

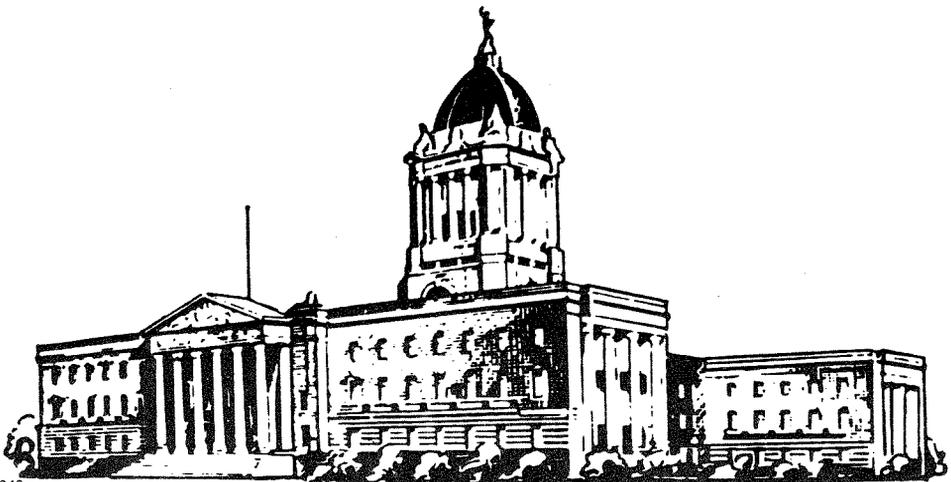


Second Session — Thirty-Second Legislature
of the
Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

31-32 Elizabeth II

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The Honourable D. James Walding
Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Second Legislature

Members, Constituencies and Political Affiliation

Name	Constituency	Party
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LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 19 May, 1983.

Time — 8:00 p.m.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - HOUSING

MR. CHAIRMAN, C. Santos: Committee please come to order. We are still in the place where we started, 1.(a)(2).

The Member for Tuxedo.

MR. G. FILMON: Mr. Chairman, with respect to the Homes in Manitoba Program, I wonder if the Minister can indicate how many homes were constructed under that program which did not receive the \$3,000 Federal grant.

MR. CHAIRMAN: The Honourable Minister.

HON. J. STORIE: Mr. Chairman, first before we continue this evening I will indicate to honourable members opposite, that I was under the impression that we would be dealing with the other side of the department today, consequently, I did not have MHRC staff. So a lot of the questions that I've been asked in respect to Homes in Manitoba, I don't have all of the answers because staff isn't here.

The General Manager was committed for this evening and I had indicated to him that I probably wouldn't need him until tomorrow, but I'm certainly prepared to answer, as best I can, and if you require further clarification I could provide that information at a later date.

Your question is, how many Homes in Manitoba applicants are proceeding without the \$3,000 grant, and the answer is, to my knowledge at this point, there are none.

MR. G. FILMON: May I just clarify it for the Minister in case it will have any effect on what he does in the next little while, that it was our intention to finish his department today, so if your MHRC staff is not going to be here, you're going to have to wing it without them because we would like to cover it. Other than the Homes in Manitoba Program, I don't think there will be too many questions to do with MHRC, other than ones that I think his Deputy should be able to assist in, but that's our intention. So I don't know if that's going to affect what he's going to do, but basically what we want to talk about is some of these figures to attempt to determine how the program is being used, what effect it has had, and so on and so forth. The money does not show up under MHRC, which is why we are deliberately discussing it under the Administration portion of his Management and Administration, in Housing. That's why we're proceeding on this basis.

What I would like to know is then, if he can give us the statistics as to how many construction starts were approved under the Homes in Manitoba Program and

how many of those did not receive the federal \$3,000 grant? I think the Minister has indicated that to his knowledge none of them did not receive the \$3,000 grant which is, as I suspected, Mr. Chairman, because I have seen the letters that go out from his department with respect to these applications for Homes in Manitoba Program mortgages and they all seem to go out subject to the availability of the \$3,000 grant. In other words, it implies to me that if they aren't eligible or they can't receive the \$3,000 grant, then they're not going to get the Homes in Manitoba Program mortgage.

That begs another question, but I'll stop there and let the Minister advise.

HON. J. STORIE: The honourable member is quite correct, that when the program was first announced, one of the criteria that was established was an application and acceptance under the \$3,000 grant program. Clearly that was the intention when the program was announced; it was made clear that the 11.5 percent mortgage money was to complement and to use the incentive that was being provided by the Federal Government to create that construction activity. I think the evidence is that that's happened.

I should also indicate that as a result of the Federal Government's unwillingness to provide both a date for the end of their program and to ensure that there's enough money in that to meet the needs under that program that we have indicated that we will be increasing the mortgage by \$3,000 where it is required. In other words, if the individual that we're talking about, the applicant, can meet the other criteria, we are prepared to provide an additional \$3,000 grant, so that individual will be able to proceed with their home purchase.

MR. G. FILMON: Does that mean that the earlier criteria have now been changed?

HON. J. STORIE: The criteria has not been changed. What is changed is the Federal Government's commitment to provide that \$3,000 grant to homeowners to May 31st. Our program was extended to May 31st, if there are individuals who meet the other criteria of the program, but for whatever reason are not eligible or cannot be funded under the \$3,000 grant program, we will be allowing them to use an additional \$3,000 in mortgage funds. In other words, mortgage funds will be going from 55 to 58 for those specific individuals, but it is not a general change in the program criteria.

MR. G. FILMON: I thought the Minister indicated that was one of the criteria that they had to be eligible for the \$3,000 federal grant in order to qualify for the Homes in Manitoba Program mortgages.

HON. J. STORIE: That's quite correct, and we have implored the Federal Government, beseeched the Federal Government to live up to their commitment in

asking them to ensure that the people who have applied, thinking that grant money would be there, provided - what we're saying is that to this point we do not know whether we will have to make use of that provision. The Federal Government has indicated that there may be additional allocations to Manitoba because of the activity here. The people at CMHC have indicated that tomorrow, I believe, they are going to be scouring the country, in their words, to see if there are any funds available and if they are then we certainly won't have to proceed with that extra assurance to the home-buying public. But we're simply saying that if it's required then we'll be there.

MR. G. FILMON: I think it very important to clarify this point, Mr. Chairman, because I have received some copies of correspondence from people who have been told by the Federal Government that there is no more money and therefore they are not going to get the \$3,000 grant. At the same time they have a letter from the province which says that their application has been approved subject to their receiving the \$3,000 grant.

At the same time on the 6th of May the Minister indicates that the Homes in Manitoba Program has been extended to May 31 regardless of the federal situation and yet they're in a Catch 22. Their application has been approved subject to them getting \$3,000 and the feds say they can't have \$3,000, so they're in never never land as far as they're concerned. They felt that the Minister's announcement was, to say the least, misleading when he said that he was going to extend it to the 31st when it was meaningless since the Federal Program was unavailable.

HON. J. STORIE: Well, the announcement that went out on May 5th, of course, was based on the assumption that the Federal Government was going to live up to its commitment. CMHC had indicated to us verbally that they felt additional allocations would be forthcoming from other areas of the province.

I've indicated as well and I indicated at the time to the homebuilders, I felt that we would be in the position to step in if there were individuals who were caught in a position where that \$3,000 grant was the determining factor in whether they were able to proceed with their planned home, and certainly that's the position we're taking. We're still not sure whether there are going to be people left in the lurch who do not have the equity, or cannot get their hands on the equity to provide that \$3,000, that we will be providing additional assistance by way of extending the mortgage limit.

MR. G. FILMON: I see, Mr. Chairman, that Mr. Schubert from the Corporation is here and perhaps he'll have the answers to some of the statistical information that I'll be seeking; the first being whether or not anybody yet has qualified for the HIMP but not received the \$3,000 federal grant.

The second area is a question of how many homes in Manitoba received the \$3,000 grant for new home construction but - one of the difficulties I have is the difference in criteria between qualification for the federal program, one is for first-time home buyers who are purchasing any home and the other is for new home construction, the two sections - so since the provincial

money only applies to new home construction, if we separate out the new home construction sector, how many qualified for the \$3,000 CMHC grant for the past, however long it's been available - and I believe the number of 750 have qualified for the HIMP on a similar basis, new home construction. Is that correct?

HON. J. STORIE: Mr. Chairman, that figure has been revised. The figure is probably closer to 1,200. I would say that it's about 65 percent of the new home construction has been able to receive both the \$3,000 grant and the HIMP mortgage financing. So the additional 35 percent of the market would be those houses which would be eligible for the \$3,000 - new homes we're talking about - would be eligible for the \$3,000 and, obviously, their price would exceed the \$64,000 and would go up to the \$100,000 which is the maximum allowable under the Federal Program. I should indicate that there are individuals who will have made use of the \$3,000 grant available to first-time home buyers, who may have purchased older homes, who would also have used that grant to purchase homes under the HIMP Program, particularly the buy and renovate component of it. So that's how we tied into the first-time home buyer grant.

MR. G. FILMON: Is the present interest rate, the five-year mortgage money under the Homes in Manitoba Program 11.5 percent at the present time?

HON. J. STORIE: Yes, Mr. Chairman, it is.

MR. G. FILMON: What advantage is there to a Manitoba new home buyer to take the 11.5 percent mortgage money from the Homes in Manitoba Program versus, say, going to the Assiniboine Credit Union where they have a 10.75 percent rate at the present time?

HON. J. STORIE: Mr. Chairman, I would assume that the 10.75 percent rate is for a one-year mortgage commitment. I think that the 11.5 percent five-year term, if we compared that on the private market, it would be closer to 13.5 percent. In addition, there are, to my knowledge, no five-year term mortgages that are open; and I think there are two things that have made this attractive, and one certainly was the fact that the 11.5 percent mortgage money represents from an \$80-\$100 a month saving over a conventional mortgage at 13.5 percent. As well, because of its open nature, individuals who perceive that the interest rates were declining, or hoped that they would be, the openness of it certainly is an attractive feature. They didn't feel that they were going to get caught into a long-term situation where there would be lower interest rates available and they would not be able to take advantage of it. So there are significant advantages to someone who wants to take advantage of the HIMP mortgage.

MR. G. FILMON: What rate is the government paying for the money that it is lending out at 11.5 percent at the moment?

HON. J. STORIE: Mr. Chairman, I believe, and I stand to be corrected, I believe that the average is 10 percent, or something less than that. So we're talking about a spread of approximately 1.5 percent.

MR. G. FILMON: Mr. Chairman, does that mean that the government is borrowing it for 10 percent and lending it out for 11.5?

HON. J. STORIE: Mr. Chairman, yes, that is on average. We have always said that the program really would be self-sustaining in that respect. We felt that we were offering an attractive interest rate and, at the same time, that the operating administrative costs would be covered by that margin. In effect, we have the best of both worlds. We're providing significant benefits to the homebuyers at very little cost, in terms of the ongoing operating costs of the program.

MR. G. FILMON: Mr. Chairman, I propose that we pass Items 1.(a)(2) and 3. May I just ask the Minister how many staff persons are involved in what positions in that \$186,000 of new Salaries that weren't there before? That's a Deputy Minister and immediate staff is it?

HON. J. STORIE: Yes, Mr. Chairman. I have an Executive Assistant, Special Assistant, Administrative Secretary and Administrative Secretary 3.

MR. G. FILMON: Where does the Deputy Minister?

HON. J. STORIE: And a Deputy Minister and one additional secretarial staff. Mr. Chairman, I should indicate that the Deputy Minister has obviously been recruited, I made the announcement today. The secretary to the Deputy will be under recruitment in the near future.

MR. G. FILMON: Those five positions, they amount to the \$186,000 new salaries?

HON. J. STORIE: It would actually be six positions, four of them are currently filled.

MR. G. FILMON: Four have already been hired, but two aren't?

HON. J. STORIE: That's right.

MR. G. FILMON: Two haven't come on staff yet, but they're all provided for in this amount? Okay, what is involved in the Other Expenditures?

HON. J. STORIE: The Other Expenditures consist of an informational component of the Budget, operating expenses for Ministers office, operating expenses for the Deputy Minister's office and rental of office equipment.

MR. G. FILMON: Will these additions to staff enable the Minister to respond to a letter in less than a month now?

HON. J. STORIE: Well I can't make any guarantees. It depends . . .

MR. G. FILMON: I didn't think so.

HON. J. STORIE: It depends on how difficult the letters are to answer.

MR. CHAIRMAN: 1.(a)(2)—pass; 1.(a)(3)—pass; 1.(b)(1) - the Member for Tuxedo.

MR. G. FILMON: Mr. Chairman, with respect to The Residential Rent Regulation Review Act. I'm sure everybody else has as much difficulty with the three R's as I do.

I commented earlier on the incomplete information that is contained in the report that was tabled today so I won't go any further into that. I am interested in the overall process because I have had many, many, many phone calls and letters from people who are concerned about the process.

Most of them are tenants and I say to the Minister that even where they are receiving a judgment that maintains the increase at the provincially authorized guideline of 9 percent last year or 8 percent this year, many are terribly unhappy with the process.

We've had an opportunity to discuss, in the course of question period, the reasons behind some people getting increases in the range of 40 percent and so on - and we can talk about the justification for that equalization process - and I'll tell the Minister my views as to why it's an unjust process. But I have to say to the Minister that many of the complaints have to do with the unsatisfactory nature of the hearings that are being held, and I preface the remarks by saying, that in many areas we're dealing with a situation in which this is a quasi-judicial tribunal - that is an Appeal Panel - and it appears as though the method of operation of the tribunal does not appear to be even-handed, let's say. The process by which meetings are conducted is not always one that seems to instill confidence in the people who are there and I have a number of letters in which they just simply complain about the manner in which the hearings are dealt with.

I think it's of grave concern and should be of grave concern to the Minister because one has to remember that the decisions of these tribunals are not appealable in any court in the land. So it is even more important therefore, that justice not only be done but be seem to be done by this process because there is no next step; there's no Supreme Court that you can take it to if you feel you've been given an unfair or unjust hearing.

I'll refer to a couple of cases and the manner in which they saw the hearing being conducted. One, which was a large apartment block just south of the river here, and the process as described in the letter to me involves the panel coming in, holding it in the common room of the block, which makes sense and accessible; the sort of general rules and guidelines being addressed to the gathering. The qualification for them to be there, they have to have an interest in the process; either be a tenant or be a representative of a tenant in a legal sense and that sort of thing. You have to understand that these people have never been through anything like this before, many of them, so in terms of knowing their rights under the process they're totally naive; so they rely upon that opening briefing to give them an idea of what they can do or not do.

In any case, they get the opening briefing, it's short and inadequate and the process begins. People come in, sit down, the briefing is given and they find, No. 1, that the landlords' representatives sit at a table at the

front of the gathering with the Rent Regulation Review Panel and representatives of the Residential Rent Regulation Department. They invite the representatives of the landlord to make their case. They talk about the fact that there's no sound system, so they really don't hear everything very well and it's hard to follow and so on. Then representatives of the tenants are invited to make their presentations. They're told by the chairperson that they have to be through in an hour and they're hurried along and they really don't have an opportunity to make their views known very well, and it's almost an intimidating kind of process, so they really don't get their views on the table very well. Then the landlords' representatives, who have been sitting at the table with the panel all the way through, are given the opportunity for a rebuttal or a sum up. Then that's it, the meeting is adjourned and they wait for the decision.

I will say that in the two cases I'm talking about that I have information on, one case, I believe that the ultimate decision of the panel was a 9.8 percent increase, and the other was a 9 percent increase, neither of which would probably have offended the people but the process offended the people. They felt that it was unjust and unfair, that they really didn't know their responsibilities or rights at that meeting. They got the feeling that their views were solicited but only to the extent that it was necessary to make it appear as though they had participated, that the fact that the representatives of the landlord not only sat at the table with the panel but opened and rebutted, all that just seemed like a stacked deck. So regardless of the answer, they were not happy with the process. Has the Minister had any complaints about that?

HON. J. STORIE: Yes, Mr. Chairman, there were a number of, I think, sentiments expressed by the member that I share, concerns that I share, and I'm particularly glad that he has brought those out to be discussed because certainly I will acknowledge and he is aware of the fact that I have had some concerns expressed. I would say that they have been limited. I don't know how many appeals have been conducted, how many panels have been conducted, but certainly there were some people who expressed those feelings. I will acknowledge that as a result of my communication with tenants who have been through the process that we have made a number of changes.

The member will acknowledge that we are starting out with a brand new process that I think was set up and intended to provide the tenants with a forum for presenting their side of the case with respect to a rent increase and we have done that. We recognize that many of the tenants who come forward to present their case at an appeal hearing come without a great deal of background either with respect to the Act or its regulations or with any degree of knowledge about the management and operations of a rental premises. So clearly the tenants are at a disadvantage when they come to the hearing process.

