



First Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

(Hansard)

*Published under the
authority of
The Honourable Louise M. Dacquay
Speaker*



MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, May 31, 1995

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

TABLING OF REPORTS

Hon. James Downey (Minister of Industry, Trade and Tourism): Madam Speaker, I am pleased to table the 1993-94 Co-operative Promotion Board Report and the 1993-94 Co-operative Loans and Loans Guarantee Board.

Hon. Glen Cummings (Minister of Environment): Madam Speaker, I would like to table the Supplementary Information for the Sustainable Development Innovations Fund and the Supplementary Information for the 1995-96 Departmental Expenditures for the Department of Environment.

Hon. Bonnie Mitchelson (Minister of Family Services): Madam Speaker, I am pleased to table the Supplementary Information for Legislative Review for 1995-96 Department of Family Services.

Hon. Harold Gilleshammer (Minister of Culture, Heritage and Citizenship): Madam Speaker, I am tabling today the Supplementary Information for Legislative Review 1995-96 for the Department of Culture, Heritage and Citizenship.

Hon. Eric Stefanson (Minister of Finance): Madam Speaker, I am pleased to table the Supplementary Estimates 1995-96 for the Manitoba Community Support Program.

Hon. Jim Ernst (Minister of Consumer and Corporate Affairs): Madam Speaker, I would like to table the Supplementary Estimates for the Department of Consumer and Corporate Affairs.

Hon. Brian Pallister (Minister of Government Services): I would like to table today the Supplementary Expenditure Estimates for the Department of Government Services for the 1995-96 fiscal year.

Hon. Vic Toews (Minister of Labour): Madam Speaker, I am pleased to table the Annual Report for the Manitoba Civil Service Superannuation Board for the year 1994.

* (1335)

INTRODUCTION OF BILLS

Bill 3—The Maintenance Enforcement (Various Acts Amendment) Act

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): Madam Speaker, I move, seconded by the Minister of Finance (Mr. Stefanson), that leave be given to introduce Bill 3, The Maintenance Enforcement (Various Acts Amendment) Act; Loi sur l'exécution des ordonnances alimentaires - modification de diverses lois, and that the same be now received and read a first time.

Motion agreed to.

Bill 4—The Real Property Amendment Act

Hon. Jim Ernst (Minister of Consumer and Corporate Affairs): Madam Speaker, I move, seconded by the Minister of Justice (Mrs. Vodrey), that leave be given to introduce Bill 4, The Real Property Amendment Act; Loi modifiant la Loi sur les biens réels, and that the same be now received and read a first time.

Motion agreed to.

Introduction of Guests

Madam Speaker: Prior to Oral Questions, I would like to draw members' attention to the public gallery, where we have this afternoon twenty students from Sir William Osler School under the direction of Mrs. Mary-Jean Ruthledge. This school is located in the constituency of the honourable member for River Heights (Mr. Radcliffe).

Also seated in the public gallery this afternoon, we have from Parc La Salle School sixty Grade 5 students under the direction of Ms. Nancy Krueger. This school

is located in the constituency of the honourable member for St. Norbert (Mr. Laurendeau).

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

* (1340)

ORAL QUESTION PERIOD

Winnipeg Arena Site Cost Analysis

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, my question is to the Acting Premier.

Over the last couple of years, in discussing the site for the proposed new arena, all the reports were predicated on the public sector only contributing up to \$30 million, Madam Speaker, and, of course, there were a number of recommendations for the private sector and the public sector to place that site downtown. There were reviews of the possibility of renovating the Polo Park site, and, ultimately, the private-sector group, MEC, determined to locate the new site at The Forks site.

I would like to ask the Deputy Premier today, in light of the fact that we are now paying 100 percent of the cost of the new facility, the public sector is now paying, the taxpayers are now paying 100 percent of the new facility, could the acting Premier table today all the costs associated with all the sites available and the urban merit of each of those sites?

Hon. James Downey (Deputy Premier): Madam Speaker, let me, first of all, indicate that this government and this party have been building and planning for the future of Manitoba, unlike the negative party and the negative representation that he brings to the people of Manitoba.

As it relates to the specifics of the plans, I would say that the information for which he is asking, at appropriate times will be brought forward and will make sure that he is, I am sure, further advised on any of that detail as is appropriate.

Mr. Doer: It is only \$111 million. Maybe he will table it after they build the arena, Madam Speaker.

Madam Speaker, I am absolutely disappointed that the acting Premier today could not table all the sites and all the costs and the urban advantages and disadvantages for those sites. I would like to table today a document from the City of Winnipeg indicating a savings of some \$13 million with the downtown site, the Convention Centre site over The Forks site, and as I understand it, there is material available to show that other sites are even more cost-effective.

In light of the fact, Madam Speaker, that the taxpayers have now gone from a promise of \$10 million—this provincial government has gone from an election promise of \$10 million for the new arena and now is funding 100 percent of the costs of the capital, will the Deputy Premier (Mr. Downey) please table today all the studies they have on costs and merits and advantages and disadvantages, in light of the changing circumstances after the election campaign?

Hon. Eric Stefanson (Minister of Finance): The Leader of the Opposition will recall that the various studies that have been done by the Mauro committee, the Burns committee, all came to the conclusion that if a facility is to be developed here in Manitoba, it should be a downtown location. In fact, I think the Leader of the Opposition, himself, not very long ago was committing money to a downtown site on the condition it be the Convention Centre site.

So the decision and the recommendations on the downtown site have been done through a series of reviews. Having said that, when MEC went through their detailed analysis of which was the preferred site, they went through a series of items in terms of making their ultimate decision and recommendation.

One of them was the cost of a facility at each of the sites, what the facility would cost at a Convention Centre site versus what the facility would cost at the north of The Forks site, and the north of The Forks site is the less costly of the two in terms of the development of the facility.

So there has been an awful lot of work done in terms of that final decision making. We will certainly undertake, in conjunction with the private sector that has commissioned a lot of that work, as well, to make

as much of that available as we possibly can to show in the greatest level of detail just what all of those cost estimates really were.

Mr. Doer: But the taxpayers are now paying 100 percent of the costs of the facility, and the Minister of Finance and the Deputy Premier (Mr. Downey) are asking us to rely on the private investors.

We are paying 100 percent of the costs of the facility. We are paying 36 percent of the costs of the operation of the privately owned hockey team, along with the other so-called risktakers in this venture, and this Legislature and the public of Manitoba cannot get any information out of this government that would table the cost comparisons between the three locations.

Would the Minister of Finance today table all this information? We are paying 100 percent of the cost. The taxpayers have a right to know the different comparisons and just to slough this off to a group that is not even registered now with Corporations Manitoba, how can the minister assure Manitobans that this is based on merit and not the pecuniary interests of the private investors at that site?

Mr. Stefanson: Madam Speaker, the Leader of the Opposition knows full well that this entire initiative to keep the Winnipeg Jets in Manitoba, to develop a facility here in Winnipeg, has been a partnership throughout, having recognized that the two functions are being split, that governments, all three levels of governments, are committing to build a facility, and the private sector is committing to take over the operation and the losses of the club and fund them in the future.

I want to correct him on one point. One of the main reasons that we are dealing with the private sector is that they are committed to building a facility for the \$111 million. Any overruns over and above the \$111 million will be paid for by the private sector.

That is one of the reasons that we are picking up on the work that they have done in terms of going through requests for proposals from four various firms for the development of a facility in downtown Winnipeg, having received a fixed guaranteed price from a firm that they are prepared to move forward with for the development of a site on the north of The Forks site.

So that is one of the reasons that we are working with that group, Madam Speaker, to make sure that the taxpayers are protected, that the facility is built in the most cost-effective way possible.

* (1345)

Mr. Doer: Madam Speaker, the minister has now confirmed that we will be paying the first \$111 million. The taxpayers of Manitoba will be paying \$111 million.

Does the minister not think that those of us who are paying the cost should determine the site? Those of us who are paying the cost should determine the site and should do so on the basis of cost, on advantages and disadvantages, on the basis of urban merit.

Would the minister now table in the House the cost comparisons of all sites, since we are paying 100 percent of the \$111 million that he has invested?

Mr. Stefanson: The Leader of the Opposition knows full well that over the course of the last eight months in terms of dealing with the Manitoba Entertainment Complex group, all three levels of government have been involved, have had discussions with them about sites, about preferred sites, about the cost of facilities. I believe he, himself, has been part of an all-party meeting. He has also, I believe, had representation from the MEC group directly to him about the entire issue.

So to stand up here today and try to paint the picture that, all of a sudden, governments are just getting involved today is absolutely incorrect, Madam Speaker. Governments at all three levels of government, representatives of all three political parties here in this Chamber have had involvement over the last eight months.

Mr. Doer: Yes, we met in January with the MEC group, and we said no to The Forks site. We said that all the way through the election.

This government stated all the way through the election that it would be only limiting itself to \$10 million, and that is why the private sector could determine the site.

The minister never answered the question. How are we to know? Can the minister table today the list of private investors and the amount of equity they are putting into the so-called shares in the privately owned team, and table today the cost benefits of all the sites, so that we can be assured the decision is not being made on the basis of interests in the private sector, but rather on the basis of interests in the public sector?

Mr. Stefanson: The Leader of the Opposition says he said no to The Forks. I do not think today Manitobans are sure where the Leader of the Opposition stands on this issue. One day, he said he was committing \$30 million from the Kenaston underpass to the development of a complex at the Convention Centre site, and the next day, he said he was not contributing anything, Madam Speaker.

The private sector and the public of Manitoba to date have raised in excess of \$60 million towards this initiative. Discussions are ongoing right now between representatives on behalf of that group, the public- and private-sector group, with the current owners to make the transition to keep the Winnipeg Jets here in Manitoba.

As I have said consistently throughout the whole discussions, as this issue moves forward and as specific decisions are being made, as much information as can be made available will be made available, not only to the Leader of the Opposition, but to all Manitobans, Madam Speaker.

Mr. Doer: Madam Speaker, this government has not even tabled the addendum agreement of the June 30 operating losses agreement. It has broken its word on the \$10 million. It has broken its word on equity in the team.

I would like to ask the Minister of Finance to make public today all the sites, costs and benefits and all the details on the operating relationship with the team. Given the fact that the public sector will have 36 percent on the operating side and 100 percent of the \$111 million on the capital side, will the minister today table all the information and give Manitobans the specific information they need to have to evaluate the merits and demerits of the decisions being made by members opposite?

Mr. Stefanson: First of all, Madam Speaker, I think, as the Leader of the Opposition knows, no agreements have been reached. No agreements have concluded. No agreements have been reached to build a facility. No agreements have been reached between the private sector and the current owners. None of those things have happened yet. As those issues move forward, we will make all of the information that we can available.

I want to remind the Leader of the Opposition that he has been a part of discussions with the Leader of this party, with the Leader of the Liberal Party. He has had representation to him.

Point of Order

Mr. Doer: On a point of order, the Minister of Finance knows we were invited to one meeting and shut out, like the rest of the public, for the last 10, so please tell the truth. Try a little honesty.

Madam Speaker: Order, please. The honourable Leader of the official opposition does not have a point of order. It is clearly a dispute over the facts.

* * *

Madam Speaker: The honourable Minister of Finance, to quickly conclude his response.

Mr. Stefanson: To conclude, Madam Speaker, if the Leader of the Opposition has been shut out, it is only because of his lack of involvement and his lack of interest. He could have appeared before the public hearings that the City of Winnipeg had. He chooses not to, so if he is out of the process, it is only because he chose to be out of the process.

* (1350)

Winnipeg Arena Urban Strategic Plan

Ms. Becky Barrett (Wellington): Madam Speaker, today, the Minister of Finance and his government responses throughout this discussion about The Forks and The Forks site for the new arena has shown us that they are relying on the private sector to do their analyses and that they are not sharing that information with the public.

I would like to ask the Minister of Urban Affairs if he has asked his department, as the department responsible for dealing with issues that concern the capital region of the province of Manitoba, to prepare an urban strategy paper outlining the impact on such issues as land use, parking, transportation, the environment and the general quality of life that putting an arena at The Forks site would have on the people of Winnipeg and Manitoba?

Hon. Jack Reimer (Minister of Urban Affairs): I thank the honourable member for Wellington for the question.

The member for Wellington should remember that the zoning and the application of land use is strictly within the City of Winnipeg's authority. The whole arena debate and the ramifications of it are still in the formative stage, but there has not been any study taken on by Urban Affairs.

Ms. Barrett: Is this lack of an urban strategic plan or study and input into this vital issue not an abrogation on the part of the Minister of Urban Affairs of his responsibilities to deal with the issues that face the entire city and region of Manitoba?

Mr. Reimer: Madam Speaker, one of the things that this government has initiated and is very proud of is the fact that the City of Winnipeg has and should have its autonomy in decision making.

The zoning, the application, is all controlled by the City of Winnipeg. The land use, the planning of it is within the City of Winnipeg parameters. There is no study being initiated by this department.

Ms. Barrett: Can the minister confirm that there has been no study, no Urban Affairs input into the issues of this vital issue because there is no political will to do so, because they are under the thumb of private interests?

Mr. Reimer: Madam Speaker, no.

Health Care Facilities Funding Levels

Mr. Dave Chomiak (Kildonan): Madam Speaker, my question is to the Minister of Finance.

We found out today that the government is unwilling to give us any information on the Jets. Will the Minister of Finance, at least today, since he is the minister who made the announcement of the 2 percent cut to hospital budgets on November 22 of last year, will the minister today table in this House how much each budget for each hospital is going to be cut by this government this fiscal year?

Hon. Eric Stefanson (Minister of Finance): As the member for Kildonan knows, we, back in November of last year, informed hospitals, personal care homes and community health centres of what their level of funding would be for 1995-96, and that level of funding, Madam Speaker, was maintained at \$1.2 billion, the same level of funding as was in place the previous year.

As he knows full well, as a government we spend almost 34 percent of our budget on health care, the largest percentage of any provincial government in all of Canada. On a per capita basis, we spend the third most of any government in Canada.

Madam Speaker, that shows our commitment to health care in Manitoba, and we will continue to maintain that strong commitment.

Mr. Chomiak: Madam Speaker, can the Minister of Finance explain why hospitals such as Seven Oaks and Health Sciences Centre are having budget cuts this year even in excess of the so-called 2 percent cut that he announced on November 22 last year?

Mr. Stefanson: Madam Speaker, as I mentioned, we informed hospitals and personal care homes back in November what their funding levels would be.

I believe that might have been the earliest ever in the history of this province, or certainly amongst the earliest ever in terms of notifying facilities, notifying boards and notifying management of what their level of funding would be.

We were complimented for that, Madam Speaker, because that gives them the opportunity to prepare their budgets, to do their planning and to make the kinds of decisions they need to make around maintaining those facilities and maintaining care for Manitobans.

But I reiterate that the same level of funding, \$1.2 billion, the same level of funding provided the previous year, was provided, unlike what we are seeing in many other provinces across Canada.

