally low level of urban housing starts in the province of Manitoba?

Hon. Eric Stefanson (Minister of Finance): Madam Speaker, we will accept no such thing. Again, I think the member for Brandon East, as he does on occasion, is being quite selective with his statistics.

I encourage him to look at the whole issue of housing starts over the last short period of time, because if he looks back at 1997, the growth in urban starts here in Manitoba was 33.9 percent, the second highest in all of Canada and well ahead of Canada's growth rate of 21 percent. Those are the facts for the year 1997.

To date, we have three months' data, and the member is right that for the first three months' data there is a decline. But what I point out to him and I encourage him to watch for is that the current CMHC forecast is projecting a third consecutive year of strong gains for Manitoba. They are projecting a gain of 11 percent which, if that is accurate, will be the second-best performance in all of Canada. That is the projection coming from CMHC, not from myself.

So 1997 was an excellent year. If you look over the last few years—in fact, out of four of the last six years, this province has exceeded the national growth rate here in Manitoba in terms of housing starts.

Mr. Leonard Evans: Madam Speaker, will this minister acknowledge—or the Minister of Housing (Mr.

Reimer)—that the housing starts today—and he has quoted a number of figures—are indeed a very small fraction of what they used to be under the previous government in the 1980s? It is only a tiny fraction. Will he admit that today we only have about a fifth or so of what we were experiencing before this government came into office?

Mr. Stefanson: Madam Speaker, I have just given the member for Brandon East the facts in terms of how Manitoba is comparing on a national basis in terms of housing starts: four out of the last six years we are exceeding Canada; last year's growth rate, the second best in all of Canada, exceeding the Canadian average; the projection for 1998, again, to be the second best in Canada, exceeding the national average.

I encourage the member for Brandon East—because I know he takes an interest in economic statistics—to look at all of the economic indicators. Manitoba, in March of this year, at 5.2 percent, the lowest unemployment rate in all of Canada right here in this province, a record number of Manitobans working here in our province, amongst the best growth in export sales, amongst the best growth in manufacturing shipments.

I could go on and on, Madam Speaker, but everybody in Manitoba, including the people of Charleswood, knows that Manitoba's economy is performing very well today. The only person who does not recognize that is the member for Brandon East. I am certainly prepared to give him the data and a lesson.

Madam Speaker: Time for Oral Questions has expired.

MEMBERS' STATEMENTS

Myrna Driedger

Madam Speaker: The honourable member for St. Vital, with a member's statement.

Mrs. Shirley Render (St. Vital): Madam Speaker, the people have spoken. Their words were resounding and leave no doubt as to the support our government's direction has achieved with Manitobans. Yesterday

was the Charleswood by-election. The people of Charleswood, who have been well served in the past by their elected officials will see this tradition continue with Myrna Driedger. A CEO of Child Find Manitoba and having 23 years experience in the health care field, I have every confidence that Myrna will be an excellent addition to the Manitoba Legislature.

I think it is important to note that Myrna Driedger received 53 percent of the votes cast. Our government has the confidence of the electorate of Charleswood to continue building a province of opportunity. Through continued balanced budgets, our government will reflect the priorities of Manitobans. Madam Speaker, shortly our newest member will join all of us in the Legislature, and I am sure all of us wish her all the very best. Thank you.

* (1430)

God Save the Queen

Mr. Steve Ashton (Thompson): I would like to read a poem that was sent to me by Emile Clune. It is in regard to the God Save the Queen issue.

“Take heart, take heart all teachers, there is hope for education/Now Linda Mac has plans to save the younger generation/While proving she does not deserve a wimpy reputation/When the P.M. was in Winnipeg some students climbed on stage/This terrified poor Linda and put her in a rage/But it seems that we misjudged her when she made that little scene/Though she wouldn't save Jean Chretien, she will fight to save the Queen/She is out there bravely facing desperado groups in schools/Who have disobeyed the law for years and broken several rules/But thanks to Linda's courage and her fortitude as well/Young voices sing “God Save the Queen” before the final bell/Now students all across the land are standing to attention/(The fact our health care is in a mess I guess we shouldn't mention)/And Manitoba teachers, overworked and underpaid/Agree that Linda's noble act has put them in the shade/Ride on, ride on brave Linda, how ungrateful we have been/Though you didn't save Jean Chretien, Thank God you saved the Queen.”

Thank you, Madam Speaker.

Rural Forum

Mr. Jack Penner (Emerson): I am not going to be quite as eloquent, but I am not going to read either. So I think we should ask the honourable member to table the presentation that he just made. I find it interesting.

I want to rise today, Madam Speaker, to invite all the people of this Legislature to the Rural Forum in Brandon. This is the sixth year in a row that Manitoba will be sponsoring its products at a forum and a demonstration of what Manitoba manufacturers and processors can in fact achieve if they are allowed to, within an economic setting, grow and prosper in this province. Many of the rural industries that function in many of our villages and towns in rural Manitoba are going to be there not only displaying and demonstrating their wares but talking about and talking to each other about the possibility of expanding the industries in rural Manitoba.

Value-added production is becoming not only the verbiage that was used a number of years ago but is becoming a reality. Many in the farm community are becoming quite involved in the processing industry and the manufacturing industry. Small businesses, as we all know, remain the strong cornerstone of our rural economy. Our economic base has been strengthened because of what people and the Minister of Rural Development (Mr. Derkach) have done to demonstrate our will as a government to ensure passing not only legislation, regulations that will allow and enable, from an economic standpoint, our rural businesses to prosper and flourish and thereby employing many of our younger people and seeing the growth expand in our rural communities.

So, Madam Speaker, I invite all of you to come out and taste the food, taste the experience, talk to your friends and talk to your neighbours about the greatness of Manitoba.

Community Crime Awareness

Ms. Diane McGifford (Osborne): Madam Speaker, I was pleased last night to attend what could best be called a neighbourhood watch revival meeting in the constituency of Osborne. Last night, 350 residents of

Riverview and Lord Roberts came to the Lord Roberts School in order to attend this meeting. Clearly, all these citizens are concerned about safety, they are concerned about their homes, and they are certainly concerned about their families and communities. Everyone at this meeting had a story to tell. Either an individual had personally been a victim of theft and vandalism or else knew somebody in the community who had suffered theft and vandalism. Clearly, this meeting hit a chord, and I think the numbers make it clear that it was an important meeting and provided a focus for the community and for our citizens' frustration and anger.

We were pleased last night to be joined by Mr. Tom Hidson, president of Citizens For Crime Awareness, District 6 North, and we want to thank Crime Awareness Officer, Constable Graham Campbell for his educational address, his detailed remarks on safety, on criminal activity, on prevention, on deterrents and on scams. The constable discussed the CAT program designed to combat auto theft and general antiauto-theft techniques. He provided advice on personal security and on safety. Constable Campbell did a thorough job, and we were all enlightened and educated.

I want to thank, too, Madam Speaker, the community organizers of this meeting. Laura Karbyson, Arlene Mason and Jackie Jeffkins were tireless in their work and planning, and they plan to continue their work in the future.

Finally, I want to congratulate all the residents of Osborne who attended the meeting and made a clear commitment to reclaim our community, to protect our families, our homes and our neighbourhood.

Urban Housing Starts—Decline

Mr. Leonard Evans (Brandon East): I would like to continue on the discussion we had about declining housing starts for a moment or two and try to get the government to realize that we have a very serious situation on our hands when our residential construction industry is lagging behind Saskatchewan, it is lagging behind Alberta, it is lagging behind the country as a whole. As a matter of fact, we rank only seven out of 10, and I am talking about the latest

information we have, which is the first quarter of 1998, compared to the first quarter of 1997. It is very interesting to ask yourself: why are we suffering in terms of declining residential housing starts. There are various answers, one of which of course is the loss of population from Manitoba to other provinces, including Saskatchewan, our sister province, having received a net amount of over 1,000 Manitobans in 1997.

In addition to that, we have the problem of declining real wages in this province. All the stats show that we continue to have declining real wages, that is, wages when you squeeze the inflation out of it, and that has to be a factor in people's ability to undertake mortgages for new construction. And why do we have a low real wage situation? It is simply because we have a low wage service sector that is expanding. In fact, the great bulk of the jobs we are getting in this province are of the low wage nature, jobs that do not have much security, jobs that do not offer many benefits, and the other factor, in conclusion, is the fact that we have probably the lowest minimum wage of any province in our good country. Thank you.

* (1440)

ORDERS OF THE DAY

House Business

Hon. James McCrae (Government House Leader): Madam Speaker, there have been extensive discussions between House leaders and individual members as well, and I believe we have a number of matters to which we agree. I believe the House will give unanimous consent to these matters. First, to waive private members' hour for Thursday, April 30, that is tomorrow; Monday, May 4; Tuesday, May 5; and Thursday, May 7. On those Thursdays, the understanding is that the House would rise at five o'clock, those being April 30 and May 7.

Madam Speaker: Is there unanimous consent of the House to waive private members' hour for tomorrow, Thursday, April 30; Monday, May 4; Tuesday, May 5; and Thursday, May 7, with the understanding that the House will adjourn on Thursday, April 30, at five and Thursday, May 7, at 5 p.m? [agreed]

Mr. McCrae: For clarification, I think, Madam Speaker, the House will adjourn tomorrow at five and Thursday, May 7, at 5 p.m. Right, you said that. I would like also to announce that tomorrow morning, this is also pursuant to discussions that have been had, the House will have two consecutive private members' hours and tomorrow afternoon we will consider the Estimates in committees of Supply.

In a moment, I will ask you, Madam Speaker, to call some bills. I do not think we need any further unanimous agreement, or do we? No. So for this afternoon, I would ask you to call Bills 30, 4 and 19, and if those matters conclude this afternoon then the bills could be called in the order they are printed on the Order Paper.

Madam Speaker: Just for clarification, I will reiterate the announcement made by the government House leader regarding tomorrow morning's proceedings, and that is that the House will have two consecutive private members' hours and then will move to Committee of Supply after regular Routine Proceedings tomorrow afternoon.

SECOND READINGS

Bill 30—The Pharmaceutical Amendment Act

Hon. Darren Praznik (Minister of Health): Madam Speaker, I move, seconded by the honourable Minister of Environment (Mr. McCrae), that Bill 30, The Pharmaceutical Amendment Act; Loi modifiant la Loi sur les pharmacies, be now read a second time and be referred to a committee of this House.

Motion presented.

Mr. Praznik: Madam Speaker, the purpose of this bill is to amend The Pharmaceutical Act to allow Manitoba to join other provinces in adopting a national harmonization of drug schedules, with the goal of having drug products offered for sale in the same place and under the same conditions in all provinces. A model, harmonized drug-scheduling system has been adopted by provincial pharmacy regulatory bodies across Canada.

The system creates three schedules of drugs. Drugs contained in the first schedule require a prescription for sale and will be dispensed by a pharmacist. Drugs on the second schedule do not require a prescription, but must be made available only from the pharmacist and must be retained within an area of the pharmacy where there is no public access and no opportunity for consumers to select the drugs on their own. Drugs on the third schedule may be selected by a consumer, but are to be sold from the self-selection area of a pharmacy where a pharmacist is available to assist the consumer in making an appropriate selection. Unscheduled drugs can be sold from any retail outlet.

The development of these schedules has been accomplished in consultation with a variety of consumer and industry organizations, including the Canadian Council of Grocery Distributors and its members who have strongly encouraged all ministers of Health to implement these schedules. This system will be incorporated into the regulations under The Pharmaceutical Act should these amendments be approved by the Legislature.

This bill contains a new provision allowing the Lieutenant Governor in Council to make regulations prescribing the conditions to be met, including any fees to be paid by manufacturers who wish to have their products considered for designation as interchangeable products in the formulary.

This is a companion amendment to the one contained in Bill 13, also before this House, The Prescription Drugs Cost Assistance Amendment Act, which I introduced in the fall.

This bill will remove the provisions respecting the confidentiality of prescription information, as this has now been replaced by the provisions of The Personal Health Information Act. Pharmacists are described as trustees under that particular piece of legislation. This bill, it is proposed, will replace the current provision with provisions respecting the confidentiality of the information obtained by the Manitoba Pharmaceutical Association, its employees and committees in the course of administering The Pharmaceutical Act.

The maximum fine for a breach of this provision, it is proposed, will be set at \$50,000, which is the same

maximum fine as The Personal Health Information Act. These provisions are the same as those contained in Bill 20, The Medical Amendment Act, which I introduced for first reading on March 11.

Finally, Madam Speaker, this proposed bill contains housekeeping amendments that will make minor corrections in the French version of several provisions and will facilitate the operation of the association's complaints and discipline committee. I thank members for their attention, and I look forward to discussion on this bill and the committee portion of the process.

Mr. Doug Martindale (Burrows): I move, seconded by the member for Concordia (Mr. Doer), that debate be adjourned.

Motion agreed to.

DEBATE ON SECOND READINGS

Bill 4—The Child and Family Services Amendment and Consequential Amendments Act

Madam Speaker: To resume adjourned debate on second readings, Bill 4 (The Child and Family Services Amendment and Consequential Amendments Act; Loi modifiant la Loi sur les services à l'enfant et à la famille et modifications corrélatives), on the proposed motion of the honourable Minister of Family Services (Mrs. Mitchelson), standing in the name, firstly, of the honourable member for Transcona (Mr. Reid). Is there leave to permit the bill to remain standing? Leave? [agreed]

Secondly, standing in the name of the honourable member for Broadway (Mr. Santos) who has 36 minutes remaining. Is there leave to permit the bill to remain standing? Leave? [agreed]

Thirdly, standing in the name of the honourable member for Wellington.

Ms. Becky Barrett (Wellington): Madam Speaker, I am very pleased to be able to conclude my remarks on Bill 4, The Child and Family Services Amendment Act, as it relates to the office and duties of the Children's Advocate. I spoke last week about the concerns that we have with some of the provisions in the legislation,

that while they move forward, may not move forward far enough. Although we do appreciate the legislation being changed to acknowledge the unanimous recommendations of everyone who has spoken on the idea of the Children's Advocate since its inception here in Manitoba, and that is that the Children's Advocate report to the Legislature rather than to the minister directly. We applaud the government for that change. We think it will be a very positive move and one that the Children's Advocate has recommended as well.

There are, however, some other concerns that we have with this legislation, and we hope that in discussion in committee perhaps we can come to some agreement with the government on some changes. The Children's Advocate has, under this legislation, the authority to investigate, review and report on any matter given to it by the Standing Committee on Privileges and Elections that relates to children under The Child and Family Services Act. Now we have said in the House in debate under the original legislation and are saying here today, as well as the member for Burrows (Mr. Martindale) having said, we think it is very essential for the Children's Advocate to have as broad as possible a mandate in order to effectively deal with the issues that face children in Manitoba. The element of this bill that continues to allow it only to deal with issues that are raised that deal with services provided to children under The Child and Family Services Act does not go nearly far enough.

Madam Speaker, these are not just our concerns that are raised on this issue. Our voices are raised in chorus with hundreds of other people and many organizations in the province of Manitoba and frankly throughout the world when it comes to dealing with issues concerning children. It is kind of interesting because the government itself in a way recognizes this when it has brought into being the Children and Youth Secretariat, when it has a number of ministries, a number of government departments that respond to and report to the Children and Youth Secretariat or that deal with the Children and Youth Secretariat.