First, with respect to the equalization questions, there have been between 20 and 30 equalizations at the officer level out of hundreds, so that hasn't happened on a regular basis. The landlords have requested it on many occasions and, as the member is aware, the times

that has happened, I think we both acknowledge that the rent level ended up at an equitable level. But as you've indicated, the tenants weren't dissatisfied necessarily with the equalization results, simply that they didn't agree with the principle of equalization and felt that was a hardship directed specifically at them.

The member will acknowledge that the previous system, rent arbitration system, basically was that kind of a thing. It was an equalization system in many respects, so I think it has to be recognized that from time to time there is going to be justification for an equalization. I think that the panels have been very cognizant of the fact that the equalizations do impose a hardship and where that has been done the rent level in the final analysis has been a reasonable one. While perhaps in one instant or in a few instances there have been significant percentage increases, they have left the rent level at a reasonable rate in the final analysis.

The process - I'm aware of some of the shortcomings and certainly some of the advantages of the process. I indicated earlier that I had met with a number of tenants who have gone through the process. I was certainly encouraged and I was certainly appreciative of the fact that they took the time to explain how they saw the process working and what they saw as its limitations and its strengths. Certainly one of the limiting factors was the original access they had to the financial information, the viewing hours. That is one thing that we have changed. The viewing hours have been extended, they have been made available after normal working hours so that tenants can have access to them.

The question of their particular input at a hearing is something that does concern me and we've always maintained that the process was meant to be an opportunity for tenants to present their side of it. The difficulty that the panelists and the chairman of the panel has been experiencing is that many tenants come with, I guess, a plethora of concerns that deal with issues other than the rent increase which is the sole matter that the panel is convened to hear. They come with "I've got a leaking faucet, I haven't had my window fixed", and certainly those are legitimate complaints in their own right. However, the appropriate place for them to bring those complaints up of course is the Rentalsman's Office. So the panel, in some instances, have had a difficult time separating what is relevant for that specific hearing with what is rightly within the jurisdiction of the Rentalsman's Office; that has led to some conflict and some misunderstanding. Certainly, we have attempted to deal with that and, as the member indicated, the process begins by the chairman explaining what is about to happen in the hearing itself. I recognize that's not sufficient background information for many of the tenants and perhaps some landlords, and we have undertaken to prepare a brief synopsis of what the hearing process entails, how each party can contribute to the hearing, how they can best do that and providing them with at least some details on what they can expect.

We will be, henceforth, sending out that brief description with the Notices of Appeals, so that tenants do not show up at hearings with no understanding, with no foreknowledge of what the procedure is going to be about and how they can contribute. We also are preparing a brief outline of what the Office of the Rentalsman can do for them, what the Rent Regulation

Bureau is and does, and what the appeal hearing is all about. We have identified a number of the problems that the member has indicated; as I mentioned, they are not overwhelming. There are some tenants who have felt frustrated by the process and in some respects they have a right to feel that way.

We are trying to correct the problems. We are trying to provide the type of information that the tenants need to fulfill a real and viable role in the process.

MR. G. FILMON: Mr. Chairman, I want to just correct the Minister if I left him with the impression that the people who had written to me and were satisfied with the 9.8 percent increase were ones who had been subject to equalization. That's an entirely different issue and one which I have not yet addressed. The people who had written to me and were satisfied with the 9.8 percent, but were not satisfied with the process were a different matter.

Those who were subject to equalization, in many cases, were getting increases of 25, 30 and 40 percent and they were not satisfied with the equalization process. For the Minister to justify that on the basis, the fact, well, "that was really the system that we had in place is precisely what I had in mind." The fact was that, yes, that system was in place under our government. People were aware of how that system worked. But this Minister and his colleagues, when they were in opposition and when they ran for office, offered a better system, offered a situation that would keep people's rents down to low levels and were talking that their increases would be much less.

We had the median increase of 8 percent in the year of 1981 when this survey was done; median of 9.8 percent average of something just over 9 and judging by this statistical summary, we had something much higher than that in those which were under the review of the Rent Regulation Review Bureau. That excludes the 20-odd percent that were outside of control, so we know that the median and average increases are going to be larger than that under the first year of the rent regulation process.

If the Minister is trying to take credit for saying that their equalization process was just similar to ours, well, that's fine, but they said they would do it better and they said that they would provide greater protection. They said that they would keep the increases down, and of course just as we had predicted before the rent control legislation was introduced, it isn't happening and it won't happen. More so than that, the heavy-handed bureaucratic approach of the process has succeeded in destroying all rental housing construction in the province virtually. Our vacancy rate is going from a very comfortable level rapidly down to an alarming level. There is no evidence that without government grants, we'll ever get it going again, so that's another matter. That's what's happening under this process and I am talking to the Minister about the process, and I accept the fact that they're new at it and they're going to have to perfect it, but I say that the process is making a lot of people unhappy. That's one aspect of it.

The second aspect is the length of time that it takes to go through the process. Firstly, the review and recommendation of the residential rent regulation officers, then the appeal by either party, then the panel and we're into many many months to get a decision.

I know from having talked to many residents at one of the larger complexes that took a considerable length of time. People's rents were varied all the way back 14 months for a decision; that part of the process is not pleasing many of the participants, many of the tenants.

I am interested to know from the Minister - he said that they're tightening it up and it's going to be done in a much shorter period of time - what is their objective as to how long it will take for someone to get an answer when their rent increase is appealed?

HON. J. STORIE: Yes, Mr. Chairman, I suppose the issue of the process, particularly with respect to the appeal hearings, I would like to just clarify a couple of other things that the members said in his earlier remarks, and that was the one referring to the fact that the panel and the landlord were sitting together. That may have happened on one occasion because of peculiar circumstances, but in the way the proceeding is intended to run is the tenants and the landlord are on equal footing. There is no association with the panel.

With respect to the hearing, they're aware of some problems with acoustics and a sound system was installed to alleviate that problem. As well, the hearings are open, they're public hearings and anyone can attend. If they're involved in the process, if they got a notice, they can come, so there's no intention to keep anybody that's involved in that particular structure from the hearing itself.

I suppose the side comments certainly concern me and that's with respect to the lack of rental construction that the member alludes to. Well, I don't think the facts support the member in what he has concluded. One way or another, governments, federal or provincial, have provided support to developers to construct rental premises for the last 10 years. There have been virtually zero units constructed by private developers without assistance of one form or another. I believe it is in the neighbourhood of 80 to 90 percent that have received assistance through MURBs or ARPs or the present system, CRSP units.

So that lack, that deficiency, certainly has existed for a long time. I think the present circumstances in Manitoba are quite favourable. CMHC has indicated that there are approximately 1,500 units to be built in the province in the next year. That is eight or nine times what was built in 1981, so there are rental units coming onto the market. As I've indicated as well in the House, the Homes in Manitoba Program and the construction of public non-profit housing will also alleviate some of the rental pressure, so it's a two-fold process. I don't think one can argue specifically that rent controls have decreased the supply of rental premises. I think that any number of other provinces have experienced similar situations with respect to vacancy rates and I think earlier this year one landlord or one developer, a major one in the city, indicated that it was not rent controls, in fact, that was preventing the development of apartments, that it was the interest rate and the general state of the economy. So I don't think it's fair or accurate for the members to suggest that it's rent controls that are contributing to the vacancy problem.

I've indicated as well the fact that the province is now growing, in terms of population once again, also

contributes to the problem of the low vacancy rate. I don't think that the prospects are as bleak as some would suggest. CMHC, earlier this year after the October vacancy-rate report, were suggesting that it was conceivable that our vacancy rate would drop to 1 percent or below. Their April figures indicate that we're at 1.4 percent and while the rental market will remain tight, and because of a number of other things the government has done, that we're not in as difficult a position as we could have been. So we're cognizant of the problem but I don't think we're being overwhelmed by that aspect of it.

The other problem of the length of time that it's taking certainly is a concern of the department and I'm sure of the bureau. The member will recognize that we started off with a backlog in August - actually not August - we couldn't start up until September because of some of the time limits, that we were providing time for both landlords and tenants to acknowledge the regulations in the Act and act accordingly. So the bureau was faced immediately with an eight-month backlog, a backlog of thousands of rent increase applications so they were behind the eightball, so to speak, from the beginning. Certainly that backlog has been erased, by and large. The process of dealing with the 1983 applications for increase is under way, well in hand I should say, and we anticipate that we'll be able to deal in a much more efficient and expeditious manner with the increase requests that we're facing this year. We are, nevertheless, going to be faced with a lag period.

The statutory requirements are such that certainly four to six weeks of necessity will pass. Twenty one days of that or three of those weeks of course refer to an appeal period, during which either the landlord or the tenant has the right to appeal, so some of the time delays are statutory; they're written in and I think they protect the rights of both tenants and landlords and we can't get away from that. The delays that are caused by the workload we think we have in hand, and hopefully the process will work itself out.

MR. CHAIRMAN: The Member for Tuxedo.

MR. G. FILMON: I just want to, in speaking to the so-called facts that the Minister gave me, just read to him from a report which he very kindly provided for me, which is CMHC's semi-annual Apartment Vacancy Survey conducted in the City of Winnipeg, which says in part: "One reason that apartment builders have been reluctant to continue preliminary starts on an estimated 1,000 Winnipeg units with active MURB certificates, is the presence of rent controls." So that means that they have entitlement to Federal Government financial assistance yet they're reluctant to continue on the starts, "is the presence of rent controls."

"The Provincial Residential Rent Regulation Act outlines a 9 percent rental increase guideline for 1982 and 8 percent, 1983, with the onus on landlords to justify increases above this level. The program exempts new rental units entering the market for a period of five years. Apartment builders have claimed, however, that the legislation does not provide for a fair return on invested capital and there has been no indication that they will proceed with any rental developments

outside of the terms of the Canada Rental Supply Plan, which is a heavily subsidized plan.

"A total of 419 units have been completed in the 12-month period ended September 30, 1982. This is a decrease of 52 percent from the 879 units completed in the same period one year earlier." The Minister said that 1,500 was seven times larger, I think, than 879 just a second ago. "Approximately 1,800 units are required annually in the Winnipeg market due to population growth, decreasing household size and withdrawals." And they talk about it going down to 1 percent and so on and so forth, so I think the Minister's a little confused in his facts.

HON. J. STORIE: Mr. Chairman, I was referring to the CMHC Quarterly Report which was published - I believe the honourable member may have a copy of it - just recently the 1983 first Quarterly Report had indicated that the apartment construction in 1981, I believe, was somewhere in the neighbourhood of 140, so I was comparing that to 1,500. I'm just using the figure of 8 to 9 percent, I may be mistaken. I may not be comparing the same things.

Certainly I had read that comment in the CMHC Vacancy Report or Rental Report and would indicate that the fact is, that no builder over the last 10 years as I've indicated, or very few, have built beyond what was available by way of a tax write-off, incentive, whatever, through the Federal Government, by and large, and it happens to be CRSP. So to suggest that because of rent controls no one is building beyond CRSP is not entirely accurate. No one was building outside of the assistance programs prior to rent control in this province or with or without rent control in other provinces, so I think that's the case.

The other issue is that there is some construction going on and certainly while it may be maintained by some developers that rent controls are preventing them from building without incentives, I think the facts indicate that few of them, if any, were doing it before without incentives, and there's no reason to suspect that it would change if rent controls were removed.

I think, as well, that it's important to indicate that CMHC was predicting some time ago, a year ago or more, that the vacancy rate was heading down and that was prior to rent controls, so I think the trend was there. Certainly the lack of construction activity in the apartment and multiple-dwelling units would have indicated to most that it, in fact, was happening. Then we have the fact that there are an additional number of thousands, 10 or whatever number you happen to believe, of people returning to the province. Obviously our population is increasing and I would hazard a guess that much of that population is returning to Winnipeg, providing that much more need for apartment space.

MR. G. FILMON: Mr. Chairman, I just want to make the point that it is not just I who is making the point about the effect of rent controls on rental housing constructions, it's CMHC who's making the point, and I just read it to the Minister from their statement.

HON. J. STORIE: I suppose we're going to differ as to the effects of rent controls. I would indicate CMHC has also indicated that because of the construction of

CRSP units, because of the other housing programs that the Provincial Government is offering, that the vacancy rate, rather than continuing its slide, has stopped and certainly it would be our intention to improve that situation in any way that we can, as the department.

MR. G. FILMON: I've misplaced my copy of that provincial CMHC Quarterly Report. May I have a copy?

HON. J. STORIE: If the member can give me a minute, I believe I have a copy. I know what he's looking for, I just can't find it. I don't have mine either, Mr. Chairman.

MR. CHAIRMAN: He doesn't have his copy either?
In the meanwhile, 1.(b)(1) - the Member for Tuxedo.

MR. G. FILMON: Did the Minister send over a copy to me in the House? Did anyone else get a copy of it?

HON. J. STORIE: I had one, but I wasn't expecting to deal with it so I didn't bring it.

MR. G. FILMON: I want to say something - I read it and I underlined a certain page, and it's unfortunate that I don't have it here to refer to - but the Minister has twice referred to the effect of the provincial programs in housing on helping to encourage people to move into new homes and therefore easing the vacancy rate situation. He attributes that to the CMHC report. Nowhere in that report do they say that it is attributable to the province. In fact, they take full credit for it, saying that it is a combination of their \$3,000 and the lower interest rates, not the provincial program that have affected this increase and its change into new housing.

I suggest to the Minister that he is reading something in that is not there, and that CMHC is not giving him or his government credit for any of this, that it's the \$3,000 grant and the prevailing lower interest rates that have moved a lot of the people into the housing market again. That is precisely the position that I take with him. — (Interjection) — When you start with nothing, you've got a long way to go.

HON. J. STORIE: Mr. Chairman, we're going to differ on what the CMHC Quarterly Report implied. Certainly I believe that in the conclusion it did specifically make mention of the fact of the impact of the Provincial Government's programs - this is March, 1983. Another one, besides the one that we are talking about, and it specifically says that the high level of activity results from the combined effects of the federal and provincial stimulative programs. I would indicate as well that - I suppose we're going to differ on this - clearly the Provincial Government has had a significant increase in the amount of activity in housing. I should indicate as well that MHRC has done some surveying of people who have been involved in the HIMP Program. The indications are from that survey that the 11.5 percent mortgage is what attracted people to the program. We've discussed the benefits of that program and I think they're significant. I think that the people that are taking advantage of it see the advantage of that mortgage and the terms of the mortgage, and they

certainly acknowledge that's the case. I think that I can understand the member's position in not wanting to acknowledge that, but I think he's forced to. I see him chuckling.

MR. G. FILMON: Mr. Chairman, I'm amused at the lengths that the Minister will go to try and justify his position, but I'm certainly not impressed with the logic of his argument.

HON. J. STORIE: Mr. Chairman, if the honourable member would be a little more generous in his praise, then I certainly wouldn't have to go to such great lengths.

MR. G. FILMON: Well, Mr. Chairman, if the Minister will just do something that'll be worthy of praise, I'll be glad to comply.

HON. J. STORIE: Mr. Chairman, the honourable member wouldn't recognize something worthy of praise if it hit him.

MR. CHAIRMAN: The Rules say that we should stick to what is relevant.

MR. G. FILMON: In this case you're right, Mr. Chairman, there's no praise relevant to this discussion.

MR. CHAIRMAN: 1.(b)(1) - the Member for Tuxedo.

MR. G. FILMON: Mr. Chairman, in further dealing with this matter, I wonder if the Minister can explain to me, because I've had reports second and third hand about the method by which people are allowed to recover losses when applying for an increase beyond the 9 percent, or in this year the 8 percent guidelines. I haven't seen it in writing anywhere in the regulations, so I wonder if this is sort of arbitrary or if there is an accepted method of dealing with it on a . . . basis.

HON. J. STORIE: Mr. Chairman, I don't claim to be one of the people that works this out on a regular basis, but my understanding is that basically the system is if the premises is running in a deficit position that one-third of that deficit is allowed to be passed through.

MR. G. FILMON: Mr. Chairman, why would just one-third be allowed to be passed through?

HON. J. STORIE: Well, I suppose the assumption behind that is that there are any number of things: operating costs, cosmetic changes to buildings, any number of things that could be relating to that deficit position. It could be, in effect, one that was willingly undertaken.

MR. G. FILMON: Mr. Chairman, if you assume that signing a mortgage or doing some repairs to meet building code, fire regulations, or those sorts of things are willingly entered into, I assume that a person has to have a mortgage in order to keep his apartment going, or he has to undertake fire regulation improvements in order to continue to be open to

tenants. If that you call "willingly undertaking," fine, but I'm a little confused by the Minister's reference.