* (1355)

Seven Oaks Hospital Funding Levels

Mr. Dave Chomiak (Kildonan): Madam Speaker, can the Minister of Finance, who could find ample money for the Jets on Friday, explain why Seven Oaks is now considering the plan to cut 16 to 21 R.N.s, 10 to 12 LPNs, up to eight dietitians, a unit clerk, a technologist and a pharmacist?

Hon. Eric Stefanson (Minister of Finance): Madam Speaker, I cannot confirm the information the member is putting on the record here today, but I do reiterate that those facilities have been notified of their level of funding.

They have autonomous boards that make decisions around the running of those facilities. They have staff and expertise that allows them to make the kinds of decisions that they need to make to run the facility, but in terms of the commitment of this government, it is the highest level of commitment of any provincial government in Canada, Madam Speaker, and we will continue to maintain a high commitment to health care in Manitoba.

Gaming Commission Public Hearings Schedule

Mr. Gregory Dewar (Selkirk): Madam Speaker, my questions are for the new minister responsible for Manitoba Lotteries.

Two days before the provincial budget was announced, his government finally recognized that there was a problem here in this province concerning gambling, and they followed some of the recommendations we put forward in Bill 203 and decided to hold some public hearings on gambling in this province.

My question is, why is this minister only proposing four hearings and only three outside of the city?

Hon. Eric Stefanson (Minister charged with the administration of The Manitoba Lotteries Corporation Act): Madam Speaker, it is not this minister or this government that is proposing the number of hearings or the locations of hearings. It is the 14-member review committee chaired by former Health minister Mr. Larry Desjardins that is making those decisions.

They are making the decisions, and they are proceeding with four hearings, one in Winnipeg, three outside of Winnipeg, that will be proceeding during the month of June.

Advertising

Mr. Gregory Dewar (Selkirk): A supplementary question for the same minister: Why did this government spend hundreds of thousands of dollars promoting the alleged good use of lottery revenue, telling us that gambling is good for us, and then, after that, they decided to just place one ad in Winnipeg media promoting the public review?

Hon. Eric Stefanson (Minister charged with the administration of The Manitoba Lotteries Corporation Act): Madam Speaker, the information I have been provided this morning is that there was some misunderstanding between the commission and Information Services in terms of the placing of ads. The direction was to place ads in rural Manitoba.

Madam Speaker, that has, in fact, been rectified. Ads are going to be rerun in Winnipeg, in the rural papers, so that ample notice is given to Manitobans about the four locations of the hearings, and the registration deadline will be extended until June 8 to ensure that Manitobans do have ample opportunity to appear and make representation to this commission.

Mr. Dewar: My final question for the same minister: Will this minister request the review working group to hold public hearings in more communities outside of the city, and will he cancel some of the lottery advertising and instead promote these hearings?

Mr. Stefanson: Madam Speaker, a 14-person commission has been set up with broad representation from different elements, different sectors of our

economy. We have a great deal of confidence in the people who are serving on that commission. They have broad scope in terms of their terms of reference, in terms of the social issues, the economic issues.

We will rely on their judgment. We have confidence in their judgment in terms of the locations, the numbers of hearings and so on. They will be proceeding, and they certainly will be, as a major part of their review, soliciting the input of Manitobans.

Education System Special Needs Funding

Ms. Jean Friesen (Wolseley): Madam Speaker, as the public bill for the Jets and the arena continues to rise, school divisions across Manitoba are finding that applications for special funding at Level II are increasingly being rejected by this government, so that teachers will find themselves without assistance in a classroom sometimes now of over 35 students and up to two or three special needs students.

I want to ask the minister to tell us whether this harsher application of criteria is one of her new policy directions, or is this simply a continuation of the Manness agenda for education?

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, the member will recall, I am sure, because I am sure she has done her research properly, that there has been a tremendously significant increase to special needs funding in Manitoba under this government, an increase that was very much needed and too long ignored for the decade before that. That commitment to special needs students continues.

Special needs are a particular interest of mine, and I will ensure that the commitment this government has to caring for those students who do have identified special needs will be attended to vigorously.

* (1400)

Ms. Friesen: Madam Speaker, will the minister confirm that some school divisions are facing this September a 30 percent reduction in support for Levels II and III special needs students at a time when those children's needs remain unchanged and some divisions are facing severe financial difficulties?

Mrs. McIntosh: Madam Speaker, if the member has specific instances that she would like to draw to my attention, I will be pleased to look at them.

Speaking in broad generalities, I will reply in the same broad generalities that she has presented to me and indicate that funding for special needs in the province of Manitoba has increased, not decreased. If she wishes to provide me with specific details, I will be able to reply with specific details.

Public Housing Rent Arrears—Interest Rate

Ms. Marianne Cerilli (Radisson): Madam Speaker, my question is for the Minister of Housing.

Yesterday, I asked the minister to clarify this government's policy for contracting out to collection agencies that charge interest to collect arrears from public-housing tenants.

Could the minister confirm today the government's policy for interest charges with these collection agencies?

Hon. Jack Reimer (Minister of Urban Affairs): Madam Speaker, I am delighted that the member for Radisson has brought this up again, because there should be some clarification on it.

The department should not be in a position to put interest on arrears. A directive has gone out that arrears will not be charged on any past-due rent that has been collected. In fact, if there has been rent collected that had the past dues involved with the arrears, the people can apply for a rebate on that amount that has been charged as interest.

Ms. Cerilli: I thank the minister for that clarification, but the theory and the reality seem to be different.

Why are citizens being pursued for as much as 24 percent increase on arrears for public housing? How can the minister assure that this interest will not be charged when their arrears are collected?

Mr. Reimer: Madam Speaker, I will clarify again to the member for Radisson the fact that the collection of

arrears and the interest on the arrears and the rent has been clarified to all those involved, that if there has been rent paid in arrears that had interest charged to it, they have the ability to collect that interest portion back from the department.

I will also point out at the same time, the best way to not pay any arrears or interest is to pay the accounts as they are due, to pay their bills.

Ms. Cerilli: Will the minister assure the House that the collection agencies that were or are contracted with the Department of Housing are not going to then be pursuing former tenants or tenants of Manitoba Housing for this interest and for the arrears with this interest?

Mr. Reimer: Yes, Madam Speaker.

Winnipeg Jets Financial Losses

Mr. Kevin Lamoureux (Inkster): Madam Speaker, my question is for the Minister of Finance with respect to the Winnipeg Jets.

It is assumed that, by building a sports facility, taxpayers will be relieved of future operational losses of the Winnipeg Jets.

My question to the Minister of Finance is, since the province owns roughly 18 percent in terms of shares, like any other business, if there are profits to be made, no doubt we would receive profits in terms of our shares. If there are losses to be encountered, then the shareholders would have to pitch in for the losses.

Can the Minister of Finance guarantee this Chamber or guarantee Manitobans that any future losses of the Winnipeg Jets are not going to have to be covered by the taxpayers of the province?

Hon. Eric Stefanson (Minister of Finance): Yes, Madam Speaker, the arrangement that is being discussed is, as I think the member knows full well, the private sector will take over the operational side.

They will strike an arrangement with the existing owners. They will take over the operations of the

Winnipeg Jets Hockey Club. They will become responsible for the funding of operating losses effective this year as a result of any agreement that can be reached, and his very specific aspect about the 36 percent that is owned by a combination of the City of Winnipeg and the Province of Manitoba, we will continue to have that equity, but we will not contribute and not participate in funding any losses of the hockey club.

Mr. Lamoureux: Madam Speaker, again, I have a question to the Minister of Finance.

The Minneapolis deal fell apart primarily because of the question in terms of the losses that have been incurred thus far. Can the Minister of Finance indicate to the House if that is, in fact, being called into question today? In other words, can taxpayers possibly be relieved of the financial losses thus far to date?

Mr. Stefanson: I am not entirely clear what the member is getting at. The losses that have been paid to date are really reflected in the equity that the combination of the City of Winnipeg and the province now own, which we will continue to own.

I think many hope, if this entire arrangement can be put together, that we never realize upon it, but if and when the Winnipeg Jets were ever sold at some future point in time, many, many years down the road, that 36 percent would effectively flow back to the two levels of government, in effect recovering contributions that have been made for losses to date, but also recognizing, as the member knows, that even though we have funded losses to date as a provincial government of approximately \$9 million, during that same period of time, we have taken in direct tax revenue, as a result of the Winnipeg Jets, approximately \$17 million. So our Treasury is ahead by a net of \$8 million.

Standing Committee Winnipeg Jets/Arena

Mr. Kevin Lamoureux (Inkster): Madam Speaker, can the Minister of Finance indicate to the House that he would be prepared or the government would be prepared to have a standing committee meet to hold accountable different groups that have been out there, such as the interim steering committee, MEC, to ensure that there is debate and questions and answers put

forward regarding all the different issues facing the arena, facing the Winnipeg Jets?

Hon. Eric Stefanson (Minister of Finance): Madam Speaker, in terms of the issue of the utilization of standing committees, that is a matter to be discussed, I believe, between the Liberal, NDP and our House leaders over the course of the next few days.

North Winnipeg YM-YWCA Crime Prevention Programs

Mr. Gord Mackintosh (St. Johns): Madam Speaker, my question is to the Minister of Justice.

One month from today, the north Winnipeg YM-YWCA at Mountain and Main will close, a place where the Department of Justice has funded a youth late-night basketball program called Night Hoops, a rare crime prevention program by this department. Madam Speaker, youth crime is a very serious problem, and the North Y facility is part of the solution.

My question to the minister is, would she tell us whether she has considered the impact the Y's closing will have on area youth crime?

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): Madam Speaker, the member knows very well that this government has taken great care in the area of looking at issues relating to public safety across this province, youth crime being one of our priorities.

We have instituted both preventative programs as well as programs that deal with consequences for young people, as well as looking at ways to bring parents into the system and make them also a part of the solution.

Certainly, the problem of youth crime is one which requires community solutions. The particular changes at the north end Y, I understand, were a decision of their board.

Youth Crime Rate Prevention Strategy

Mr. Gord Mackintosh (St. Johns): Would the minister finally commit to a youth crime strategy which

includes funding places like the North Y, rather than deferring to 7-Eleven?

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): The member knows there have been a number of initiatives which this government has put forward which deal with prevention of youth crime. [interjection]

The Leader of the Opposition says name one. I am more than happy to—the program called No Need to Argue which has involved schools across this whole city, junior high schools and high schools that have identified an issue within their community and that are developing a solution, not only with those young people, but with community partners, as well.

It is a successful program, Madam Speaker. We look forward to putting together all of those solutions that young people have come up with in the No Need to Argue program, making sure that all Manitobans have access to those solutions.

* (1410)

North Winnipeg YM-YWCA Funding

Mr. Gord Mackintosh (St. Johns): I have a final supplementary. Would the minister at least commit to becoming a partner with the community and help fund not just the ongoing Night Hoops program, but the North Y facility itself?

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): Certainly, as the member knows, the whole issue of youth crime is one in which all members of the community have to become involved. The Department of Justice has been helpful to the community in setting up Youth Justice Committees. We have made sure we have been able to offer support in the form of guidance and assistance to communities that wish to set up the programs.

The Department of Justice and the government of Manitoba cannot do these things alone. We require the support of other partners within the community and will continue to look for that support.

Treaty Land Entitlements South Indian Lake

Mr. Gerard Jennissen (Flin Flon): Madam Speaker, my question is for the Minister of Northern and Native Affairs.

Has the government completed its Order-in-Council authorizing the transfer of 8,500 acres of land to South Indian Lake, now that the community has voted overwhelmingly in favour of becoming a First Nation?

Hon. Darren Praznik (Minister responsible for Native Affairs): First of all, Madam Speaker, I would like to welcome the member for Flin Flon to this Assembly.

With respect to the particular issue that he raises, I understand he is talking about the treaty land entitlement process. The simple question that he asks is not one that fits into the scheme for settling these particular issues. There is a Treaty Land Entitlement Chiefs' Committee. There is a process underway, and as each is settled, the province will complete transfers as are required.

To date, despite that vote, the settlement of the issue is not complete yet. It is a premature question.

Mr. Jennissen: My supplementary question to the same minister is, will the minister act immediately to complete the provincial paperwork, so that the people of South Indian Lake can obtain treaty status and thus will no longer be used as pawns by both levels of government over social assistance?

Mr. Praznik: Madam Speaker, I would advise the member that often in the exchange of questions, sometimes one has to pay attention to the first answer in asking the supplementary.

As I said in the first answer to my question, we have always moved very quickly when we have had agreements concluded, but that is not the holdup in this entire process.

Granville Lake Social Assistance Eligibility

Mr. Gerard Jennissen (Flin Flon): My final supplementary question is, has this government made

a commitment that residents of South Indian Lake and Granville Lake will continue to be eligible for social assistance this summer, regardless of the state of negotiations between the two level of governments?

For the record, Madam Speaker, I would like to table a letter from Indian and Northern Affairs Canada regarding the cutting off of social assistance for Granville Lake starting tomorrow, June 1.

Hon. Bonnie Mitchelson (Minister of Family Services): Madam Speaker, I thank my honourable friend for that question, because it does give me the opportunity to clarify the circumstances around Granville Lake presently.

As we are all aware, the federal government did make a unilateral decision to stop funding social assistance at Granville Lake by way of a letter to us. We have replied back to the federal government asking them to reconsider that unfair decision.

We have also initiated, as a result of Chief Muswagon asking for a meeting of all three parties—we indicated our desire to meet before the beginning of June. Unfortunately, Chief Muswagon is away on holidays this week. He will be back next week, and there is a tripartite meeting set up for next week.

The federal government has come back to us and indicated that they will continue to fund social assistance on Granville Lake for another month until the meetings can take place and there can be some resolution.

Forest Fires Prevention Strategy

Mr. Stan Struthers (Dauphin): Madam Speaker, my question is for the Minister of Natural Resources.

Already this year, Manitoba has experienced 136 forest fires. Presently, there are 33 forest fires burning in the province. Three of these are out of control in northern Manitoba.

Given the situation in Alberta and Saskatchewan, Manitoba also faces a potential for massive forest fires. Can the minister outline whether adequate resources

are in place to control forest fires, so they do not reach the magnitude of fires seen in the late 1980s?

Hon. Albert Driedger (Minister of Natural Resources): Madam Speaker, the member's assessment is relatively accurate in terms of the severity of the forest fire situation in the North. We have a very volatile situation out there with this kind of weather.

All resources that are available to us are being utilized at the present time. We anticipate that unless we get weather conditions and moisture conditions improving in the North, that we are in a position to possibly face the same situation that we did in 1989.

I just want to assure the member that all resources available to us are being utilized. Funding has never been a problem in terms of fighting for and protecting our forest resources.

Provincial Parks Forest Fire Burn Policy

Mr. Stan Struthers (Dauphin): Are the lands contained within the boundaries of the proposed provincial parks in northern Manitoba going to be subject to the let-it-burn policy, as they have been in past years?