* (1450)

There is a recognition on the part of the government that children and youth have issues that range across

the spectrum. They have family services issues, definitely, but not every child that has a problem in this province is under the purview of The Child and Family Services Act. If that were the case the Child and Family Services budget for the province of Manitoba would have to be quadrupled if not increased 10 times, because there are many children in this province, in every single section of this province who have problems that should be addressed by the Children's Advocate. Many organizations throughout the province have said that. As I have said, the government has in a way understood this concept by the creation of the Children and Youth Secretariat, although in the implementation of what the Children and Youth Secretariat is actually doing, I think the government is falling far short of the potential.

So we suggest very strongly that the Children's Advocate, in the course of his or her investigative and preventive work, which, we hope, is a major part of his or her job, investigating issues and preventing their recurrence, can and must review the responses of government and agencies to recommendations in reports such as the Aboriginal Justice Inquiry, the Health of Manitoba Children, and the Children and Youth Secretariat reports. It is essential that the Children's Advocate be able to respond as broadly as possible to the issues that face children, and there are many. These reports are only three of many that this government has.

One could suggest that the children-at-risk report that the Minister of Education (Mrs. McIntosh) is currently dealing or not dealing with has in it elements that the Children's Advocate should be looking at, issues that affect many children throughout the province, children who never have and never will be under the purview of Child and Family Services.

I think we do children in this province a major disservice when we say that only issues arising as a result of services provided by Child and Family Services agencies are worthy of or can be addressed by the Children's Advocate. We do a huge disservice, because the vast majority of the children in this province do not come under Child and Family Services. We should be working towards reducing the number of children that come into care. One of the best ways we

can do that is to actually put forward programs and policies that implement some of the recommendations out of a number of reports that this government has.

One of the best ways to do that is to enable and require of the Children's Advocate that he or she respond to those recommendations as part of his or her mandate. Narrowing it down to only Child and Family Services is the wrong way to attack the problems facing children in Manitoba today.

We also believe that another major problem, if not the major problem facing children in Manitoba today in a broad sense, is the fact that they do not have access to services. I will be speaking about some of those instances later in my remarks. It is clear from everyone we have talked to as members of the Legislative Assembly, in our own constituencies throughout the province of Manitoba, be they parents, people who work in the school system, people who work in the health care system, people who work in the justice system, people who work in the family services system, people who work in sports and recreation, people who are parents, children, everyone.

We all know children. We all relate, to one extent or another, with children. Everyone says one of the major problems facing our children today is that they do not have access to the services they need in order to become productive, functioning citizens of the province of Manitoba who are able to reach their full potential. These problems and this lack of services crosses the gamut, runs the gamut. As I said, we would be speaking about some of those situations in a few moments.

So we also believe that the Children's Advocate must have the authority to ensure greater access to services for children and families across the province by providing services in rural and northern Manitoba, also with attention to the diversity of cultures in Manitoba. So we not only need to look at kids in the city of Winnipeg and around the Capital Region, where, granted, 70 to 75 percent of the people of Manitoba currently live, but we must take into account the geography and the demography of the province of Manitoba.

It is very interesting, Madam Speaker, that this government in the almost eight years that I have been a member of the Legislature, this government time and time again tells us and the opposition not to have a Perimeter mentality, to look at what happens outside the city of Winnipeg. I think they do that because, when you look at where the representation comes from, it is true that more of our members perhaps represent the city of Winnipeg than their members do, and their members—

Mr. Steve Ashton (Thompson): They do not represent the city either.

Ms. Barrett: Madam Speaker, my colleague the member for Thompson (Mr. Ashton) reminds me of a very important thing. They may on paper represent parts of the city of Winnipeg, but they do not truly represent the city of Winnipeg. That is another issue.

But the government benches do have more members that are representative of constituencies outside the city of Winnipeg, south of the northern four seats. So, technically, they do represent probably a higher percentage of the exurban population than the members of the opposition do, but we are much more balanced in our representation. We have members from the inner city, we have members from the suburbs, we have members from the rural communities, and we have all of the representatives of the North of the province. The rural constituencies are Dauphin and Swan River, and Interlake and Selkirk have rural components to them. [interjection]

Oh, this is very interesting. The member for Emerson (Mr. Penner) is suggesting that Dauphin and Swan River are not rural constituencies. I would suggest, Madam Speaker, that is part of the problem. There is rural activity north of No.1. It is very interesting that in relation to services for children—

Point of Order

Mr. Jack Penner (Emerson): Madam Speaker, I think there is a real point of order here and a case of misrepresentation when the honourable member gets up and absolutely misquotes what was mentioned in this

House. There needs to be a correction made on the record. My reference was to Dauphin and Swan River, that they were northern communities, and I did not mention the word rural Manitoba. I asked the question whether they represented what part of Manitoba, and I said they represent the rural communities of northern Manitoba.

Madam Speaker: Order, please. The honourable member for Emerson did not have a point of order. It is clearly a dispute over the facts.

* * *

Ms. Barrett: Madam Speaker, I will not take any more of my time reflecting on the member for Emerson's comments, but I think he made my point.

It is essential that children throughout the province—whether they are in the care of Child and Family Services, whether they are in the care of a health care system, whether they are in the tender hands of the justice system, whether they are in school, out of school, or preschool—all children in the province of Manitoba have the right to a full range of services to enable them to live the best lives they can live. If we do not protect our children, we have destroyed our future. Our suggestions in the legislation before us today is that the changes to the Children's Advocate office do not go far enough in providing those services throughout the province of Manitoba that are essential for children to live healthy, productive, happy lives.

I would suggest that in many cases, and I will share with the members some of these situation in many, many, many parts of our community throughout the province of Manitoba, children are worse off than they were 10 years ago. They are worse off. In the face of trying to eradicate child poverty, every government in North America and many governments across the world said in 1989 sign the declaration to eradicate child poverty by the year 2000.

* (1500)

In many of our communities and in many sections of our communities, we are further behind in the eradication of child poverty, and we all know the end

results of that. We see it every day. We see it in the problems in our school system, we see it in the problems in our health care system, we see it in our justice system. We see it in the hopelessness that children throughout the province of Manitoba feel today as a result of 10 years of government neglect. The Children's Advocate should be, and must be, a positive, effective force for change in the province of Manitoba, and the elements in Bill 4, we feel, do not go far enough towards enabling that to happen.

Madam Speaker, the government cannot say that it does not have information to put children first. It cannot say that there is not a plentitude of information, recommendations and programs available for children throughout the province of Manitoba. They are not available enough, but we cannot, as a society, say that we do not know what to do for kids. We know exactly what to do for kids. We are choosing not to do it. The Children's Advocate could be a marvellous resource for enabling our children—as I have said, to put our children first.

I am just going to put into the record a couple of those suggestions. One is, in 1994—and this comes from, and I am the first to admit it, and proudly admit it—the New Democratic Party in Manitoba released a plan for providing services for children entitled putting Children First. It formed the basis of our platform for children in the 1995 general election. The government cannot say that we do not provide positive alternatives.

I would like to share with the government today some of the alternatives we put forward first in 1994 that, should the Children's Advocate have enough authority, could be implemented tomorrow. A healthy start program for kids with three components: a targeted, province-wide, prenatal nutrition program. What did this government do instead of targeting prenatal assistance and postnatal assistance? They cut services to pregnant women. They cut services to pregnant women, poor pregnant women. What kind of prenatal care is that? What kind of nutrition is that?

Secondly, a province-wide school nutrition program. The one area where virtually all children congregate is the school system. That is one of the reasons why there

is so much pressure on the school system today, that virtually every child connects with the school system if they connect with nothing else. Far too many children connect with nothing else positive in their lives. The schools are an ideal place, if they were well resourced, to provide programming. We suggested a province-wide school nutrition program, a very positive, preventive measure that would have excellent results down the way. If the Children's Advocate had enough authority, the Children's Advocate could implement these kinds of things, or ensure that the government implemented them.

Thirdly, in the healthy start program was a recognition of schools and a public, nonprofit day care system as integral components of community-based child health programs. Many, many children in this province connect not only with the school system but with the child care system. If there were enough spaces, many more would—another area where good programming could take place.

We need as well an intensive family life component as part of the health curriculum, recreation initiatives such as physical education as part of the core curriculum for all students throughout their public education system. We are becoming a nation of overweight people who do not exercise well enough, who do not exercise long enough, who do not understand the importance of physical education, physical exercise, a physical lifestyle. This, again, has huge consequences further down the road. An expanded campaign to combat fetal alcohol syndrome, and I would add today fetal alcohol effects. I will say that the Children and Youth Secretariat is making some progress in this regard. It is just starting. We put this out in 1994. Dr. Brian Postl had recommended this prior to 1994 as well. We are now in 1998. Four years have gone by, three years since the last provincial election.

How many kids in the province of Manitoba in virtually every single constituency in the province of Manitoba are now suffering from FAS and FAE that would not have had to be suffering under these terrible scourges had some of these initiatives been in place? The answer is far too many. One would be too many.

Adequate resources for speech and language therapy leading to early detection and intervention of potential communication problems: We have heard throughout this province time and time again of the desperate need for speech therapists. This is an issue that absolutely drives me crazy, absolutely drives me crazy, because this is a real case where we know what to do. We train speech therapists to provide good and effective programming and therapy for kids. [interjection]

The Province of Manitoba does not train them anymore, but they are trained. This government eliminated that program. There are still speech therapists in this province who are prepared to work with kids, and in a few moments, I will share some stories about speech therapy problems with the House. But this is one of those problems that should never be a problem. Virtually every kid, if they are caught early enough, can overcome virtually every speech therapy problem. We do not need to have kids who cannot read and kids who cannot hear and kids who cannot talk in the schools. Virtually all of them could be helped if we had the resources.

We need an aboriginal youth health care strategy developed in co-operation with the aboriginal community. What is our aboriginal youth strategy in this province as a result of this government's cutbacks? No more North Y, which helped a lot of aboriginal kids. No more friendship centres, because they were, quote, advocacy organizations rather than service providers, one of the worst things this government has ever done. Cutbacks to social assistance, cutbacks to nutrition programs, lack of FAS/FAE programming—the list goes on and on. We have an aboriginal strategy. It is a strategy to decimate our aboriginal community rather than to help it be a strong vibrant part of our society.

We need a rural and northern strategy where governments co-ordinate their efforts to identify and address specific health and social difficulties in each region. We need an interdepartmental co-ordination for all of the government departments, as I have spoken about earlier, to keep children at the forefront rather than each individual department looking at one particular segment of a kid or a child.

We need expanded children's safety programs looking at safety issues such as child restraints, health

care issues and particularly farm safety awareness. This is a government that represents the majority of the farming community in this province, and they do not take it upon themselves to deal effectively with a horrible farm safety record, and one of the reasons the kids are faced with safety issues on the farms is because there is not an adequate child care strategy that takes into account the needs of farm families, most particularly during seeding and harvesting, where families are faced with a very difficult choice between leaving their children alone in their homes or taking them with them when they operate very dangerous farm machinery.

* (1510)

So these are just some of the things that this party put out four years ago and that the government has not dealt with in any real way in the last four years. I think it is not just my words, Madam Speaker, that give the lie to this government's concern about children and speak to the need for the Children's Advocate to have more authority and more impact in this province.

I am quoting—I am a member of the New Democratic Party child task force which has been going throughout the province the last few months meeting with individuals, anyone who wants to meet with us, and we met with a large variety of individuals. We have met in the North, in the rural communities, and in the city of Winnipeg. Some themes come through loud and clear. People have been very eloquent in their comments, and it has been quite a learning experience to listen to them and to hear what they have to say and the frustration that they are feeling.

I do not have much time left, Madam Speaker, so I will just briefly talk about some of the things that people have said. One person in Winnipeg said the effects of child poverty are pernicious and debilitating and that we should not be satisfied with before-school breadlines, talking about the abject poverty of children in our society today, and the fact that we even need to talk about breakfast programs in schools says volumes about what we are doing.

A young man in The Pas came and spoke with us as part of a group. They have a volunteer group that is trying to put together a community centre in The Pas,

something that should be there as a matter of course. He wants a community centre to learn things that he does not know. For example, he had one brief experience with a community centre concept—he is a First Nation young man—and he learned how to make canoes out of birch bark. This may be a very small thing, but it had a huge impact on him because it is going back to his roots. If he had a community centre in that community that provided culturally appropriate activities, this young man and many like him, not only in The Pas but throughout the province, who are flirting with gangs would not. It was clear. He said it is something that he would not do if he had an opportunity.

Another person in Swan River said if youth do not find a good place to belong, they will find a bad place to belong, and that is the genesis that, in a nutshell, says why kids join gangs, because they do not have a good place to belong. They do not have recreation activities. They do not have bands in schools anymore, because the schools have had to cut back those programs. They do not have art activities in school, because the schools have had to cut back on those programs. We talked to several young people who really like art, who enjoy art and drama and music.

The member for Swan River (Ms. Wowchuk) spoke yesterday about some of these young people. All of them were leaving their rural community, not because they want to but because there is nothing there for them, and they do not expect to come back because there is no hope for them if they did come back. One of the things we could do is provide them with the recreation and community solidarity activities that we need to have.

We need to open our eyes and see, open our ears and hear. We need to look at the whole issue of foster care. We need to look at recreation. We need to look at nutrition. We need to look at services like speech therapists. We need to look at the whole child. Madam Speaker, we as a government—and I speak of us as a government, as all 57 members—as a group have not done that, and it has not been because the opposition has not raised the issues, has not raised the concerns and has not raised many, many positive alternatives.

I know the Children's Advocate would be delighted to work on these issues, work on these concerns, work

on implementing these programs that we know exist and that just need a political will to implement.

Bill 4 is a good bill, basically, but there are some changes we would like to see. We are hoping that the government will listen to our concerns, will listen to the concerns of the people of Manitoba, and will make some minor adjustments to Bill 4 that will enable it to be a truly effective piece of legislation and will give the Children's Advocate the resources the Children's Advocate needs in order to work for all of our children. Thank you, Madam Speaker.

Mr. George Hickes (Point Douglas): I am pleased to rise today to speak and put a few of my comments on record on Bill 4, which is The Child and Family Services Amendment and Consequential Amendments Act dealing with the Child Advocate. I think it is a great step forward. We all here know and I hope we all appreciate the work of the Child Advocate Wayne Govereau, who, I am sure, has endured many sleepless nights with some of the tough tasks that he has to endure and some of the sad situations that he has had to deal with families. So I think that the Child Advocate warrants all of our support and our encouragement, and I am glad to see where the responsibility is extended to the Legislative Assembly instead of just reporting to the Minister of Family Services (Mrs. Mitchelson).

I would like to make a few comments on the all-party task force that went around to hear some of the submissions that were presented across Manitoba. There was a subcommittee report to the Standing Committee on Privileges and Elections for the review of the Children's Advocate. I was glad to see that members of all parties were travelling around, and from the reports that we got from our caucus from our member who travelled with that task force, there were many submissions that were submitted by Manitobans, and were very well thought out and were submitted by very committed individuals.