HON. J. STORIE: Well, the decision was made that buildings that were in a deficit position obviously, for whatever reason, that deficit would not be borne by the tenants in one year, so by allowing a pass-through of a deficit position on a one-third basis that certainly over time the landlord would be able to effectively resolve that problem. Obviously, if he's in that position, he has alternatives as well. I recognize that as the member suggests, some of the things are by requirement. When they receive an upgrading order from the city and so forth that they're required to do that. Certainly that may be a hardship from time to time for specific landlords, but I don't think that's a general problem that they face.

MR. G. FILMON: In other words, you're condemning a landlord to losing money. What are his alternatives that you refer to?

HON. J. STORIE: Mr. Chairman, obviously the allowing of a pass-through of a 1/3 deficit will enable that particular landlord to remove himself from that position over the three-year period.

I should indicate that this particular problem, this potential problem, has not been one that has been faced any great number of times. Clearly within the guidelines there are provisions for the Appeal Panel to consider some other factors. In situations where hardship occurs obviously the landlord would appeal and at that point a decision can be made by the Appeal Panel themselves to provide additional support for a given landlord's deficit position.

MR. G. FILMON: Mr. Chairman, it doesn't seem important whether that has been run into a few times, or 10 times, or 100 times. If the principle is not right in dealing with this kind of situation, then I think it should be addressed. Somewhere in the Minister's opening statement he refers to The Residential Rent Regulation Act as being fair to tenants and landlords. How is it fair to a landlord if he is condemned to operating at a deficit because of the provisions of this legislation?

HON. J. STORIE: Well, with all due respect, Mr. Chairman, the landlord is certainly not condemned to live with a deficit. There are provisions for him to recoup that deficit by way of increases over a period of three years, as I've indicated. In addition, I think the member is assuming that landlords don't have alternatives in controlling their particular operating costs, so there are some other actions that a landlord could take.

Clearly we're dealing with a tremendous number of variables when this was put together. A decision was made not to allow a pass-through of a deficit over a one-year period. I've indicated that it has not been a serious problem; that the appeal section can deal effectively with landlords who are faced with this problem and have no other means to extricate themselves, then it's possible to be dealt with in an appeal situation.

As well, I've never indicated that anything was written in stone. I've met with landlords and developers; I've

met with the Landlords' Association and this has not been brought to my attention, in any great amount, to have been a problem. So, if we see it to be a problem and we receive vast representations from the landlord groups that this is becoming a problem then obviously we would have to look at it but to date it hasn't been necessary. I think it was a reasonable position to take and it has proved to be.

MR. G. FILMON: What are the alternatives that the landlord has when faced with that situation, where he definitely has an operating deficit and he's not allowed to recoup the operating deficit except at one-third of it in this year? What are his alternatives? The Minister has referred to that a couple of times.

HON. J. STORIE: Mr. Chairman, I'm not entirely sure whether the member is referring to strictly cash losses, cash flow problems that are resultant or simply being in a deficit position with respect to book value, or whatever we call it, what the accounting term is. He does have a couple of options. One as I've indicated and one that's been successful is the appeals route. The other, of course, is to restructure his debt. In effect that's the problem. I think in another year that obviously there are a number of operating things he could do, or changes in his operating practices that might alleviate it as well.

MR. G. FILMON: Mr. Chairman, I'd like the Minister to tell me what he means by restructuring his debt.

HON. J. STORIE: Well, again, this is one of the tricky areas and one that we've had a good deal - I suppose that when the legislation was drafted and when landlords were consulted it's one of the problems we faced - and it's very difficult to find a uniform position that landlords are in with respect to their equity that they have; with respect to the mortgage they're carrying; the terms of the mortgage that they're carrying; so clearly if a landlord finds himself in a deficit position and he has additional equity which could provide him some relief if he can renegotiate the mortgage that he has, then those are a couple of ways that may allow him to extricate himself.

Certainly I've indicated and I will again, that the Appeal Panel has dealt with issues like this and, I think, satisfactorily.

MR. G. FILMON: Mr. Chairman, why would he put his additional equity into the property if he gets no return on it?

HON. J. STORIE: Mr. Chairman, he certainly can make a return on his investment. The guidelines are established with a component that considers operating expenses: an additional component in the case of 1982, it was 6 percent basically operating and 3 percent economic adjustment; and that 3 percent is intended to account for the various positions that landlords find themselves in that are not dealt with in an adequate way by the adjusting and passing through the operating costs.

MR. G. FILMON: Mr. Chairman, that's exactly what the Minister says, that he takes equity out of some

other situation - like maybe he's got some money in Canada Savings Bonds that he's getting 12 percent on - and he takes it out of there and he puts it into his block to reduce his operating losses, so he gets zero out of that and he loses his 12 percent that he's getting out of it. It doesn't make sense at all, Mr. Chairman.

The Minister may not have had it brought to his attention but I have and I have had it brought to my attention by a supporter of his party who is no longer a supporter of his party because of this situation, where he said that he believed what the Minister's predecessor had said when he brought in the legislation that it would be fair.

He can't understand how not being allowed to have an operating return on his investment, to not even be allowed to recoup his losses in operating his rental properties, is fair. So I'm not speaking on behalf of some major landlords; I'm just talking about some people who have attempted to provide for their future security through some small investments and are not able to even get the thing into a break-even situation because of the provisions of this legislation.

HON. J. STORIE: Mr. Chairman, I guess we could exchange details of letters that we've received and the information that has been passed to us one way or another.

I have received letters from both tenants and landlords indicating that the process works and that they have been dealt with fairly one way or the other. So certainly when you're talking about introducing a piece of legislation that's complex, you're going to be faced with individuals who are frustrated. I wouldn't deny that there may have been individuals who feel hard done by and feel that because of their particular circumstances that the legislation didn't work for them. That's not to say that it can't. I can't say, not knowing the details of the particular situation you're referring to, whether they went the full route, whether they went through the appeal process, whether they were, in fact, fully prepared, whether they fully understood what the regulations provided for by way of pass-through. So there are a number of factors that would have to be looked at before I could say that they had not been dealt with fairly.

I believe that the system is set up to work in such a way as to accommodate and be as flexible as possible; to take into consideration as many of the factors that landlords are faced with from time to time, into account. I believe that it is set up to allow tenants to have some assurance that the rent increases that they're facing will be orderly and justifiable, and that when they're faced with increases that they don't perceive to be such, that they will have some recourse through a hearing to provide information to support their particular claim.

MR. G. FILMON: I can assure the Minister that these people understand the process and went through the residential rent regulation process and the appeal process. That's the problem - they understand full well the unfairness of the situation and that's why they've arrived at this conclusion.

In the 1.(b)(1) - is there any additional staff involved between last year and this year?

HON. J. STORIE: No, Mr. Chairman.

MR. CHAIRMAN: 1.(b)(1)—pass; 1.(b)(2)—pass; 1.(c)(1) - the Member for Tuxedo.

MR. G. FILMON: Mr. Chairman, are there any additional staff members involved in MHRC?

HON. J. STORIE: I am just trying to find the place. I would just indicate that, yes, Mr. Chairman, there are 15 additional staff.

MR. G. FILMON: In view of the fact, Mr. Chairman, that the money for the corporation has not increased to any extent, it looks as though it's a matter of a few percent, what are those 15 people doing?

HON. J. STORIE: Mr. Chairman, those 15 staff were basically hired to provide additional assistance for the Homes in Manitoba Program. Mr. Chairman, the 15 additional staff are charged against the Capital Homes in Manitoba Program. There is an administrative section component of that, so it isn't reflected in the overall salary figures of the corporation.

MR. G. FILMON: Is the Minister telling us that they're paid out of the Jobs Fund then?

HON. J. STORIE: Mr. Chairman, I believe the figure is \$1 million that has been set aside for the Homes in Manitoba Program in the budget for Administration.

MR. G. FILMON: Is that million dollars in MHRC's budget or is it in the Jobs Fund budget?

HON. J. STORIE: Mr. Chairman, it is in the operating budget and it consists not just of salaries - the administrative costs.

MR. G. FILMON: What is the operating budget? Is that MHRC or is that the Jobs Fund?

HON. J. STORIE: That's the MHRC.

MR. G. FILMON: If a million dollars has been added for the additional staff in the MHRC, did everybody else take a reduction in salary or did the operating costs of MHRC go down because, in essence, MHRC's budget is only up by 700,000 over last year?

HON. J. STORIE: Well, Mr. Chairman, I suppose that all the departments attempted to hold the line. Obviously there were a number of ongoing vacancies. The figure is - the overall increase is 1.1 million - oh, 704,000, pardon me, from the 1982-83.

MR. G. FILMON: Just to put it in perspective, I may have a slight advantage over the Minister in that this is the fourth department that I am going through as chief critic on, and in every case, we've identified that there's been on average, across the board, between 25 percent and 30 percent increase in Salaries this year over last year. The reason for that is that you have the 27th pay period, that you have the increments and that you have the residue from the settlement of last

year's MGEA contract that wasn't in last year's Estimates. That added to the normal increase from this year's MGEA contract which is known, gives you a total package increase of somewhere in the range of 25 percent to 30 percent for the same staff this year over last year.

In this case, MHRC has 15 more staff members, 15 new staff members to the tune of a million dollars in salary and yet they only have increase of \$700,000 which doesn't even count for that. So there's got to be built in there, four, five, maybe even more. I don't know what 20 percent would be, it would probably be in the range of \$7 million or \$8 million that is less in this year's program than last year. I want to know where it is.

HON. J. STORIE: You're talking about the overall budget, Mr. Chairman.

MR. G. FILMON: The overall budget, yes.

MR. CHAIRMAN: The Honourable Minister will explain the bureaucratic mystery.

HON. J. STORIE: Mr. Chairman, once again I do not have the - Mr. Chairman, I can give the honourable member a breakdown of the decreases that hopefully will total to an amount that are satisfactory to the honourable member. Administration budget has seen a decrease of 227,000; the non-recurring cost items are down \$700,000.00. Does the honourable member want me to continue with those?

MR. G. FILMON: Sure.

HON. J. STORIE: The Administration Recovery section are down \$170,000.00.

MR. G. FILMON: That's Recovery. You better be careful because that's the other way.

HON. J. STORIE: Well, I'm just being honest. Urban Renewal down \$10,000.00. There's an increase in the Critical Home Repair Program grants of \$700,000; the Neighbourhood Improvement grants dropped \$512,000; the Community Improvement Program saw a drop of \$100,000; Co-op Housing grants saw a drop of \$46,800; Core Area Initiatives Home Repair Program a drop of \$200,000; Housing Unit Operations saw a substantial increase. Do you want those figures as well?

MR. G. FILMON: Yes, go right ahead.

HON. J. STORIE: \$460,400.00. SAFER a decrease of \$80,000; SAFFR an increase of \$250,000; Non-profit Grants a decrease of \$100,000; Winnipeg Rehabilitation Housing Corporation, a decrease of \$192,000; Short-term Job Creation, \$450,000; and finally — (Interjection) —

MR. G. FILMON: Is that a plus or a minus, that Short-term Job Creation?

HON. J. STORIE: That's a minus.

MR. G. FILMON: Minus \$450,000.00?

HON. J. STORIE: Yes, and the Homes in Manitoba Program, the \$1 million, I think I neglected, the Salaries are at \$1.1 million.

MR. G. FILMON: That's what I thought.

MR. CHAIRMAN: With such revelation, the items should pass.

HON. J. STORIE: Well let's hope so.

MR. G. FILMON: With such revelation, I'm afraid the Minister has opened up a can of worms here. These are all the programs, all the social housing programs that the New Democratic Party has taken such great pride in, all the wonderful things they're doing in the inner city, in the Core Area and the neighbourhoods that need it have all just gone right down the drain as a result of all these things. All these are now just swept under the carpet; decreased contributions to the Community Improvement Program. I know why, of course, the Federal Government has pulled out of it so that's minus \$100,000.00. Decreased Neighbourhood Improvement Program, that used to be into Inner City Core Area, \$512,000 down; Co-op Housing, twice in a row we've had Housing Ministers tell us that they're doing more in Co-op Housing, it's down \$46,800; Core Area Initiative Housing down \$400,000; SAFER grants, Shelter Allowances for Elderly Renters down \$80,000 - this is the compassionate government that's helping the elderly in our society - Short-Term Job Creation down \$450,000 - this is the government that's spending, presumably, \$200 million in job creation, in the Jobs Fund, down - Winnipeg Non-profit Housing Corporation down \$192,000; on and on and on.

I haven't even got them all down here because he was going so fast, but these are all the Social Housing Programs for the needy areas, for the Core Area, for Winnipeg low-income families and seniors and all that. Zappo, that's the kind of compassion and commitment of this government, swept under the rug in one big item here that says \$38,258,000, Manitoba Housing Renewal Corporation, and when we get down to the actual facts and figures, they've just wiped out, emasculated and destroyed a lot of good programs; and also that it can go into high-profile areas that they can take great credit for, like the Jobs Fund. What a fraud; I can't believe it.

HON. J. STORIE: Perhaps if the honourable member will give me an opportunity to explain, if he can maintain control for a moment, perhaps I can explain away these mysteries. Shall we start at the top?

MR. G. FILMON: I think your colleagues think you may have done a little too much talking already.

HON. J. STORIE: The member started talking — (Interjection) —

MR. CHAIRMAN: Order please. The Minister is explaining.

HON. J. STORIE: The member continued through quite a series of different items which have seen decreases

and perhaps, I think, unintentionally mislead the committee with respect to the intention behind those decreases and why those decreases came about.

We could start off by talking about the Urban Renewal Grant which saw a drop of \$10,000.00. The reason for that reduction is because that program is an old program and we are simply seeing a reduction in the amortization payment, so that it has been reducing since 1981-82, it reduces on a continuing basis. The CHRP grants, again a program that has been very successful, saw a tripling of the budget in '82-83, saw an additional \$700,000 this year. The Neighbourhood Improvement Program is another program which has been done away with. The Neighbourhood Improvement Program was an old program; we saw a decrease in the requests that have come forward as a result of the closing down of that program. It has been replaced, taken over by the Community Improvement Program, CIP, I believe is the acronym for that program now and that has been assumed by Urban Affairs, so that is an explanation for that decrease.

The Community Improvement Program, the decrease, simply the funds were not expended, the amount that was believed to be required the previous year, so we've cutback on what we have budgeted for that; simply good accounting practice I would presume.

The Co-op Housing grant, another grant. The member has completely misconstrued what this decrease relates to. It relates to what is called the High Impact grant and, again, that is something that was undertaken a number of years ago and the payments, I think I'm correct in saying, were on a seven-year decreasing basis, so what we're seeing is the end of that program and so we see a decrease in the requirements.

The Core Area Initiative Program, again there simply hasn't been the take-up, obviously. We're working on that but there hasn't been the take-up, again simply an adjustment to the budget to reflect more accurately what we can expect to be using in the current fiscal year.

The SAFFR decrease, again we're talking about an \$80,000 cut in the budget, but we're talking about a \$3 million program. Mr. Chairman, the \$80,000 is not as dramatic a decrease as the member would suggest. We're talking about \$3 million and we're talking about an \$80,000 reduction in the budget request, and obviously there has been a reduction in the take-up. Perhaps we can attribute it to some other factors which shall remain nameless.

Non-profit grants, we've seen an increase of \$250,000; the Winnipeg Rehabilitation Corporation, we saw a reduction of \$192,000 and, basically, there's a very simple explanation for that. In 1982-83 they requested a two-year payment, and so in 1982-83 they received \$385,000 which the member will recognize was an undertaking of the previous government to provide funds over a five-year period totaling \$1 million. For a number of reasons those payments did not flow in '81-82 and because of the increasing activity of the Winnipeg Rehab Corporation, they requested additional payment this year and that was granted. So the requirement is cut in half for the 1983-84 year; then the short-term job creation, \$450,000, obviously the program was undertaken in '82-83 that related to a lot of maintenance items, painting, repair work that was accelerated as a job creation measure, and because

it was undertaken last fall; because the painting was done; because the repairs were undertaken that were of a general maintenance nature, we see a decrease obviously that won't be required every year. There's only so many times you can paint a structure and basically the need wasn't there for this coming year. So I suppose with those decreases we come up to an overall increase of \$726,000.00.

I would just note that when we talked about an increase in the housing unit operations where the increase in the budget for that particular program - which is the management as the member knows - is very small, which indicates that there's been a tremendous job in the management and the execution of the responsibilities of the property management division in holding the line there in the increase in operating costs.

MR. G. FILMON: Mr. Chairman, as a matter of fact I'm aware of many of the operating efficiencies which have been undertaken by Winnipeg Regional Housing Corporation that have led to this primarily, and I think they ought to be congratulated for it; that's Winnipeg Regional Housing Corporation, that's not the Minister's department. They're one of the prime reasons for the decrease in cost escalations.

In any case, can the Minister indicate how much of the 450,000 short-term job creation funds from last year's Budget were used - \$450,000 was budgeted last year - how much was used?