Hon. Albert Driedger (Minister of Natural Resources): Madam Speaker, I am not quite sure what the member is referring to when he makes that kind of a statement.

We have a policy in place that is being done with the qualified people we have within the department, where decisions are made as to which fires we will be manning and which we will be trying to keep under control. There are certain areas where it does not make any sense to do that, and we have a group in place that basically makes that decision.

Mr. Struthers: Is this government going to continue its let-it-burn policy outside of the boundaries of the proposed provincial parks and will this policy apply to the timber-leased areas held by Repap and Louisiana-Pacific?

Mr. Driedger: Madam Speaker, I was trying to explain to the member as well as the members of the

House that there is a policy in place that basically is adhered to in terms of making decisions as to which fires we will try and get under control and which ones we will not.

There is no decision made in terms of which area. It is based on basically decisions by the people who are qualified to make that decision.

Highway Maintenance Northern Manitoba

Ms. Rosann Wowchuk (Swan River): Madam Speaker, my question is to the Minister of Highways.

I want to ask the minister how he is going to address the situation we had in the Swan River area this year, where roads which were the only access to communities such as Shoal River Reserve, Indian Birch Reserve and Red Deer Lake were in such a deplorable condition that people were not able to get out of their communities for a certain length of time.

What steps is the Minister of Highways going to take to ensure that this does not happen again and that these roads are brought up to a standard that we see in southern Manitoba?

Hon. Glen Findlay (Minister of Highways and Transportation): Madam Speaker, I think the member is well aware that there were several areas of the province where Mother Nature had a significant impact on the roads this year.

I think the staff of the Department of Highways have done an excellent job of trying to get the roads back to a usable state as fast as Mother Nature will allow it to happen, whether it is in her region and the roads she has identified or any other roads in the province.

So the staff have done a commendable job dealing with the circumstances of Mother Nature. I know we will face a higher maintenance bill on many of those roads because of that, and they will be addressed this summer getting ready for next year.

Ms. Wowchuk: Madam Speaker, I hope that the minister understands the seriousness, and I want to ask him if he understands—

Madam Speaker: Order, please. The honourable member for Swan River, with a subsequent question. Please pose it now.

Ms. Wowchuk: Madam Speaker, I want to ask the minister if he will consider seriously that these communities have only one access, and in southern Manitoba there are other accesses.

Will he address this and ensure that these people will not face a critical situation that they faced this spring?

Mr. Findlay: Madam Speaker, I cannot guarantee that Mother Nature will not deal the same blow to us next year, but I will guarantee the member that within the priorities of the \$50-million maintenance budget and the over \$100-million Capital budget, priority will be given to those roads that were negatively impacted, whether in her region or any other region of the province, will be given high priority, maintenance or capital reconstruction, whatever the case may be.

We cannot guarantee that Mother Nature will not do this again next year, but we will be well positioned to deal with that eventuality, should it happen.

Madam Speaker: Order, please. Time for Oral Questions has expired.

NONPOLITICAL STATEMENT

Children's Hospital Research Foundation

Mr. Gerry McAlpine (Sturgeon Creek): Do I have leave for a nonpolitical statement?

Madam Speaker: Does the honourable member for Sturgeon Creek have leave for a nonpolitical statement? [agreed]

Mr. McAlpine: Madam Speaker, on Monday I rose in the House for a nonpolitical statement with regard to the Teddy Bears' Picnic and congratulating the committee.

I also want to stand today and pay recognition to the members of the team of the Winnipeg-Thunder Bay regiment of the armed forces under the leadership of Colonel James Jeffries and Colonel Don Grant, who are

participating in a run through the rural communities of Manitoba to raise money for the Children's Hospital Research Foundation. They are hoping to raise something in the area of \$30,000. On Monday morning, as I mentioned, the kickoff for that run started at Children's Hospital and proceeded west on Portage Avenue.

Also, Madam Speaker, I would like to pay tribute to the École Élémentaire Assiniboine, which is the school in the St. James area where the students and the principal participated in the run with the regiment and the team members of that regiment who are raising this money to kick off the run throughout rural Manitoba.

I stand here today primarily because of the commitment that these team members are making for raising money for the Children's Hospital Research Foundation, because I think we only have to go outside today to realize what they are doing as runners. They are running five kilometres at a time and there are 18 runners. They are going to cover 1,500 kilometres over the course of this week.

I stand today, Madam Speaker, to recognize and pay tribute along with the rest of the colleagues in the Legislature to congratulate these members for the commitment they are making in raising the money. I wish them well. I would hope that all rural members would support them in their communities as they pass through their communities of Manitoba. Thank you.

ORDERS OF THE DAY

House Business

Hon. Jim Ernst (Government House Leader): On a matter of House business, Madam Speaker, I would like to table the sequence of Estimates for Committee of Supply, as agreed to by the opposition House leader and myself, which means for today, once we move into Committee of Supply that in the House the Estimates of the committee of Finance will be considered; in Room 254, Rural Development; and in Room 255, Seniors.

That is for today only. Then, of course, the sequence will follow as outlined here tomorrow or as subsequently may be amended from time to time as required, in which case then I would move, seconded

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

* (1420)

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

**COMMITTEE OF SUPPLY
(Concurrent Sections)**

RURAL DEVELOPMENT

Mr. Deputy Chairperson (Ben Sveinson): Order, please. Will the Committee of Supply please come to order this afternoon. This section of the Committee of Supply, meeting in Room 254, will resume consideration of the Estimates of the Department of Rural Development.

* (1430)

When the committee last sat, it had been considering item 4.(d)(1) on page 130 of the Estimates book. This is on page 52 of the yellow book. Shall the item pass?

Mr. Clif Evans (Interlake): Mr. Chairperson, it states in Activity Identification that in '93-94 the government recovered the applicable grant-in-lieu costs from respective government departments. Could he explain just how that works?

Hon. Leonard Derkach (Minister of Rural Development): Mr. Chairperson, what has happened is that we now charge. The various departments have responsibilities for various properties for their portion of the grants-in-lieu, so the Department of Rural Development pays it up front and then recovers it from other departments.

Mr. Clif Evans: So, then, as the minister is saying, they administer and put the funds out. Is there a time element involved in receiving the monies back? Is there a time where the other departments have to come back to your department with the finances?

Mr. Derkach: There is no time element put on the time of recovery as long as it is done before the end of the fiscal year.

Mr. Clif Evans: Mr. Chairperson, these grants are paid out at the beginning of each fiscal year to the municipalities, or over the period of time?

Mr. Derkach: It is the same as taxes; it has to be paid before the end of October, I believe.

Mr. Deputy Chairperson: Item 4.(d) Grants to Municipalities in Lieu of Taxes (1) Grants \$37,836,800—pass; 4.(d)(2) Less: Recoverable from other appropriations.

Mr. Clif Evans: Mr. Chairperson, the subtotal (d) on that figure of \$201,000 is a surplus from—

Mr. Derkach: No, that is not a surplus. That is what the Department of Rural Development's share is for grants.

Mr. Deputy Chairperson: Item 4.(d)(2) Less: Recoverable from other appropriations \$37,635,500—pass.

4.(e) Information Systems (1) Salaries and Employee Benefits \$680,200—pass; (2) Other Expenditures \$1,678,200.

Mr. Clif Evans: Mr. Chair, can the minister explain that line as far as what the other expenditures are?

Mr. Derkach: The largest portion of that is for what we refer to as the MACS system which is the computer system for our taxation notices and assessment. Basically, that is the largest portion of that other operating aspect.

* (1440)

Mr. Deputy Chairperson: Item 4.(e)(2) Other Expenditures \$1,678,200—pass.

Resolution 13.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$12,808,600 for Rural Development, Local Government Services, for the fiscal year ending the 31st day of March 1996.

Item 5. Rural Economic Development (a) Executive Administration (1) Salaries and Employee Benefits \$100,500—pass; (2) Other Expenditures \$30,700.

Mr. Clif Evans: Mr. Chair, could the minister give us a little brief detail besides what it says in the Supplementary as to how this part of the department works with the municipalities as their mandate to assist them with the programs that are listed here?

Mr. Derkach: The economic development arm of our department works not only with municipalities but also works with individual businesses. It works with organizations in communities. It works with our regional development corporations. It also works with agencies such as the federal agencies to try and stimulate economic growth in rural Manitoba.

The programs that we deliver through our various offices from this branch include all the economic development programs such as Grow Bonds, REDI and those kinds of programs, the REA program and so forth. We simply have officers throughout the province who interact with a variety of organizations and individual businesses throughout the province in terms of delivery of these programs.

Mr. Clif Evans: That includes all the municipalities. Does that also include businesses and/or jurisdictions on reserves?

Mr. Derkach: No. Reserves are a federal jurisdiction. We do not work on reserves because the bands and the reserves have programs that come from the federal government that they work with.

Mr. Clif Evans: This branch is part of the whole scheme. The minister indicated earlier that they were available in all ways, whether it be small businesses or individual businesses or individuals themselves or

municipalities, jurisdictions, whatever. Is the minister, is the department getting many applications for the different projects through this branch? Besides Grow Bonds, besides the REDI program, are there any other applications for funding or assistance through this branch?

Mr. Derkach: There are many applications that come in for a variety of programs, Grow Bonds and REDI being two of the larger programs on the economic development side. There are also applications that come in for conservation districts, our handivan program, our Manitoba Water Services Board, planning activities around communities. There is assistance from the department to communities in all of those areas as well.

Besides that, Mr. Chairperson, we also have the REA program which the member is aware of that is operating in the province currently in conjunction with the various credit unions and I think one banking institution. Also, as the member knows, there was an introduction of a program through the election campaign called the community works program that we will be working on for the fall. To complete that list, we also participate in supporting Junior Achievement. We also participate in the MBA consulting program that is offered in conjunction with the University of Manitoba. We provide The Green Team program, and we also participate in the Partners with Youth program.

Mr. Clif Evans: Under Activity Identification, it says: Provides the municipalities and water co-operatives technical and financial assistance for water and sewer infrastructure.

Does the department have a list, or can the minister indicate just how many municipalities or water co-operatives have applied to the department?

Mr. Derkach: No, Mr. Chair, I do not have a list of the applications that have come before the department. We can certainly provide that for the member because there are just pages of names of municipalities and organizations that have applied for funding under our Water Development program and under our Water and Sewer Program, all of the programs, for that matter. But, if the member can be more specific with respect to

what lists he is looking for, we can certainly provide that for him.

Mr. Clif Evans: Can the minister tell me whether the community of Riverton has applied for any assistance under this part of the program, under water and sewer infrastructure?

Mr. Derkach: I cannot tell you that at the present moment, but I have staff here who might be able to help me.

* (1450)

Yes, Mr. Chairperson, the community of Riverton has applied for a project under the Water and Sewer Program.

Mr. Clif Evans: I apologize to the minister. I did not—

Mr. Derkach: Yes, the answer is yes.

Mr. Clif Evans: They have applied?

Mr. Derkach: Yes.

Mr. Clif Evans: Can the minister tell me what stage—my understanding is that they have approached not only this minister but some of the other ministers for some downtown revitalization programs, highway program or road program and also through the Rural Development department.

Is it still ongoing to the point that we can see light at the end of the tunnel with this?

Mr. Derkach: I am not understanding the member's question. When you say light at the end of the tunnel, I do not understand what you mean with regard to which program. You have listed several.

Mr. Clif Evans: I asked the minister about under the water and sewer infrastructure program that the community of Riverton had applied. He says they have applied. What stage is it in? When can we see some response? Is there an ongoing collaboration with the community on that?

Mr. Derkach: Well, Mr. Chairperson, we do work with the community almost on a constant basis through

our economic development officers and through the other department branches that we have in the department.

I cannot give the member the status on each and every one of the requests and applications that have come forward from Riverton. I would certainly be prepared to sit down with him and go through each of the applications that have been submitted by the community of Riverton and give him an update on the progress, if there is any, on each of those applications and requests from the community.

Mr. Clif Evans: Mr. Chairperson, was this part of the program part of the infrastructure in Arborg? Is this where finances and assistance came for the new sewer and water system for the community of Arborg? Did it come from here?

Mr. Derkach: The community of Riverton did apply for infrastructure assistance. I believe they did receive assistance through the infrastructure program, but if the member is looking for the details of what they received and how much, I would suggest that be better addressed in the Estimates of the Minister of Finance (Mr. Stefanson) who has the responsibility for the infrastructure program.

Mr. Clif Evans: Well, there is the Canada-Manitoba Partnership Agreement on Municipal Water Infrastructure within this department. Then what does this have to do in relation to any other infrastructure?

Mr. Derkach: Mr. Chairperson, the Canada-Manitoba infrastructure program between the federal government, the provincial government and the municipalities is one which is co-ordinated through the Department of Finance. The Minister of Finance has the lead role.

This department participates, through myself, at the ministerial level on an infrastructure committee. We also have a technical committee that is made up of staff. If the member has questions with regard to the infrastructure projects, I suggest they would be better posed to the Minister of Finance who has that responsibility and mandate for that program.

We have an agreement through Rural Development which was called formerly the southern development

agreement or PAMWI, as it is known now, which addressed specific infrastructure needs in specific communities, but that is separate and apart from the Canada-Manitoba infrastructure program.

Mr. Clif Evans: So then the PAMWI program was involved in the assistance as a partner in the Arborg community's work that was announced and done or beginning to be done? Is that under PAMWI?

Mr. Derkach: Mr. Chairperson, the community of Arborg was one of those 13 communities that was added to the PAMWI agreement. When the community of Dauphin did not participate in the PAMWI agreement there were some monies that were—a surplus if you like. So the technical committee then advised that we could add some communities to the program. Arborg was one of those communities that was added to the program.

Mr. Deputy Chairperson: Item 5.(a)(2) Other Expenditures \$30,700—pass.

5.(b) Infrastructure Services (1) Salaries and Employee Benefits \$1,281,000—pass; (2) Other Expenditures \$328,200—pass.

5.(c) Community Economic Development Services (1) Salaries and Employee Benefits \$2,601,400—pass; (2) Other Expenditures \$776,000—pass; (3) Grants \$545,000.

Mr. Clif Evans: I can appreciate the fact that staff is needed. If I can just point out \$2,600,000—\$1,280,000 in Salaries and Employee Benefits in that department plus Executive Administration. Through the Infrastructure Services and the Community Economic Development Services we are looking at \$4 million in salaries.

Mr. Derkach: Mr. Chair, in terms of salaries and other expenditures the sum is \$3,922,000 for this fiscal year. This does relate to our field delivery staff throughout the province, both on the economic development side and the planning side, I do believe.

Mr. Deputy Chairperson: Item 5.(c)(3) \$545,000—pass.

Resolution 13.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,662,800 for Rural Development, Rural Economic Development Services, for the fiscal year ending the 31st day of March 1996.

Item 6. Expenditures Related to Capital (a) Transit Bus Purchases \$144,000.

Mr. Clif Evans: Mr. Chairperson, can I ask the minister just to explain itemized 1. at the bottom of the page? Just explain that.