I think, as far as I can remember, this is the only all-party task force that I could think of besides the all-party committee on the constitution change or the one on Canadian unity. I think it is encouraging to see that, and I hope that other issues that pertain to our citizens of the province and any other situations that arise that

deal with our children will be done in an all-party, nonpolitical way.

Mr. Marcel Laurendeau, Deputy Speaker, in the Chair

Also the Fourth Annual Report of the Children's Advocate, I read through it and the Children's Advocate had many very interesting comments. You could see by reading the report that the Children's Advocate was standing up for children of this province and had the best interests of children of Manitoba when he wrote his report. It was not a report that was written just for government but for all Manitobans, and in some cases if it meant or seemed appropriate to condemn the government, the Children's Advocate did so. I think that is an appropriate role for the Children's Advocate to make.

One of the comments that the Children's Advocate made was pertaining to the United Nations Convention on the Rights of the Child. It is also significant that children have rights in Manitoba and hopefully all across all provinces of Canada, because we know in other countries that children—in many countries they do not have children's rights, and a lot of their children are exploited in various ways. You hear of child labour in some countries. I am glad that we have children's rights in Canada so that we do not see our children having to be forced to go into labour when they are a very young age.

* (1520)

Because of the Charter of Rights and Freedoms and because of provincial statutes such as human rights legislation, and in several other provinces Children's Advocate legislation of children, our children do have rights. That really distinguishes us from other countries around the world where children do not have rights and where, as a result, they are subject to exploitation and oppression of many different kinds. I just gave you an example of some children in other countries where they are forced to, because of their small hands and stuff, do labour, manual labour tasks. A lot of them, because the countries do not have the programs that we have, are forced to help put food on the table and help support their families at a very young age. It is too bad because when they are put to work at a very young age, they miss education opportunities and because of some of the countries' systems they do not have education

opportunities as our children are entitled to. That is something that we as Canadians hopefully all treasure and will always stand up for our children to get the best possible education that he or she could attain. I think that is so important and crucial for the children when they grow up to help fulfill their chosen careers and to fulfill their goals that they have in life.

Also, the Children's Advocate goes on to say, the quality of care of children in some instances is very punitive in nature as opposed to offering guidance, nurturing and development. Then he says I do not believe the whole system is all doom and gloom as there are many dedicated, committed and caring workers attempting to promote positive and lasting well-being for children and their families. As workers, they are also confronted with many restrictions and limitations as to what they can offer. So we know that in many cases workers have many, many clients or children in their care, and even though they would like to provide more service to them, such as home visits and counselling and linking them up with resources, the workers on the front line are overburdened as they have pointed out in their briefs to the government.

It is no surprise because of some of the cutbacks that we have seen in the area of our dedicated social workers. Sometimes some of the social workers are carrying so many cases that they are spread so thinly that it is hard for them to give adequate care to their clients. A lot of times it is the children that are impacted negatively. It is not because of uncaring or unskilled social workers, it is just that they have been cut back so much that their workload is greatly increased and it is too hard for them to deliver the services that some families require, and the services that some families require to progress to the next level from where they are at.

So we are not faulting the social workers or laying blame on the social workers. They are trying their best with the means that are provided to them by the government of the day and in some cases it is inadequate and in a lot of cases there needs to be more qualified social workers there for the people that need the assistance.

In the constituency that I represent, Point Douglas, I deal with many, many cases and many issues that

pertain to the area of social services on a daily basis. I deal with that on an ongoing base, and it is very hard for a lot of the individuals and residents of Point Douglas sometimes to get the assistance that is required because of some of the barriers that are there now where the social workers are spread so thinly that they are out there trying to assist as many people as they can. When someone needs their immediate attention, they are so hard to reach.

Sometimes you will phone Family Services to get some information or assistance, and a lot of times the lines are so tied up that it takes you forever to get through to even talk to someone.

I called the minister's office, it would be about three months ago. I phoned the minister's office. Then I was given the name of the director, and I had made a phone call for assistance for one of the constituents in Point Douglas. I sat on that phone for 35 minutes, 35 minutes, without talking to a human voice. First of all, I was put on an answering machine and listening to music, and I told the supervisor and director at that time: I hope this is not a normal practice, that is, services that are generated through Family Services today, because that is totally unacceptable, and I explained why. If you are a young mother or a young parent, whether you are a mother or a father, and there are individuals who are on social assistance who do not have access to telephones in their own homes, and if it is January or February and you are trying to hold a bundled-up child in your hands and you are standing at a payphone in January and February and you are listening to recorded music for half an hour, I do not think that says much for our system.

The supervisor assured me that they would check into it. He said: that is not our normal response time. I really hope that the situation has been addressed, and I hope it was only a one-time incident, because it would be totally unfair to the most vulnerable people that we should be there to assist and give a helping hand up when the need arises.

I wanted to share that because I think that we have a good system here in Manitoba, but we could even have a better one if we all work towards that, strive towards that same goal. If it means putting more resources in, I think we have to look at that. We have to ensure that

we do have the resources to provide the services for people when they most need it.

I wanted to talk about the services that are provided. Like I said, I have been in contact with the helping agencies. I have been in contact with the minister of staff. I have to commend her staff, her office for the assistance that they have been providing when I have raised the issue for the constituents of Point Douglas. They have acted very quickly, and they have been most positive in their assistance. I know that the people I have called on their behalf greatly appreciate that but, if it means a review of the whole system to look at where the shortfalls are, where we could maybe move resources around. I say that in the most positive sense. I am not saying this in a negative sense. I am saying this in the most positive sense, if we could look at moving resources to maybe shore up some areas that need more assistance than others.

When I say that you have offices throughout the province, and there are certain pockets in certain areas of the province that require more services than families from Family Services than other areas of the city and other areas of the province, we might just look at reallocating resources to meet the needs that are greatly needed in certain pockets of the province.

I think I would encourage the minister to look at that. I hope the Child Advocate in his role today would look at some of those and make those kinds of recommendations, because the Child Advocate deals with a cross-reference of individuals and I am sure hears a lot of the same stories that I hear from constituents of Point Douglas. I hope that we will continue to offer the best and do the best we can as the government of Manitoba and as the province and concerned citizens.

Manitoba may have the legislative framework which supports the rights and interests of children and their families as envisioned by the UN convention. Much work has yet to be done on the actual implementation of changes to the practice of child welfare in this province.

* (1530)

Then he goes on to say: government must remain committed to making a social investment on behalf of

our children and their families. Sole reliance on the good will of neighbours, social agencies, and the communities is not enough as we prepare for the second millennium. The needs of children and families involved in the Child and Family Services system cannot be isolated from the broader social problems of poverty, unemployment, and family violence.

We all know that all has a connecting link, and it is all intertwined where, if you have high poverty, more than likely you are going to have—and it is not because of uncaring parents or stuff like this, because they do not have the means to provide the care that young babies and children need. All you have to do is just look at some of the remote communities in northern Manitoba. Go up there and visit some of those families that are living in, say, Tadoule Lake or Shamattawa or isolated communities, and just walk into the stores that are in those communities and you will see. We all talk about good nutrition is a healthy body, and that is true, but if you are looking at the prices of baby foods, baby formula, the price of milk that babies need and compare it to what we pay down here, in a lot of cases, it is almost next to impossible for a lot of those families to purchase that on a daily basis.

So we should really look at that, seriously look at addressing that, and look at where maybe more funds are needed for families with young children or babies having increased funding allocated to those families in need to make sure that we raise healthy children, because to me that is a preventative measure that is possible by any government of the day. If we do not do it, then we are going to pay a lot more in the end. As the babies grow and they have poor nutrition, a lot of the babies will be unhealthy children and unhealthy adults with unhealthy lifestyles.

I think if you even want to look at that just on a dollar-for-dollar basis, it makes the most sense to put the money upfront and have healthy babies and have access to nutrition that should be given to all babies whether they live in southern Manitoba or northern Manitoba or remote or urban communities. I think that is one area that we have to seriously look at addressing.

There have been other examples and other comments that the Children's Advocate has made. One of the areas that he has highlighted as problems in the system,

for example, is it seems to be getting harder for this government to adequately acquire or go into negotiations with foster parents, because we are seeing where there seems to be more children, new young children, living in hotels. I saw on TV not too long ago, and I am sure a lot of the members in here saw, some of the children who were being placed in hotels. They had a worker or a guidance counsellor come in and check on them once in a while or even there with them overnight and stuff, but that is not a family setting.

We hear members on this side, on the other side, and all members talk about the importance of family. If we only even just think back in our youth, there is not one of us in this Chamber today who could not immediately draw upon an individual of the family who helped each of us through a crisis at one time or another in our life that we almost hold as our role model. Whether it is an uncle, an aunt or a mother or father or grandparent, that is what family is all about. When you put children in a hotel setting, you are really, really removing totally the whole family atmosphere. Whether it is in the family setting with foster parents or other families where they are staying, it is still a family setting.

I totally disagree with putting children in hotels, because I know that if the work is done on behalf of governments to deal with the issues that are preventing families from becoming foster parents or parents for children who are removed from their immediate family, for whatever reason, and who look at being put into foster homes, like the temporary housing situation, hopefully we could always look at trying to find families first.

I think that is one example that the Children's Advocate has brought to our attention, and I hope that government will view that as a person standing up and putting up a red flag and look at it and maybe look at addressing it. It will not be easy to solve; nothing is that easy to solve. We all understand that. It takes a commitment and a lot of times it takes dollars, but that is the kind of stuff that we have to look at.

When I heard about the all-party task force that was going around the province and hearing from workers, hearing from foster parents, hearing from parents, hearing from grandparents, I thought that was a very

encouraging opportunity for government and for all citizens of Manitoba to hear from the people of Manitoba and get their views and some of their recommendations that they would bring forward. It was good to see that happen, and the report that came out of it, there are good recommendations in it.

One of the recommendations that came forward was that the Child Advocate report, like I said earlier, to the Legislative Assembly and not directly to the Minister of Family Services, because if that was the immediate employer, sometimes an individual would think twice about making recommendations or making comments that might not be in line with the immediate employer, but with the Child Advocate reporting to the Legislative Assembly and needing, if I remember reading it correctly, a two-thirds majority to be removed, I think that gives the individual a lot more freedom to really express what is happening and to really express recommendations to the Chamber and to the government for improvements to our system.

We have to grow with the times and no matter what the system, it could be the best system in the world, but, eventually, somewhere along the line there is room for improvement. I think that is why the Child Advocate would need the freedom to express and make recommendations of the problems that he or she sees and hears from—sometimes it is the children who would give the direct information to the Child Advocate. It could be the parents, it could be social workers, and I think that it is crucial to making sure that we have the best services and best support systems out there for our children of Manitoba. I think that is important and crucial.

* (1540)

When that task force was travelling around, I was really pleased to see that they went to a community in northern Manitoba, because a lot of times you will see where there are good intentions and because of the costs of travelling to the North and back and hotels and meals, a lot of times the North is excluded from activities and committees that could benefit and could give another meaning to whatever the issue of the day is, because the issues are not always the same in southern Manitoba as they are in northern Manitoba because it is totally, totally a different lifestyle. You

have other costs that are there that are not there if you live in southern Manitoba. If you look at the resource bases, a lot of times you do not have the resources for families or agencies that you have in southern Manitoba. A lot of those communities, well, you could not provide all the services to each and every small community in northern Manitoba, but a lot of those services are available here in Winnipeg because it is a big centre, and the majority of your staff and your directors, supervisors are here in the city. People have a lot easier access compared to some of the small and remote communities in rural and northern Manitoba.

So I was glad to see that the task force took the time, and I was very pleased. I applaud the members of that task force for going to Thompson to hear the submissions that were presented to them. I think more of that could be done. When I mentioned where the Children's Advocate now reports to the Legislative Assembly instead of directly to the minister, I am sure that this will protect the Children's Advocate to speak out and speak up where necessary and to make recommendations where necessary on behalf of children.

The first recommendation of the subcommittee is one that I know that I can totally support because of that, where the first recommendation is that the Child Advocate report to the Legislative Assembly instead of directly. I support that wholeheartedly, because it gives that flexibility.

It goes on to say that, reading from the brief, some of the presenters stressed the need to have the Children's Advocate appointed for a specific term of office in a manner similar to that of Provincial Ombudsman. The legislation addresses that, but it does not go far enough. The legislation recommends a term of three years, once renewable. I know that we believe that this should be increased to five years, once renewable. The reason for that is that we need to attract the best possible candidates, and if someone is only guaranteed three years or a possibility of six years, we may not get the best possible candidate. It would be much easier to attract someone who is suitable for the job and someone who would have excellent qualifications if they knew that they were going to have the job for a minimum of five years or a maximum of 10 years.

So, if the Children's Advocate that we have today, Wayne Govereau, for whatever reason decides to move on or to cease being the Child Advocate tomorrow, and if I remember correctly he originally, I think, came from Alberta, and that we would have the opportunity to advertise right across Canada and, in that fashion, if we advertise it where you move your family and everything for, it could possibly be three years, where the other way, and a maximum of six years, but if we advertise where the employment opportunity could be for a minimum of five years and possibly a maximum of 10 years, I think we would have an opportunity to attract the most skilled applicant that we would be able to find. A lot of really skilled people, I think, would apply for the position of Child Advocate if they had more of a sense of residency in our province. If you are asking to move your family and everything to Manitoba, say, from another province, and if we said compared from minimum three to maximum six or if we compared it from minimum five, maximum of 10—if we increase it to those higher numbers, I think we would have a better chance to attract very high-quality applicants if and whenever Wayne Govereau ever left his position as the Child Advocate for the province.

Also, it goes on, where there was a failure to agree on the part of the Children's Advocate and a child welfare agency, that the use of mediation, conciliation or other culturally appropriate dispute resolution services be provided; in another area where the government did not go far enough, that there should be some sort of compliance mechanism. I agree with that, because what that means is that it is no secret that a lot of the children who are in care are aboriginal children, and where appropriate, if it is culturally appropriate to bring in elders and mediators to help the child go back and integrate into the family and come back again as one with the family, I think we should be pursuing that, and we should be encouraging that.

I really believe that a lot of our elders could play a very important role in those mediations and working with the families to overcome whatever the problem was at that time, the reason for their children being taken away by Family Services. A lot of times, it only takes one instance of that happening for families to make that transition and that change of lifestyle or what have you. Sometimes it takes two or three, sometimes four or five, but if you have the elders and a lot of the

communities working with the family and the child, a lot of times you are able to bring the child back into the family so that way they can be one.

When I say that, I say that from some of my experiences that I have seen, a lot of the friends that I have who have gone through the foster care system. Some of them were able to get back and live with their families again after their families changed their lifestyles. That is why we can never, ever abandon our treatment programs that we have for addictions. A lot of times the individuals who go through addiction programs are doing it when they are at a relatively younger age, and when they see and are able to work with the programs and the counsellors that are there, you see a whole change in the individual and the families of more responsibility and of more caring. A lot of times the children can be moved back into the families, and they do very well, very, very well. I have seen that many times.

That is why when we stand and we talk about different programs, I have raised the issue of solvent abuse many times in this Chamber, many, many times. I will continue to, because that is a situation that is really, really serious where if we do not put the support systems in place and if we do not treat the individuals who are exposed to solvent abuse through peer pressure or what have you, if we do not curb that practice, because that is not something that is reversible, because once you kill off your brain cells you do not grow new ones. It is as simple as that. You do not grow new ones.