HON. J. STORIE: Mr. Chairman, I am not sure how much of that was used. I don't have the program; neither the financial administration manager here, so I couldn't say offhand how much. I wouldn't like to guess at that figure. If the member wishes that figure, I will certainly get it for him.

MR. G. FILMON: I would like it, Mr. Chairman.

Did the Minister as well imply that for the \$450,000, all of the units under public housing, under MHRC's jurisdiction were redecorated and repainted and all the repairs were made? He said you obviously don't do this every year but it seems to me that there must have only been a portion of the unit. Surely that didn't cover all the units under his jurisdiction.

HON. J. STORIE: Mr. Chairman, my understanding is that a circular went out to housing authorities requesting them to identify the areas where they felt that it could be used and that's the basis on which the program operated. The information was sent out and whatever was requested, whether it was painting, or additional insulation, or windows, or whatever, basically small maintenance items, was undertaken, so that's how the program operated.

MR. G. FILMON: Would the Minister think that if the same circular request for projects went out again this year, that others would not be turned up?

HON. J. STORIE: Mr. Chairman, the housing authorities do have operating maintenance budgets. These were exceptional and accelerated projects.

MR. G. FILMON: I recall, Mr. Chairman, that was last year's version of the Jobs Fund, only it was done on

a short-term job creation basis - mind you, I guess the Jobs Fund is too. But in any case, can the Minister indicate to me - we've touched on co-op housing several times in this discussion - how many co-op housing developments were started during the past year, or how many units were constructed of co-op housing in the province?

HON. J. STORIE: Mr. Chairman, the Minister of Co-operative Development, of course, as I had indicated previously, had given figures in the House with respect to the number of co-operatives that had been initiated in the previous year. To my knowledge there were no major co-op housing undertakings that were of any size.

There were a number of small co-operatives begun, one of them being the Prairie Housing Co-op, I believe, which started in '82-83. As I indicated as well, CMHC for the first time I think in Manitoba, has allocated some 90 units. I indicated that there is a resource group working in the Department of Co-operative Development in co-operation with the Department of Housing, and is seeking to identify groups at this point as identified groups and is proceeding to get units under way.

MR. G. FILMON: Of the money spent last year in the Buy and Renovate, the Family Housing, and the Affordable New Homes of which there was a total of about \$16 million that was allocated to March 31, 1983, can the Minister indicate which portion went into Buy and Renovate, and which portion went into Family Housing out of that \$16 million?

HON. J. STORIE: Yes, Mr. Chairman. Out of the 16 approximately \$10 million would have been committed under the New Home section; approximately only about \$155,000 at that point under the Buy and Renovate; no, pardon me, \$564,000 under Buy and Renovate; and the non-profit units, I'm not sure what the figure is on those. They're under a separate heading. They're approximately - what's the difference on them?

MR. G. FILMON: The difference would have to be about \$5.5 million if the \$16 million figure is correct.

HON. J. STORIE: Mr. Chairman, we're having some problem with the words that we're using. We're talking about cash flow projections and we're talking about commitments, so that's the problem with the discrepancy.

I can indicate that approximately 200 units of non-profit housing was committed prior to the March 31st deadline. Then we had approximately 345 units of housing, and to March about 35 in Buy and Renovate.

MR. G. FILMON: Mr. Chairman, so that's 35 houses in Buy and Renovate, total commitments at \$564,000; is that grant or mortgage money?

HON. J. STORIE: That would be mortgage money. I should indicate, as well, that the Buy and Renovate there were some 81, I believe, units in process that had not been completed; they were in various stages of application and review. As the member knows there

a number of steps that are required before there's approval.

MR. G. FILMON: Why would the Minister think that there would be such a small uptake on the Buy and Renovate?

HON. J. STORIE: There are a number of reasons; (1) The target areas, the idea behind it is certainly a new idea, I guess, you're tying in both the mortgage and the renovation portion. Certainly because we designed a program to take advantage of all of the various renewal and renovation programs that were out there, including federal ones, we certainly ran into a number of administrative roadblocks that prevented the speedy delivery of those units, but certainly those individuals who have been approved. I have not had the opportunity to visit one, I know that staff did visit one of the units that was completed and it's a remarkable transformation and the individual himself is well satisfied with the results.

So, there have been a number of meetings between staff and myself and other individuals who have been involved to get ideas on how to streamline it and, I think, we're to a point now where it is a much better and a much more streamlined process and would take, maybe, four to six weeks to go through it, where it might have taken substantially longer to begin with.

MR. G. FILMON: Could the Minister indicate if he has any plans to collapse the Manitoba Housing and Renewal Corporation directly into his department, or does he intend to keep it at semi-arm's length through a separate board as it is at the present time?

HON. J. STORIE: Mr. Chairman, as the member may be aware, when the creation of the department was announced there was a task force to review the operations of the department and look at possible alternative structures for the department. Certainly there has been a decision to make some changes, the final form of that has yet to be determined specifically. The appointment of the Deputy Minister, I'm hoping, she will be certainly involved in coming to some conclusions with respect to how it actually evolves. There is presently, as well, a working group looking at what would be required to make some of the transformations from various aspects of MHRC into the more line department style.

I should indicate that, having said that, there's an obvious, I think, acceptance of the majority, if not all, of the programs that are offered by the Manitoba Housing and Renewal Corporation. I think most of them are successful, they're well integrated and certainly, regardless of what the final structure of the department is, that those programs and the staffing attached to them will remain intact, by and large.

MR. CHAIRMAN: 1.(c)(1)—pass; 1.(c)(2)—pass. Back to the Minister's Salary. 1.(a)(1).

The Member for Turtle Mountain.

MR. B. RANSOM: Thank you, Mr. Chairman, I'd like to return for a moment to the question of the \$50 million Homes in Manitoba Fund, and I hear sighs and groans

from the Member for Wolseley, but I just want to put on the record a few things here, Mr. Chairman, to indicate that this was a \$50 million program committed by the government long before the Jobs Fund was announced. If I can, first of all, deal with the press releases put out by the First Minister of the Province. He says on August 13th when he announced the program it was headed, "1,000 Unit Housing Program launched \$50 million initiative will create new jobs - Pawley." Here was a direct announcement on August 13th, a \$50 million program, not just to create housing, but to create jobs; that was part of the announcement on August 13th. On September 17th the First Minister, again, in outlining his economic policy, said that more recently the province announced a Homes in Manitoba Program which will provide \$50 million in loans to Manitobans; that was September 17th. On October 1st, where the Premier was proclaiming that Manitoba has entered the 7 percent world, he said on that occasion, he made reference to a major \$50 million job creating housing program. On October 22nd, where the First Minister put out a press release headed, "Pawley says foreign investment welcome." He gives an example of the economic measures taken by his government and it includes introduction of the \$50 million Homes in Manitoba Program, that was on October 22nd.

On October 29th, the First Minister put out another release headed "Capital stimulus for job creation." Again, he made reference to programs such as the \$50 million Homes in Manitoba Program. On November 5, 1982 where the First Minister listed government policies and initiatives he, once again, made reference to a \$50 million Homes in Manitoba Program. On November 26, 1982 news release headed, "Jobs and Investment in Future are Needed", Premier once again made reference to the Homes in Manitoba Program, innovative way of using public investment in mortgages as a means of building affordable homes and creating some 2,000 jobs in the process.

Those announcements, Mr. Chairman, there were only seven occasions between August 13th on the announcement, and November 26th where the First Minister of this Province was telling everyone that the government had a \$50 million Homes in Manitoba Program to create jobs, as well as housing. If you can't trust the First Minister let's look at what the Minister of Finance had to say then, because on September 17th the Minister of Finance, putting out a press release saying that "Stimulation boosts Manitoba's performance," he said, among examples of government efforts to stimulate the economy and meet depressing social needs he cited the \$50 Homes in Manitoba Program which is expected to result in the construction of 1,000 new homes providing employment to more than 2,000 construction workers. On December 17th, the Minister of Finance put out another press release, "Major capital spending program urged by governments." Here the Minister of Finance says that he's going to undertake a \$700 million Capital investment program including a \$50 million Homes in Manitoba Program. It gets nauseating after awhile, I'll admit, Mr. Chairman, to go through these, but this is what the public has been exposed to.

Then the Minister of Housing himself, on September 10th, in a press release headed, "Mortgage subsidy program outlined," said, "Housing Minister Jerry Storie

has announced details of the affordable new homes component of the \$50 million Homes in Manitoba Program." Finally, on January 28th, again from the Minister of Housing, he said in this one, "Homes in Manitoba is the Manitoba Government's \$50 million commitment to assist Manitoba families in buying better homes to stimulate housing and construction trade industries."

Now, Mr. Chairman, can there be any doubt that the government had intended to expend \$50 million on the Homes for Manitoba Program? It was announced seven times by the First Minister, twice by the Minister of Finance and twice by the Minister of Housing in addition to other places where it was mentioned without the \$50 million figure attached to it. That's 11 times the government told the public in press releases alone. The Minister of Finance, in his Budget had the audacity to say that he's putting \$34.8 million of this money into the Job Creation Fund.

Those are the reasons on that particular situation, Mr. Chairman, why I say that it is fraudulent to try and lead people to believe that that \$34.8 million was going to be used in any new job creation thrust, because the Minister, the Minister of Finance and the First Minister all had made commitments that money was already on its way to being expended.

HON. J. STORIE: Mr. Chairman, the honourable member will also know that the original announcement of the \$50 million was made prior to August 13th. The Homes in Manitoba Program was announced on August 13th. A deadline was established at that time, prior time actually, that the deadline would be December of 1982. The \$50 million program was announced with a deadline of December 31st. In December, a further announcement was made announcing the extension of the program to April 30th. There was a further announcement on May 6th, announcing the extension of the program once again. Mr. Chairman, the Minister of Finance - and I have indicated this before - has made public the fact where the \$34 million was. It is not something that was kept secret.

The final analysis, whether you're talking about \$50 million committed and a \$23 million addition from the Jobs Fund, which has also been announced; whether you talk about \$16 million plus \$34 million, which was subsequently transferred to the Jobs Fund, plus \$23 million; the fact is that \$73 million has been committed. That's the ultimate. The fact is that the \$73 million is there. The program is working. The jobs have been created. The member can juggle the figures, provide his own interpretation if he will, but the fact is that the commitment to create employment was there and the member has indicated his particular concern. The program is there and working providing homes and jobs and I think that's what it's about. I think that's what the issue is.

MR. B. RANSOM: Mr. Chairman, that's not the issue. There is an issue here of honesty and integrity on the part of the government. I agree with the Minister that they have a \$73 million commitment. They did it in two ways; they made a \$50 million last August and if they since have added another \$23 million to it, fine. But they cannot announce a \$50 million program 11 times,

and then somehow pretend that they can announce another, that they can announce 34.8 million of that again as part of this new \$200 million job creation thrust.

I know that this Minister didn't have any part in putting that together. I don't hold him responsible for this misleading presentation of how the dollars are being moved around. It's a question of either we believe what the First Minister has said and we believe what the Minister of Finance said and we believe what the Minister of Housing said, or else if we can't believe that, what can we believe when the First Minister of the province makes announcements - seven of them. I mean, not just once. This wasn't something that just happened to slip in and somebody missed it. I meant this was seven times the First Minister of the province called this a \$50 million program.

So Mr. Chairman, this is a serious matter of integrity on the part of the government, because what they've been trying to do with the Jobs Fund is make it appear as if there is some major new thrust which really isn't there. Unfortunately, this Minister who is new to his post and has shown a great deal of candour in dealing with the committee today, has been caught up in it because it's 34.8 million of his money that was herded off into the Jobs Fund and then somehow they pretended to give it back to him.

MR. CHAIRMAN: The Member for Tuxedo.

MR. G. FILMON: Did the Minister wish to speak? I forewarn him that responses usually bring on . . .

MR. CHAIRMAN: Does the Minister wish to respond?

HON. J. STORIE: Mr. Chairman, I gather that's an indication that he would rather get out of here than listen to me.

MR. G. FILMON: That's true.

HON. J. STORIE: I certainly respect that. Mr. Chairman, I will let the Honourable Member for Tuxedo make his comments and I might respond to both.

MR. CHAIRMAN: The Minister wishes to respond all at once. The Member for Tuxedo may proceed.

MR. G. FILMON: I will wait for the Minister.

HON. J. STORIE: Mr. Chairman, I just had a couple of remarks. One is that obviously the Premier has announced and sees this as an important program. I think the fact that he announced it and has emphasized it seven times or whatever the number is, is a reflection of the importance it has. I think if you talk to Manitoba homebuilders you would find that see it as being very important too.

With all due respect to the Member for Turtle Mountain, I think that it is not only myself who has show a good deal of candour and in dealing with this, the Minister of Finance and I suggested this before, has indicated in the House that the funds in the Jobs Fund are not all new money. He has acknowledged that; he has tabled the breakdown of the funding authorities in the House. He's provided that information.

I don't know that that's showing a lack of integrity. I think the Minister of Finance has done what was required and has been quite up front in it. Whether the member agrees with the wording and how it's discussed is another matter. But I think that certainly the Minister of Finance has laid the information on the table. It's public information. The bottom line is that, no matter how you slice it, the \$73 million that has been discussed in various aspects is there.

MR. G. FILMON: In attempting to wrap up the Minister's Estimates, I must say that there has been some shocking revelations during the course of the consideration of his Estimates as to just exactly what is happening within his department, not the least of which is this charade that's been carried on in bouncing funds back and forth between the Homes in Manitoba Program and the Jobs Fund trying to take double and triple and quadruple and whatever credit for some stimulus to the Manitoba economy for some job creation initiatives, much of which is very very questionable.

But, more so than that, the fact that this is yet another department being set up, with another new Minister, with the consequent overhead, empire building, you know, we have fixed in place, as a result of these Estimates, six new positions in the Minister's immediate staff, which includes a Deputy, support staff, secretarial, Special Assistants, Executive Assistants - you name it - six new positions, \$186,300; 15 new positions in MHRC, presumably to work in this Homes in Manitoba Program, a million dollars in salaries there to deal with 1,000 mortgages in this housing program. The Minister said maybe its got up to 1,100, but the bureaucracy that is being put in place, I think, is shocking for all of this new programming. At the same time, there is some pretty strong evidence of the lack of ability of many sections of this Minister's department to do their job efficiently and effectively to the satisfaction of the public.

You know, we had the front page headlines of a 90 percent increase in complaints from the Rentalsman's Office to the Ombudsman. I had the occasion to follow through on one of these complaints that went to the Ombudsman, and it's a terrible story where a landlord and a tenant, who presumably had a good relationship and had got along for quite a while, the tenant gave insufficient notice to his landlord that he was moving; but, because they had a good relationship he said to him, if you are unable to sub-let it then I'll work it out with you; so the landlord - just a small landlord who had a small number of units, we're not talking about a major landlord, we're talking about somebody who had a dozen or fewer units and this is sort of his retirement investment - so he set about and he sub-let the unit. Because maybe he had to go to a little extra work to get the sub-let accomplished in time he charged \$20 off the \$95 security deposit for doing the sub-let. The tenant wasn't necessarily upset with that, he phoned the Landlord and Tenant office and asked whether or not that was legitimate; their response was, well we can't give you an answer like that you'll have to put it in writing as a complaint so we can open a file. I can tell you that once that happened the paper work started and the phone calls started.

Then the Landlord and Tenant office sent the landlord a notification that he had to pay to them the amount

that he had already refunded to the tenant on the security deposit, not the \$20 that was at question, but the amount that he had already paid the tenant back on the security deposit. So the landlord, of course, ignored that because he knew it must be a mistake. Well, then the Rentalsman's Office triggered, under a new section that we passed last year in Amendments to The Landlord and Tenant Act, Section 86 (2), he seized the rent that was paid to another one of the tenants in the landlord's block; he seized that in error, nevertheless he seized it. And that, of course, got into a whole series of correspondence and telephone calls and it involved the Rentalsman, the tenant, the landlord, the Ombudsman, myself. You can imagine, this thing carried on for months, this thing carried on for six months.

Well, if that's the way they deal with a phone call asking a simple question, is it legitimate or not, when there is really no offence been created under the Act, it's no wonder that they're overworked and overburdened and they are not able to handle their business. I say, as I said in the House, that they're soliciting complaints. They're in bad enough condition as it is in dealing with the complaints they have, and part of it is that they don't know, with all the changes that are being made, where they stand and so everything has to be in writing and in a file. It is leading to terrible, terrible inefficiency and they are having difficulty dealing with it; I understand that.

Then you go to the Rent Regulation section of the Department and they're backlogged tremendously. Okay, the Minister tells us that it's because of the introduction of the new act, but the process is bad; the process is bringing more people into the net than it ought to and the process isn't being handled very smoothly and it's making a lot of people unhappy and it's unfair in many respects. As I've said, the one-third pass-through of losses is an unfair situation and I don't care how the Minister rationalizes it, you don't condemn somebody who's made an investment to losing money for three years because they happen to be in a situation where their rents don't meet their income, and there is no way that they can get out of it.