Mr. Derkach: Under the Canada-Manitoba Partnership Agreement on Municipal Water Infrastructure there is \$3,700,000 included under the Lotteries Funded Appropriations and \$825,000 under the Canada-Manitoba Enabling Vote. What this does is it allows for some flexibility for us to be able to transfer some dollars if they are required for work under that agreement from the Enabling Vote.

Mr. Deputy Chairperson: 6.(a) \$144,000—pass.

6.(b) Water Development \$944,100.

Mr. Clif Evans: What type of expenditure or what type of programs do we see under this line?

Mr. Derkach: This is to help municipalities, our agriculture producers including our Hutterite colonies, to develop water sources in an efficient way and to develop wells in rural communities that might be required for truck hauling or for domestic purposes where there are water shortages. There are areas in this province where we have some severe shortages of good potable water and this department along with the PFRA and the communities and municipalities work cooperatively to try and secure water supplies for those communities where there are severe shortages. This program, which is not a large one, goes a long way to helping communities to achieve some of those objectives.

Mr. Deputy Chairperson: 6.(b) Water Development \$944,100—pass.

6.(c) Sewer and Water \$4,000,000.

* (1500)

Mr. Clif Evans: Mr. Chair, I am rather pleased to see an increase in that line. Hopefully this will mean that there is more assistance available for communities that are obviously lacking good sewer and water or in need of expanding their sewer and water within their communities. I would certainly appreciate it—and I will get back to the minister or to his staff just to see where some of my communities would fit into this and, hopefully, support their applications of such and make them well aware of this availability of funds for assistance.

I think there are quite a few communities not only in my constituency but in northern communities and other areas that would provide the upgrading and use infrastructure for that, so I am pleased to see that line have an increase in it.

Mr. Derkach: Mr. Chairperson, this is a doubling of the program as the member can see. This extra money is coming out of the Lotteries pool, and again, we looked at what the needs were out in our rural communities. They far surpassed what we can afford in any one year, but this does give us a fair amount of increased ability to meet the needs of some of the communities. Again, this will not resolve all the difficulties and issues that are out there, but at least it gives us some ability to address some of those critical needs.

Mr. Deputy Chairperson: Item 6.(c) Sewer and Water \$4,000,000—pass.

6.(d) Canada-Manitoba Partnership Agreement on Municipal Water Infrastructure \$3,300,000.

Mr. Clif Evans: Perhaps an explanation on the No. 2 item. At the bottom of the page, on that line for \$3,300,000.

Mr. Derkach: It is not unlike the other explanation, Mr. Chair, where part of the money for the program is in the Enabling Vote which allows some flexibility for us to transfer monies for works that are required throughout the year.

Mr. Deputy Chairperson: Item 6.(d) \$3,300,000—pass.

6.(e) Conservation Districts \$2,197,800.

Mr. Clif Evans: I think the minister indicated earlier in his opening remarks or in one of the other times that we were discussing this issue of water, the conservation districts, does the department have a plan in place to support the further development of conservation districts, or are they specifically staying with this amount of money or the increased amount of money with the ones that are there? How is the minister's department doing that?

Mr. Derkach: We certainly are looking forward to expanding the conservation districts throughout the province. I think conservation districts have done an admirable job in addressing some of the conservation and sustainable development needs in the areas that they operate. We are encouraging other communities to come together in groups of municipalities and watershed areas to form conservation districts. We are working now with, I can tell the member, at least two regions in the province who are looking at the feasibility of organizing conservation districts in their regions.

We expanded one conservation district last year, and I believe that was the Turtle Mountain conservation district. Then we added a new conservation district and that was the West Souris conservation district. So, yes, we are promoting the establishment of conservation districts. Again, we cannot do it in one year, but in time I think we have an ability to address some of the sustainable development needs that are out there through our establishment of conservation districts. It also allows for participation by municipalities in a financial way. It provides for the participation of individual grain producers and farmers who can participate, and also we can draw money from other agencies and other levels of government as well.

Mr. Deputy Chairperson: 6.(e) Conservation Districts \$2,197,800.

Ms. Rosann Wowchuk (Swan River): The minister was talking about conservation districts and expanding the different municipalities. I recall a time when there were efforts being made to form a conservation district in the Swan River area, and I wonder whether there has

been any progress on that or whether the department is working with the R.M. of Swan River. I guess it would involve the LGD of Mountain and the R.M. of Minitonas to develop a conservation district.

Mr. Derkach: To the member for Swan River, we have had some preliminary discussions with the communities in the Swan River area, but I have to underline that the communities and the municipalities have to come forward and show their willingness to participate financially in an organizational sense. That has not happened in that region of the province yet, but we are certainly most eager to continue working with those communities towards the establishment of a conservation district which would involve more than just one municipality.

As the member points out, it would involve the LGD of Mountain, the R.M. of Swan River and Minitonas and it could probably involve others depending on the watershed areas. So it is a consideration in the region, and we are hoping that the municipalities there will see the wisdom of creating a conservation district and will come forward with a plan.

Ms. Wowchuk: I guess what I am looking for, is the department taking a leadership role to promote or encourage the development of conservation districts?

Mr. Derkach: Mr. Chair, the way we encourage and try to become an active facilitator of the process, if you like, is through our participation at UMM meetings. For example, where the conservation district association would make a presentation, staff from our department would be more than willing to meet with municipalities who display some interest in establishing a conservation district. This has happened over the course of the last year. So are we providing a leadership role? I think, yes, in a very direct sense we are because we are making sure that people are aware of what conservation districts do, what their benefits are. Conservation districts do have field days as well where they invite others to participate, and I would encourage the members of the opposition when they do have their field days to participate because they are very educational.

The other way the department participates is, of course, financially. We make sure that all

municipalities are aware of how we as a government and as a department financially support conservation districts.

Ms. Wowchuk: I wonder if the minister can explain when a conservation district is being formed, and again I will look at the example of my constituency, and there are lands surrounding the municipalities that are bands living in those areas—when water is being managed sometimes there are consequences outside the area. So when these conservation districts are being formed, is there any communication with the bands or with the treaty land entitlement areas or bands in the area for their involvement? Whose responsibility would that be to draw them in? Would that be the department's responsibility or would it be the municipalities' responsibility to draw them in?

* (1510)

I am asking this specifically because I am thinking again back to the time when we were looking at forming a conservation district in the Swan River area. I was involved with the municipalities at that time and we ran into some problems with people not agreeing with it. Part of it was where things were going to end up. So is there any avenue to involve these people who are on the outside of the area, or can they be included in the conservation district?

Mr. Derkach: Mr. Chairperson, the avenue for, I guess, communicating and dealing with bands is through the federal government, of course, and when a conservation district is being formed in an area where there is a reserve that borders a particular watershed or is within the watershed, then we would certainly be discussing that with the federal government. As the member knows, bands are the responsibility of the federal government and so therefore we cannot extend to them funding for conservation districts as we do to municipalities.

Ms. Wowchuk: Would this be an avenue to access money? If the bands were involved in the conservation district, would this be an avenue to access federal funding to improve the amount of money the conservation district had to work on?

Mr. Derkach: Most certainly, Mr. Chair. If the federal government chose to participate through the

Indian band in a conservation district then of course they would have to contribute their share toward the conservation district as well, so yes, it is a possibility, and we would certainly welcome and encourage that kind of participation.

Ms. Wowchuk: I wanted to continue on this a bit. Is the department aware of any incidences where this has happened, where bands have been involved in conservation districts and I guess if there have, what kind of funding formulas would we— is there any experience in this area?

Mr. Derkach: Mr. Chair, there are no examples of where Indian bands participate in a conservation district. Our funding to municipalities is on a 75-25 percent basis, but because Indian bands are the responsibility of the federal government, then they would have to make up 100 percent of their share.

Ms. Wowchuk: There is a question that I want to ask on the line that you passed already, just one line back. Is that possible to go back to or are we passed it?

Mr. Derkach: I will judge the question, and then I will answer.

Ms. Wowchuk: It is to do with the partnership agreements and municipal water. I thank the minister for allowing me to go back. I was not in the room.

Mr. Deputy Chairperson: Is it the will of the committee to allow the member for Swan River to go back to a previous line and ask the question?

An Honourable Member: Leave.

Mr. Deputy Chairperson: There is leave.

Ms. Wowchuk: I thank the committee for allowing me leave to go back to an issue that is quite important to me. It is to do with water and sewer in one of the communities that is trying to get sewer service, the community of Birch River. I want to know at what stage that is and whether the department is doing any work with the community of Birch River. I know that they got infrastructure money for the lagoon, but they need money for the sewage for the mines. I wonder whether any work has been done on that.

Mr. Derkach: Mr. Chairperson, I will answer this one question on this line. Yes, there was some money accessed by Birch River through the infrastructure program. We are also participating as a department, but one of the difficulties we are having right now is locating a site for the lagoon. Once that has been overcome, I would think that we are ready to go.

Ms. Wowchuk: They got money through the infrastructure program for the lagoon, but they had applied for a lot more money and that was to put in a sewer system. They did not get that approval through the program. Is there any work being done with the department right now to try to find additional money or to find some way that we get sewer service into Birch River?—because it is a very serious problem. They have self-contained wells and with the number of septic tanks that are in the community, there is going to end up being problems with contaminated wells if that issue is not addressed. I am looking to see what further can be done to help the people in that community have a safe water supply.

Mr. Derkach: This is a very generous department, Mr. Chairperson. They received money from the infrastructure program for their lagoon. The department is going to help the community with some technical assistance for their sewer hookup and the development of their lagoon. However, the community itself has to be responsible for some of the cost and at the present time they cannot afford their portion of the water system. So there is now going to be an opportunity in the near future to develop that part of it, but down the road as they pay off some of their debt, they will certainly be able to afford the water system.

Ms. Wowchuk: In a situation where the water supplied becomes at risk because of the number of septic tanks there are in the area, are there other ways if it becomes an emergency that the department could access money? Is there money through the REDI fund or are there other places where funds would be available to ensure there was a safe water supply for that community?

Mr. Derkach: Mr. Chairperson, this is not a unique problem to Birch River alone. We have many communities, many tiny communities that are facing the same kind of situation and problem. To address the

problem, the sewer and the lagoon being installed in the community will certainly reduce the amount of pollution that would be going into the aquifer which will make their water source a better one than it is right now, but we have increased our water and sewer program, as the member knows, substantially. There are so many needs out there that we simply cannot address every single need that is out there.

* (1520)

I have to also emphasize that the government cannot be doing everything for a community. They have to have some ability to pay for some of the infrastructure on their own. I think the split is a fair one and I think if they are addressing this in phases by doing a sewer system first, it will reduce the pollution and they will be able to do a water system down the road.

Ms. Wowchuk: The government, a couple of years ago, announced a sewer and water program for southern Manitoba. Is that program available to the community of Birch River? How far does that extend and what is the coverage assistance under that program?

Mr. Derkach: Mr. Chairperson, that is the PAMWI program the member refers to. As the member knows, it was a \$90-million program. There was a community, Dauphin specifically, that decided not to participate in the program although it was identified for some major work for their water, but the community decided not to participate. That allowed an additional 13 communities to come in with smaller projects.

As the member also knows, the federal government has now cut back that program by \$10 million, which means that a significant number of the projects that were identified in that last round will not be able to complete their projects because of the cutbacks from the federal government. We have indicated from Day One that we would be prepared to live up to our share of the agreement to 100 percent of what was agreed to; however, because of the federal reduction in money, it is not going to be possible to complete some of the projects that were identified.

So, at the present time, there is not any money in the PAMWI agreement that is available for communities of

this nature, and Birch River is one among many. We have communities right now where water is being hauled in by truck. We have other communities where the sewage is coming up to the surface because of the old fields. It is not unlike our community in Headingley, for example, that does not have a water system in the community yet. So there are many communities in rural Manitoba which have fairly serious needs in terms of water development and sewer development in their communities.

Mr. Deputy Chairperson: 6.(e) \$2,197,800—pass; (f) Downtown Revitalization \$433,000.

Mr. Clif Evans: Can the minister indicate under this line just what communities besides Brandon are involved with the Downtown Revitalization program?

Mr. Derkach: The two communities involved in this program at the present time are Brandon and Thompson.

Mr. Clif Evans: Have there been any other applications from any other communities under this program, or is this program specifically for larger centres?

Mr. Derkach: Under this program there were three communities that were identified: Brandon, Thompson and Selkirk. At the present time, Selkirk has not come forward with their plan for downtown revitalization.

Mr. Clif Evans: Is this available then to any community in the province?

Mr. Derkach: No, Mr. Chairperson, this program was designated to three communities which were not part of the old downtown Main Street Manitoba Program or revitalization program in the beginning.

Mr. Clif Evans: Will the minister's department then be available to, I guess, negotiate with other communities if they so wish to apply for a Downtown Revitalization program, whether it be through REDI or through any other portion of assistance or funding in this program? I believe that there are probably many communities throughout Manitoba that would want to look at revitalization in their own communities. Is there anything available for that?

Mr. Derkach: No, Mr. Chairperson, there is no program available at the present time for other communities in the province to come in for a revitalization or Main Street program, and we do not have any other avenues that money could be accessed from this department for that kind of a program.

Mr. Deputy Chairperson: 6.(f) Downtown Revitalization \$433,000—pass; (g) Less: Recoverable from Rural Economic Development Initiatives \$2,200,000—pass.

Resolution 13.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$8,818,900 for Rural Development Expenditures Related to Capital for the fiscal year ending the 31st day of March, 1996.

7.(a) Grow Bonds Program (1) Salaries and Employee Benefits \$358,500—pass; (2) Other Expenditures \$1,216,500—

An Honourable Member: Slow down. Are you in a hurry?

Mr. Deputy Chairperson: All the members have to do is put up their hand.

Mr. Clif Evans: Mr. Chair, 13.7(a)(2), the minister in his opening remarks indicated that the Grow Bond initiative has provided means for many communities already in the province for, you know, allowing them to invest in their own community-based industries. Is the minister aware of any problems in the Grow Bond program. Has there been any problems since the Grow Bond initiative has been developed?

Mr. Derkach: No, there are no problems in the Grow Bond program itself. I do not know what the member means by problems in the Grow Bond program. Perhaps he should explain.

Mr. Clif Evans: If a community or an area wanted to invest in a specific project within their communities through the Grow Bonds, has there been any problems as far as the Grow Bonds being raised, the issue of being raised, and what problems, if there are?

Mr. Derkach: No, Mr. Chairperson, there has been no problem in raising the Grow Bond money. As a matter

of fact, I think in almost every instant the amount of money that has been required to be raised has been raised in record time and usually the Grow Bonds have been oversubscribed.

Mr. Clif Evans: Have there been any communities turned down at all with Grow Bond initiatives?

Mr. Derkach: Yes, Mr. Chair. If a project does not meet the criteria or if in fact the equity that the proponent is to have in place is not there or if there are other issues as they relate to the bond which are outside the criteria that has been established for the Grow Bond program, then those certainly do not proceed.