* (1550)

So what you have to do is you have to try and help, and if they choose to change that, then you have to try and give the best tools then as possible. But a lot of the children do that just through curiosity, will do it through curiosity or through peer pressure. So if we can catch the children at a very early age, that is the time to do it. But to catch them at that early age and have no resources for the treatment, then we are just going around in circles.

In Manitoba right now, as far as I know, there are only two solvent abuse treatment centres in Manitoba. There is St. Norbert centre, and there is the Sagkeeng

centre. Those are the only two. Cross Lake has been trying to get one, and I do not know if it is still off the ground or not, I have not heard yet. Cross Lake has been fighting for one, and I think it is warranted that we do have one in northern Manitoba. I think it is so important and crucial that we have a solvent abuse centre.

We have addiction for alcohol abuse, and there is a program that is funded through various governments. It was called the NNADAP program. A lot of the counsellors were trained. The NNADAP counsellors were trained under the New Careers program. What they did was they had two weeks in training and two weeks on the job, two weeks in training and two weeks on the job. It was ongoing for two years.

So, upon graduation, a lot of the counsellors were taken right on full time with a NNADAP program. The counsellors were situated in mostly northern communities. I know and I have spoken to and have seen many, many of the NNADAP counsellors in my travels. I have discussed with them the impact and the effects it has had in those communities. It has been very positive, because it gives an opportunity for an individual when the time comes for you to seek treatment and do something about your life and you want to change your lifestyle. You have someone that you can go and speak to on a one-to-one personal basis.

In most cases, it was the trainees that graduated who were hired and employed as NNADAP counsellors and who are people from the communities. So a lot of the people already knew the individuals, felt comfortable, and also they had the resources to recommend or to make arrangements to go to treatment centres. Like a lot of the treatment centres, you go for 28 days. You go for seven days first to what they call—in some cases, it is kind of like a dry-out period. After that you start your 28-day program. It is a hard program. It is a very, very hard program, especially when you first walk in the door. You almost see everyone. You can go to a total, total strange community, but it is like everyone knows that—well, a lot of cases the way you walk in there, you label yourself as a loser. That is how you see yourself. Then, when you go in there and you have about five meetings a day, you are all given responsibilities, because you need to rebuild that sense of responsibility. In a lot of cases, you are given tasks

either in the kitchen, or you are given tasks cleaning and mopping certain areas of the building, or you are helping make beds and cleaning rooms. Then, on top of that, you are responsible for a schedule, and that is your responsibility.

That responsibility involves groups and also one on one with counsellors. It gives you a new meaning of life and it gives you a new sense of responsibility, but it teaches you a whole different way of living. It teaches you a whole different lifestyle. I tell you it is much rewarding and a lifestyle change that I would recommend to anyone. The reason I say that is—I will share with you very personally—that in 1976, the exact thing happened to me. I went to the treatment centre at Ste. Rose du Lac, so I know what I am talking about when I say the seven-day dry-out period and the 28-day treatment, and the sessions that we all go through. It teaches you a different lifestyle. I am proud to recommend to anyone who has a problem, do not be ashamed because it not only helps you but it helps your family, and it helps anyone who ever comes in contact with you.

I have had people that have come to me that I have known personally in my life that have called me and said: Could you help me because I know that you went through it? What did you do? I know where to recommend. At first I was very ashamed of it. I would not be standing here today to say this years ago, but now I am thankful for the program that was there for me when I needed it. I am thankful for the counsellors who were there to give me the assistance and to teach me to live a different way than I lived in my previous life before I went to Ste. Rose du Lac.

I know I am running out of time, but those are the programs that we have to be passionate about, and we have to make sure that we encourage it because if we have those support systems in place so that maybe the Children's Advocate can give the recommendations for heads of families or family members who need that guidance and that assistance, that the door will always be open and available for individuals who are at the right time of their life to make positive changes that will benefit their families and will make a contribution to the province of Manitoba, because when you make your lifestyle change, you are a contributing member of the province because you are employable and you pay

your taxes, buy your groceries, and so I hope that we can all continue to support this bill, and I think it is a good bill. Thank you.

Mr. Deputy Speaker: As previously agreed, this matter will remain standing in the name of the honourable member for Broadway (Mr. Santos) and the honourable member for Transcona (Mr. Reid).

Bill 19—The Public Trustee Amendment and Consequential Amendments Act

Mr. Deputy Speaker: On the proposed motion of the honourable Minister of Justice (Mr. Toews), The Public Trustee Amendment and Consequential Amendments Act; Loi modifiant la Loi sur le curateur public et modifications corrélatives, standing in the name of the honourable member for Selkirk (Mr. Dewar).

Stand? Is there leave that this matter remain standing? [agreed]

Mr. Jim Maloway (Elmwood): Mr. Deputy Speaker, I am pleased to rise today to speak to Bill 19 which I believe is The Public Trustee Amendment and Consequential Amendments Act, and I guess at the outset I would like to say that we on this side of the House are somewhat disappointed that the government has chosen to turn the Public Trustee into a special operating agency and thereby institute a profit motive which otherwise would not or should not be there.

It is a little over a year now, I believe, April 1, 1997, that the Public Trustee became an SOA, and, Mr. Deputy Speaker, you will know that when the government set up the SOAs that it has in Fleet Vehicles and a number of other areas, we on this side of the House have basically held judgment on it and have said that we could agree that perhaps some of the SOAs may, in fact, in retrospect, have been a good idea and appear to be operating well.

* (1600)

But when it came to the Public Trustee's office, we really could not see why that particular agency should be turned into a special operating agency because the function and duty of the special operating agency, the Public Trustee, is to look after the affairs and settle the

estates of people who died without a will, and it seems to us that the government is essentially trying to make a profit on the estates of deceased Manitobans, and that, fundamentally, is a wrong approach for this government to take.

Having said that, Mr. Deputy Speaker, I can tell you that constituents of mine a number of months ago brought to my attention a case where they felt that, in fact, this profit motive may have come into play in the settlement of the case of their relative, and among other things they had the feeling that the house that belonged to the aunt, I believe, who died was, in fact, sold and disposed of by the Public Trustee's office at a much lower price than what it should have sold for. So they are not happy about that. In fact, their lawyer also is not happy about that situation.

They were also required, before receiving the proceeds of the estate, to sign a release, and the release also required a provision in it for the payment of a fee to the Public Trustee's office for their services. There is some concern about that whole arrangement. In fact, I would like to read the release that was given and that was required to be signed by my constituents in this case, but it was in the matter of the estate of this person, late of the city of Winnipeg.

It says that I—the person to receive the money, my constituent—of the city of Winnipeg and the province of Manitoba, do hereby acknowledge that I have this day received from the Public Trustee the sum of \$70,181.14, being in full satisfaction and payment of all monies due to me to which I am entitled after I have agreed to allow to the said Public Trustee the sum of \$9,491.83 as her compensation for her care, pains and trouble and her time expended in and about the estate of the said deceased, as such committee to the 24th of July, 1997.

What we have here is a case of this estate having to pay to the Public Trustee the sum of \$9,000 for the administration of this estate. You know, I think an average individual would consider this to be wrong. How would you like to be in a situation where one of your loved ones died without a will and the Public Trustee's office moves in, and because it is now set up in a situation where it is supposed to be making a profit, it now has incentive to essentially gouge these estates?

What they have done in a case of an estate of \$70,000 is they have managed to extract \$9,000 for their use for the supposed administration of this estate. That is a fee that my constituent takes issue with. In fact, I believe she had no knowledge that they would in fact be charging fees.

Now, whether or not these fees were charged before—and I do not know whether they were or they were not—the point is that because it is now an SOA and because its mandate is now to make a profit, certainly that is going to enter into the equation. If your goal is to show a profit at the end of the year, then of course you are going to tend to maximize your fees at the expense of people who are least vulnerable.

Now, when you look into who is covered by the Public Trustee's office, you will find I believe that most of the estates are quite small, so we are not talking about a whole lot of money here. If they are talking about pain and suffering and amounts spent on an individual's case, it is conceivable, Mr. Deputy Speaker, that they could charge a \$9,000 administration fee for an estate of \$20,000, assuming that is the way they work it. I do not know that it is a percentage of what the estate is, but nevertheless that is a bone of contention with my constituents.

Another area of concern was the sale of the house. If I might, Mr. Deputy Speaker, I would endeavour to determine what the selling price of the house was, but it seems to me that the house was sold for, I believe, \$12,000, when in fact there were appraisals—and I have pictures of the house here, but the appraisals on the house were around \$25,000, \$35,000. The city assessment shows that the property was appraised for—or its value was supposed to be around \$30,000, but they did some appraising and the appraisers did indicate around \$25,000. So you can imagine the shock and horror when the estate finds out that this house was sold for, I believe, \$12,000.

I am just going to read from a letter that I sent on December 1, last year, 1997, on behalf of my constituents to the Provincial Auditor. I was writing to request him to review the circumstances surrounding the sale of, in this case, 552 Aberdeen Avenue, by the Public Trustee over the objections of my constituent, who was the beneficiary. The house was appraised at

\$25,000 on September 28, 1995, by a professional appraiser who would be licensed to do business here in Manitoba and was sold by the Public Trustee for just \$13,612, just this past January. I also asked him to look into the charge to the estate of \$9,000 as their compensation for her care, pains and trouble and her time expended in and about the estate of the said diseased.

Now, in addition to the first two concerns that my constituents had, in addition to the elements, Mr. Deputy Speaker, and to my colleague the member for Thompson (Mr. Ashton), in addition to the fact that this government turned the Public Trustee into an SOA, thereby turning it into a profit centre for the government, thereby in a way taking advantage of diseased persons' estates—in addition to that, we have a case where a constituent is disputing the price at which the house was sold, is disputing the charge to the estate for the administration, and I know the member for Thompson is taking notes on this matter. Finally, this constituent is very concerned about some of the expenses that were charged in her case. I was given a copy of—well, I think it is 71 pages of charges that the office of the Public Trustee expended in the case of this individual, and I think the beneficiary would suggest that a lot of the money may, in fact, have been misspent.

It is interesting to note that in the Public Trustee's report that came out October 27, 1997, their annual report, they do make reference, page 31 of the report indicates section 16, under Subsequent event—it is sort of buried in the report. You have to do a very careful read of it to pick this part up, but what you have here is a statement by the Auditor and in the public report saying: "The Public Trustee has arranged for a special audit of the administration of certain client files. The costs of the audit are estimated to be \$75.0 [in thousands] and will be incurred in the next fiscal year." As the audit is still in progress, an estimate of the resulting findings cannot be reasonably made.

* (1610)

So now, subsequent to this report coming out, being released, we found that—I believe a Free Press article dealt with this issue, and the reporter was able to determine that, in fact, there is a broad investigation

going on in the operations of the Public Trustee's office into a number of the estates that the Public Trustee is administering. So whether or not my constituents' case is a part of this audit is something that neither I nor they know about at this point.

Madam Speaker in the Chair

We do not know if the case that I am talking about may, in fact, be part of this audit, but certainly my constituents, having read the Free Press article, having read the copy of the annual report, are certainly unclear in their own mind and perhaps very suspicious about whether or not their estates have been misused by people providing services to the Public Trustee's office.

So I would hope that the Provincial Auditor does investigate this whole area within a reasonable time and certainly put my constituents' concerns at ease one way or the other, either determine whether or not there was a misappropriation of funds, a misexpenditure of funds in this particular case, and let my constituents know, or if, in fact, there was no misappropriation of funds, then I think it is incumbent on them to inform her as soon as possible that, in fact, that is the case, that they have found nothing wrong with the administration of her account, and in that case, Madam Speaker, if that is the case, if we find that the expenditures in her case were not out of line, we still have not got to the bottom of the house sale and whether it was sold grossly undervalued.

We have not got to the bottom of that yet, and we certainly have not got to the bottom of the fee that is being charged for the Trustee's pains and trouble and time expended in the estate. That, I guess, ultimately ends in a political debate. It ends in a political debate as to whether or not the Trustee's office should have been made into a special operating agency in the first place. Perhaps that question can only be resolved over time and, in fact, maybe over time with a change in government.

I know the member for Thompson (Mr. Ashton) wishes to make a few comments on this very important bill before the House, but I did want to quickly consult the report and indicate that, as with the other numerous SOAs that this government has set up over the last few years, it is very interesting. Each and every one of them project fairly substantial retained earnings over a three-

or four-year period, and I wonder whether this will be just another campaign maneuver, campaign tactic by this government to get re-elected. In that next year, when the election is upon us, what we will find is that, coupled with the expected tax reductions that this government will be bringing in just before the Pan Am Games election next summer, we will see a big reduction in fees charged by all these SOAs. In fact, we may see the Vital Statistics reducing their charges on death certificates and other certificates that they handle, when in fact they increased them by enormous amounts in the last couple of years to build up the retained earnings in that particular SOA. So I think this is just another slush fund of the government. In fact, I guess it is slush funds because we have all these myriad funds of slush sort of to put at the disposal of this government—[interjection]—in fact, at this temperature, that is right—for this government to dole out in advance of the next election.

I would hope that is not what is happening, but we have been watching this government. We have had an opportunity now for 10 long years to watch this government in action, and that is what their normal pattern of operation is. In fact, what you are likely to see now, probably in June of this year, is a request for a reduction in the Autopac rates to take effect next April 1 or, pardon me, March 1, just in the runup to the election. You know, that is exactly what they did last time. That is exactly the procedure that they followed the last time around, and I guess, you know, you cannot fault them for it. I mean, if it works once, I guess you should try it again, but—

Mr. Steve Ashton (Thompson): How are they going to promise to save the Jets this time?

Mr. Maloway: That is right. The member for Thompson asks how they will promise to save the Jets again when it worked so well for them last time. But I think they will try something else this time. It will be promising not to sell Hydro, and they are going to have a hard time saying that one with a straight face. I think the believability of the government is open to a big question. You know, they got away with it the last time, and they probably feel that what worked in '95 may work in 1999, but I do not know that it will work this time. I would think that people are probably catching on to the way this government operates. Not

only that, I think there is probably a sense that the government has been around too long, that they look a little tired over there; they certainly look a little old.

Yes, they are at their high today when they managed to squeak through a victory yesterday in the Charleswood by-election. I believe 41 percent of the people actually even showed up to vote. Now that is hardly a ringing endorsement of this government's policies, when 60 percent of the people in Charleswood stayed home yesterday and did not even bother, did not even vote.

So, Madam Speaker, this government's general strategy is, I believe, to build up retained earnings in these SOAs through user fees, through excessive, exorbitant, highly increased fees since they became SOAs with the basic intention of rewarding the public in the election year with reduced fees for those particular services. Once again, this is just another shell game that this provincial government and this Minister of Finance (Mr. Stefanson) have perfected over time. As I said, so far he has been moving those peas around rather effectively, but sooner or later one of them is going to get out of order and he is going to drop the whole ball game.

* (1620)

So, Madam Speaker, it is with great regret that I defer to the member for Thompson (Mr. Ashton) for him to put a few words on the record on this bill, The Public Trustee Amendment Act, because I know he is extremely concerned about the idea that this government would turn the Public Trustee over to a private special operating agency, turning it over so that now it has a profit motive, exactly the kind of activity it should not be involved in.