The process is not right and it's not living up to its advance billings; it's not helping the tenant to the extent that it was advertised, they're getting higher increases than they were previously and, at the same time, landlords are not being fairly dealt with. So we've dealt in such a heavyhanded manner, and at the same time, of course, we're having the inevitably shrinking of the vacancy rates and no new apartments being built.

Then we move to MHRC and we find the incredible situation where they have added 15 new people to deal with these mortgages of the Homes in Manitoba Program and these applications; at the same time they've cut back in all sorts of normal operating areas of the department. They've cut back in shelter allowances for elderly renters; they've cut back in core area housing, in Winnipeg non-profit housing and the non-profit housing grants; and co-op housing. All those areas have been cut back in funding so that more of their funds can be funnelled into the Jobs Fund, so that they can get a higher profile, more visibility for the so-called Job Creation Activity of this government. And I tell you that it's a crime.

Inasmuch as this Minister does a reasonably effective job in his public pronouncements and his ability to try

and rationalize and relate all of the bungling and bumbling that's happening in his department it's not going to wash and the public is going to know that in an area that the New Democrats said that they were going to be supreme in, that they were going to bring in such new initiatives and powerful new actions, they are a total and abject failure and this Minister has to be responsible for it.

MR. CHAIRMAN: 1.(a)(1)—pass.

Resolution No. 103: Resolve that there be granted to Her Majesty, a sum not exceeding \$40,434,000 for Housing for the fiscal year ending the 31st day of March, 1984—pass.

Committee rise.

SUPPLY - HEALTH

MR. CHAIRMAN, P. EYLER: Committee come to order. We are considering the Estimates of the Department of Health, Item 7, Line 7, Northern Patient Transportation Program.

The Member for Fort Garry.

MR. L. SHERMAN: Mr. Chairman, I want to ask the Minister for a report on the situation with respect to the Northern Patient Transportation Program, please. This program has come in for considerable criticism in recent weeks, in particular, as the Minister is no doubt aware. A number of major criticisms were levelled at the program in recent weeks by the Manitoba Organization of Nurses Association, MONA, particularly one section within MONA. I didn't have a chance to raise the issue with the Minister during question period earlier in the Session for a number of reasons, not the least of which was that he was away and in hospital part of the time that this particular episode surfaced. In any event, I knew I'd have a chance to explore it with him during consideration of his Estimates, so that's the point on the road at which we find ourselves this evening, Mr. Chairman.

Apparently, according to media reports at the time, and this dates back some three to four weeks, dates back into the month of April of 1983, a survey of nurses in eight Northern communities by MONA found, on average, that the province's emergency transport plane was not immediately available 36 percent of the time that it was called. Admittedly, in very precise clinical and technical terms, Manitoba's Northern Patient Transportation Program is not, strictly speaking, an air ambulance service. It does provide air ambulance service, when necessary, when required, insofar as it is capable of responding to calls for such a service, but it doesn't measure up to the level of a clinical, professional, technical air ambulance service per se in itself, of itself and exclusive. It has other responsibilities.

It's an aircraft that functions for air ambulance calls in the North and in remote parts of Manitoba but also serves other needs and other responsibilities. So one does not, in these circumstances, presumably expect that it will be available 100 percent of the time that it's called.

But this particular group of nurses, this particular component within MONA, claims that in the period during which they surveyed its performance and its

operation, as I say, that it was not immediately available 36 percent of the time that it was called, that's more than one-third of the time. That seems to be a fairly serious criticism to level at this service. That is one of several criticisms that have been leveled at it recently and I would ask the Minister where we are headed with that program.

Presumably looking at the appropriation that's being requested for 1983-84 we're not headed for any improvement that is going to cost any money. We need improvements in the service. If the Minister can achieve them without spending money he certainly will have a good deal of support from this side of the House because we are finally and acutely aware, Sir, of the limits on the Public Treasury at the present time. Unless he can do it without money he's not going to do it because the appropriation being requested for '83-84 is \$2,714,000, that compares with a 1982-83 Vote of \$2,264,000, so it's an increase of .5 million which wouldn't do much more, I suspect, than take care of inflation and normal cost price increases.

So at this juncture on the surface, at least, I can't see, in looking at the line that we're discussing and voting on, any provision for any extensive, or significant, or sophisticated improvement of the Northern Patient Transportation Program.

So I would at this juncture, Mr. Chairman, invite the Minister to advise the committee of what his feeling is about the criticisms that have been leveled at the program by members of MONA, and where we are headed in NPTP programming and capabilities in '83-84 in the light of what is a very tight budgetary figure.

HON. L. DESJARDINS: Mr. Chairman, first of all I'd like to say that it's a very good program. I think it's a program that has been improving an awful lot over the years. There's been more money spent; it has helped more people. The problem, though, is that it is not an air ambulance. The honourable member is absolutely correct. The criticism is certainly correct; it's an honest criticism, we haven't got an air ambulance service. We have an ambulance that the door doesn't make it possible to bring the kind of stretchers that we would like to see in the ambulance; we haven't got the facilities like the oxygen and so on, in the ambulance; it is not an air ambulance service.

It wasn't really meant to be at one time and I agree that there is a necessity for it now, especially in an area like Manitoba where half the population is spread all over the place and the other half here in the City of Winnipeg. I don't believe that all the criticism is valid. This percentage of time that the ambulance is not available, I don't think that's correct. This is not what our investigation shows at all and I don't know how anybody could find that out, other than the people that are running the service themselves. I don't know where they got that figure and it certainly doesn't jibe with the information that we have. That's why I started, probably shocking you saying that it was a very good service and there was nothing wrong with it; that's exactly the point I wanted to make.

Remember a few years ago it was under the Northern Affairs and there was some criticism. We set up a committee that looked at it, for the people from the North; they are now running part of it themselves. There

has been some criticism, for instance, that some people are sent by bus and so on. This has not changed; this is an additional thing, an additional help that they've been receiving. If the doctor decides that the patient could go by bus - it's not a pleasant ride mind you - if that is the decision, and the patient decides to go by the ambulance, then we'll pay part of it and that's where you get the criticism and say that we only pay part of the service. That is not correct; this is in addition; there's been more money spent. It is working fairly well. We need an awful lot more money for it.

Now I can say, and I don't think that's a secret and I don't think that this is running down or criticizing my colleagues in Cabinet, this was a recommendation that we made and I think the Minister of Northern Affairs did the same thing but, collectively, when we sat together and looked at the deficit that we had in the budget, and it was very difficult to do anything about it, to get it approved this year. It's something that we will repeatedly every year insist and ask for more improvement. We would request it; it will be one of our main options. I have no hesitation in saying that it was an option that was presented to Cabinet this year, and I received support from, not only my friend the Minister of Northern Affairs, but especially the members from the North. With more funds - I guess, we've talked about that before the dinner hour when we were talking about the ambulance, the other service, where Swan River qualifies - it would be nice to maybe add a few communities in there. It is something that, as I said, we would be looking at.

The member is absolutely correct, I think he put his finger right on it. He said that it is not strictly an air ambulance service; it isn't. It's difficult to bring the attendants; to have the facilities; to have a stretcher that is tied in solid, and certainly to bring it through the doors, we have to modify stretchers and it's difficult. I thought it would be easy when I was told that one, I said we'll just replace the door. In my innocence I thought that was a very easy thing to do. We're talking about half a million dollars or something like that to replace a door, that's not possible.

As Minister of Health I have no defence on that, except to say that Manitobans just can't afford it at this time. Again, anytime you bring in a program well then you create more expectation out there. That was a good program when it started; people thought it was such a terrific thing, so much help that we didn't have here before. We helped an awful lot of people, but the situation is that now we need more than that. I think that some other provinces anyway, that have a little more money than we have - I'm thinking of Alberta; a richer province - they have this kind of service. We will keep on working on that. In fact, we set up a sub-committee of Cabinet to deal with that; to look at the possibility when we have a chance of maybe exchanging a plane.

In defence, and I said it was good program, because I want to defend the people that have worked so hard to make it work, the people of the North and our people and our staff, also, at the commission, as well as the pilots who have done the work. There's been a lot of things said that were unfair, or certain things that were unfair. Of course, that plane is used for other purposes, for other trips, but it doesn't matter if it's the First Minister of the province or anybody else, I don't know

of any exception, if there is a call, they might be in the air on their way to Winnipeg, let's say, and if there is a call they go right back to that spot immediately and, be it the Premier or the Minister of Health or anybody else, they have to wait until that patient is being transported. I think that there has been some exaggerating in that article, I read the same article; but there is no doubt in my mind, I think that one of my colleagues would tell you the same thing, this is an example of priorities and, as I said, where we haven't got the funds to do anything right now. I think that we could say that this would be a proven principle and this would be an option that is quite high on the list of the commission at this time.

MR. L. SHERMAN: Mr. Chairman, is the Minister saying that the government is contemplating replacing the Cessna Citation with an aircraft better equipped to function as an air ambulance in the North?

HON. L. DESJARDINS: I will say - I don't think I can speak for the government at this time until this is done - I will say that the Department of Health, the Minister of Health as well as other Ministers such as the Minister of Northern Affairs is making that recommendation, but collectively, of course, the Cabinet has to look at a lot of other factors. But it is something that we'll keep coming back with because we're far from satisfied.

MR. L. SHERMAN: Mr. Chairman, are there any modifications to the Cessna Citation that are being made at the present time, or that can be made, that would better equip it and accommodate it to perform this service in the interim while the government continues consideration of a possible replacement and the financial requirements for doing same?

HON. L. DESJARDINS: Mr. Chairman, as I said earlier, we talked about the door but then the cost was prohibitive, it wasn't worth it to change doors, there would be modifications to stretchers we have. We've hired somebody at the Commission that had been doing research on this ambulance before and that's continuing and he's getting involved working with our program on that; but to the plane itself there hasn't been any worthwhile modification.

MR. L. SHERMAN: Mr. Chairman, I'd like to ask a question to which I know the answer - or I know the answers I'm going to get - but I want to ask the question anyway because I want to put it on the record.

The fact is that when we were in government there were a number of Northern MLAs, members of the opposition at that time - the New Democratic Party Opposition - among them the current Minister of the Environment the MLA for Churchill who raised a considerable furore in the House about the state and status of the Northern Patient Transportation Program.

I don't fault them or him for doing that in view of the fact that they represent constituencies that depend very heavily on this specialized service or what is hopefully a specialized service although not a perfect one.

Now however, we have considerable questions being raised by professionals in the field - and I've referred

to some of them about inadequacies in the program which I might say, were not raised during the time of our administration, not by similar professional groups in any event. My question to the Minister is - and I expect his answer will be yes - are any of those northern MLAs, now sitting on the government side of the House, including the Member for Churchill, the Honourable Minister of the Environment, including another member of the Executive Council, the Member for Flin Flon, including the Member for Rupertsland and the Member for Thompson - have any of them raised with the Minister and with the government, concerns and problems and anxieties with respect to NPTP, because they certainly haven't raised them in the House? They have not raised them in question period, even though the question period is available to the government as well as being available to the opposition. They haven't raised the questions in the House. They haven't said anything in the media. They had a great deal to say about it when we were in government, but now everybody's pussy-footing around the question now that they are in government. I would like to know from the Minister, and I ask him for an honest answer, whether any one of them other than the fact that the Honourable Minister of the Environment is sitting next to him at the moment and now attempting to slip in a last-minute plea for consideration, but before we got to this subject, did the Minister of the Environment, or the Minister of Housing, or any of those other Northern members ever raise with the government, any concerns about the Northern Patient Transportation Program?

HON. L. DESJARDINS: Mr. Chairman, when the honourable member talked about pussy-footing around, I hope he doesn't mean me because I think I told him quite clearly that I wasn't satisfied and that I'll keep pushing until either I am kicked out or we're successful on that. This is an option that we'll keep pushing.

Now, if the member asked for an honest answer, I hope he'll believe the answer that I'll give him because it will be an honest answer. I can tell you that the members that he mentioned - I can't speak for all of them; I don't know all of them in caucus, but mostly my colleagues in Cabinet, and I'm talking about the Minister responsible for Housing and the Minister of Northern Affairs - I can assure you they are just as vocal now as they were in opposition except they know better than to start criticizing the government, the Cabinet and the front bench openly in here. It would be open rebellion and be very dangerous for them.

MR. L. SHERMAN: Well, I'll take the Minister's word at face value on that, Mr. Chairman. I am pleased to have it. But I want to put the questions on the record and the inference in the questions on the record. I am sure that my friend, the Minister of the Environment, draws the inference contained within the question. I hope that he is actively pursuing the interest of his community and his region in respect to Northern Patient Transportation now, as he was in opposition, because today there obviously are, as attested to by the survey that I referred to a few moments ago undertaken by members of MONA, there obviously are some concerns and some shortcomings in that service.

Mr. Chairman, is the method of operating the service and funding it the same as it used to be a few years

ago? In other words, what I'm asking is is there still a division of the responsibility, with respect to the gross program costs, which finds a certain amount of the total administered directly by the Commission for payment of emergency transport and urgent hospital-to-hospital transport, and then another amount administered by four local committees responsible for the service in their regions?

HON. L. DESJARDINS: Mr. Chairman, I neglected to inform the member that there hasn't been any change at all from practically the inception, when we were in office before, during the time of the Minister, except that review that we had that was transferred from Northern Affairs to ourselves and we set up that committee. Part of it is administered by the Commission; the other part by that committee in the North themselves, and there's been no change in committee except, I think, that one of them is sick, he hasn't been there. Just a replacement of the people, we haven't tried to replace anybody.

MR. L. SHERMAN: The Minister of the Environment can correct me if I'm wrong, but my recollection is that, when he was in opposition, he had serious concern with the way that system was operating and he felt that, for example, the administration and decision-making function in NPTP was, somehow, operating in an inferior way, or certainly not in a manner which he found desirable; and I think I drew the conclusion from him, at that time, that he felt that the decision-making function, with respect to who got Northern Air Ambulance transport and who didn't should have been made by a central authority.

We attempted to explain at the time that, in response to requests from Northern residents themselves, this had been decentralized and placed in the hands of local committees. The Member for Churchill was not happy with the kinds of decisions that were being made at that time, and I would like to know whether any change or any improvement or any refinement of that system has occurred in the last year-and-a-half, or whether the Minister's colleague, the Member for Churchill, the Minister of the Environment, is now happy with the kinds of decisions that the local committees are making, with respect to the use of the air ambulance and the selectivity of air transport for certain patients over rail and bus transport for other patients.

HON. L. DESJARDINS: Mr. Chairman, it's very difficult to speak for somebody else. I don't recall that my colleague ever mentioned, suggesting, - it's possible that he did - in his days in opposition, that he felt that the doctor shouldn't decide. I always thought that's what he believed; the doctor decides. Now I have some concerns on that; I have some concern that the whole thing may be discussed during the Medicare and if we're going to talk about regional hospitals and so on, there is no doubt that we might find that out pretty soon. Some other thing that is being investigated right now is the decision, at times, when doctors, without pointing a finger at anyone in particular, to send somebody directly to Winnipeg when there might be specialists available much closer, because of a bit of bickering, and that has happened and I think my

honourable friend knows what I'm speaking about. We certainly will have to look at that.

It's okay, if you talk about the freedom of the individual, but there's a lot of cost. It might be that for that freedom they'll have to pay their own transportation. If we're going to improve the situation out there we'll look into that, but as far as the Minister of Northern Affairs, he's never said to me anyway, or never in my presence, that he felt that the doctors should not make the decision as to who should be transported in a plane and who should go by bus or who should not. I don't remember that.

MR. L. SHERMAN: Mr. Chairman, the Minister has said that there's been no change in the method in which the program functions and operates, so I assume from that that the Advisory Committee to the Commission still functions and operates, as it has done since the inception of the program. Has there been any change in the membership of that Advisory Committee, or in the terms of reference or responsibilities of that Advisory Committee?

HON. L. DESJARDINS: Yes, of the \$2,714,500 gross program cost, \$1,271,700 is administered directly by the Manitoba Health Services Commission for payment of emergency transport and urgent hospital-to-hospital transport; and \$1,442,800 is administered by four local committees located at Thompson, Flin Flon, The Pas and Churchill, and the committees decide on the spending priorities of certain elective cases.

I might say, also - I don't want to give the false impression - there is no doubt that members of this committee feel that we should have much more money than that, but I think they're doing a good job with the funds available.

MR. L. SHERMAN: Is there any change in the Advisory Committee, Mr. Chairman, any change in membership on the Advisory Committee which advises the Commission on matters pertaining to program objectives and amendments, as required, according to its terms of reference?