Mr. Clif Evans: Can the minister indicate what role he would play when it comes to the approving of the Grow Bonds issues as they come?

Mr. Derkach: Mr. Chair, the process is that we have staff in the department who work in conjunction with a review committee. Once the project has been vetted through the staff in the department and the manager, who is Mr. Paul Sweatman, the bond moves on to the review panel. The review panel does a fairly in-depth job at making sure that the project not only meet the criteria but is financially sound, to the best of their ability to analyze. Staff from Rural Development participate at the review level. The project then moves on to the Economic Development Board, who also have to scrutinize the project and will give their approval for it. At that time, the minister will issue a letter advising the proponent that his or her project is either approved or declined.

* (1530)

Mr. Clif Evans: Understanding the program, if something should go wrong, of course, it is insured or protected by the government.

Mr. Derkach: That is right.

Mr. Clif Evans: If then one of these issues or projects does not continue or fails, how does the department redistribute the monies that were put into the Grow Bond issue?

Mr. Derkach: Mr. Chair, if a Grow Bond fails, then the investors of the Grow Bond will have their money

returned to them, but the government guarantees the principal of the money. Any interest that they may have lost as a result of investing in the enterprise will be deemed to be lost, and the only part they can recoup is the principal of the money. That is what the government guarantees.

Mr. Clif Evans: Is the minister aware of any Grow Bond issue or investments that have already been approved, and is he aware of any that are not operating in full capacity for the operation that the Grow Bond issue was put in for?

Mr. Derkach: Mr. Chair, there are Grow Bond projects in the province that are at various stages of development. Some of them are up and running, others are still putting together their plants. You know, there are a variety of stages of development of these projects that have been approved over the last year. There is a period of time when the project has to get its finances in order and then the Grow Bond money is released to it, and then the plant operation will begin and build up to full capacity over a period of time that has been agreed to by the bond development corporation and the proponent.

Every community has a Grow Bond corporation as well.

Mr. Clif Evans: So how long a period of time does any issue have to go or to be at full capacity or whatever? What is the criteria? How long of a criteria is the minister giving the Grow Bond issue to go ahead?

Mr. Derkach: It varies, Mr. Chair, with each project. Sometimes projects encounter some challenges that were not seen at the time they started their project, whether it is a delay in getting equipment or whether it is a delay in getting the equity raised for the plant. There are a variety of situations, and in each situation staff are there to work with the proponent to make sure they get up and running and producing as quickly as possible.

There is not a sunset in terms of when a plant has to start operating once the Grow Bond is sold, but there is a time frame in the agreement when they have to start

paying the interest or the dividends on the bonds. So the sooner they get operating, the sooner they can earn revenue to pay that interest.

Mr. Clif Evans: Mr. Chair, I am pleased and was pleased to know and find out and the issue, of course, was presented with Gilbert International in Arborg. Actually the funds were raised rather very quickly on the community's behalf. There are, I believe, some problems with the operation since the issue has been granted and everything else. Is the minister aware of Gilbert's?

Mr. Derkach: That is a project—when the member asked about problems in Grow Bonds, maybe he was referring to the project. I am not sure, but, yes, this project has had some difficulty. We are confident that in the restructuring of the company and some of the potential contracts that are now coming forward, this company in fact will be in production in the next short while, and I can tell the member that it is one that I think has a lot of future for the company and for the community of Arborg.

Mr. Clif Evans: Yes, and I thank the minister for those comments because it is very important. We certainly do not want to see any problems with Gilbert International operating at a full scale, because it is going to create employment and economic development. I am questioning because I would like to know whether there are any restrictions right now or any kind of a push on the company itself to get up—any pressure is what I am asking, because of the whole situation.

Mr. Derkach: Mr. Chair, there is no pressure per se, except to say that staff from my department are working with the proponent, the community and all involved, and other potential investors in the company who have come forward to restructure the agreement, to make sure that plant is in fact in operation as soon as possible.

Mr. Clif Evans: I thank the minister for that; I hope that with Gilbert International and this particular program, I keep in touch with the minister's office, if I may, to work with his department and his staff on this, and certainly with Gilbert International. I hope to be

also in touch with them myself to encourage them and the community to get this project going and at full scale as soon as possible.

Mr. Derkach: The member can be assured that I will certainly keep him apprised of the progress that is being made with Gilbert International, and he can certainly visit in my office at any time to get an update of how we are progressing with the company.

Mr. Mervin Tweed (Turtle Mountain): I just wondered, Mr. Chairperson, if you had any numbers available on the amount of employment that it has created with your Grow Bonds and what kind of an investment dollar you have received up to this point.

Mr. Derkach: Yes, we have some numbers with regard to the numbers of projects that we have. The total projects approved to date number 18. We have total Grow Bond commitments of \$7.1 million, which translate to a total new capital investment for the province of \$21 million. Through the Grow Bond program alone, 450 jobs have been created, but I have to qualify that. We have some Grow Bond projects that have been approved where the operations are not running as of today but, once the companies are up and running, 450 new permanent jobs will be created in the province.

Ms. Wowchuk: The minister just indicated that there is a total of 18 projects, and what I wanted to ask is, is that 18 projects since the program was established in 1991, and if that is the total, 18 projects, have any of those projects failed, where the government has had to reimburse, and what kind of dollars has that cost the government?

Mr. Derkach: Mr. Chair, that is 18 projects since the beginning of the program in 1991, I believe. There is one project that has failed and the call on that Grow Bond was \$150,000.

Ms. Wowchuk: When we look at page 79 of the Supplementary book we see that there is an increase in Other Operating and the notes say that is for doubtful guarantees. Are there projects that have been approved that are at risk right now that the government feels that they have to set money aside for, because that is a great

increase in the amount of money that is being held for doubtful accounts.

* (1540)

Mr. Derkach: Mr. Chair, we do not set aside money in anticipation of a particular project going under. Rather, we set money aside as a practice in the event a project should fail, and we do that as a rule of thumb for every project that comes in and is worth X number of dollars. A certain portion is set aside in the event that any of the projects should fail. So we always have a contingency fund to draw from if a project does fail, as was the case in one particular instance. So money is always set aside to ensure that there is protection for both the government and the people who invest in these projects.

Ms. Wowchuk: So does that mean then that in 1994 there were quite a few projects that were started in 1994 that you have had to set aside close to not quite a million dollars more, but is that the reasoning behind it, that the growth came in 1994?

Mr. Derkach: The member is absolutely correct. A lot of our growth came in 1994 and there is a reason for that. The program when we started it was one that was not known all that well and people did not understand the program. We had to do a tremendous amount of marketing, if you like, for municipalities for individuals to understand what that program was all about. As a matter of fact, municipalities and one Mr. Fred McGuinness, who is connected very well in the world of communications, told us that our message just simply was not getting through effectively enough. It was on that basis that we did some advertising of the Grow Bond program, and we did third-party endorsements in terms of the success stories that were existent in the province with the Grow Bond program.

One of the more effective tools that we used—and we did not know it at the time until the proof of the pudding was there—was the Rural Development's newsletter that went out to I forget how many subscribers—14,000 subscribers in Manitoba—which talked about success stories and talked about the programs that are present in Rural Development. I have to tell the member that especially people in

northern Manitoba appreciate that newsletter because, as you know, sometimes it is more difficult to get communications up into the northern part of our province. We have received letters from individuals who have read the newsletters and have been able to then get ideas and access information regarding our Grow Bond program. So I think for that reason the marketing was done. We have had much greater take-up of the Grow Bond program in 1994.

Ms. Wowchuk: The minister indicated that there was interest in northern Manitoba as a result of the newsletter. Can you indicate to us where the majority—are there any projects under the Grow Bonds in northern Manitoba? Where are the majority of the projects? How far north?

Mr. Derkach: No, Mr. Chair, we do not have a Grow Bond project approved in northern Manitoba, although we have been working very hard with communities in northern Manitoba to see whether or not a project can be undertaken. But again that comes from the communities themselves. The department cannot generate a project. It has to come through the community or through a proponent in a community. We have had REDI applications come from northern Manitoba, and they have been approved, but there has not been a Grow Bond project yet. We are hopeful, as communities form their round tables and look at their strengths and identify where their strengths are, that some projects will develop in the North.

Ms. Wowchuk: Have there been any new community round tables established in the last year, and are any of these in northern Manitoba?

Mr. Derkach: Mr. Chair, the round table program has been expanding continuously throughout the last three years. We have 62 round tables now, or 64 round tables, 65 round tables—I am sorry. See—they are growing so fast that I cannot even keep up with them. Sixty-five round tables, and these 65 round tables include 125 or thereabouts communities throughout Manitoba. There are various stages that the round tables are at as well. Some have already created their vision statements and know what direction they are going.

Some are in the process of developing vision statements, but by and large, the process of the round table in Manitoba has been very successful because it brings together people from all walks of life in a community. It brings together people from the social side, from the health side, from the economic development side, and it does provide for a very good representation of what the community is like and what the strengths of that community are.

Ms. Wowchuk: Mr. Chair, the minister had indicated that the information about Grow Bonds and other programs was made much more available through a newsletter. You called it the Rural Development newsletter. Is the cost of that newsletter accounted for in the Grow Bond budget here or where is that letter put out from?

Mr. Derkach: The Rural Development newsletter, the cost of that is taken from the REDI program so we will get to it in the next section.

Ms. Wowchuk: I just want to go back to the community round tables and if the minister could just let me know on the funding formula for setting up round tables, what is the money that is available for communities, and is it equal to larger communities? Is it based on population? How is that fund made available?

Mr. Derkach: Mr. Chairperson, the way we support round tables is through a matching grant program. If the community has less than 500 people they would get \$1,000. If the community size is between 500 and 1500 they get \$1,500, and any community that has more than 1500 people in it would get \$2,000. In addition to this, there is a \$500 nonmatching municipal grant where more than one municipality joins the round table. So it is a formula that is meant to give them a little bit of start-up money, if you like. It is a one-time program where we start them up and allow them to get going. When they realize what the benefits of a community round table are, they certainly are not reluctant to support it after that initial round.

Ms. Wowchuk: What kind of resources are made available to communities as they start up these round tables?

* (1550)

Mr. Derkach: Mr. Chair, we have staff in the department whose responsibility it is not only to help organize the round table but also to facilitate the process that is undertaken through the round table booklet, and staff in the department will act as facilitators to lead the community through the process and through the vision statement that they have to produce.

Ms. Wowchuk: Do the community economic development officers that are in the communities in the various parts of the province play any role in community round tables, or is it staff that comes from another area?

Mr. Derkach: Yes, Mr. Chair, the regional offices are involved in the round table process.

Ms. Wowchuk: Is it staffed from the department that goes out or is all the work co-ordinated through the regional economic development officers? Are they the ones that co-ordinate the municipalities in these round table discussions?

Mr. Derkach: Mr. Chair, we do not have a large contingent of staff in this area, but our community offices in various communities do act directly with the round table in terms of being the facilitators and organizers and that sort of thing. So it is people in our regional offices. In addition, we do call on other department staff, whether it is from I, T and T or any other department, to come in and help with the process, because sometimes the information that is required has to come from other departments.

So our department acts as a facilitator once again between the community and even other departments within government. So we try to bring in as many resources as we can and as are needed to make sure that the process of the round table is a successful one.

Ms. Wowchuk: There has been a problem with funding of economic development offices and shortages of funds, and I am looking to see whether there are funds from here. Does any money come from the Grow Bond office if they are to help out the costs

of those economic development officers that work in the region, if they are working it with the round tables? The minister is quite familiar, we have the economic development officers in Parkland East and Parkland West who have—so I had asked about the economic development officers doing part of the work, and I am just saying, do they show up anywhere in this Grow Bond money or round table money to cover up some of the costs of those offices?

Mr. Derkach: Mr. Chair, I think what the member is referring to is not our staff; it is not a problem with our staff in terms of money shortages. We have representations throughout our province in nine different regional offices. I think what the member is referring to is the regional development corporations, and they are separate entities altogether. They are run by the communities. We support them as we do conservation districts. Now, the staffing at the regional development corporations is up to the communities. It is not up to the department itself. We simply provide them a grant based on their populations in the communities that they serve, but the staffing is something that is up to them. Now, our staff in the regional offices work with these individuals as well. The member said, does money come from the Grow Bond area? No, money comes from the Community Economic Development area which we passed some time ago.

Ms. Wowchuk: Then I apologize if I phrased the question wrong, but that was what I was asking about earlier, whether those people who work at the community level were involved with the community round table discussions, whether they did any work for the department in the community round table process.

Mr. Derkach: Mr. Chair, they do not work for the department. They work for the regional development corporations which are run by boards, but we certainly welcome them and they are involved in some instances. I would not say they were involved in every instance because they cover a fair number of communities, so I do not think they are involved in each and every community at each and every meeting, but I am sure that they know what the community's round table objectives are, what their strengths are, where they are looking to building on. So in that way there is a link

between our development officers and the regional development corporations.

Mr. Clif Evans: Mr. Chairperson, I am just wondering because of the weather and whatnot, the staff having to sit in their seats along with everyone else, if we might take a five to 10-minute break and finish by five?

Mr. Derkach: It is very kind of the member for Interlake. If he would like a break, that is fine, but staff seem to feel quite comfortable and are prepared to carry on. Perhaps we can even wrap up earlier than five, if we can keep going.

Mr. Deputy Chairperson: I believe a five-minute recess would be in order. Is it the will of the committee to take a five-minute recess? [agreed] We will recess for five minutes.

The committee recessed at 3:57 p.m.

After Recess

The committee resumed at 4:12 p.m.

Mr. Deputy Chairperson: Order please. We are back on 7.(a) Grow Bonds Program (2) Other Expenditures \$1,216,500.

Mr. Clif Evans: A few questions on the REDI program itself. When the REDI program was implemented and there was—

An Honourable Member: Are we into REDI? Did we pass Grow Bonds?

Mr. Neil Gaudry (St. Boniface): I know I missed some of the questions, but in looking at the Grow Bonds, we are talking about increasing employment investment and tax revenues for Manitoba communities. Can you give the figures of numbers of employment that Grow Bonds has created since the start of the program?

Mr. Derkach: Well, in total, I cannot give you the number of jobs that are on the floor working as of today, but the project and the way that they were

structured would create a total of 450 new jobs in rural Manitoba as a result of the 18 projects that we have embarked on. The total new capital investment in the province is \$21 million, and our commitment to Grow Bonds is \$7.1 million.

Mr. Gaudry: In those 18 projects that you have started, you are also talking about young entrepreneurs. How many young people that have started on their own are amongst those 18 projects?

Mr. Derkach: Mr. Chairperson, I guess "young" is a relative word, relative term, but I have to say, by and large, most of the projects have been started by fairly youthful people. I can cite two examples. A Country Woodshed in Killarney—the couple are both very young. They have young children who are also involved in their family business. They are in their junior high years and high school years. Elias Woodwork in Winkler, again, a company that has been started by two fairly young entrepreneurs. So, by and large, if you look across the province, look at Sterling Press, are they young or are they old? I would say they are fairly young yet in terms of their ages in their working life. So I would have to say that people generally between their 30s and 50s are the ones who are starting the Grow Bond program. Is that young or old? I do not know.