The Public Trustee has no role, should not have any role, making a profit on people's estates. That is absolutely wrong; a wrong role for this government. Whoever came up with the idea that Public Trustee should become a special operating agency should definitely be asked to rethink their analysis in that regard.

Anyway, thank you very much, Madam Speaker.

Mr. Ashton: I thank the member for Elmwood (Mr. Maloway) for his comments. I think the member for Elmwood has pointed to some important questions. I think it is important to note on the record that the office of the Public Trustee is often one that can lead to some controversy.

There have been a number of cases in which friends and family of particular individuals affected by the Public Trustee have been concerned about the operation of the office. That is not to question the office itself. I would stress that obviously there is a place for the Public Trustee, and I think we all recognize that, but there is enough controversy to begin with related to specific cases, and I think that is something that should be noted and on the record.

Obviously, we are concerned with any suggestion that we see, as the member for Elmwood pointed out, the extension of the concept of the SOAs, special operating agencies, into this area. I think this makes sense. I think one has to look at the origin of SOAs, what the government is attempting to achieve through SOAs, and what the extension of SOAs into areas such as this could mean in terms of the operation of government.

I say to members opposite, if one looks at the concept of SOAs, it is obviously an attempt to internally structure a quasi market in which agencies of government are structured as if they are private agencies, external agencies, even though obviously they are not. The theory behind is that you end up with greater efficiency and allocation of resources by having something of a proxy to the market take place internally within government.

Now a good example would be with the use of vehicles. What you do is instead of having it provided as a service at a cost, you bill government departments and agencies. I think in Fleet Vehicles, the current cost is something like 20 cents a kilometre. It is done as if you are renting from a particular company. The theory then again is that you will have greater allocation of resources on efficient basis because you have costs attached, you have essentially quasi-market transactions.

That argument perhaps could be applicable in certain cases; obviously, with Fleet Vehicles that is a case in

point. We have had for many years the use of internal billings when it comes to the use of government aircraft. That is, I think, something that is needed whenever you have a transaction. I guess, speaking as an economist in this particular case, you obviously do not have a free resource. I mean, that is the essence of economics, the essence of our economy, to have scarce resources.

One of the advantages of applying a particular cost in this case is that you end up with a very clear need for all departments and agencies to act with prudence and care and make sure that they are not over-consuming a particular resource because that is one of the difficulties. If one looks at the classic analysis in any economic situation, if you have a good that is provided free, the consumption of that good will be excessive. If you attach some sort of a cost to it, obviously you end up with less consumption of that particular good.

One only has to go to any of the buffets in the city where you pay a certain cost and then you can consume all you want after a certain point to see that there is a significantly different consumption pattern than when you pay by each portion of the meal in a normal situation. It is just standard economics.

Now, the real problem is if you extend that into areas where you should not be working on a basis where you are going to have a profit. Let us look at the Public Trustee, as the member for Elmwood (Mr. Maloway) pointed out. Is that the kind of a situation that you should be in, in the Public Trustee, where you are providing a service? The difficulty, again, is the Public Trustee has direct ability as an agency of government to basically through statute be able to direct the activities of individuals to the degree in which essentially they can take basically complete control of those individuals' livelihoods. If one looks at it, that is something that perhaps is supposed to be a key part of the concept, but, you know, we are currently looking at 6,000 accounts. Assets under the administration of the Public Trustee are \$139.7 million. That is fairly significant.

I want to stress the role of the Public Trustee, and that is to protect the interests of Manitobans by providing professional and cost-effective trustee services of last resort that meet the needs of its clients. The clients, by the way, could be mentally incompetent

persons under the provisions of The Mental Health Act, various other individuals. In fact, there are a number of agencies that work fairly closely with the Public Trustee. By the way, the chair of the Public Trustee Advisory Board is the deputy minister of Justice. We have the Public Trustee, of course, the ADM of Justice, various other individuals from Home Care, from CIBC Trust, the Department of Family Services, various government agencies and private individuals.

The following organizations—I would like to put this on the record—are some of the kinds of organizations that work very closely with the Public Trustee's office: the Independent Living Resource Centre, various groups in Winnipeg, including the community mental health workers, the Law Society of Manitoba, the Manitoba Schizophrenia Society. There are a number of people who work very closely.

I want to stress, though, the point of the mandate, the essence, and that is cost-effective and professional services. That should be defined very clearly as cost-effective in the sense of being cost-effective to the clients, not to the government but to the clients, the individuals that the Public Trustee has control over in terms of the operation of their accounts and their estates. That is essential.

I want to put that in context for a second because if you have too much of an extension of the mandate of SOAs, Madam Speaker, into the position of making profits internally, what you do is you end up with a distortion. You end up moving away from the mission of the Public Trustee which is to provide cost-effective trustee services to meet the needs of its clients. That is what the member for Elmwood (Mr. Maloway) was talking about earlier. That should be the fundamental role. This is one of the difficulties, again, when you attempt, I believe, to take a certain analysis too far.

* (1630)

You know, the market system works very well in certain circumstances. It works very well in certain circumstances, but we have seen recognized over the last hundred years or so that there are certain areas where the market system can lead to distortions or to internal failures. That is why, for example, we have public utilities under public control either via regulation

in terms of monopolies or through direct public ownership, such as Manitoba Hydro.

The bottom line is we have recognized that increasingly over the last 100 years, and I find it interesting that this government in a way with its philosophy the last number of years has really been moving back to what we used to see in the 1890s, Madam Speaker.

You know, it is interesting. A lot of times they talk about change and moving ahead. We have seen that for example with MTS taking it into the private sector. Well, there is living proof of the fact that what you are really doing is going back to a situation that occurred prior to public ownership. There is very little difference, Madam Speaker, the situation we were into in 1898 as compared to 1998. That is the Tory vision.

The difficulty again, though, is if you start adding the motive of direct private profit in a sector that is essentially still a public utility, you end up with the kind of distortions we have seen in the last little period of time. MTS is a good example. We now see the ratepayers of Manitoba, the people that pay the phone bills, and the shareholders paying for the stock option program that the management group basically recommended to itself got proxies for it at the last meeting, voted itself—and by the way, all 11 of that management group, the board, were appointed by this government. Not one of them changed at the board meeting last year.

So what we end up having is, in the name of the interest of the company, that management group now will be getting \$3.5-million stock option program. One individual is well known to the government, who spent most of his tenure at MTS, one Tom Stefanson. He spent most of his tenure at MTS pushing for the privatization of MTS. We wonder why, Madam Speaker, because in the end result we learn that—in fact, I think it is ironic that it used to be the Manitoba Telephone System. They changed it to the Manitoba Telecom Services System, the name of it once they privatized it. They should have said, millionaire Tom Stefanson, MTS. Same difference.

The end result was this individual and other individuals, the senior management group, yes, they

were pushing for privatization. Why would they not? They were going to reward themselves first and foremost. We saw proof earlier in Question Period of the fact that this government undersold the shares. The market value of the shares was higher than what they listed the shares at, \$13. It is currently selling for \$21.

We saw the absurdity of the Minister of Finance (Mr. Stefanson) and the Premier (Mr. Filmon) saying that we do not understand the stock market. I would invite the Minister responsible for MTS (Mr. Findlay) and the Premier to go back to the debate at the time, and I will show him time and time again where I predicted, and our caucus predicted, that the government would undersell the shares. You know, even Brian Cole, the editorial writer who has not been supportive of our position, stated a few weeks ago that he believes that the shares were undersold. He stated that in an article in the Free Press. That is the reality, Madam Speaker, where you get the profit motive driving the entire debate.

I would point out, by the way, the absurdity of the fact that we saw with MTS that the people they hired to recommend, whether it should be sold or not, were then the ones that ended up not only benefiting from the sale but were telling their clients that the shares were under value. You know, for the minister to stand up today and suggest that they were just getting professional advice—professional advice from whom? Professional advice from the people that were paid to recommend the sale, that then went out and sold the shares and told their clients, hey, this is a good deal. Why do they think so many shares were flipped within the first 24 hours? Because everybody out there was being told the same thing by the brokers: the shares were undersold. That is what happens when you have the profit motive, in this case, for a few individuals being put ahead of the public good.

Now who pays for that? We all do. You know, I would suggest to the government that if they really want to be upfront and honest with people, what they should do is through their influence on the board—and by the way, they have a special share. They appoint four members of the board directly. All 11 of the board members currently in place at MTS are their original appointments of January 7 last year. I would suggest what they do is they put on their bill—you know how it

lists your basic local rate and then your long distance charges—they should have a separate item, and they should list it as Tom Stefanson's stock option program. They should list it for Bill Fraser's stock option program to catch a corporate—[interjection] Oh, yes, the CA Magazine. They should list it separately because every time you pick up the phone in this province—guess what? You are paying for that stock option program and the increased salary.

By the way, we still do not even know what Tom Stefanson gets in the way of a salary. That is the great thing about this new structure. [interjection] Well, the minister responsible for I, T and T says what have I got against Tom Stefanson? I have got a lot against an individual being able to benefit from the underpricing of the shares, through him doing nothing productive for MTS or the people of Manitoba. All he has to do is call in his options this year and the following year for the next five years at \$14.63 a share and cash out at the \$21 market price that we see in place today. The price does not have to go up one more cent and that individual is going to be a millionaire. I have got something against that because I can tell you it is not in the interest of anyone except Tom Stefanson, not in the interest, Madam Speaker, of anyone. This is private greed.

It is interesting because I would recommend to the Conservative members a book that is written—I am just reading it—it is called *Beyond Greed*. It is written by Hugh Segal, who is apparently running for the Conservative Party, *Beyond Greed*. I would suggest that we buy a copy for all the members of the Conservative caucus and for Tom Stefanson and the rest of the management group at MTS because they can learn from this. The public interest is not driven by private greed. That is what I have got against him. I am glad the minister responsible asked that question.

I also have something against the government, a government that shows great complicity with this whole process. You know, I believe they are having a fundraising dinner, a 10th anniversary. [interjection] Well, the minister asks me if I want a ticket. I can guarantee you one thing: the list of people buying tickets is going to be a Who's Who of the people that have benefited from the greed and, I would say, the unethical actions and the corruption that we have seen

over the last 10 years. It will be the Who's Who. It will be like last time when MTS went and bought tickets.

It is another thing, you know, when you pay your phone bill in Manitoba now, a portion of that goes in the form of kickbacks to the Conservative Party. It goes directly back to the Conservative Party. They could not do that. Well, I was going to say they could not do that under public ownership. One of the heads of MTS, one of the presidents, did try to donate to the Conservative Party. Yes, indeed, Mr. Fitzgerald from Mobility.

Madam Speaker, they do not see anything wrong with it. I guess after 10 years of shady, inside dealing with their friends, they do not see any problem. I guess after you have done it for a hundred thousand at a go, what is a million? What is 10 million? I think they are the true heirs to C.D. Howe. What is a million? Tom Stefanson is the C.D. Howe of the 1990s. What is a million? The bottom line, that is what happens when you allow that kind of agenda to be foremost in public policy. I notice that I have got the attention of members opposite. I am asked by the member for Elmwood (Mr. Maloway) something about Buggy Siegel. Buggy Siegel, well, that is an interesting approach.

I would recommend this book *Beyond Greed: A Traditional Conservative Confronts Neoconservative Excess*. I get the feeling that he was probably looking at this government, this neoconservative excess we are seeing over there. I think it is very much part of their philosophy. There may be a few traditional Conservatives, but believe you me, they do not see anything wrong with it. I wonder, by the way, how many of them bought shares. We still do not know that. We do not know how many Conservatives MLAs bought shares; we do not know.

The Minister of Justice (Mr. Toews) says did I? The answer is no. On principle I would not buy it because it was a fix right from day one; it was an attempt to rip off the people of Manitoba by undervaluing the shares. I knew the shares were going to go up. I knew that money could be made by buying shares, but principle comes ahead of private greed. I believed that, and every single member of our caucus believed that. That is why even though this government would not even put in an amendment to prevent their own members from

benefiting from that underpricing, I did not buy a single share. I am proud to be part of a party that did not do what I assume Conservative members did.

Some Honourable Members: No.

Mr. Ashton: Well, some say no. I notice others are less vocal on that. I would like to see each and every Conservative member sign a statement saying they did not benefit from the sale of MTS, because I remember when we brought in that motion to say that no MLAs should be able to buy shares, do you know how absurd it is, Madam Speaker? I will tell how absurd it is. The member for The Maples (Mr. Kowalski), his wife worked at MTS. He abstained from the vote on the sale of MTS.

* (1640)

But we have the Minister of Finance (Mr. Stefanson), who does not see any problem with being minister responsible for MTS, appointing a board that ends up with his brother now over the next five years being able to pocket a million dollars on a stock option program that is based on a deflated price of \$14.63 when the current market price is \$21.

You know, ask any Manitoban on the street: here is a deal for you, you can buy the shares at the low price and you get to sell them at the high market price. [interjection] Oh, and the Minister of Justice says yeah. He sits there and he says yeah but, you know, the problem is Manitobans cannot do that, only the select group that awarded themselves that increase.

Do you know what the absurdity was? This is the same group. They are all hired under the old salary schedule, no stock options, and then all of a sudden we hear this, you know, people wringing their hands and saying, well, we have got to attract people, we have got to attract people. They came here to work in this province at the salary that was being offered at the time. You know, to then turn around and say that you want more and you want stock options where you get the artificially low price, what are we rewarding here? What is MTS rewarding? There is a shareholders meeting apparently tomorrow. What is the reward for these people? Are they improving the earnings of the company? No, they are sitting there. The only thing

they are rewarding themselves on is the fact that this government sold it off at a deflated price.

You know, this, Madam Speaker, and I look at this building that was built on that kind of ethical underpinnings. You know, we had a government of 15 years, the Roblin government. They saw nothing wrong with taking building stones that were supposed to be put in this Legislature and using it to construct their own houses. Many of the mansions that we see to the west of us were built at indirect public expense. Now, there was a fair amount of corruption in those days. People think that, for example, Nova Scotia, where up until even recently highways crews would be replaced by the supporters of the incoming party when a government was defeated. You just have to look at the corruption that existed in Manitoba. I would invite people to look back on that historically.

But, you know, while we think we have progressed, how much have we really progressed? You know, when we have a situation, and I say to the member for The Maples (Mr. Kowalski), who I mentioned earlier, where he abstained from the vote, withdrew on the vote on MTS on a matter of principle because his wife was an employee of MTS, I think that was a very appropriate decision to make.

We saw in this government no problem. You know, your brother is in the position to benefit greatly and you do not do anything about it.

By the way, I still remember when Mr. Tom Stefanson, in the committee I think in '96 proudly said how he had spent several years pushing for the privatization of MTS, how he thought this was going to be a great thing. I still remember when Bill Fraser signed that letter that was sent around throughout the province, the president of MTS. You know what, Madam Speaker? They both said, oh, how this was in the public interest. I say if they really believed that, they would voluntarily say no to this outrageous stock option program that they now are the main beneficiaries of.

The president of MTS, a number of the other presidents of the different divisions, and I would note for the record that of the 11 board members, Mr. Tom Stefanson, we still do not know what he gets paid.