HON. L. DESJARDINS: No, I can give the names but they're exactly the same as we've had for awhile. I don't think there's been any change, except there's one that's very ill; Dr. Albi is very ill and he's still, I guess, on the committee but he's not active at all and we're thinking of having to replace him.

MR. L. SHERMAN: But he's still on the committee.

HON. L. DESJARDINS: Yes, but he's not active; he's very ill.

MR. L. SHERMAN: Has the committee advised the Minister and his senior officials of any particular program objectives or amendments that it deems desirable for the immediate future, or could the Advisory Committee's approach to the program be described, at the present time, basically, as maintaining the status quo? In other words, is everyone happy with the way things are, or is the Advisory Committee putting in front of the Minister or his senior officials any ideas

for new, different, expanded program objectives or amendments to the program's terms of reference?

HON. L. DESJARDINS: Mr. Chairman, I say that the Advisory Committee met a couple of weeks ago and there is no doubt about it are strong supporters of a proper air ambulance service and they've made that recommendation to us.

MR. L. SHERMAN: Is any thought being given, or continuing thought being given to the viability of basing the service in the North rather than in Winnipeg. I know all the arguments, and I know the position that I stand on with respect to that question. I think very strong arguments can be made for having it based out of Winnipeg as is currently the case, but I would like to know whether the Minister and his officials are still looking at that question, and whether continuing consideration is being given to basing it in the North. If so, those of us who perhaps have taken the other side of the question in the past certainly would be amenable to responsible mature argument and justification for such a move.

The argument and justification for such a move has not been substantial enough in the past to change my mind on that subject. But if there was to be the necessary depth of evidence offered, I'm sure that many members of this House would be agreeable to considering a changing of the base for the service from the South to North. But is the government even looking at that kind of thing?

HON. L. DESJARDINS: Mr. Chairman, that is something I've heard debated in this House before. I think it probably will be for awhile. I might say that I probably would be on the side of the critic of the opposition. I might say that there has not been any recommendation of the committee to station the plane in the North.

It would be very difficult. You wouldn't know exactly where to do it. There would be repairs. You'd have to come to the city to get the specialists or the medical people needed. I guess I can say the same thing, there hasn't been any real reasons given that will sway us. Although after having said all that, I might say it's not really my decision, it's the Government Services and they still have the plane. We rent the plane more or less from them. But I haven't made any recommendations to them, neither has the committee.

MR. L. SHERMAN: Mr. Chairman, has the Advisory Committee been out to the individual committee sites; Churchill, Flin Flon, The Pas, and Thompson, to meet with members of the regional local committees in the past little while, or does it do that sort of thing normally?

HON. L. DESJARDINS: Mr. Chairman, I must have misunderstood the question. I'm sure that the member who was the Minister responsible, realized that all these people come from that area, from the North, but they've preferred to hold their meetings in Winnipeg. I don't know if it's more central. It's not a question of going and finding out what's happening in the North, they come from there. Most of them have been there for a number of years so they are right there.

There's not a necessity of the opposite if the people were from here, or members of the Commission or the

department that would want to go up North to see first hand what the situation is, but there's no need. The committee feels that there's no need for them to do that as they all come from the North and are familiar with the programs and the problems of the North.

MR. L. SHERMAN: Well, perhaps I wasn't specific enough in the language in my question, Mr. Chairman. What I was concerned about was - actually I used the term regional committees or local committees and I should really have been talking about the local communities and environs - I recognize that most of the members of the Advisory Committee come from the North, but they come from specific individual locales in the North related to each one of them in their individual person - does the Advisory Committee regularly or even sporadically as a committee, go into Northern communities and monitor the feelings and attitudes of the residents of those communities with respect to the Northern Patient Transportation Program?

HON. L. DESJARDINS: Mr. Chairman, there's no real need for that because they all come from part of these communities. They are on the local community committee. They bring their concern and that at the meeting. All of them come from the four centres of Thompson, Flin Flon, The Pas, and Churchill. They're all part of the local committees that administer the service.

MR. L. SHERMAN: Okay. The Minister gave us a breakdown a moment or two ago, Mr. Chairman, on the division of funding with respect to the amount that is administered for payment of emergency transport and the amount that's administered by the local committees, insofar as they represent parts and components of the total gross program cost.

Could he give me a breakdown of the appropriations for the individual local committees or the four Northern regions? How much of the Budget is going to Churchill; to Flin Flon; to The Pas; to Thompson, and to the Winnipeg region, and to the emergency program for '83-84 out of the appropriation requested? Could he give me those figures?

HON. L. DESJARDINS: I wonder if I could reach a compromise with my honourable friend. I wonder if I can give him the Vote for '82-83 and then privately give him the way we have it, the way we estimated to go for '83-84 because we haven't negotiated that with the centres yet and it could cause difficulties for them. I'll give the members of the committee what was actually voted for '82-83. The total was \$1,203,000, whereas now we're asking for \$1,442,800, yes. So I think he'll have a good idea anyway.

Churchill was 45,400; Flin Flon 230,000; The Pas 244,300; Thompson 683,700.00. In all regions the emergency call was \$933,300 - that's not part of that \$1.2 million - that's part of what is administered by the Commission. The Winnipeg Elective and Administration is 127,400.00.

MR. L. SHERMAN: 127,400?

HON. L. DESJARDINS: Right, for a total of \$2,264,100 voted in 1982-83.

MR. L. SHERMAN: Right, thank you.

HON. L. DESJARDINS: We can say that the increase is pretty close to the same percentage that we figure at this time but there's nothing finalized as yet.

MR. L. SHERMAN: Thank you.

MR. CHAIRMAN: The Member for Niakwa.

MR. A. KOVNATS: Thank you, Mr. Chairman. Just a couple of very minor questions, and I think the Honourable Minister will be able to answer them very very quickly and easily.

I guess I've had an influence on myself with some of the programs that are on television, particularly M*A*S*H. I see how they transport patients over in Korea, this was years back. I don't mean to reminisce, but has the honourable Minister ever considered using medical helicopters in the North which I would imagine would be an awful lot cheaper than some of the planes that are being used at this point. I think it would be easier to transport patients with these helicopters getting them in and out, because I think that they've got doors that just come right off and you can stick them right back on. I have a couple of other questions but I was just wondering whether it has been ever considered using helicopters in the North?

HON. L. DESJARDINS: Yes, it has been and it still is, although we haven't got the best ally. I have heard that the First Minister, in the last ride he had in the helicopter, turned green and he's not one of our best sponsors. But it is still considered as one of the considerations.

MR. A. KOVNATS: I heard the same story about the First Minister, but I understand his colour returned right after he got sick in a rubber boot or something to that effect. But I was just wondering whether we could just go back a little ways to when we had an American military presence up in Churchill and the Americans look after their people pretty good. Did we receive any benefits? Were there any benefits that we received by having an American military presence in Churchill where the people in the North were able to receive many benefits because of this presence at Churchill?

HON. L. DESJARDINS: The recollection of everybody around here, I take it that the member is talking about benefit just as far as the ambulance service is concerned. No, it was strictly for military personnel and nobody remembers that in any instances, even emergencies, where they flew somebody to hospital in Winnipeg or anywhere else.

MR. A. KOVNATS: Well, it's my intention to do everything I can to see that the Town of Churchill is improved. We had a resolution not too long ago which we all spoke on, in support of the improvements for Churchill and I thought that by supporting an American military presence up there which isn't out of the question because we've had them there in the past and we've got a rocket range up there that's just sitting empty and if they're going to be testing any missiles that would be a good place and we would receive many other

benefits from it. If the honourable Minister is telling me that we received no benefits, particularly in transportation, when the Americans were up there then I can't use that as an argument even though I would like to, to help promote the North and Churchill in particular.

Does this article also, the Northern Patient Transportation does that include transportation of medical staff from Winnipeg to the North?

HON. L. DESJARDINS: This would be only in an emergency. Let's say that we have to send a specialist for some emergency, but only for that, and only in an emergency. The rest would be taken care of through other channels through the Commission. That particular plane would be used just in an emergency.

I should say that I'm being informed now that that has been the case so far, but if a local committee, if the member was listening when I stated that part of it is run by the committee, each one of the four committees, if they want to use part of that money in - well, it would be an emergency, it would be the same answer mind you - they have the freedom and they could decide that, I'm told.

MR. A. KOVNATS: I'm in agreement with something like that where we have a facility where a specialist could be flown to the North because I think it's being done now whether the Minister knows it or not and I'm not that much aware of it. I'm really asking questions to find out, because I am aware of some doctors, particularly children's specialists, who have been flown to the North in emergency purposes only. I would hope that the honourable Minister would be able to find funds to support such a project, not only bringing the patients in from the North but taking specialists from the south to the North so that they can help the people in the North. God knows, they don't have that many good facilities up there and I think that we've all got to work together to see that the facilities up there are improved.

HON. L. DESJARDINS: I'd like to thank the honourable member for this information. He's correct and I was wrong. The situation is that that is done now. I knew it was done but I thought it was another program but it is that program. If it is requested by a local committee, for instance, they might have elective surgery, it doesn't have to be an emergency. They might have four or five different people that say they need an operation they could bring somebody in instead of flying four or five patients south. So I thank the honourable member for his question.

MR. A. KOVNATS: I didn't mean to try and go one-upmanship on the honourable Minister. It just happens that I know one of the doctors who does travel to the North, her name happens to be Dr. Kovernats, the same as mine and we have had some association, so I was able to gather that information. I was really passing it on, not to embarrass the Minister but to bring him into the fold so that we can see about improving the facilities in the North. That's really what our intention is. It appears that I'm the only one who can speak on it because the members from the North are on government side, most of them, and the only time that

they have a chance to speak is during question period and it is when these arrangements are made in caucus rather than on the spur of the moment.

HON. L. DESJARDINS: I can assure my honourable friend - and I can call him my honourable friend - that he is not embarrassing me at all. I'm not that thin-skinned, as you see. I might say that, yes, I know of that doctor and I'm told she's much prettier than her namesake.

MR. CHAIRMAN: Item 7.(7)—pass; Item 7.(2) Hospital Program - the Member for Fort Garry.

MR. L. SHERMAN: First, Mr. Chairman, in dealing with the Hospital Program appropriation for 1983-84, I wonder if the Minister can advise the committee as to how much of the budgetary increase is due to cost-price increase and general inflationary impact on the hospital budget, and how much of it is due to the annualization of new or expanded facilities that will be coming on-stream in '83-84?

We're looking at a request appropriation of \$538 million as against \$480 million in '82-83; that's an increase of some \$60 million on a base of \$480 million, which is about 12.5 percent. Does that 12.5 percent permit anything more than just an accommodation of the standard kind of budgetary increase to meet cost price increases and to meet inflation that one would anticipate in a new fiscal year? Does it contain any leeway in there for the funding on an annualized basis of either new or expanded facilities that will be coming onstream in the fiscal year in which we're now embarked?

Can the Minister provide the committee with that kind of a view of the hospital's budget?

HON. L. DESJARDINS: Yes, I believe my honourable friend asked the percentage increase of the share. The total increase is 12 percent; the central cost increase is 8.5; and the health and education levy is 1.3; together that is 9.8 and that's the increase to the hospitals. Now besides that the annualization of new program is .1; approval equipment borrowing is .3; new and renovated facilities 1.8, for a total of 12 percent.

Did the member want the percentage or the actual dollars also?

MR. L. SHERMAN: Well, you've given me the percentage, I appreciate that, but have you got the dollars there?

HON. L. DESJARDINS: Yes. The general cost increase 37,522,000; annualization of expansion of insured services in '82-83, \$481,100.00; the levy, \$5,698,600; the annualization of '82-83 borrowing, \$834,700; new borrowing in '83-84, \$414,600; annualization of facility opening in '82-83, \$1,509,400; and finally the new facilities opening in '83-84, \$6,756,700; for a total of \$52,972,800.00.

MR. L. SHERMAN: Would the Minister have a list of the new facilities that are opening in 1983-84?

HON. L. DESJARDINS: I want to complete; I forgot to give the increase in the resident chart as \$253,300, so that would be the minus in that column.

That is the figure that I gave for the \$6,756,700.00 It's the \$6,756,700 that you wanted in detail?

MR. L. SHERMAN: Yes.

HON. L. DESJARDINS: Okay, that's for the Estimates. Municipal hospitals, \$973,600; St. Boniface \$405,000; Grace Psychiatric and Hospital, \$904,800; St. Boniface, the laundry, \$155,000; Health Sciences Centre, the Women's Centre, \$1,408,300; fire upgrading contingency and facility, \$609,000; closure of the Extended Care at the Victoria Hospital, that would be minus \$230,000.00 The Adolescent Psychiatric Hospital, \$261,800; the total for the urban hospitals which is what I gave so far, is \$4,487,500.00. Rural: Hamiota, \$130,000; Selkirk, \$1,721,900; Arborg, \$366,000; St. Claude, \$19,000; Glenboro, \$32,300; total rural hospitals, \$2,269,200.00. The total of urban and rural of course is \$6,756,700.00.

MR. L. SHERMAN: I thank the Minister for that information and those figures. Just going back to the urban hospitals list that he gave me. The second item, \$405,000 to St. Boniface; and the fourth item \$155,000 is St. Boniface laundry. What was the first St. Boniface item? Is that the CAT scanner housing and that area of the hospital?

HON. L. DESJARDINS: Right, that's what it is. That should be open in October. Would the members of the committee like the estimated opening date? The latest that I have. That can be helpful.

MR. L. SHERMAN: Yes, please.

HON. L. DESJARDINS: Municipal hospital, July 1st, 1983.

MR. L. SHERMAN: July 1st, 1983.

HON. L. DESJARDINS: St. Boniface, October 1st, 1983; Grace, June 1st, 1983; and St. Boniface laundry, October 1st, 1983; Women's Hospital, July, 1983. The Contingency and Facility Upgrading, September 1st; the Victoria Hospital closure beds will be somewhere in July; the Adolescent Psychiatric Hospital, that's a bit delayed. If you remember there was some difficulty in the zoning.

MR. L. SHERMAN: Well, that has to be cash if you're flowing on that. That \$261,800 has to be cash that you're flowing, doesn't it? On the Adolescent Psychiatric Facility, that \$261,800 would be cash that you're flowing to that project this year, but it's not an annualized operating cost because a facility can't be operating?

HON. L. DESJARDINS: The Adolescent, is just the sod turning and will only take place next month or so, that is, it won't be open until next year. This \$261 is for training for this year.

Hamiota, it's open; Selkirk - May 1st; Arborg - July

MR. L. SHERMAN: Did you say Hamiota is open already?

HON. L. DESJARDINS: Yes, so is Selkirk, and Arborg will be in July; St. Claude in October; Glenboro in December, all of '83. The only in '84 will be the Adolescent, specially because of the further delay that we had, but finally the sod turning will be taking place next month, I think, in June.

MR. L. SHERMAN: So, with the exception of the Adolescent Psychiatric Facility, which still has to be built, these figures that the Minister has given the committee are the annualized operating costs of those facilities for the balance covering that period of '83-84 for which they are open and operating, is that correct?

HON. L. DESJARDINS: Yes, it is, except in the case of the adolescent, it is what will be spent this year for the operating costs or whatever, but only for this year, it's not a full year, of course.

MR. L. SHERMAN: No, that's right.

HON. L. DESJARDINS: The annual operating cost is estimated in today's dollars at \$10,891.00.

MR. L. SHERMAN: That's a full year?

HON. L. DESJARDINS: Yes, but that is a very rough estimate because the date has varied, it's not always on target.

MR. L. SHERMAN: Well, that's understandable. Thank you very much.

Mr. Chairman, I just want to look at this list of facilities for one-half minute longer to see if there's anything else I want to ask about them. Does the individual budget for the Health Sciences Centre, which just isn't in front of us at the moment but which, of course, is part of this \$538 million that we're looking at, does it include, Mr. Chairman, the operating costs for the new Children's Hospital, the new Children's Bed Tower, and is there a difference between the operational costs of the new Children's and what has been the ongoing existing operating costs of the existing Children's Hospital?

HON. L. DESJARDINS: Mr. Chairman, I haven't got this information; it will not be open this year.

MR. L. SHERMAN: Oh, it will not be open this year, okay. Thank you, Mr. Chairman, that answers that question. I was wondering where the Children's Hospital would come in this list, if it came, but it won't be in this year's operations apparently.

What is the status on the development of the new Children's Hospital, Mr. Chairman. Approximately a year ago at this time there was some considerable debate and discomfort over what appeared to be a change in midstream of concept and approach with respect to pediatric programming at Health Sciences Centre which deviated from the decisions that had been taken earlier, when the government of which I was a member was in office; which decisions were based on the fundamental philosophy that services and environment and atmosphere for children must be separate and

distinct from services, environment and atmosphere for adults. There was some concern that there were to be shared services, there were to be lab and diagnostic facilities that were to be shared by both children and adults on the new Children's site, or adjacent to the Children's site and I, among other, expressed some concern over that, holding to the view that in the best interests of pediatric services and the children who will be patients of those services, their medical and treatment environment should be exclusively for them and they should not be thrown into a partially adult environment.