Mr. Gaudry: No, I think it is young because I think if I were going to start a business tomorrow, I would consider myself young. Mr. Chairman, yes, I was referring maybe to people that are young, people that are starting for the first time into business.

Mr. Derkach: Mr. Chair, not in the Grow Bond program, we do not have any 20-year-olds that are starting in the Grow Bond program, but I can cite a couple of examples of people who have undertaken businesses and have accessed money through either the REDI or the REA program. We have a young lady who has started a flower shop and received assistance through the REA program—I believe it is in McCreary.

We have another young chap who was looking for a summer job from Brandon University who went into business on his own and has today become a very successful young entrepreneur. You will see him at

most of the festivals in the summertime. He has a cappuccino coffee business, and it is doing extremely well. He travels from Manitoba right across the country to various festivals. As a matter of fact, I am sure that in not too distant a future he will be setting up a permanent business as well. But it has become a very successful small business for an individual who was at university at the time, still is at university as a matter of fact. He does this as a business in conjunction with his education as well. So we have other examples of that as well.

Mr. Gaudry: When they are starting up like that, do you give them start-up monies and advice so that they start on the right track? Because I know there are courses through Canada Employment that are given to people that are on UIC, for example. I was wondering if you do supply them with that kind of advice also, in the rural areas.

Mr. Derkach: Mr. Chair, under the REA program, which is almost an addition to the Business Start program, we have a mentorship component where the entrepreneur, the young entrepreneur, is required to take someone who is a successful businessperson and to have that person as a mentor, while they are getting started in their business.

We also participate with the Department of Industry, Trade and Tourism in the Business Start courses that are offered through that program. Instead of duplicating the effort, we simply access the programs that are available through I, T and T and through the Business Start training program, which are applicable for any business in rural Manitoba. They are very good programs, but the member is correct. You want to get these people started on the right path, and, to do that, we have tried to blend in a mentor and also some training. We also keep very close tabs, or we ask the business community, where a business is starting, to keep a watchful eye on these people and to help them along in any way possible. We try to get them involved in chambers and that sort of thing.

Mr. Gaudry: I do not know if the question has been asked, but have there been any failures in the Grow Bond project since it started?

Mr. Derkach: Yes, the question was asked, and there is one project that has failed, regrettably. I have to tell

you that staff in my department, under the direction of Paul Sweatman, have worked extremely closely with every project that is showing some signs of weakness. In this particular case, they worked very, very hard to try and bring in equity partners and that sort of thing. For a variety of reasons the project did not succeed, so we have had to pay out one Grow Bond project, which amounted to \$150,000 of investment by investors in a community.

Mr. Deputy Chairperson: Item 7. Rural Economic Programs (a) Grow Bonds Program (2) Other Expenditures \$1,216,500—pass.

7.(b)(1) Salaries and Employee Benefits \$199,200—pass; (2) Other Expenditures \$102,100—pass; (3) Programs—Operating \$6,923,700.

* (1620)

Mr. Clif Evans: As I was going to say earlier, the REDI program, when it was brought in—of course, as any new program—had a lot of confusion to it, a lot of uncertainty to it. There are still some people in my communities, when they ask me about programs that are available to start businesses or to do whatever, I try and get them as much information as I can. To start with, what I would appreciate from the minister's office, and to put it on record if I may, I believe two years ago, when I became critic, I was provided with an updated REDI program criteria, et cetera, who qualifies, how, samples of the application forms, so that I could be more informed on the program in talking to a constituent and whether it might fit into their wishes or needs. So I would appreciate that if the minister's office could send me all of that to my office here, and also so I may have it all in copies in my constituency office.

Mr. Derkach: We do provide that for regional offices. I would certainly be pleased to provide that for the member as well.

Mr. Clif Evans: What I have been doing, when it comes to the REDI program—of course, in the past few months with everything else that was going on—I have been requesting that constituents go to our local RDC office, so I appreciate having all that information. Actually, two sets of it would be greatly appreciated.

Can the minister tell us, under the REDI program, just how the program has developed in the past couple of years, to what extent, and can he indicate the positive sides of the REDI program?

Mr. Derkach: The program has developed exceptionally well. There are criteria that are established for the REDI program, and we do reject a lot of projects that come forward that do not fall within the criteria of the program. I would have to say, by and large, the REDI program is responsible for the creation of a large number of jobs in our province. It is a way in which small businesses have been able to access a little bit of start-up capital, if you like, or been able to expand their businesses, to hire another individual and to not only provide a benefit for themselves but also for the community.

It does not say that we have not had disappointments, but that is part of the nature of this business; because we are, if you like, almost the last source of a person's financial needs. If the banks reject them you know they will come to government for support and that naturally happens with companies and with proponents who are a fairly high risk. So, because of the nature, we do take some risks and there are some disappointments. However, overall, the program, I think, has met its objective very well and continues to on a day-to-day basis.

When you consider the number of successful businesses that are out there today, many of them are successful because they have gone through the process. They have had to do a feasibility study which we have imposed on them. We have also imposed a due-diligence process where we almost demand that the individual does a business plan before they venture into a business.

We also support them by asking the MBA students from the University of Manitoba to do some marketing analysis for them, so by the time the individual is ready to go into business, he or she has had a lot of technical assistance which gives them every opportunity to be successful; or if they find this is just not viable they abandon their project before they have spent large sums of money on it that becomes wasted in the end. So, in that sense, I think the program has been extremely successful and needs to be continued in that way.

Mr. Clif Evans: Mr. Chair, so then the minister is saying this part of the program has been basically added to the overall scope of the REDI program. If I am correct, there was at one time only the 50-50 feasibility study initiative. Now you are saying that someone who might want to expand or start something new through the MBA program, can get that work along with these consultants the department is providing the funding, so they do not have to look at a consultant for \$10 thousand and have to come up with \$5 thousand. In other words, is it worth it, finding out from the start. Is it worth it before we go into a real full feasibility study on any program? The availability then is there through the MBA consulting process. Is this a set figure for that program?

Mr. Derkach: We have several components to the REDI program. First of all, there is the feasibility study program which you know about. That provides an amount of money for doing a feasibility study for a business.

Secondly, there is the infrastructure component which provides money for infrastructure to a business if, for example, sewer, water or hydro is required. We will assist the municipality to bring that service right up to the property and there we provide up to \$100,000 if it is a single municipality. If it is a joint project we will go up to as high as \$500,000.

We also have the support program. It is a general support program, where a business can access some funding for development support, if you like, of the project. This is a conditional contribution where we do not require repayment, provided that certain conditions are met in the business. Then we also have the MBA consulting program, which provides a cost-sharing service to the proponent, and we cost share it on a 50-50 basis. There is no maximum to it, depending on the size of the project, I guess. Again, as you indicated, the reason for that is to make sure that the project is one that will show some promise and viability and success for the proponent.

We have also added another one, and that is the REA program. This is a loan program for new and expanding businesses, I guess, and, again, there are criteria around that, but we have developed that program in conjunction with the banking association.

To date we have the Canadian Imperial Bank of Commerce participating in the program, and so is the credit union system in Manitoba. The other banks have not participated in the program, and they cite the federal program as being the reason for not participating in it.

Mr. Clif Evans: Mr. Chair, since REA has been brought in this last year, I believe, has it been a successful avenue?

Mr. Derkach: We have a total of 55 loan guarantees approved under the REA program. The total job creation as a result of that program stands around 234 positions or about 175 or so full-time position-equivalents. Has the program been successful? Yes, we think it has, but we would like the banks and the credit unions to do a better job of due diligence. We would like them to share a little more responsibility in terms of if a loan is made and is defaulted upon. So the program is growing. But by and large it has met its objective, it has created a fair number of jobs, and some small businesses that could not access capital through the institutions have been able to continue to expand and to build their businesses.

Mr. Clif Evans: Mr. Chair, is there a cap on this money through these institutions?

Mr. Derkach: The cap is \$100,000 for each business.

* (1630)

Mr. Clif Evans: So then Rural Development then is guaranteeing a certain portion or a full portion of that \$100,000 if it goes to a maximum of \$100,000.

The other question, if I may, what is the criterion from the proponent's side that he or she or they have to meet before they can come to Rural Development for the guarantee, before they can go to the institution for further funding?

Mr. Derkach: The guarantee is 80 percent, and the bank guarantees the other 20. It is an 80-20 split between us and the bank.

The criteria are such that the proponent has to have a 20- percent equity in the business, but beyond that

they also have to have a business plan and they have to go through the due diligence process of making sure that their business is a viable one before they get the loan.

Mr. Clif Evans: New, existing, any kind of business?

Mr. Derkach: It is for all small businesses that are wishing to expand or businesses that are wishing to start. As I indicated, that lady in McCreary who started a flower business is a recipient of that.

Mr. Clif Evans: The Green Team program, which was also brought in, can the minister indicate just how many jobs The Green Team program has provided in the past since its inception, and what kind of future do we see for this program and availability of funding to expand The Green Team program?

Mr. Derkach: Well, I thank the member for the question on The Green Team, because it was his colleague who was so opposed to this program.

Ms. Wowchuk: Who?

Mr. Derkach: The lady who said who.

Ms. Wowchuk: That is a lie. [laughter]

Mr. Deputy Chairperson: Order, please.

Mr. Derkach: The Green Team program has been an overwhelming success. As a matter of fact, it has been such a successful program that we started it in the city of Winnipeg. It is now available in the city of Winnipeg.

We have students in the city of Winnipeg who will be working on community projects right through the city this summer. We are hoping to hire, I think, up to 700 students under The Green Team program in the city of Winnipeg, but that is sort of an extension of the success of The Green Team program in rural Manitoba. In rural Manitoba, again, we are looking at hiring about 700 students under The Green Team program.

We have expanded the program. Before the program was available only to our provincial parks. We have

now extended the program, we have added a home town component to the program, which allows communities to access the program, towns, villages, municipalities, but they cost-share in that program.

Also community clubs now and service organizations can also hire Green Team students to maintain their parks, whatever they might have, whether it is a Kinsmen, Kiwanis or Lions club which may have dollars that they want to share in hiring a student for the summer.

I cannot say enough about The Green Team program. Since the inception of the program, at the end of this year about 3,200 jobs will have been created through The Green Team.

Mr. Clif Evans: How much money is involved?

Mr. Derkach: The program is about \$2.4 million this year, or \$2.3 million, somewhere in that range, but \$1.9 million is provided by us, the other will come from the communities that are participating through their contribution to the program.

Mr. Clif Evans: The department is also providing funding for the Rural Junior Achievement Program which I understand is new. What type of funding and what is basically the minister expecting from this program?

Mr. Derkach: Again, I would love to answer that question because another successful program. Junior Achievement was not available in rural Manitoba, as you know, until we were able to partner with Junior Achievement of Manitoba to extend the program to rural Manitoba. We had about 94 or 97 schools last year that participated throughout the province. That number has increased substantially this year.

We have added a new component to that program this year. The Company program has been added to the Junior Achievement program and we contribute something in the neighbourhood of \$700,000 to the program and another \$200,000 for the Company program. A lot of high schools and elementary schools are now really looking positively into entering into the Junior Achievement program because it is just one excellent program.

Mr. Clif Evans: The minister has a lot of enthusiasm about the past two programs we have talked about. I guess we will have to hopefully see that the program does as the minister hopes it will do and certainly eventually for rural young people, will it be able to tie in with the urban centres as such in Junior Achievement programs? Will they be able to co-ordinate together eventually? Is that the plan, the hope?

Mr. Derkach: Mr. Chairperson, they do run the programs together. It is the same office that runs the programs. The member says that he hopes that the programs will be successful and do what they were intended to do. I can report that they are doing what they intended to do. We had over 400 students at the Rural Forum and all of these students were from schools that have the Junior Achievement program.

I attended at Red River Community College where we had a workshop one day where businesses from all over the city came to instruct students in the Junior Achievement program. We had over 1250 students that were registered for the one-day workshop at Red River Community College. We had business people from the banks, from some of our most sophisticated businesses in the city of Winnipeg, providing leadership courses for these students and working right along with them. So the program is exceptionally well received in the entire province to date, and I can only see positive results in the building of that program for our youth.

Just as a statistic, Junior Achievement for 1995-1996 will run 73 fall school programs and 106 spring programs for a total of 179 programs, which does not include the company program. So I am very happy with the program so far.

Mr. Clif Evans: I would like to ask the Minister about the transportation of the mobility disadvantaged in rural Manitoba. Just what type of funds and grants are going into that? What participating communities? What is the criteria for that?

Mr. Derkach: We added some additional money this year to the Mobility Disadvantaged Program from our Lotteries program. This is the program where you will see the handivans in rural Manitoba. We do not have a Handi-Transit van program as they do in the city in

rural Manitoba in every community. Many of our mobility disadvantaged residents who were born and raised in rural Manitoba are now moving back to rural Manitoba and are making their homes in these communities. They require this kind of assistance and transportation system in our rural communities.

Rural communities have banded together to support these mobility disadvantaged residents by investing in a Mobility Disadvantaged Program. We support them by giving them a start-up amount of money. I think the start-up grant is \$6,000. We later participate, once they have done their feasibility work and their start-up, in the purchase of the vehicle through a grant program which amounts to just a small \$10,000 grant, I believe it is, to the community for the Handi-Transit. Then, we participate in the operation of the Handi-Transit program to a level of about 37-1/2 percent of their operating costs.

A lot of these programs are not run like they are in the urban centres where you have paid staff who run them. These are largely done through a volunteer program and the service organizations and the community comes about through a volunteer system to run the program for the community.

* (1640)

Ms. Wowchuk: I would like to raise a couple of topics that I would like to address, but I will start with the handivan service. I would like to know whether the department has received application from the community of Birch River for a handivan and whether there has been any indication as to whether they will be getting funding for the service? As the minister indicated, there are people in rural Manitoba who do not have many of the advantages that people in urban centres do, particularly when we see our rural communities depopulating and services closed down.

I look at the community of Birch River, where they have lost the health care services. They have to be transported to Swan River. There have been community organizations that have raised a tremendous amount of funds and now are looking for support from government. I would hope that this government would look favourably on the application that has come from the community of Birch River.

Mr. Derkach: I have to tell you that, since I have come into the department, I was not involved in the inception of the handivan program but I have worked very closely with the people who are mobility disadvantaged and with their organization. We have expanded this program substantially, but we have a waiting list of communities that have applied for assistance under the mobility disadvantaged. It is for that reason that we were able to put in an additional \$50,000 into the program this year. I will have to research and get back to the member with regard to the community of Birch River, but what happens is their application will come in. It will be assessed. They will then go on a list that is already there, and we will try to address their needs just as quickly as we can.