MTS will not tell you that anymore, and we are hoping to get an answer from this government but, you know, the other members of the board I believe are allowed to access 7,000 shares. They can benefit I think at the current market price it would be about \$60,000 over that period of time. Mr. Stefanson manages to get the maximum benefit, and that is wrong.

I have been asked this question as well. I remember the Free Press contacted me and asked me: was it wrong to have stock option programs? I can tell you, Madam Speaker, the abuse of stock option programs right now is rampant. The abuse of executive payment is rampant. Repap, you know, Repap. People remember Repap, the company that ran the pulp and paper mill in The Pas recently. The chief executive officer—[interjection] Well, the member for Brandon East (Mr. Leonard Evans) remembers the original CFI fiasco.

But, you know, Repap which has been losing money, Repap—you know, it is interesting because you know why it is called Repap? It is called Repap because that is the reverse of paper. That is appropriate because Repap was a paper company. It is funny, members opposite talk about running government like a business. I will tell you how Repap ran its business. It had virtually no equity financing, virtually all debt financing and ran into some difficulties. You know what the head of Repap did? He recently pocketed \$5 million, the recent changes at that company, at a time when the company was losing money.

There was an interesting article in The Globe and Mail just a short time ago. There are numerous examples. We have people now making \$5 million, \$10 million, \$15 million, \$20 million a year on stock option programs. What is particularly bizarre is even some analysts are now starting to say it has gotten way out of hand, because what you are doing, a lot of the people are benefiting even though the company is losing money. I mean, what a system. You succeed, you make money; you fail, you make money. A lot of analysts are saying it is ridiculous now to have those kinds of stock option programs, because, Madam Speaker, what you do is you end up with no correlation, no responsibility to the shareholders or the stakeholders or people in society. It is totally undemocratic.

You know what happens at these meetings? The management group has already solicited proxies, has control of the meeting before it starts, and then they award themselves whatever they have control of. You know, when they went into that meeting the last time, we had this fictional picture painted by the Minister of Finance (Mr. Stefanson) of all the little Manitoba shareholders all going in there and saying this is a great idea. You know what? The minute the meeting started last year, the die was cast; the fix was in.

I remember the movie The Sting. It sort of reminded me of that. They had control by proxy of that meeting. They had to have that to get it through. They had already solicited those proxies April 14. That is how they had to actually say they were having this compensation package. You know, Madam Speaker, the end result is there is an excess that is going on right now that does not in any way, shape or form, I say, reflect on the public interest. The bottom line is that is unacceptable.

I say to members opposite, I find it interesting that they really do not see any ethical problem with this. I would ask them to go out on the street. I would ask them to go out on the street, Madam Speaker, because the bottom line is they will find a lot of Manitobans who do not think it makes sense. They did not want to see MTS sold off in the first place, but they do not think it makes sense to have this ridiculous stock option program. Most Manitobans do not make a million dollars in their lifetime. Tom Stefanson is going to make a million dollars because of an artificially low price that he can access that only the chief people at MTS can do, nobody else. No other Manitoban can walk into MTS today and say I want shares at \$14.63, and I say to members opposite, come on. I mean, what does it take for people to realize that is the problem?

That is the problem again, Madam Speaker. I would say I do not trust this government at all when it comes to the operation of public services. I think what we should do, looking at the last 10 years of this government—it is interesting because I was expecting they might come in here, and the minister responsible for I, T and T might get up and do his sort of Ed McMahon imitation and get all the members opposite applauding each other over the anniversary.

* (1650)

But I understand why they do not want to do it. I mean, I must admit I did say across the way, Madam Speaker, can anybody across the way spell McKenna? You know, Frank McKenna had the sense to understand that 10 years in government, time to move on. But, you know, they will not admit that. They do not have the common sense to understand after 10 years that time is catching up on them, and the member for Elmwood (Mr. Maloway) I think pointed to it. What is their legacy? I would be interested to know what the Conservatives say their legacy is. I mean, we know what they promised over the years. They were going to save the Jets, they were not going to sell off MTS. What are they going to run on in the next election? We are going to save the Jets again; that will not work. We are not going to sell MTS. Oh, they have a real good one. It is going to be we are not going to sell Hydro; you can trust us. That will go down real well.

You know, I think what they are relying on, they are relying on the fact that unfortunately a lot of people out there are cynical about politics and politicians. They are hoping that the people out there will say they are all liars, so why do we not just re-elect the current bunch? That is part of their political philosophy, the current bunch. It is kind of like the big lie sort of thing. After awhile you have heard so many lies, it does not matter anymore.

I suggest to members opposite that you are starting to show more and more your real Achilles' heel, and that is that you do not understand, first of all, that your philosophy is not working; second of all, it is out of step with a lot of changes that are going on internationally. It is funny, they came in and they said, oh, we have to move ahead, selling off MTS, this is the global situation.

Look at what is happening. You know, this last couple of years the Conservatives have been defeated in France; they have been defeated in Britain. Right now I think in the European union, 13, if not 14 out of 15 governments are social democratic, democratic socialists, just like the NDP basically, for members opposite who sometimes get confused over that. You know, you look at it, Madam Speaker, you can go even one step further. Germany, I mean, Helmut Kohl is on

his last legs there. There has been this move in that direction. We are seeing increasingly that people are starting to see the need for a balance that moves away from—and I quote Hugh Segal again—neoconservative excess. Hugh Segal, boy, I never thought I would be quoting Hugh Segal in this House. But you know, it is a very interesting book.

We are moving away from that, and even I think it was Peter Holle, that great ideological inspiration for the members opposite, now says with privatization that they do not necessarily want privatization, but it should be considered. You know, Peter Holle, I think, has seen from examples particularly what has happened in New Zealand, for example, where you had a neoconservative agenda, mass privatization is not working. It does not work in health care. It does not work in a lot of sectors.

An Honourable Member: We do not know that yet.

Mr. Ashton: The member for Turtle Mountain (Mr. Tweed) says we do not know that yet. That is part of what the problem is. That is the Conservative approach. I mean, frozen food. [interjection] The Minister of Justice (Mr. Toews) says the present system does not work. I am sure he is talking about his tenure as Minister of Justice. If he is talking about that, but is he suggesting, for example, that we should have mass privatization in the health care sector. [interjection] Well, they suggested it in home care. They backed down when people said no. They are doing it with food services right now.

The bottom line, to the member for Turtle Mountain, is if you look at it, the philosophies now of this neoconservative period are very much on the wane—a lot of people looking at human services. Even the Reform Party now is talking compassion on hepatitis C. Madam Speaker, has somebody not awakened to the—here is the Reform Party trying to get people in the country to get them to believe that the Reform Party is more compassionate than the Liberals. Quite frankly, I would not want to get into a debate either way because I think the Liberal behaviour has been anything but compassionate.

But people in society, I think, are increasingly starting to look at the fact that the public sector is very

much about public service, and when we talk about efficiency, as does the Public Trustee act. We are talking about efficiency in the sense of public service not the ability to net out profits, not to try and turn public services into quasi-privately run or operated systems. You know, the private sector does a lot of things far better than the public sector does, but there are things that the public sector does better. I would like to list some of them. I think utilities such as electric power are better run by the public sector. It is a natural monopoly; it is a utility. We have gone through the argument on telephone services. Despite competition that has been around for five years, it still has many features of a utility.

Public automobile insurance, you know, that was very controversial in the early 1970s. I do not think anybody would question that now. I know certainly members opposite, I would hope, would not question it. There would be a lot of money made on Hydro and MPIC being sold off. I mean, if they made money on MTS, can you imagine what they would do with the other Crown corporations. But they provide cheaper, more efficient public services. You know, we have the lowest hydro rates, I think, in North America, some of the lowest in the world.

You know, it is funny, because the Conservatives also buy into the idea that you cannot run the public sector efficiently. Why do we have the lowest costs in North America? One of the reasons is that we, Madam Speaker, built Limestone for a billion dollars under budget. That was the NDP. The Conservatives opposed it. The Liberals called it Lemonstone. The public sector can be run efficiently and has been run efficiently. Their idea of public sector efficiency is they add—you know, these Tories over here, they were socialists for the Jets. They pumped \$40 million to \$50 million into the Jets, and that is what they consider sound public policy.

Point of Order

Mr. Marcel Laurendeau (St. Norbert): Madam Speaker, I hate to interrupt the honourable member for Thompson when he is in full flight. We are really enjoying hearing him. Maybe he enjoys hearing himself as well, but, Madam Speaker, could we have

some relevancy? I do believe we were speaking about the Public Trustee. I have been listening very carefully and I have not heard it.

Madam Speaker: On the point of order raised by the honourable member for St. Norbert, I would remind all honourable members that our Rule 35 is very specific. Speeches shall be directly relevant to the question under consideration or to a motion or amendment that the member speaking intends to move or to a point of order. I would appreciate the assistance of all honourable members in complying with Rule 35.

* * *

Mr. Ashton: If the member had been listening carefully, he would have heard me not only reference The Public Trustee Act, but I actually, Madam Speaker, read into the record its mandate. I read into the record its board of directors, the groups it works with. I read into the record the fact that it is moving into an SOA, and I read into the record the sorry record of this government when it comes to public services and the fact that it cannot operate public services without bringing in incorrect approaches, whether it be the kind of greed we see with MTS or the inappropriate operation of SOAs or dealing with public services. And the member makes my point.

In fact, if the member had been a little bit more patient, I was actually concluding my remarks. I want to say on the record again to the government that they should reflect on the fact that the times they are a'changing. By the way, I do not subscribe to the bank version of that. I think the Bob Dylan original version is, you may remember in the 1960s. Well, I do not think they have much musical appreciation either, Madam Speaker.

But, you know, I really think members opposite should reflect on the fact that they are falling out of step increasingly. Their rigid, right-wing, ideological approach is not being reflected today in what many governments are doing. I say to them, if they wish to continue that, it will certainly not be to our political disadvantage. I think it would very much be to our advantage, but they should not continue to try and put in place inappropriate concepts.

What we are arguing on this bill is to make sure we maintain the true role of the Public Trustee, and I emphasize that, which is to provide efficient administration of assets on behalf of the clientele, the public trustees. Efficiency should not be efficiency as far as the government is concerned, it should be efficiency as far as the clients and the families of those clients. It should make sure their best interests are taken care of. There should be no profit to government. There should be no overcharging by government. There should only be public service. That is ultimately what the Public Trustee's office is all about.

That is why I spoke today, Madam Speaker, and I realize I may have raised other issues, but these are issues that are directly related, the decline under this government, the complete decline I think of any ethical sense of what government is all about.

Madam Speaker: Order, please. Just for clarification, has the honourable member for Thompson concluded his remarks?

Some Honourable Members: Yes.

Mr. Ashton: Well, Madam Speaker, I had, but after the members opposite were saying that I had, I am wondering if I should not have. I have finished.

Madam Speaker: Technically, the honourable member for Thompson has three minutes. The honourable member for Thompson has concluded his remarks.

As previously agreed, this bill will remain standing in the name of the honourable member for Selkirk (Mr. Dewar).

* (1700)

PRIVATE MEMBERS' BUSINESS

Madam Speaker: The hour being 5 p.m., time for Private Members' Business.

House Business

Hon. James McCrae (Government House Leader): Madam Speaker, further to my earlier announcements

in the House and recitation of various agreements, I would like it to be clear that the understanding arrived at between the honourable member for Thompson (Mr. Ashton) and myself with respect to private members' hour tomorrow morning is as follows, that it be two separate and distinct private members' hours for the purpose of dealing with two separate matters. I do not know if that was clear in my earlier comments, and I believe that reflects the consent of all honourable members.

Madam Speaker: Just for the information of the House and possible clarification, tomorrow morning's sitting dealing with private members' hour will be two explicitly one-hour sittings dealing with two explicitly private members' resolutions. Agreed? [agreed]

Res. 23—Manitoba's Pharmacare System

Mr. Conrad Santos (Broadway): This resolution will be seconded by the member for Crescentwood (Mr. Sale).

“WHEREAS the National Forum on Health stated, 'Because pharmaceuticals are medically necessary and public financing is the only reasonable way to promote universal access and to control costs, we believe Canada should take the necessary steps to include drugs as part of its publicly funded health care system. We therefore call on the federal, provincial and territorial governments health services providers, private payers and consumers to chart a course leading to full public funding for medically necessary drugs.'; and

“WHEREAS the current provincial government has made many changes to Manitoba's Pharmacare program, undermining the universal accessibility of our own provincial drug plan; and

“WHEREAS while other provinces are spending more to provide drug benefits, the provincial government has cut Manitoba's Pharmacare program by more than 40%, and coverage has been eliminated for two thirds of Manitobans by basing the deductible levels on family income; and

“WHEREAS other problems with the current drug plan in Manitoba include caps on certain drugs which make them ineligible even once the deductible has been

paid, changes to the Formulary which mean that some prescriptions are suddenly no longer covered and results in pharmacists not having an inventory of newly covered medications while being stuck with an inventory of medications that are no longer eligible for coverage and ongoing problems with the \$5 million Drug Program Information Network; and

“WHEREAS pharmaceutical products are continuing to rise in price as a result of patent protection legislation brought in by the Federal Conservative Government and continued under the Liberal Government; and

“WHEREAS without an adequate drug plan in place, thousands of Manitobans, and perhaps millions of Canadians will be denied access to basic medication that could save their lives.

“THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the Minister of Health to go on record as supporting the development of a national drug care plan; and

“BE IT FURTHER RESOLVED that this Assembly condemn the Provincial Government for bringing in changes to the Pharmacare program which has eliminated coverage for so many Manitobans; and

“BE IT FURTHER RESOLVED that this Assembly urge the Provincial Government to consider reinstating funding for the Pharmacare plan in Manitoba to ensure adequate coverage for all Manitobans.”

Motion presented.

Mr. Santos: Madam Speaker, from Resolution 23, we could state three basic propositions: first, that any desirable publicly funded health care system, by necessity, ought to include a medically prescribed Pharmacare drug program; second, that the funding of the national medicare program by general taxation unavoidably carries with it the idea that each essential component of universally accessible national Pharmacare program must also be publicly funded in order to control escalating costs of Pharmacare and, along with it, the escalating costs of medicare; thirdly, and lastly, that the current Manitoba provincial government's incessant and systematic nibbling of the

Manitoba Pharmacare plan induced in part by the federal government's gradual cuts in the health and education transfer payments coming to the provincial governments, including the government of Manitoba, ultimately results in escalating costs of prescription drugs and the ever-increasing medical health care to Canadians, in general, and to Manitobans, in particular.

Our first proposition states that any desirable publicly funded health care system, by necessity, ought to include medically prescribed Pharmacare drug plan. By the phrase medically prescribed Pharmacare drug plan, we mean the type of drugs that we are discussing are those drugs that are generally accepted as medically necessary and have been determined to have proven effects and have general usage in the community.

For example, if after the one-year pilot project of usage of this new drug, Betaseron, as a medical drug to treat the early stages of multiple sclerosis, it may be found that such a drug is effective in halting this deadly disease attacking and paralyzing the body of human beings. These attacks are due to the inflammations that are scattered at random throughout the brain and spinal cord. Such inflammation interferes with the network of the nerves in the affected areas of the body. There are many symptoms of multiple sclerosis, including the shaking of the limbs, stiffness in walking with knees refusing to bend, losing part of the field of vision such as the inability to see towards the upper left area with either eye and, of course, paralysis which may occur in any part of the body affected.