There hasn't been much said or reported on that topic in the last little while and I'd appreciate a fill-in from the Minister as to where we stand on development of the new Children's Hospital at the present time, and where we stand with respect to that whole philosophy of treatment for children, both in Phase I redevelopment and Phase II at the Health Sciences Centre.

HON. L. DESJARDINS: Yes, Mr. Chairman, my honourable friend remember last year when this was brought up I made the commitment that we would be very vigilant and we would inform the House. Now, that information or whatever you call it, flying a kite, whatever it was, but these rumours did not, as my honourable friend knows, come from the Commission or myself or the department; this was the Health Sciences Centre. But I'm pleased to inform the former Minister, because I know he's very interested, that the service for the children is still separate, there is no change in the concept that he had envisioned, and I might say that the Board of The Children's Hospital, itself, is very pleased and we expect that it should be open in July of '84, it's approximately 50 percent completed.

MR. L. SHERMAN: Good, well I'm pleased to receive that information from the Minister, Mr. Chairman, I welcome that reassurance very warmly. Mr. Chairman, there are a number of individual subject areas of concern in this hospital programming field that I want to deal with and, although they may not be related, I think the only way to deal with them is to take them in isolation as they occur in my notes and meet them head on with the Minister. Although there won't be a great deal of continuity to my approach, hopefully, we'll be able to cover a number of subjects that are bothering a number of people and that have concerned me, and which the Minister and his officials, no doubt, have been addressing, and perhaps we can lay some fears and anxieties to rest and resolve some of these issues and challenges.

Among them, Mr. Chairman, and I approach them in no particular order of priority, is the continuing uncertainty about the location of adult cardiac capability, cardiologic surgery capability at the Health Sciences Centre and the maintenance of a capability there running in tandem with the well-known cardiac unit at St. Boniface Hospital.

The Minister and I discussed and debated this subject in one context at least, approximately a year ago, and we both agreed that although there certainly was interest displayed in the Health Sciences Centre's desire to resume adult cardiac surgery, there had never been any official approval granted to the Health Sciences

Centre, either by the previous government or the present government, either through the Minister's office or through the Manitoba Health Services Commission. Yet that program was in place and operating and the necessary cardiac surgeon had been brought in, in the person of a Dr. Parrott, I believe, and all of a sudden we had what appeared at least on the surface to be duplicated performance and duplicated capability and a highly technical, highly sophisticated, highly expensive field of medicine.

There is a good deal of concern remaining in the community over that question and I share that concern. I don't know where we stand on that subject at the moment. I'd like to call on the Minister to apprise me and the committee as to whether we are paying for two form sets and fields of cardiac surgical capability in this city 12 or 14 blocks apart, and whether we need that, and whether we can afford it, or whether indeed some resolution of that problem has been achieved in recent months.

HON. L. DESJARDINS: Yes, Mr. Chairman, we did discuss that last year. I think briefly the Member for Fort Garry covered what was said in the situation as of last year during the Estimates time. At the time I did make a commitment of course that I would inform the House or the member as soon as I could. I am somewhat disappointed that this is not finalized, but I expect that it'll be finalized very very soon. Anticipating the question, of course, and wanting to inform the members of the committee, I've prepared this summary and I think the best thing is to read it on the record.

"Open heart cardiac surgery was introduced into Manitoba by Dr. Morley Cohen at the St. Boniface General Hospital in 1959. This became the major centre, and from '69-82 the only centre for adult open heart cardiac surgery in this province. The significant proportion of the patients have been referred from the Health Sciences Centre.

"The total number of cases has been increasing steadily. For example, from 271 adult cardiac surgery patients in 1977, the number increased to 363 in 1981. At the same time the waiting list had increased from 20 at the end of 1978, to 116 at December 31, 1981. It seems that an expansion of the service to meet the need was probably required.

"The medical staff at the Health Sciences Centre made a strong case of providing for the increased requirement there. As the major tertiary care centre in the province, they pointed out that they needed a cardiac surgeon to deal with emergencies to limit the risk related to cardiac diagnostic procedures and to deal with severe chest injuries.

"On the other hand the St. Boniface cardiac surgeons in the hospital argued that their capacity for cardiac surgery should be expanded to meet the total adult need in the province.

"In February 1982, the committee was established to consider probable future needs in Manitoba for cardiac surgery. It consisted of a representative of the Board, the administration, and the cardiac surgical staff of Health Sciences Centre and the St. Boniface Hospital, the Acting Dean of Medicine and a senior cardiologist representing the university, and three representatives from the Manitoba Health Services Commission.

"With respect to professional matters, the committee at the advice of a consultant highly respected throughout North America, Dr. Dwight C. McGoon of Rochester, Minnesota, long a cardiac surgeon at the Mayo Clinic.

"The committee has estimated that the case load would be 480 to 500 cases in 1982. The actual number was 494" - so they were quite close - "rising gradually to a probable maximum of 600 annually.

"A task force consisting of administrative and financial staff at the Health Sciences Centre and St. Boniface Hospital under the chairmanship of Frank DeCock, Associated Executive Director of the Manitoba Health Services Commission, carefully analyzed the relative cost of cardiac surgery at the two institutions. They concluded that there was no material difference.

"The committee concluded that the interest of all Manitobans would best be served by creating a single program in cardiac surgery functioning in the two teaching hospitals; just the one program, but functioning at the two teaching hospitals, with the university being a full participant with respect to education and research.

"It was specified that St. Boniface would be the primary centre, but Health Sciences Centre would also have a cardiac surgery capability to better serve its patients. There would be a single budget for the program allocated according to where the services were performed. It would be guided by a program director and advisory committee.

"A committee recommendation was the option also favoured by the consultant. He pointed out however, that this would take some modification of the position of the parties primarily concerned. He suggested that not only cardiac surgery, but cardiology, anesthesia related cardiac surgery and other related disciplines might be brought into a single university department of cardiac services functioning in an integrated manner in the two teaching hospitals.

"In the committee discussions the university representatives stated that to consider the implication of such a major step and if it was acceptable to go through the process of establishing a new department, it would take two years or more at best. The committee therefore confined its recommendation to their immediate task of the organization of cardiac surgical services with the assumption that the program could develop into the whole field of cardiac services if it seemed to be appropriate.

"Although it was clearly set out in the committee recommendation that St. Boniface would continue to be the primary site for cardiac surgery, Health Sciences Centre would also have a cardiac surgery capability and a meeting of minds amongst the surgical group involved has been slow in developing. This was not unexpected. The development of an integrated program of this kind is a departure from present practice, and time must be allowed for the university, the hospitals, and the doctors to arrive at mutually acceptable arrangements.

"Discussions are going forward and on March 31, 1983 a meeting to discuss the division of Cardiac Sciences was convened by Dean Wade at which all the cardiac surgeons, representative of cardiologists, senior representatives of the hospital administration, and the Chairman of the Board of Health Sciences Centre and St. Boniface General Hospital were present; 20 persons in all.

"At this meeting it was unanimously agreed that a committee to be chaired by Dean Wade be established to develop an appropriate division for the Department of Cardiac Sciences within the Faculty of Medicine. The committee is to have a report prepared by any day now, by the end of the month, by May 31, 1983."

By the way, if I'm still in my Estimates or if I'm not when I receive this committee, I certainly will make an announcement and let the members of this committee know.

"We are hopeful that if integration can be achieved in the cardiac services, it be an example that might be followed in some other cases, to build a co-operative and mutually supportive approach to services in the two major medical-teaching hospitals.

I might say on this that the cost was certainly a factor. We were not interested in duplicating things for the sake of duplicating it. Also, the standards, because it was argued that two different teams, and one team doing less work and so on, it might be as good a standard and, of course, you had to work with the maximum. You had to look at the hospitals, also, because if it was just a cardiac unit that we had to worry about, for instance, at St. Boniface Hospital, we could, to meet the need, because there was no doubt that at that time, about the time that there was a change of government, it happened to be at that time, the concern was at that time, it wasn't before. There was long-range planning; there was also the problem, the short-range plan of a long waiting list and people were starting to go to the States and other areas and we were paying for that anyway. So the fact is, going back to what I was saying about St. Boniface Hospital, they would have had to probably close other beds and other disciplines weren't very happy. They would have had to take over from somebody else at the time, so that was a concern.

There was a committee, as I mentioned in there, we thought that there was a meeting of the minds and then the St. Boniface Hospital, those that were on the committee did voice too many differences at the time, but later on Doctor Cohen, himself, had some concerns. He presented a report to me and then we started again. We did not act on the first recommendation, it took awhile; we worked on it. There was a change in the Dean, Dean Wade - there was only an Acting Dean at the time - Dean Wade came in and took over the position. There was an awful lot of good co-operation with us. I met with him in the St. Boniface Hospital to see if we could resolve that and that's when we looked at the possibility of creating one department. We felt that would take too long, it would be costly, so we felt that there would be just the one, a free-standing cardiac, but it's still under surgery. What do they call it? A Cardiac Division, but there would be only the one division with only one chief; probably it will be offered to Dr. Cohen, certainly, if he's interested in it; we've tried to offer it to him. I think that will be considered and there would be only the one team, but operating in the two facilities and we feel that will be the best way to satisfy everybody. It will not cause problems in the hospitals, as I say, with the back-up of other facilities. The cost will be probably as low as anything else and it will be the same people, the expertise. There would be an interchange of doctors and of staff nursing and other staff necessary, and then it will be beef-up for

the unit with the service for the children also because that left an awful lot to be desired.

The Health Sciences Centre had dropped off quite a bit. If the member remembers, the members of the committee remember, the Health Sciences Centre was supposed to take care of the children cardiac, most of them anyway. It looks good. I had called a meeting, as I say, with Wade and the other hospitals and my Deputy Minister was there, Mr. Cummings, who was Chairing the initial committee, they've met again and they've agreed to meet. As I say, that's when I refer to the 25 people that got together and it seems that they are getting much closer together.

I apologize, I never dreamt for a minute that it would take a full year. Mind you, we kept on at that time; the waiting list is reduced. As I stated, we didn't put any other funds until the end of the fiscal year, of last year. The cost was to the Health Sciences Centre, they had to pay that. It will not be considered in deficit, that was made quite clear, and the amount of money that was asked for last year was used for this fiscal year. Until this is reduced not a single penny has been placed in the budget of the Health Sciences Centre.

MR. L. SHERMAN: Mr. Chairman, I want to thank the Minister for that report. At the same time though I want to confess that there's a good deal of information and meat in that report which I am unable to absorb, in total, and in detail at one sitting, at one hearing.

HON. L. DESJARDINS: If the honourable member would permit me to interrupt him I would gladly make sure that he has a copy of the initial study that wasn't accepted by everyone, and also the final report. I'll make sure that he gets a copy of both. It hasn't been made public but I will see that he gets it.

MR. L. SHERMAN: Well I'd like to have that, Mr. Chairman, and thank you, I'd appreciate getting that. I certainly want to look at it and study it in detail but, as I say, there's a great deal of information and a great deal of meat in the presentation that the Minister just made and a number of questions are implicit. There are still some answers that the government itself is seeking, with respect to this question, obviously, and I would like to just clarify one or two points for myself at this juncture so that I understand what it is the Minister is saying on this subject, up to this point in time.

Am I correct in my understanding that a committee is still studying the viability, or the desirability, of having one program in place at the two teaching hospitals; one program that would be administered centrally and in which the university would be involved, but it would be carried out at the two teaching hospitals?

HON. L. DESJARDINS: Yes, this is the statement that I made, that I've sent over. There was the Cummings Report; that was the original report. The Chairman was T.A.J. Cummings; representing the university was Acting Dean Fyles; and Doctor Cuddy, the Cardiologist. The Health Sciences Centre, representing the board was Mr. Bill Parrish; the Administrator, Doctor John Wade; the medical staff, Doctor James Parrott; St. Boniface, for the Board was Mr. Schwartz; the administration was

Litvack; medical staff, Cohen chose to send Doctor Teskey, and Manitoba Health Services Commission was Mr. Getz and Mr. DeCock. That is the initial committee; that is the report and that is when Dr. Cohen had a minority report.

Now the committee that I'm talking about is after that, part of it was acceptable but we waited to try to solve everything together, and since then Dr. Wade is the Dean now and he's very acceptable, although he had represented the Health Science Centre, and if you know him you know how acceptable he is to everybody. They were pleased to accept him and he, at our request, called a meeting starting with the St. Boniface Hospital. He's worked with the different groups, the 25 that I had and they're going to review just that thing now. A lot of that report, they will accept but now they're looking at the situation of looking for the one team, the one division. At first we were thinking of a section and instead of going under surgery and they felt that would cause problems. They felt that they probably would achieve this with one section, with the Chief of the section would be offered to Dr. Cohen, I expect, who would be at St. Boniface and it will be one team and they would all be working for the same team. They would interchange. The two things would be two different facilities with one team.

What I said, I would give is probably next week I'll bring it. I'll see that you get the copy of the Cunnings Report and then whenever we get anything that we expect in a week or so, we'll see that you get that. That's the Wade - I'll call it the Wade recommendation.

MR. L. SHERMAN: Mr. Chairman, my understanding is that Dr. Cohen was approached in recent months with a view to being the leader or administrator of this team, this combined capability, and he was less than enthusiastic about the invitation. I may be misinformed. My sources probably are less reliable than the Minister's but I certainly would not have been misinformed deliberately. Those who informed me were of the impression that Dr. Morley Cohen was not enthusiastic about this kind of diffusion of that capability into two facilities, and was not enthusiastic about heading that team. What his objection to it consisted of, would of course would be open to conjecture. It may have been that he felt that kind of thing was a little contrived and was designed to perhaps placate him with some sort of position or title that was to make up for the fact that his unit at St. Boniface was going to be phased into a larger operation. That may or may not have been his reason for not being particularly enthusiastic about taking on the assignment, but that was my understanding of the situation.

Has the search for a satisfactory solution involving Dr. Cohen moved beyond that point? Does the Minister have any current news to report with respect to Dr. Morley Cohen's receptiveness to this kind of a concept?

HON. L. DESJARDINS: It's very difficult to know exactly what Dr. Cohen would do. There was no doubt that he wasn't happy, to my surprise at first, because the reaction, the initial report seemed to be accepted by everyone. I am talking about the administration. I don't intend to start dividing St. Boniface Hospital. It was the impression that I had by the Chairman who had

talked to him. But then Dr. Cohen came over to see me and the Deputy Minister; and he came with Dr. Teskey. It was quite obvious that he wasn't very satisfied, so I told him why immediately you should let us know. Why don't you let the committee know immediately that you will not accept, that you will present a minority report.

Now, I think the first mistake and Dr. Cohen should have been on this committee, but for some reason he didn't want to be and it was Dr. Teskey, and Dr. Teskey wasn't that vocal on that committee. Anyway, they were encouraged to file in as soon as possible the minority report to make sure that we knew it, because I didn't know that at that time. That he did. There is no doubt that there was a personality clash with the doctors at two different areas. I can't speak for Dr. Cohen now; I think he's a little happier. I don't know what stage until we have this final reaction from Dr. Down. But under the format, the initial recommendation that he would have been the chief, it definitely would have been offered to him. But he would have had to report through the Chief of Surgery. I don't know if you know who the Chief of Surgery is.

I won't say any more about the difficulty that they had there, but now under this new setup that Dean Wade is suggesting and that we suggested at our meeting with St. Boniface Hospital, I can say without divulging what happened because after all the recommendation would be final. But the indication I had was that St. Boniface Hospital, the administration, including Dr. Doyle and that, probably would seem to favour that at least to explore - I don't want to commit them at this time. But the decision was that the chief then, it would be actually just the one team. There's no doubt about that, but they would report. The chief would report directly, not through their Chief of Surgery, but to the Dean of Medicine.

We would hope that this would work, but it will be more than just in name only. It will be one team within the two locations and reporting directly to the Dean of Medicine, not to the Chief of Surgery that is at the Health Sciences Centre.

MR. L. SHERMAN: Well, that situation has changed then subtly, Mr. Chairman, and hopefully contains the seeds of a solution to this whole question. But I would like to ask the Minister to recap that situation now for me with respect to the funding and financing of this program at the Health Sciences Centre in 1982-83 and in 1983-84. I didn't quite pick up the details of what he was saying on that point, other than his assurance that it was not included in the approved budget for the Health Sciences Centre, that is, the budget approved by the Commission.