There is also an association that works very closely with the department where they actually work with communities, and what happens in some instances a community will start with a small van, a small program that they can afford, and as the program develops and matures, they are then able to go to a larger van, and the van that they used to have will be passed on or sold to a community that is just starting in. So there is some co-ordination going on at the association level in that regard. But, with regard to the community of Birch River, I will have to research that and get back to the member privately.

Ms. Wowchuk: I would appreciate hearing from the minister on that, but the minister had indicated that there was an additional money put in from the lotteries, I believe he said some \$50,000 that was put in, and I think that is only fair that that money should go to rural Manitoba. When you look back at the VLTs and the plans that were made when VLTs were first announced, we were told that monies raised from VLTs would go back to rural Manitoba for economic development. That money is not going back at the rate that it is being drained out of rural Manitoba. I think it is only fair that we look at ways to bring this money back to rural Manitoba, and one of the ways that it can come back is by providing services to enhance the quality of life for people in rural Manitoba.

We hear about the tremendous amount of money that is coming in from lotteries. The minister knows from his own communities that there is lots of money

coming from rural communities, but it is not being passed back. So I would hope that we would look at ways to get that money back, and this is one of the ways that services can be enhanced for people in rural Manitoba. I look to the minister for his input, whether he would think that would be a way for it to enhance the quality of life. When we look at the budget, we have seen a decrease in this Rural Development initiative budget. There has been a decrease in this budget. If we are looking for ways to enhance the quality of life, I would hope that we would be able to put the extra money into that budget from the lottery money that is being drained out of rural Manitoba.

Mr. Derkach: Mr. Chair, if you look at the percentage increase in this program in the last year, it is about a 10 percent increase for the Mobility Disadvantaged Program. I am not apologizing for that at all. All I am saying is that it is a priority to us. We were able to enter into two new agreements in this past year, and I think we have slated another two for the following year. We are just doing everything we possibly can.

With respect to the lottery dollars, you know, we can argue over lottery dollars forever and a day. We have turned back substantial dollars to our communities, which no other province in Canada that has got a lottery program is doing. We did that in recognition that this money was coming from those communities. We have also embarked on some economic development programs that were never in existence before, again recognizing that there is a contribution being made by rural Manitoba to the general reserve, if you like, or the general fund of the province. If you look at all the other programs that are delivered in rural Manitoba, the only reason, in some instances, that we were able to save programs in rural Manitoba was because we were able to access lottery dollars to keep some of those programs functioning for the foreseeable future.

Ms. Wowchuk: And the minister should not apologize for taking that money back to rural Manitoba. Lots of it is coming from there, and we should be looking for ways to enhance the quality of life for people in rural Manitoba.

Under the REDI fund, I have one other issue that I want to address. The natural gas expansion was

supposed to take place in Swan River, but the project that was put forward failed. It is my understanding that the minister has indicated to the people of Swan River that if they do another feasibility study, which will cost the community some \$8,000 to \$10,000 to do this feasibility study—if they put together a package, there should be money under REDI to pay for natural gas. Natural gas, that is right. It is my understanding that the minister has made a commitment to the people of Swan River that there can be money made available from REDI to see this become a reality. I guess I am asking whether that is the commitment he has made, or was it an election promise or what was happening? Is this money that is going to—

An Honourable Member: Rosann, you are hitting below the belt.

Ms. Wowchuk: I apologize to the minister. Is there money available? Is the infrastructure money still in place for natural gas, or is there money available, because if the community puts out another \$8,000 to \$10,000 for a feasibility study, if they have been advised to do that, and there is not money in place—because that is the message I have been getting, that they have been advised to do another feasibility study which will cost them \$8,000 to \$10,000.

I would not want them to go through that expense since they have gone through the expense of one feasibility study already if there is not money in place for funding. So we should be up front with that community, and if there is not money for the project, then they should not be spending the money on a feasibility study.

Mr. Derkach: Mr. Chair, I have to say that I have done everything within my power to try and accommodate the needs of Swan River with regard to natural gas and also to make sure that every opportunity possible was given for Louisiana-Pacific to have natural gas at their plant.

* (1650)

The member should know that Centra Gas brought to the table with them in their proposal something in the neighbourhood of \$2.8 million. When the Centra proposal was rejected or when it was curtailed for whatever reason, that meant that this \$2.8 million

vanished with the withdrawal of the Centra proposal, but we continued to work with the community and Louisiana-Pacific, and we said we would put in a working group headed by Dr. Murray Cormack, who would look at every possibility besides Centra Gas to bring the project to fruition in Swan River.

The question was asked whether or not the infrastructure money would be made available to them. Because Centra withdrew, it meant that the agreement between Centra and the two levels of government and the community was, in fact, null and void, but we indicated to the community as a province that we would maintain our share of \$1.2 million of the infrastructure program to the gas expansion in Swan River, and I guess I should say to the member that we also funded a feasibility study for the natural gas co-op for Swan River to the tune of \$11,250 from REDI.

Now, because the community has not come forward with any specific plan, any business plan, for how they are going to deliver gas into the community, we have been asked by Louisiana-Pacific what the status of the situation in Swan River is.

I wrote a letter to the mayor last week or two weeks ago and asked that they come forward with a business plan for natural gas, so that we could make a decision one way or another. To date, I have not received that because they were still exploring several options. One of them was a co-op. Another one was working with a company out of Calgary, I do believe, or from outside of the province, and one was also working with a Saskatchewan company.

So when they come forward with a business plan, then we will be able to assess whether or not we can participate and to what level beyond what we have already said to them in the past.

Ms. Wowchuk: So the minister has said that they have made a commitment, that there is \$1.2 million of provincial money that is still in place if there is a business plan that is feasible put forward by the community. Have we lost the federal infrastructure money?

Mr. Derkach: I cannot answer that question. All I can say is that the agreement that was struck previously is

null and void. So what the community will have to do now is approach the federal government to make sure that money, that \$1.2 million, is made available to their community if they find another way of doing it.

Ms. Wowchuk: Is there any additional money that is available from REDI to be put into the—or can money from REDI be put into a project like the expansion of natural gas?

Mr. Derkach: Mr. Chair, the criteria of the REDI program does not make a project like natural gas qualify for assistance, except in those limited areas, for example, the feasibility studies program, marketing study or to a minor extent even the infrastructure, but that is so minor it really would not do much for a project of that magnitude so in terms of large sums of money from REDI, I would have to say that the answer is no.

Ms. Wowchuk: If the community is required to do another feasibility study, is there money available from REDI or do they have to make another application to access money from REDI to cover the costs of the feasibility study, which I am told will be somewhere between \$8,000 to \$10,000?

Mr. Derkach: Mr. Chairperson, we did not ask them to do another feasibility study. They have done a feasibility study already. What I asked the community to do was to come forward to the working group which they are a part of with a business plan. Now, that is quite different from a feasibility study, but we need a business plan to see where their sources of money are coming from, how much money they have been able to secure for the project, what their sign-up rate is, what their usage rate is, where they are going to access gas from, because that is still a question with regard to Saskatchewan and all of those areas, and it does not take a lot of time to do a business plan.

In my discussions with Dr. Cormack, he said that he would be able to work with the community to develop that business plan, so it is not as though it is going to require large sums of money or large amounts of time to do that. It is just that the community has to get a better grip of where they are going and allow us to be able to see that business plan.

Ms. Wowchuk: The minister talked about a working group on this and he talked about a Dr. Cormack, I believe it was. Can the minister tell me who else is on that working group and when that group was last in Swan River to meet with the people and what they have done to see this become a reality, what the possibilities are. What is the working group doing?

Mr. Derkach: Mr. Chairperson, I guess I should point out that the community is aware of who is on the working group. I can get the names for the member. But Dr. Cormack has been in constant consultation with the community, and it is really up to the community to bring that plan forward. It is not to say, what is the working group doing? It is the community that has to drive this project. The working group is there to try and facilitate between the community and entities that might be delivering the gas and government. So we are there, willing to work. It is up to the community to drive this. But in terms of the membership, I will get that for the member.

Ms. Wowchuk: I want to ask about another REDI project in my constituency. We have talked about the various projects that have succeeded or failed. There is a project in Ethelbert. It is a wood pelleting plant that the government contributed some funds to. Every time I drive by that plant, I see very little activity there. Can the minister tell us whether that is one of the projects that has been successful? What is happening with that project?

Mr. Derkach: I understand that the operation is still ongoing. They have not been able to put together enough capital to upgrade the equipment that they were wanting to, but we contributed to the operations. As a matter of fact, this past winter, they were still selling their wood pellets.

Ms. Wowchuk: So when a project like that is established, how long does the government follow it? Do they have to make reports? Do they receive funding? Is there follow-up or supports put in place to ensure that the business is successful? If they are in difficulty, is there any help for them?

Mr. Derkach: The agreement calls for certain conditions to be met with regard to reporting, and staff

from our regional offices do work with that proponent and that business on an ongoing basis as the need is required.

Mr. Stan Struthers (Dauphin): I am interested in the conversation that took place a little earlier on VLTs. Is there any way that I could get figures from your department indicating how much VLT revenue has gone into a community in my riding and how much has been taken out in the first place?

Mr. Derkach: That question is better placed with the minister responsible for Lotteries, the Honourable Mr. Stefanson.

Hon. Glen Cummings (Minister of Environment): I would like to make the observation that we do not normally sit down and check how much PST is coming out of Winnipegosis compared to how much is coming out of Dauphin, compared to how much is coming out of Brookdale. The fact is that you do very likely end up, in terms of the amount of activity that goes on in the community, you are going to have wide variations. You are going to certainly have great potential for creating the type of hard feelings between communities that is not normally disclosed in that manner.

If I were to observe how we have used revenues in the government, any form of broader-based revenue base, generally, you have a situation where those who are unable to generate the larger volumes of revenue benefit from the overall program. I would only encourage us to think in that way.

Mr. Deputy Chairperson: Order, please. The hour is now 5 p.m. and time for private members' hour. Committee rise.

SENIORS

Mr. Assistant Deputy Chairperson (Gerry McAlpine): Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Seniors Directorate.

Does the honourable Minister responsible for Seniors have any opening remarks?

Hon. Jack Reimer (Minister responsible for Seniors): Mr. Chairperson, it is my pleasure as the newly appointed Minister responsible for Seniors to present the 1995-96 budget Estimates for the Seniors Directorate.

Today I would like to outline the directorate's activities for the past fiscal year and highlight some of the new initiatives planned for the coming year.

As we celebrate our 125 years as an energetic and enterprising province of Canada, it is only fitting that we recognize and appreciate our older Manitobans in their important role in our history. During our recent 125 and Seniors Day celebration at the Legislature, it was heart warming to watch the children and the seniors interact, after all seniors play such an important role in the life of the family and provide a sense of continuity between the generations.

I was particularly pleased to meet with the many seniors who came to our province from many countries. These seniors bring a heritage and a background which enriches our cultural diversity. They add an important dimension to the life of this province. I am looking forward to spending more time in multicultural communities and learning more about their traditions. Their seniors continue to be vital and important members of today's society. Their contributions to their communities and to Manitoba will become even more pronounced as their numbers increase. We continue to rely on their knowledge and their experience.

The role of Seniors minister is a very important and challenging one, that of preserving and enhancing the quality of life for older Manitobans. Let me assure you that I take this responsibility with great enthusiasm.

My staff at the Seniors Directorate will work with me to ensure that government policies and programs affecting seniors are sensitive to their needs and to their concerns. As you are aware, the directorate gathers information regarding seniors issues in a variety of ways, but essentially from the seniors themselves. The directorate has established close working relationships with seniors' groups throughout Manitoba. This allows the directorate to have ongoing dialogue with seniors

on major areas of concern as well as providing information and other resources.

The Seniors Information Line continues to be well used by seniors, providing them with information, assistance and referral. The types of calls received reflect the issues and the concerns of seniors throughout Manitoba. In 1994 there were over 1,600 individual calls. This does not include the additional calls made by the directorate on following up on the various departments.

The directorate has developed and distributed a number of booklets for seniors. These booklets cover a variety of topics identified by seniors as areas where more important information should be provided.

Elder abuse continues to be a priority issue for the directorate. Their financial audio-visual, which was "Standing Up for Yourself," and accompanying booklets continue to be well used throughout Manitoba and throughout Canada. The guide for the development of protocols is widely used to help professionals respond to incidents of elder abuse in Manitoba. The same interdepartmental working group that developed this guide was working with the directorate in 1994 to produce another guide book, Abuse of the Elderly, A Manual for the Development of Multidisciplinary Teams. This working group has provided important information to aid interested professionals and communities in combatting this complex issue.

In June 1994, during Seniors Month, special celebrations were held in Killarney and Winnipeg. The directorate works with seniors' groups to plan these events.

During the past year the federal-provincial-territorial meetings of Ministers responsible for Seniors was held right here in Winnipeg. These meetings provide opportunities for us to share information and knowledge with our counterparts from across Canada.

We have established working committees to look at issues, share resources and co-operatively look for solutions. Areas of interest include continuing care, income security of seniors, the 1999 U.N. Year of

Older Persons, and safety and security in the streets and in the homes.

The minister's column in *Seniors Today* has received a very positive response. Seniors have told us that the information is useful and is helpful. In response to the questions the seniors raised on the information line and at consultations, a bi-annual seniors newsletter, *The Seniors Source*, was introduced in December of 1994. The newsletter has assisted us in keeping in touch with seniors and, more importantly, has assisted seniors in keeping informed on current government programs and services that could assist them. Our next edition will be ready for distribution in June of this year.

As you can see, 1994 was a very busy year, and 1995-96 will continue even with a busier schedule. Some of the initiatives in 1995-96, I would like to just mention, are the aging of the Manitoba population coupled with other demographic trends over the past 40 years, such as the large-scale entry of women into the workforce, has led to an increased awareness of the phenomena of elder care. Many employees now find themselves providing care to aging family members in addition to juggling other workplace and home responsibilities. Employees are recognizing that elder care is an emerging workplace issue that places increased demands on their employees.

The Manitoba Seniors Directorate in partnership with Age and Opportunity have responded to this need by developing a kit on elder care. The kit contains *Elder Care and Your Organization*, a guide to a new reality in the workplace; *Elder Care and You*, a guide for the elder-caring employee; *The Manitoba senior citizens resource handbook* and a selection of brochures on seniors issues and their concerns.

The directorate will distribute the kit to business and organizations throughout Manitoba during the month of June. It will stimulate discussions and provide a useful tool for developing organizations specific policies and programs. The staff will also be available to coordinate workshops to businesses and organizations whose employees are dealing with the issue of caregiving stress. The directorate will be presenting a session on elder care and your organization as well as a session on elder abuse at the November Manitoba

Health Organization annual conference.

The safety and security of the seniors of Manitoba is a priority. Frauds and Schemes continue to target those most vulnerable in our communities. If seniors could be made aware of what was occurring, they could protect themselves and alert others to potential dangers. The directorate will be working with the police and the RCMP to distribute seniors alert bulletins to senior centres, housing complexes, health units, drop-in centres and resource councils. These bulletins will contain information which will allow seniors to take action to protect themselves against those potential hazards.