In the treatment of multiple sclerosis, just like any other sickness, the use of drugs should, in my opinion, be the last resort, because this use of drugs although directed to the disease itself weakens the body's natural immune system. Therefore, the first line of defence of any physical body should be the person keeping up general health and his resistance to disease. If certain specific muscles are affected, physiotherapy is recommended, including massage and exercises which may prevent the general weakening and possibly paralysis. Since this disease is connected to the spinal cord, the early stages of multiple sclerosis can grow worse with emotional disturbances and with bouts of depression, in which event, resort to a psychiatrist may be helpful.

Our second proposition states that the funding of the national medicare program by general taxation unavoidably carries with it the idea of funding the medical care essential to complement the universal health care system. Therefore, this must also be publicly funded in order to control escalating costs of Pharmacare and also, of course, to control the escalating costs of medicare itself. Why? Why would public funding of Pharmacare as an essential part of medicare control escalation of costs? The answer lies in the link between the function of price regulation and the tendency of pharmaceutical companies, if they are left unregulated, to increase the costs of medication and the costs of prescription drugs.

* (1710)

If the elected and appointed officials in our government—federal, provincial levels of government—if they are the guardian of the collection of public revenues and also the stewards of the expenditure of taxpayers' money in the field of health care and of Pharmacare, if they are not beholden to the dictates of the pharmaceutical companies, who have the blessings of the medical doctors, who themselves may hold some shares of stocks in these companies, these public officials would perform their public function with integrity and would uphold the general public interest through regulatory and taxation powers of government. But if they are beholden to the interested commercial outfits, the pharmaceutical companies, of course, they cannot properly safeguard the expenditure of taxpayers' money, and they cannot control the ever-escalating cost of drugs and of medication.

Our third proposition states that the present Manitoba government has incessantly and systematically nibbled the Manitoba Pharmacare plan. This has been induced in part by the federal cuts in the transfer payments that are given to the provinces, including the government of Manitoba, which ultimately results in the escalating cost of drugs and the escalating, ever-increasing cost of medical care to Canadians, in general, and to Manitobans, in particular.

What are some of the specific acts of nibbling systematically done by the Filmon government with respect to our Pharmacare plan? It takes the form of reduction of the levels of benefits under the Pharmacare

plan by systematically reducing coverage from 80 percent, then to 70 percent and then to 60 percent coverage for people under age 65. Pharmacare cost coverage is reduced if we increase the dollar amount of the deductibles from the Pharmacare plan, which is a form of insurance relating to the cost of drugs as listed in the drug formulary of the covered medications.

In 1994, Pharmacare deductible amounts were increased by the Filmon government by 10 percent for both the categories of people over age 65 and those under 65 years old. In 1995, the following year, Pharmacare deductibles were again increased by 4 percent for people over age 65 and by 14 percent for people under age 65. In the succeeding year, 1996, this Filmon government cut \$20 million from the Pharmacare budget by changing the basis of coverage from the basis of age to a new basis of family income. Such a drastic change in the coverage converts the universally accessible Manitoba Pharmacare plan from the category of universally accessible program into something of a means-tested program. Let me illustrate. For a senior living alone with an income, let us say, \$11,280, this senior's deductible would increase by 67 percent because of this change of the basis from age criterion to family income criterion. As for a senior living alone with an income of \$15,500, such senior's deductible amount increased by a whopping 246 percent as a result of this change.

In this radically changed Pharmacare plan based on family income rather than on the age of the applicant, once the ceiling of the deductible is reached, 100 percent of the cost of the drug would be covered and would be reimbursed to the insured. But on account of the fact that the deductible amount of these drug expenses were so high, it would mean that the person would have to spend a substantial amount, a substantial portion of his annual income on drugs alone before such a person gets 100 percent coverage.

In our example of the senior living alone with an annual income of \$15,500, such senior would have to spend on drugs alone over \$1,350 out of his annual income just to break even and recover his costs of drugs. Clearly, such an income-based Pharmacare plan with high deductible amounts encourages people to purchase more and more drugs in order to reach the break-even point and to recover the total cost of his

drugs and his medication. This means that the demands overall across the province and across Canada will increase, increasing the cost of medically prescribed drugs benefiting not the patients but the drug companies who would make enormous amounts of profits.

In 1993, the Progressive Conservative federal government under the Mulroney Tory government passed Bill C-91 which guaranteed patent protection for new brand name drugs for 20 years increasing the original rule of seven to 10 years patent, which means that generic companies are prevented from making a cheaper version of the brand name drugs for that long period of 20 years, ensuring enormous amount of profits to the brand name giant pharmaceutical companies.

In one study undertaken by Queen's University, it stated that Bill C-91 would add approximately \$9 billion to the ever-increasing costs of drugs by the year 2007. Such increased costs of drugs are easily converted into profits obtained by the drug companies, of course, on the backs of seniors, on the backs of the infirm, of the sick, who are in need of prescribed medications. When the federal Liberals were in opposition, they vigorously opposed this Bill C-91, but when they became the majority government in Ottawa, they did not do anything about it. It was not until in 1998 that the Liberal government changed the regulatory penalties for smaller drug companies accused of patent infringement by reducing the 30-month regulatory penalty to only 24 months. The Chretien Liberals continued the Mulroney Tory policy of giving a 20-year patent monopoly to big brand name pharmaceutical companies.

In the fall of 1997, the National Forum on Health recommended a national prescription drug plan estimated to cost approximately \$5 billion, in the form of mixed public and private pharmaceutical plans, following the U.S. model. This is a model of multiple private drug insurers and limited public plan combined. This is quite distinguishable and different from the Canadian medical model of universal, publicly funded, single-payer system with no user fee, no deductible. This feature ensures social justice, cost-containment and reliable health protections. However, unable to persuade the various provincial Health ministers to go

along and unable to resist the lobby of the brand name pharmaceutical companies, the Liberal federal Health minister announced, in January 1998, that the publicly funded national Pharmacare system is not a thing to be realized in the immediate future. Hence, the need for this Pharmacare resolution. Do I have any more time, Madam Speaker? [interjection]

Failing the approval of this national health care plan, I can say that perhaps the only means left is prayer to bring healing to the sick and to the afflicted. It is only prayer of the faithful that shall save the sick, and if he had committed sin, perhaps he shall be forgiven. The effectual prayer of a righteous man availeth much, but we need action also in addition to prayer, and that is why this resolution. I ask the opposition to support this resolution. Thank you.

Mr. Mervin Tweed (Turtle Mountain): Madam Speaker, I am pleased to rise today and put some comments on the record in regard to the resolution that has been put forward here today. I think that what I will probably do is just go through some of the points of the member's resolution, and then put some other numbers and some facts pertaining to the comments that he made in his presentation.

The concern that seems to be expressed, or at least to being brought forward, is the fact that health care or Pharmacare, in particular, with the changes that were made in 1996, when we introduced that, we basically had two major objectives as a government that we were trying to obtain. The first one was to provide benefits for people whose income would seriously be affected by high prescription drug costs. I think we can all relate to that statement in the sense that anything that we can do as a province or as a government or as a people to provide benefits to that certain group of people with the income that when you combine low incomes and high drug costs you certainly create some problems for them financially. I think we want to address that with a Pharmacare proposal that would suit those needs.

* (1720)

The other one that was brought forward in the discussion was: what were we trying to do? I think what was being suggested and what is being realized is

that what we were trying to do was to equitably distribute available funds based on income and family size as a direct result of reduced federal funding. I think that when you look at that type of combination, when you have reduced federal funding and you run into a low income family that has a high cost prescription drug, anything and everything that can be done by governments should be to allow them to access the drugs that they need and require to have a satisfactory lifestyle that is suitable and comparable to all Manitobans.

I think that when the base Pharmacare program was introduced in April of '96 that that was the intention, and I think a lot of the numbers are starting to show that is indeed what has happened over the period of time.

I find it kind of interesting in the sense that I know a lot of the discussion when this bill was introduced was the actual cost to people based on incomes and the fact that certain groups of income earners would be losing. Their deductibles would rise, therefore making it harder for them to access the required drugs. I think just to put it on the record and to show some of the numbers, what I have done is just had a preparation of some of the expenses versus gross income and some comparisons across Canada to see how we do match up as a province.

It struck me that a single person over 65 years of age with a gross income of \$10,000, if he had a drug expense of \$500, his deductible would be \$200. Because of the formula that has been created around this, if he had a drug expense of \$1,000, his deductible would be \$200. You can go right up the ladder to \$5,000. Now, I am talking about single, over 65, with a gross income of \$10,000. Even if he had drug expenses of \$5,000, his deductible would be \$200.

I think for the members opposite, just to recognize the differences in some of the numbers that are being presented, on the same principle of a single person over the age of 65 with a gross income of \$10,000, in Saskatchewan, if he had a \$500 drug expense, the deductible would be \$391.20. If he goes up to \$1,000 in drug expenses, that would increase to \$564.40, and if you went up to \$5,000, now, again, single over 65, gross income of \$10,000 per year, had a drug expense

of \$5,000, in Saskatchewan that deductible would rise to \$656.88.

Now, I think it is always the case, as we have listened earlier today to some of the presentations that were made by the members opposite and some of the concerns that they bring forward, that when they compare what they would do and what their party stands for and what the New Democrats across Canada stand for, it would certainly reflect, particularly in this case, that the numbers actually tell the true story and the whole story in the fact that people with the lower gross incomes, based on their drug expenses in Manitoba, are far better off than they are in our sister province in Saskatchewan. That is not to say that the governments in Saskatchewan and perhaps B.C., I would suggest, are worse off than we are or better off than we are. It is just a matter of stating the facts and putting them on the record that these are the numbers, and this is why the thinking behind the Pharmacare plan that was brought forward in April of '96. It was to assist low income people with high drug costs. I think this type of numbers certainly justify it.

I think, to add to the numbers just again for clarification so people do understand, if you are single and under 65 in the province of Manitoba and your gross income is \$10,000, from \$500 in drug expenses right through to \$5,000, your net deductible would be \$200. Previously, and I think this shows how successful and good the program is, in Manitoba, prior to this introduction of this change, your deductibles were higher. At \$500, they were \$342, right up to over \$900. Now we have brought that deductible down to \$200 across the board. Again, I would suggest, is it serving its purpose? Is it meeting what it set out to do in the first place? I would suggest that it is. It is creating a low-cost deductible for low income people in the province of Manitoba with low to high drug cost needs, and I think that certainly the numbers speak for themselves.

One of the numbers that, as I come through this, really jumped off the page at me was if you are single under 65 and your earning gross income is \$45,000. In Manitoba if you are earning \$45,000 gross and you have a \$500 drug expense, you would pay the full amount, \$500. That would be your deductible. If you moved up to \$1,000 in drug expense needs, your new

deductible would be \$1,000. It is moved up progressively. Where it changes is at the \$2,000 to the \$5,000 level, the deductible would become \$1,350 and remain constant from there on.

Again, just for the comparisons and for the records to show that in the province of Saskatchewan, headed by an NDP government, a government that is all caring for all people, or at least it has been suggested by the members opposite that they are the only province in Canada that seems to really care about their people, if you were single, under 65 earning a gross income of \$45,000 in Saskatchewan, and you had a drug expense of \$5,000, your deductible would be \$2,744.50.

Again, does that make it equitable in the sense that what we are trying to do is create a fair and equal deductible for the people? I look at myself and how I compare, where I fit into these on the deductible scales. I would suggest if a person was looking at this with a completely open mind, I see no problem paying a higher deductible if I am in a higher income bracket. The benefit of the program is for the low income people with a high cost drug need. I think that is forgotten in this whole debate in this discussion in the sense that the purpose of the plan was to reduce the cost to the people that need it the most.

I have heard arguments across the floor on several of the suggestions that we have brought forward as government and defending the rights of all, and everybody should have a fair and equal deductible. I think we all agree on that principle, but I think, what is fair to the people that need it the most? Again, I look at myself, and I would think all members in this House would consider themselves to be a part of the very fortunate group of people that live in the province of Manitoba. Anything and everything that we can do, we should be doing to assist the people who are far less fortunate than us, not only in their ability to earn income but also in their needs for drug costs and drug costs related to their health that we want to try and make as affordable as possible.

The member opposite, in his resolution, has put forward three resolutions. The first one being **RESOLVED** that the Legislative Assembly of Manitoba urge the Minister of Health (Mr. Praznik) supporting the development of a national drug care plan.

I think the member opposite is probably aware that the federal government is undertaking a study and are looking at the costs and the plans that involve all the provinces and all the territories, and we are certainly participating in this particular project, and we are trying to identify the issues that are related to a national program that perhaps can benefit all Canadians as well as Manitobans. We have certainly participated in that, and I think that we will continue to participate in that plan to see where it may lead to.

* (1730)

The one thing I would like to—and I think the record should show it, is that there is not a province in Canada or in the territories that provides first-dollar universal coverage for all their residents. It is just something I think provinces in the history have come to recognize, that it is something that they just can no longer do, and I think it creates a sense of accountability to some of the people who are asked to pay deductibles based on their income, so that in my mind I think it makes all people a little more responsible in the type of system they are entering into.

The other comments that the member opposite made in regard to this was the idea of it was to reduce the amount of funding that was provided to Pharmacare and Pharmacare funding levels from the province over a period of years, and in actuality, as is the case when we talk about health care budgets in the province of Manitoba, as the needs go up and the demands go up, the province is there to answer the bell and answer the funding questions. We have seen that expressed in this year's budget with the increase of the \$100 million in the health care budget, and I think that reflects very positively that we are hearing and listening to the needs of the communities in the province and responding to those needs.

The program itself has increased by \$12 million over the previous fiscal year. I think if the members opposite were trying to imply that we were moving into this type of program to save money and purely save money, I certainly do not have an objection to that as long as the health care and the Pharmacare services are being provided as required, but the bottom line, again, was to provide the best affordable Pharmacare service to the people who need it the most, the low income

people in the province of Manitoba with a high-cost, drug-related cost to themselves. I think we must always be aware of that. I think that it is very important that we constantly work with that in our minds as far as what we can and should be doing in the province.

Just one other number I would like to put on the record, and I think it applies to Manitoba, particularly my communities, because of the aging population which we all have in the province, but if you are a couple in Manitoba over the age of 65 earning \$60,000 in Manitoba and your drug-cost needs are \$5,000, you would pay a deductible of \$1,710. I do not think that is unreasonable based on the amount of income people are earning. In Saskatchewan, the same couple earning \$60,000 gross income with a drug-expense need of \$5,000 would pay \$2,998.65.

So I do not think this is really an issue that should be dealt with in the sense of which political system can do it better or bigger or better than the others, but I think what it has to do is be responsive to the needs of the people, and I think that the Pharmacare program that we have introduced in the province has addressed a lot of those issues. Will there be more? I am certain there will be. As time progresses, we will see needs and demands change, and we have to be prepared to address those, but we have introduced a formula that will address those needs as they change in the next years to come because it is funded based on income, and the income of low-end people will be protected on the deductible side.