What I would like to know is how much that Adult Cardiology Program cost at the Health Sciences Centre in '82-83, and what it represented in terms of the Health Sciences Centre's deficit for '82-83. Who is picking it up? How are they going to pay for it? What are they projecting for costs on the program in 1983-84? If it's not in the budget that's being approved for HSC by the Commission, how is the program going to be handled fiscally and financially? Who is going to pay for it?

HON. L. DESJARDINS: The 1982-83, I said there is no money, no funds put in there at all, I asked for more money last year for that in my budget.

MR. L. SHERMAN: What do you mean, no money put in there at all?

HON. L. DESJARDINS: There is no money put in their budget for that in '82-83. We had the money and they were authorized to do the work on a temporary thing with the understanding that we had no commitment to leave it open and that will be looked at. They were authorized to do that. We'll look at their budget.

But '81 and '82 they kept on, if you remember, from December or so for three months. They were definitely told; I have something in writing on that; there was an exchange of letters; they told us they could do it with the funds; they wouldn't require any funds; we told them that. I know they have a big budget, a big deficit for this year, and that will be the first thing taken out of their deficit, that will not be accepted, that's '81-82. Now '82-83, yes, they received the approval on a temporary thing. I think it was a good decision; we had to settle that; and we had a waiting list and we've caught up with the waiting list now. It would have cost us more than that because the operation would have been done down east or in the States we would have had to pay for it anyway.

MR. L. SHERMAN: What about '83-84, Mr. Chairman?

HON. L. DESJARDINS: Well, '83-84 would be - so far that is from April 1st - it would be exactly the same as last year. There's no money put in there but they are working with the approval of government but as soon as that is decided and, as I said, I'm disappointed it wasn't decided before but it takes awhile, and then we will know what will happen then.

But it'll be just the one team and I think that we'll earmark it. It'll be a line on that . . . That will be a total for the one team and the budget will be prepared, let's say if Dr. Cohen accepts that if it goes on the way that we're led to believe that it will, if that's the recommendation and if that is accepted there will be one team and they will have their budget taking care of the two institutions working together, the one budget for the cardiac.

MR. L. SHERMAN: They could tell you, Mr. Chairman, at the Health Sciences Centre, presumably, how many surgical procedures in adult cardiology they expect to carry out in 1983-84, and on that basis they presumably could tell you how much they expect it to cost in '83-84. Does the Minister have any information on that?

HON. L. DESJARDINS: What we allowed last year at the Health Sciences Centre was \$450,000, that wasn't placed in their budget but that's the money we had earmarked for that. It will cost them between \$600 and \$650 this year. We have in the budget their estimated if they go through with that \$650 to \$700 and we have \$500 in the budget. But let me add that no matter where these operations would have been we're sure that the costs would have been the same at St. Boniface Hospital. So it is not a duplication of cost and it's not increasing the cost at all. There was a careful analysis made of that and the cost would have been the same. In other words, there is a deficit the same as there could be any other year because of the volume, or

whatever. In other words they would have had part of the normal deficit.

I say normal because in the last few years - it's practically normal now - these two hospitals have some kind of deficit because you don't hit it right on target. But the important thing is that it would have cost just the same as St. Boniface Hospital and it probably would have cost more had we not allowed to try to catch up while we were deciding on the future, the cost would have been probably more because there were more people leaving the province to go to Toronto, or to go to Mayo, to have these operations and you know that the Commission has to cover the hospital and Medicare.

MR. L. SHERMAN: Well, that was going to be my next question, Mr. Chairman, and I accept the Minister's assurance but I don't want to let it drop right at that point.

I have difficulty in understanding how it could cost exactly the same at St. Boniface, where the highly expensive, highly sophisticated, highly technical equipment is in place and the trained highly technical personnel are in place. Now obviously a new team has had to have been trained and put in place at Health Sciences Centre and equipment of an equal calibre and sophistication has had to have been put in place at the Health Sciences Centre. So although it may be valid on one level to say, well, if you put 200 cases through the Health Sciences Centre in a given year it's not going to cost any more than if you put 200 more through St. Boniface, if you're just talking about operating costs of the beds involved. But if you look at the cost of putting that team and equipment in there, there must be a difference in costs.

HON. L. DESJARDINS: No, I'm assured, Mr. Chairman, that the expansion needed, there was an expansion at St. Boniface and they had a deficit also. The cost was there in equipment and staff and there would have been further expansion at Health Sciences Centre if the Health Sciences Centre not be open for that period. I'm not talking about the beds I'm talking about the total cost because that was my first question to the Commission - I'm not saying it's more important than standard - but because of the political implication of what they had done and so on, my Cabinet colleagues were very concerned.

They echo the words of the Member for Fort Garry and my thoughts, but there was no way that we were going to have two teaching hospitals as rivals trying to compete and when one had something they would want the other. In fact, I think we're changing that, we've been successful and if this can work it will be worth the time because we will have more of those things with one team in the two areas with the university involved in the teaching and have only one head of the division.

I'm assured, and that question I can assure you I've had the same doubt, I've asked that repeatedly to everybody connected with it and I can only go on the assurance they all give me starting with the Deputy Minister and the staff at the Commission and the Associated Executive Director that this is correct. They've verified it and then the cost would not be that much different.

MR. L. SHERMAN: Is any expansion of the St. Boniface unit contemplated in the near future?

HON. L. DESJARDINS: They have expanded their number and normally they would have. With the Health Sciences Centre not being open at all they would have had to but they're caught in the middle out there, they have nowhere to go with the restriction because of other disciplines as I was saying, would have probably had to build somewhere, maybe a freestanding hospital, which would have been a heck of a lot more costly. That's the point that I was trying to make if you're just satisfied, let's say with the cardiac unit, then somebody with elective surgery or something will have to pay, will suffer and you know what that means to these people that are involved with that, so there was a restriction. They were restricted but they did expand as much as they could under the facilities and they still wouldn't have met the list without the operations that were performed at the Health Sciences Centre.

MR. L. SHERMAN: Mr. Chairman, I will certainly read the statement, that the Minister had delivered to me, with interest and I will await the anticipated announcements that he expects to make within the next week, 10 days, or two weeks or perhaps a little longer having to do with the Wade committee conclusions and the eventual resolution of this problem.

I certainly support any and all initiatives that we can reasonably take and afford in this province to maintain our position at the top level - and I mean at the top level - of adult cardiology capability in North America. We certainly have that reputation through Dr. Morley Cohen and his extremely fine and well-known team at St. Boniface. So there's no suggestion in any of the questions emanating from this side of the House that we're not supportive of top-level capability in open heart surgery for Manitobans. It's simply a question of making the most efficient use of our limited dollars.

On the surface the move to go into the Health Sciences Centre with the same type of capability certainly appeared to many persons to be expensive and unnecessary duplication. If it can be undertaken in such a way as to reinforce our capabilities in this field and still be cost-efficient, then there will of course be no argument I'm sure. We'll watch that development with very keen interest in the days immediately ahead. Hopefully, it'll be resolved before too long, it's been going on for over a year now, yes.

HON. L. DESJARDINS: Before we leave that, there's something that I forgot. There's another benefit that comes from that is the cardiac services for the children, which was slipping badly. If you remember, we've had to send a lot of youngsters to Toronto and with the concern that they've had at the Sick Children's Hospital in Toronto, it hasn't been the best situation. I'm not saying we're going to curtail that completely but we certainly are going to reduce the number for sure. This will be beefed up and helped by everybody and it'll help St. Boniface also, especially with the one unit.

We will be encouraging the doctors to go back and forth to St. Boniface and go to the Health Sciences Centre and so on.

MR. L. SHERMAN: I was coming to pediatric cardiology, Mr. Chairman. I wanted to deal with that question of

adult cardiology first. Certainly the question of pediatric cardiology has become more sharply etched and more vivid in the last little while because of the sort of temporary hiatus, I guess, at the Health Sciences Centre that followed in the wake of the retirement of Dr. Colin Ferguson, who was so prominent and so active in that field for so long. I know that the Children's Hospital has replaced Dr. Ferguson with a pediatric surgeon, a Dr. De La Rocha, I think I'm correct on that name. I think a second pediatric surgeon has been brought in recently.

I've heard disturbing reports that notwithstanding its great reputation for pediatric cardiological work, and notwithstanding the fact that replacements have been brought in for Dr. Ferguson in the persons of Dr. De La Rocha - yes, I've found my notes and that name is correct - and a Dr. Collins, notwithstanding all those developments, Mr. Chairman, there are a significant number of children's cardiac cases here in Manitoba who, in the past year at least and perhaps for longer than that, have been sent to Toronto, been referred out of province and have gone to Toronto Children's Hospital for cardiac surgery when they could be performed here. That is my information.

As a matter of fact my information is that there are some 200 children in the last year who could have had their pediatric cardiology attended to at the Children's Hospital here in Winnipeg, have been referred out of province to Toronto Sick Children's Hospital and had their surgery performed there at what would be a significantly additional expense to the Province of Manitoba. I would ask the Minister for confirmation or rebuttal of that point to start with. This whole question of pediatric cardiology is equally important. It's different. We're not talking about duplication here now as was the start point for discussion of the adult activity.

In pediatric cardiology, the Health Sciences Centre through Children's Hospital has always been extremely active, highly capable and highly renowned. That occurred under a number of leading figures in that field, the last of whom was, as I mentioned earlier, Dr. Colin Ferguson. Then when he retired, of course, there was a little bit of a hiatus, not long, but a little bit of a hiatus when Children's wasn't in a position to perform the kind of volume of pediatric cardiology that it had done for so many years. Now, since Dr. Downs has brought in a Dr. De La Rocha and a Dr. Collins to function there as pediatric surgeons, it would seem that Children's here in Manitoba, here in Winnipeg, is capable once again of meeting the volume demand and yet my reports are that the volume demand is being turned away and referred to Toronto.

Could the Minister comment on that please?

HON. L. DESJARDINS: I don't know if I misunderstood the figures, but actually the pediatric cases in cardiology, there were nine operations performed at St. Boniface Hospital. That's the calendar year 1982. That's nine between the age of 3.5 to 17 years old. There were only two at the Health Sciences Centre. Now there were some sent to Toronto, but there were 30 or 31 children sent to Toronto. I don't know if the member mentioned 200?

MR. L. SHERMAN: 30 or 31?

HON. L. DESJARDINS: Yes, that's actually for the surgery. Now where I said it will improve, the cardiac surgeons of the youngsters will have the backup and be assisted by the adult cardiac surgeon. A man that comes highly recommended who is establishing a reputation, although he hasn't been very long here, is a Dr. Collins I think, who is a new cardiologist. He's not a surgeon, a cardiologist with the youngsters mostly. That is why it is felt with all these additions and the backup and the one team, that should improve.

The total operations on Manitobans was, let's say, we have 30 or 31 and then 11, so that'd be 42 at the most. Still the greatest number was sent to Toronto and we would hope that we'll change that an awful lot.

MR. L. SHERMAN: Yes, that's correct with respect to Dr. Collins, I believe, Mr. Chairman, I'm happy the Minister made that distinction. Dr. Collins is a cardiologist and I think it was Dr. De La Rocha who was brought in, in a surgical capability. Nonetheless, together they constitute a team which has restored the capability and capacity of Children's to perform at the very top level of this field of medical practice. One would hope that the increasing practice will be to deal with those cases here and not refer them to Toronto.

Am I correct in my assumption or belief that St. Boniface does not really have a pediatric capability. St. Boniface, essentially, is an adult-oriented capability in cardiology, unlike the Health Sciences Centre which has always been, through Children's oriented towards pediatric cardiology, rather than the adult program, so that these cases could not very likely be handled at St. Boniface; it's either the Health Sciences Centre or Toronto - when I say the Health Sciences Centre, I mean Children's Hospital, of course - either the Children's Hospital or some facility out of province like Toronto; but that St. Boniface does not constitute a really viable alternative because it doesn't really have a pediatric capability. Is that correct or incorrect?

HON. L. DESJARDINS: Mr. Chairman, as I stated that's '82. Like the member said, it takes awhile to establish the confidence and so on. I think that both Dr. Cohen and Dr. De La Rocha has it now, but it took a little while. In '82 there were only two performed at the Health Sciences Centre, only two. There were nine at St. Boniface and that's Dr. Barwinsky, I think, who also does the surgery in the Adults, but the intent is back to Health Sciences Centre mostly for doing the youngsters which it was intended to do. But they will have the back-up now of St. Boniface, of the Adult surgeon, and also as the member said, Dr. De La Rocha and Collins have established a team. They are much more accepted now than they were originally, especially the surgeon and that is working well. Dr. Collins is also practicing as a cardiologist at the St. Boniface Hospital, but his main place is the Health Sciences Centre.

With the backing and with only the one team and with these people who seem to be an excellent team, we hope that this will be corrected and it will improve.

MR. L. SHERMAN: Is the Minister then saying that the new concept of the team that is centrally directed, but functions in the two teaching hospitals, extends to pediatric cardiology, as well as adult cardiology?

HON. L. DESJARDINS: Certainly there'll be a lot of co-operation. I don't think that St. Boniface then will all of a sudden start to do surgery on the youngsters; it is their preference not to. Now that these people have been accepted it will be done at the Health Sciences Centre, but they are very interested in providing all the backup they can. That is the point that I was trying to make, but it's not the intention that all of a sudden all of them will be done at St. Boniface. No, they don't want that and they're satisfied with assisting and giving the backup service.

I think it was before of necessity until the doctors - it's a very difficult thing to establish a practice in here and get the confidence of the public. That is being done now I'm told, but it was slow in starting and maybe that was one of the reasons why they sent so many to Toronto and they did probably a large portion at the Health Sciences Centre.

MR. L. SHERMAN: So just that I'm clear in that those who have called me with some concern on this subject can also be clear, the Minister is saying that it took awhile to mount the new capability in pediatric cardiology at Children's here in Winnipeg, and that's why cases were being referred in considerable number to Toronto, but we're getting over that and, in the coming year, we'll see more and more of these cases handled here at Children's in Winnipeg. Is that correct?

HON. L. DESJARDINS: Yes, but it took awhile also to be accepted. I guess we might have had the facilities here, but to be accepted, to have the confidence of the public.

Now I might say that we expected there'll always been some sent to Toronto, but certainly not nearly the percentage that we have now. Always is probably the wrong word, it might be that, no, there won't be any necessity for that, but there is always somebody leaving, even with the team that we have with Cohen. There's others that'll go to Mayo once in awhile and different areas like that.

The report that I have, that it should be fairly soon, July to September '83 before the pediatric facility is functioning at a reasonable level at the Health Sciences Centre.

MR. L. SHERMAN: Okay, well one of the main reasons I asked that question, Mr. Chairman, is because people on the pediatric cardiology team at the Health Sciences Centre are concerned. Obviously there is a matter of professional morale that's involved here. A second reason was because of the expense. It must necessarily, and unfortunately, be considerably more expensive for the Manitoba Health Services Commission, i.e. the taxpayers of Manitoba, to have all these cases sent down to Toronto; but a third reason is because the Variety Club has launched itself upon an initiative to raise the funds, I think, to an extent of something like a million dollars over the next seven or eight years to provide equipment for pediatric cardiology at Children's. At least I believe I am correct in my description of that Variety Club undertaking.

There has been some concern expressed to me that that commitment and that pledge by the Variety Club might be threatened by inactivity at Children's in the

pediatric cardiology field. That, if we're not going to return ourselves and restore that facility to the top level quality pediatric cardiology centre that it was under Dr. Colin Ferguson, there will be no justification for the kind of initiative that the Variety Club has set for itself, the raising of a million dollars to provide necessary equipment.

That was another reason for my question, Mr. Chairman, I am sure that members of that organization, who are associated with the pledge and that undertaking, would want to be assured that the equipment which they hope to fund and finance is going to be necessary, is going to be required, and is going to be used. So the Minister, I assume, is giving me assurance and reassurance on that question, along with the other two questions.

HON. L. DESJARDINS: Yes, I think we can give this assurance; we'll know better when we have the final report from Dean Wade, but I think my honourable friend was talking about variety and I'm told that that is equipment for all programs for youngsters and I'm sure there is very little doubt that will be used quite extensively.

MR. L. SHERMAN: Mr. Chairman, that concludes my questions with respect to cardiology, adult and pediatric, and with respect to that discussion and debate on the subject of possible duplication of services between the two teaching hospitals. I'd like to move on to another subject area under this Hospitals appropriation line, but I'll leave it to the Minister as to whether he wants to do that now or whether this might not be a good time to call committee to rise and to pursue the Hospitals appropriation the next time committee sits?

HON. L. DESJARDINS: Yes, Mr. Chairman, I think it is a suggestion that we would pursue this - I think Monday is a holiday - on Tuesday so I would move that committee rise.

MR. L. SHERMAN: We won't be back on cardiology or on duplication of services between the two teaching hospitals, we've concluded that.

HON. L. DESJARDINS: Yes. With that understanding I move that committee rise.

MR. CHAIRMAN: Committee rise.