Thank you, Madam Speaker.

Mr. Tim Sale (Crescentwood): I am pleased to put a few remarks on the record in support of my honourable colleague's resolution, a most excellent and needed resolution, in my view.

I want to start by just pointing out what I think to most observers of the Canadian drug scene is obviously true, that all the promises that were made by the multinational drug corporations in anticipation of their gigantic rip-off via the extension of patent regulations simply have not come to pass. There was small amount of investment primarily in Quebec, in Montreal, and a very small amount in Manitoba and some amounts in between in Ontario and Alberta, but almost all of the

research that was going to be claimed to be flowing as a result of this drug patent legislation, the passage of which has fuelled the rapid increase in drug costs in Canada, virtually all of this is not basic research, Madam Speaker.

Our Income Tax Act ought to be changed to reflect this reality. What is called research by these companies and claimed as research is actually the administration of drug trials in hospitals, which is a low-tech, basically a very routine process of administering the drug under tests, sometimes a placebo, and keeping the clinical records which would be kept in any case for patients. Very little original drug research is done in this country in spite of all the promises of the multinational corporations who twisted the Mulroney government's arm for drug patent legislation, which the supine Liberal government then extended recently and they basically rolled over and played dead in the face of the multinational lobby.

So I want to first point out that the benefits of the drug legislation which were promised to Canada have not accrued. Secondly, as my honourable friend I think pointed out, drug costs are the most rapidly escalating component of our medical care bills in this country. They used to comprise around 8 percent of medical costs. They are now over 14 percent of medical costs. It is the one component of our medical system which is truly and quite frighteningly out of control.

The medical benefits of drugs in some cases are very significant, but the costs are simply horrendous. These costs accrue because we have given excessive patent legislation protection to multinational corporations, so they can charge virtually whatever they choose for new drugs and they are able to maintain high prices because they have monopoly control for 20 years. The people of Manitoba, the people of Canada, are paying for that privilege.

In the 1970s, we had low-cost drugs, a competitive generic drug industry, and multinational drug company presence. We were doing very well at containing our drug costs, and we were the envy of European and American commentators who looked at the cost of drugs in our medicare system. We gave that up for promises which were never fulfilled by any of the companies involved.

To turn to the Pharmacare program which was introduced by the Schreyer government and which was a great boon to Manitobans and would be today still a great boon if it had not been so cruelly gutted by this government opposite. First of all, no designer of a program in his right mind would ever give somebody zero benefits for the first several hundred or a thousand dollars and then 100 percent benefits from there on. That simply encourages inappropriate behaviour at the margin of where the 100 percent benefit kicks in. Nobody would ever design a program that way. I cannot imagine that the government consulted with any people with competence in designing income support programs and agreed that they would put in a program in which there was a break point that the last dollar you spent cost you 100 cents and next dollar you spend cost the government 100 cents.

So obviously in the very first year this new program was put in place, the government was hosed by people who got to their benefit level and then bought all their drugs for the next year, if they could, or at least for the next period of time. So the government had a huge cost overrun which was not predicted in its projections for their savings in the first year. Contrary to what the member for Turtle Mountain (Mr. Tweed) says, they then projected savings on this new program of around \$20 million a year. They thought they were going to save about \$20 million a year on the backs of sick Manitobans, Madam Speaker, and for a year or so, their expenses did go down, but partly because of the way they designed the program and partly because of the multinationals' control of drug prices, they then began to escalate very rapidly.

So this is a government that does not know how to plan an income support program in the Pharmacare area, was hosed by many people who quite correctly saw that their benefits were being taken away and they figured out how to minimize their loss and did so. The government has not learned from that and amended the plan to take into account the fact that giving people 100 percent coverage after zero coverage is not an appropriate way to plan any Pharmacare or any other income support program for that matter. So the program is fundamentally flawed the way it is designed.

* (1740)

Finally, Madam Speaker, let me just speak about the difficulties of having large deductibles for any medical expenditure. The system is shot full of anomalies in which a drug dispensed in hospital because someone needs that drug is free; a drug dispensed to an outpatient is not; a drug dispensed in hospital but needing to be continued to be taken at home following discharge may be dispensed in sufficient quantity to be taken at home or it may not. So there are all sorts of anomalies in this kind of situation which are very, very difficult for low income people to deal with.

For example, if a low income family has a child admitted to hospital and needs an expensive drug, while the child is in hospital the family will benefit from hospital coverage and will get that drug free of cost, but if the child is discharged and needs to take a long course of high-cost antibiotics, for example, a course for several months, the family will suddenly be faced with a very large expense. If they do not incur the expense, the child will probably not get well and will wind up being readmitted at our expense; if they do incur the expense and they are like many of the families in my constituency, they may wind up not having enough money to live on, given the cost of many of these drugs, and they still will not make their deductible, because that one very large prescription will not put them over the edge. If they do not fill it, their child winds up back in hospital; if they do, they wind up with not enough money to meet their daily needs for the period of time that the child is ill.

Over and over again, Madam Speaker, I do not know whether this has happened to members opposite. They live in more affluent areas of Manitoba for the most part. But certainly in the areas in which our members live and which we represent, we run into seniors all the time who tell us that they are choosing between food and their drugs; they are choosing between their telephone and their drugs. That is immoral in a country as wealthy as ours, but it is also very bad practice because, if they do not choose drugs, they will go into the hospital, they will go into nursing homes, and we will wind up paying much more for their care than we would have if we had simply maintained the previous Pharmacare program.

Members opposite may defend the current program on the basis that 100 percent coverage is of great value

to families who have very high drug bills, and that indeed is true. That was the purpose of the Life Saving Drug Program, which was brought in under our government and was continued for a while under the current administration, but with the advent of this crazily designed program that they have put in place, the Life Saving Drug Program is no longer. It does not have any effective coverage.

So the problem of having very high costs for very necessary drugs was dealt with under the old program by having the Life Saving Drug Program. Indeed, that was a good measure, but when you have a situation where you have to pay 100 percent of your drugs until you hit a limit and then you do not have to pay anything, your ability to plan for expenditures is lessened.

We all know we have to budget something for medical expenditures but, when the deductible is so high, how do you budget for \$1,500 or \$2,000 of potential medical expenditures as an older person or a family with some needs when you do not know whether they are going to occur or not. Do you run out and try and buy private sector insurance? Is that indeed the goal of the government, to get people to buy private sector insurance so that more of our health system is privatized and less covered through the common wealth of our citizenry?

The Pharmacare program was a fine program. It remains a better program than is in place in many American centres, but it is still not the kind of program that Manitobans deserve and which I believe they want, and that is a program that allows people to plan for their needs, that they have knowledge that their deductible will stay modest, 10 or 15 or perhaps 20 percent. That encourages good stewardship of the drugs, encourages wise use because the patient has a stake, but it does not put in place a situation where a new and serious illness suddenly costs a family something between \$1,000 and \$2,000 or even more thousands of dollars until they reach their deductible limit. So we have once again returned to the bad old days when illness is not only its own burden, but it adds the burden of significant financial cost.

For modest income families, perhaps the members opposite do not realize what a bill of a thousand dollars

means to a modest family. It does not take much in the way of family income to have a Pharmacare deductible of \$1,000. For many families who live pay cheque to pay cheque on a couple of minimum-wage jobs, that is a backbreaking expense and it is one that Manitobans ought not to have to bear.

I support and endorse my honourable colleague's motion. In particular, I would wish that the third BE IT RESOLVED would be understood by members opposite and that they would understand that the properly funded program might not in fact even cost a whole lot more than the program they put in place now, but it would ensure that more Manitobans had coverage and that more modest income families were not faced with bills of \$1,000 or \$1,500 or \$2,000 out of the blue because a member of their family contracted a serious illness and they had to bear 100 percent of the entire deductible which, for that family I am referencing, could be as high as anywhere from \$1,000 to \$2,000 or \$3,000 dollars. That is a backbreaking expense for many families.

I hope that members opposite will speak briefly to the resolution and that they will pass it. Thank you, Madam Speaker.

Mr. Gerry McAlpine (Sturgeon Creek): Madam Speaker, I have listened to the comments with interest and I do have some difficulty with what the honourable members are offering us in terms of information from across the way.

One thing that does come to mind is that the honourable members, in the resolution, and the honourable member for Crescentwood (Mr. Sale) referred to the drug companies and the people who prescribe drugs and referencing the integrity of the drug companies and the doctors prescribing such, the rip-offs that are lent to those drug companies, and then they bring in a resolution encouraging and supporting the very thing that they are criticizing. I do not understand where they are coming from.

I think there is a terrible misunderstanding on their part, and certainly it is reflected in this resolution. I am surprised the honourable member for Broadway (Mr. Santos), who has some background in terms of a more holistic approach in terms of health, would even

propose such a resolution, but I respect his position and the position he has taken with this resolution. I hope that he really and sincerely believes, because he does not always—what he always says is not necessarily what he maybe believes.

The honourable member wants to enhance the Pharmacare plan, which is really what drives the engines that drive the drug companies, and those who benefit directly financially. So, Madam Speaker, I really have some difficulty with what the honourable member is proposing.

You know, as I was sitting listening to the honourable member for Crescentwood (Mr. Sale) and the honourable member for Broadway (Mr. Santos) speaking on this, my honourable colleagues on this side of the House say they always kid me about the things that I do. One particular instance they talked about, and some honourable members across the way will mention, the fact that the one time that I came into this Legislature after a Kidney Foundation cyclathon, and I came in with the whole right side of my face scarred in one big scab, basically what it was, and then came in four days later and it is gone. Madam Speaker, I am reminded of that very thing, and I would like to share the fact with the honourable members that I did not use one drug. There was no drug. That is not the answer. You see, what they are advocating over there is for government to take more responsibility for the health that is offered to the people in Manitoba.

* (1750)

Madam Speaker, that is totally the wrong approach because the more we help the people and support that habit, because that is really what it is, I mean, it becomes an addiction. If that is the case, then I think we have really got some real soul-searching to do as far as our health care system is concerned. I take the approach that people have to take responsibility for their own health and—[interjection] Hey, the honourable member for Brandon East (Mr. Leonard Evans), he chirps from his seat again, the doctors who have to prescribe the drugs. Well, I think sometimes the doctors, when you go to the doctors, what else are they going to do because that is what they are taught? They do not understand anything else. [interjection] He talks about heart medication. You know, he has to

understand that drugs in a situation with heart medication, I will reference the fact and I will give you my own experience on that.

The body—and I will simplify it to this extent—thinks that blood pressure of 100 is normal and your blood pressure goes up to 120, you get a prescription from the doctor to bring it down to 100. But the blood, or the body believes that 120 is normal, so what is the natural thing for the body to do? It is to raise the blood pressure up to 120. That is the natural thing. So who is winning on that? What you have to do, Madam Speaker, and my proposal to this is to change the context of the system, and you can only do it by nourishing that system because what happens is, as soon as you are prescribed that particular drug, then you are substituting for the system. The drug is taking the place of what the body should be doing.

The honourable member for Broadway (Mr. Santos) nods in agreement with me. Now if that is the case, I say to the honourable member, through you, Madam Speaker, that he should withdraw this resolution because that is not—[interjection] And then they say, well, okay, are we against all pharmaceuticals? Well, I am just referencing what they are saying over there, the rip-offs that the drug companies are taking. Yes, I believe in crisis situations that we do need situations where drugs are necessary, but I think that what we have done is we have come too far with that. We rely totally on drugs to replace and to provide health for everybody and that is the wrong thing.

An Honourable Member: I think you do not know what you are talking about.

Mr. McAlpine: If the honourable member for Brandon East (Mr. Leonard Evans) would think that he would have something to offer to this, I do not know where he gets his information from. I have actually spent about 14, 15 years experiencing this on my own and attending different conferences around the world. I do not have to measure up to any standard that he has to offer. I offer that for his information, and I will challenge him on any information that he wants to provide to me.

But, anyway, Madam Speaker, I think he has achieved what he wanted to achieve in taking me off my course here, because I think the whole aspect of

what the honourable member is proposing in this resolution is a takeover by the drug companies of our whole pharmaceutical administration, because you can rest assured that the more money government puts in—and we have done extremely well as far as a government. I think we have been very responsible in what we have done here since 1996. We have measured those people who do not qualify or have some difficulty financially.

The honourable member for Turtle Mountain (Mr. Tweed) referenced that and has given the numbers to prove it, and they will be in Hansard for the honourable members across the way to read, and I hope that they really sincerely look at them. I am not going to reference them anymore because I think he did a tremendous job in referencing them. But the things that we have done as a government, we have put these things into place, so that those people who are at risk financially, because of something that has hit them suddenly, and are unable to deal with the drug costs that they have to face, that there is a system in place to protect them. Those are unforeseen expenses, and I think that we have addressed that.

No government can address all the issues as far as health care is concerned. I see my time is running tight here, and I would like to have some more things to offer, but I want to yield to the honourable member for Inkster (Mr. Lamoureux) who has wanted to address this resolution. So I hope that he will be able to take it from there, and I yield to him, Madam Speaker, but thank you for the opportunity to put these few remarks on the record.

Mr. Kevin Lamoureux (Inkster): Madam Speaker, I appreciate the member for Sturgeon Creek (Mr. McAlpine) allowing me an opportunity to at least put a few words on the record on a very important resolution. I thought that there is a lot of merit for it, I must say. It brings to issue a number of concerns that I have that have been expressed to me through constituents and other interested Manitobans. I was listening to what the member for Sturgeon Creek was saying with respect to pharmaceutical drugs, let us say, compared to nondrugs, nonpharmaceutical types of drugs, the more natural treatments, if you like, and it is always

encouraging to hear that sort of a perspective on medicine or the lack of medicine in order to be able to cure some of the problems that are there.

More and more we are seeing people buy into that, that there are more natural ways as opposed to using drugs, but, Madam Speaker, for a vast majority of individuals, they recognize the importance of prescribed medications. For many of those individuals, it is a question of affordability in being able to get the drugs that they feel and that their doctors are, in fact, telling them they should be taking, being able to have the opportunity to administer those drugs to themselves, and in other cases for others to administer because in many cases they are not able to even administer the drugs themselves.

But, Madam Speaker, there are some concerns that have been raised. There have been some talked-about solutions, and one of the most important solutions that I believe is out there and has been talked about—we had the national forum on health care—is indeed having some sort of a national pharmaceutical plan, depending on which province you live in, will determine just how much of a deductible one has, will determine what type of drug might be on a listing that is, in fact, insured or not insured, and I think that there is some merit to seeing a national program that allows Canadians the opportunity to have some consistency in drugs from one coast to the other coast. I would personally like to see that happen ultimately, but along with that you have to see finances, and we are talking substantial amounts of dollars. We are talking about substantial increases that have to be injected into Pharmacare or the pharmaceuticals.

The member for Broadway (Mr. Santos) made reference to the cutbacks, as I was listening downstairs to his speech, and I would concur. Thank you.

Madam Speaker: Order, please. When this matter is again before the House, the honourable member for Inkster (Mr. Lamoureux) will have 12 minutes remaining.

The hour being 6 p.m., this House is adjourned and stands adjourned until 10 a.m. tomorrow (Thursday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, April 29, 1998

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