As you are aware, the Manitoba Council on Aging began reporting to the Minister responsible for Seniors in May of 1994. This has been an extremely positive move for the Council on Aging, the Manitoba Seniors Directorate and the government of Manitoba. With the council reporting directly to the Minister responsible for Seniors, I am able to hear first-hand their issues and their concerns of seniors in Manitoba. This direct link between the minister and the council has ensured that seniors advice, experience and their knowledge is available to government in formulating policies and programs. It is extremely important that seniors have direct input on issues that affect them now and in the future.

* (1440)

A significant concern of the council has been the negative profile of seniors that they will make a more accurate and realistic portrayal of today's seniors an issue of high priority. During the coming year, the Council on Aging will encourage community and businesses to recognize the value and the active participation of seniors. The council has consulted with a number of communities in the past year, and I strongly support this continuation of this process.

My directorate and staff and the council will be working closely in the coming years to ensure that seniors throughout Manitoba are given the opportunity to express their views and their concerns. This will provide me with a current and a realistic picture of seniors from a senior's perspective. This spring, the

council published the sixth edition of the Manitoba Senior Citizens' Handbook. This comprehensive directory of programs, resources and services is an excellent guide available to older Manitobans.

The council and the directorate have formed a strong partnership and will work together to identify a number of areas for research so that seniors receive clear and accurate information on a variety of topics. This information will be distributed in the form of a one-page fact sheet and will look at items such as what to remember when you are moving, senior safety at home and in the community, tips on successful travelling, points on a healthy lifestyle and other topics of interest.

In closing, I believe that the Seniors Directorate and the Council on Aging have and will continue to have an important role to meet the needs of Manitoba seniors. Thank you.

Mr. Assistant Deputy Chairperson: We thank the Minister responsible for Seniors for those comments. Does the official opposition critic, the honourable member for Broadway, have any opening comments?

Mr. Conrad Santos (Broadway): I thank and congratulate the new minister appointed to Seniors Directorate. I wish him all the best in the performance of his function.

There are many issues that concern senior citizens in Manitoba. Of course, the first one outstanding would be the health needs of senior citizens. In addition to those issues on health needs, there are issues of inadequacy of income and relative poverty of some senior citizens, the inadequacy of their housing accommodations and the insufficiency of recreational opportunities to occupy active seniors and contribute to their wellness and health and well-being, the mobility problem of seniors, particularly those who are disabled, and the accessibility of some public premises, escalators, that will help seniors move around if they want to have some kind of mobility.

Although the minister had focused on the important role of senior citizens in the life of our family, it is now time, I think, that the department be given resources of its own, budgetary allocation of its own, at its own

disposal, so that it can initiate substantive programs itself and not merely an adjunct to other departments, such as the Department of Health or Housing or other major departments of government, because without the power to allocate money for its own programming all that the Seniors Directorate can do is what it has been doing—providing information. Information is good, but they will not do any kind of good for senior citizens in terms of their substantive needs.

So I think since there is a time for everything under the sun, it is now time that the Seniors Directorate be given resources of its own, at its own disposal, in order to undertake its own activities. That is only consistent with the growing role of seniors in the life of this country.

As the honourable minister suggested, there is the aging pattern in our population and the demographic distribution of people and the lengthening lifespan generally of senior citizens.

With respect to this point, in 1991 I pointed out that the oldest living Canadian who was known to live was one named Jeanette Thompson from Toronto who lived up to the age 110. The Guinness Book of Record internationally had suggested that a Frenchman named Pierre Joubert of France is the longest living human being who had lived up to 113 years.

But lately I noted one more older than that. It broke the record. This is a person named Shigechivo Izumi from Asan. This is authenticated and documented. He had lived up to 120 years and 237 days. He was recorded as a six-year-old in the first census of Japan in 1871, and he died in February 21, 1986, after developing pneumonia. He had been working up to the age of 105, and when asked what the secret of his longevity is, he said he drank sho-chu. This is the fire water distilled from sugar. He attributed his life to God, the Buddha and the sun. This is provided by the Guinness Book of Record for 1995, so that is the new record, 120 years, 235 days.

That is not the only problem emerging with our province and with Canada as a whole. We have to take care of these people and we have to feed them whether they are over 65 or under 65. Canada now has at least

12 percent of our total population of the age of 65 or older. By the year 2010, when the baby boomers should have retired, this ratio will rise dramatically. There will be at least 25 percent of Canadians who will be elderly. At the same time, there will be fewer taxpayers, who will have the burden of paying for them.

Indeed, in 1994—this was last year—the Canada Pension Plan for the first time ran a deficit, in its 128 years of existence. Seniors will then be thought of as an expensive burden to society. The boomer generation, who had opted for fancy cars, large houses, costly holidays instead of having children ironically would have impaired their own retirement by not contributing to the new generation of Canadians.

Indeed, we can say that the traditional white, western Canadian is an endangered species, because the replacement rate for birth in Canada now averages only 2.1 children. The normal replacement rate should have been 1.7, but it has now dropped under that rate, so you could see now that there is a changing demographic composition of Canadian population. This will be pointing to more problems for the province and for the country as a whole.

* (1450)

For example, under the present condition now—this is very recent; I got this information from the Free Press—in 1991, Canadians who are neither British nor French decent constitute now 47 percent in this province, although the national average is only 30.9 percent. That is 31 percent. There are about 110 ethnic groups in the province of Manitoba today—205,000 Scots, 76,000 aboriginals, 23,000 Filipinos, 2,000 Laotians and many other groups of people who had been immigrating to this country to fill up the gap, the lack of replacement births of our generation.

While there are many problems of Seniors, I would like to focus on the health problem because health to me is a value next to life itself. Without health a person will not enjoy his existence. Indeed, there is a person who had argued for the right to terminate their existence because of lack of health.

The health problem of Canadians is important. At the same time, we are witnessing the diminution of our

health care system in terms of funding, in terms of coverage, in terms of availability and accessibility and, at the same time, the number of seniors is increasing as the years roll by, so we can see the inevitable problem that will be confronting us in the very near future.

That is the reason why the health issue had been an outstanding issue in the last election. The record had indicated that ensuring the quality of health care had been a major issue in the last issue. It has been the issue for at least 46 percent among the New Democratic Party members, 23 percent for Progressive Conservatives and 30 percent for the Liberal Party in the last election.

According to Dr. Evelyn Shapiro, who is a member of the Manitoba Centre for Health Policy and Evaluation, the biggest issue in the election was whether people believed that one party or another party could maintain the principles on which the Canada Health Act had been founded, namely, the principles of universality, portability, accessibility of medically required services and the public administration aspect of the health care system.

Can we be able to afford to maintain such a principle and maintain the integrity of the Canada Health Act in the face of dwindling resources and high unemployment and a decreasing population in the country as a whole and in Manitoba in particular?

The health care expenditure in Manitoba has been—as I said, I will focus on the health problem, and this concerns the senior citizens the most.

Health care in Manitoba as late as 1985 had been set at at least \$1 billion expenditure. That was the health care spending in 1985. In 1993 this had stabilized at \$1.8 billion, that is, almost \$2 billion of provincial budget. There had been an attempt on this government to provide for some savings but at the expense of cutting some essential services. Hospital spending, for example, rose 15 percent from 1989 and peaked in 1992-93 at \$969 million, but then it dropped again to \$918 million. Medical spending, meanwhile, had been increasing, which includes doctors' fees plus private medical laboratories and x-ray fees and other fees to practitioners such as chiropractors. The spending peaked at \$280 million.

The bulk of the spending had been on doctors' fees, but the most outstanding item of expenditure is the cost of prescription drugs. Prescription drugs jumped 36 percent in 1989 to 1992 to \$60 million when the province clamped down hard on the extent of coverage. The deductible had risen and the spending has stabilized at \$54 million over the past two years. You could see that health care expenditure is increasing, and it is primarily due to fees and to the cost of prescription drugs.

When people are sick the usual tendency, according to conventional medicine, is to kill the germs, the bacteria, so the rationalization is for antibiotics and prescription drugs and other kinds of treatment, or they do radiation. They try to act on the dead cells of the body through radiation or they simply carve out and cut the portion that is no longer functioning. This is the surgical method, surgical procedure, surgery. In all these traditional and conventional ways of dealing with diseases the unintended consequence that we do not desire is the fact that the natural immune system of the physical body is weakened. When you administer prescription drugs to the body the disadvantage is that you do not kill all the germs and at the same time you weaken the natural immune system of the physical body.

We know that there is one gland in our body called the thymus. This is a very important gland in our body. It is just located behind our breast bone. It releases hormones which cause our body to be able to resist bacteria invading our physical body system, like viruses, germs, parasites, moles, allergies. Anything that enters into our system there is an army of defenders ready all the time to fight the invaders, and this is commanded by the thymus gland. That is our immune system. This is most active when we are babies, but then it diminishes its function as we grow older.

The fact of the matter of what I am saying is that when we try to kill the germs, we weaken that immune system, and the body now becomes dependent on the administered drugs. If you cannot sleep, you take sleeping pills, and you no longer can sleep unless you take more sleeping pills. The more you take sleeping pills, you end up like Elvis Presley or some other—[interjection] Yes. So this is due to the prescription drugs.

What is the natural way to deal with all your problems? If you have a headache, you go and sleep it off—the natural way. Then you keep your immune system in top shape, and you will be able to counteract all kinds of invaders in your bodily system. The truth of the matter is that when we have antibiotics and they cannot kill all the germs, you know what happens? A new strain of resistant bacteria will emerge from this, some of these germs that you cannot wipe out because of this weakness of antibiotics. It is not a perfect system. You cannot simply kill all the germs without killing the person.

* (1500)

When this new strain of bacteria comes around, there is no modern known antibiotics that can deal with that. Well, ebola, for example, now in African countries. The one that attacked Lucien Bouchard's leg, that is just a normal streptococcus that had gone wild and he lost his leg. It could have been his life. There are other strains of resistant bacteria—AIDS, for example. It has been due to the fact that the human body's immune system is no longer functioning, and this is all because of overprescription, overadministration of drugs. Who is benefiting in all of these purchases and sales of drugs, allegedly to bolster our health care system? Do you know who is making all the money? Well, the multinational drug companies. What do they care if people die as long as they make money.

If government cannot restrain this tendency, it means that there will be a more and more expensive health care system, more and more profit to those multinational companies, less and less health on the part of the citizen and therefore more misery to human beings.

Of all the age groups, only the senior citizens are susceptible to certain kinds of diseases. The most notable one, perhaps, allegedly prevalent among senior citizens is the Alzheimer's disease. It is now one of the leading causes of death among the elderly in Canada. What is Alzheimer? Alzheimer is a degenerative brain disorder. It destroys the vital brain cells. There is no known cause of it, nor any known cure as far as I know.

We as a nation spend \$3.5 billion a year to provide institutional care for people with Alzheimer's disease

and related dementia. Alzheimer, mind you, can strike at any age but it is most commonly experienced among people over the age of 65. When I forgot things around, I was sometimes suspecting I might be in deception of having this dreaded disease. Well, sometimes you become so forgetful and then you suspect that maybe you are at the threshold of having Alzheimer.

I have referred to some strain of bacteria that the drugs can no longer deal with. The technical name of Lucien Bouchard's bacteria in his leg is necrotizing fasciitis. A relative of that, the one that attacked a young boy two years old, and he died, is simply streptococcus pneumonia. It is said to be the same kind of virus but attacking deeper in organs.

Then another member of parliament, in fact, a member of the Reform Party by the name of Randy White, had cellulitis, supposedly of the same strain that attacked Bouchard's leg. But he was able to survive in the sense that he was able to arrest the growth of this disease.

I wonder why bacteria are attacking members of Parliament. I am just wondering why.

These bugs are fighting back. You know, when antibiotics fight disease by killing bacteria, they cannot kill all the bacteria. The survivors become all the more strong and then we use a stronger dose of antibiotics. But in the overdose these supergerms, I will call them supergerms, can eat penicillin for lunch and erythromycin for dessert.

You cannot kill them. So we have all kinds of dreaded diseases. The most common one is of course AIDS disease.

Now, what is the point of all this? The point is that we would not have been in this predicament if we had only allowed the natural immune system the way it is designed to perform its function. The body has a natural mechanism for fighting diseases, and the body can be aided by proper nutrition and also by proper physical activities, exercise and other preventive kinds of practices that would render us healthy and well and enjoy life to the fullest.

But the trouble with some of our people, including some members of this legislative body, they continually indulge in some habits that they know for certain that it is no good for their body. The minister suggested smoke, and this is correct. Smoking is a major cause of heart disease. Not only heart disease—you know the strain of other diseases that flow from that habit.

It is a fact also that it is more popular in rural Manitoba than in Winnipeg. Yes, two-thirds of rural Manitobans smoke compared to only one-third of urban dwellers. These are statistics.

The smoke from tobacco directly causes the genetic damage that leads to cancer. There is a new finding on this one. The New England Journal of Medicine is saying, the molecular proof is that smoking increases the rate of mutation in a specific gene they call P53.

A cancer specialist named David Sidransky said that the damage to this gene plays a central role in the development of cancer. So the more you smoke the more you expose yourself to that danger and risk. And if you do it knowingly, who are you to blame except yourself?

But they say, I cannot help it, I do not feel good unless I do. Of course, the short run is, it is good when you feel good and you inhale it, but then the long-run effect will be terrible, but we can only blame ourselves for our own misfortune.

I have stated that nutritious food is essential. We have to understand, however, the working of the different kinds of foods. Generally, we can—oh, well, this is a layman's view of classifying the intake of what we eat. We generally eat things they call carbohydrates or it is protein or it is fat or it is sugar. Now, depending on what kind we eat, these chemicals emanating from these food categories and the brain chemical from our physical body will interplay. There are physiological factors at work as to whether some of them will be effective or not, depending whether we have exercise activities or we smoke, it affects this chemical level.

Lack of food will, of course, generate certain reactions in our physical body, but it is a question of knowing which kind of food to eat and under what circumstances.

Mr. Reimer: A Big Mac.

Mr. Santos: The minister said, you can eat a Big Mac. Well, there is nothing wrong with that except maybe it has lots of fats, more than you desire.

It amazes me that some people take care of their car much more than they take care of their own body. We only have one body. You may have at least five or six cars in your lifetime, but you only have one body to take care of so you must at least take care of your own body by watching what you eat.

Mr. Reimer: That is right. I have not waxed my body for a long time.

* (1510)

Mr. Santos: I know the honourable minister has been jogging early in the morning. I know he has his one-hour walk in the morning. I heard that from CJOB the other day. This is good. Exercise is good for the physical body.

Now we do not have to eat drugs in order to deal with some of our ailments—

Mr. Assistant Deputy Chairperson: I would just like to give you notice of two minutes remaining.

Mr. Santos: Two minutes. Okay.

The point I want to emphasize is that our health care system should also recognize what they call natural medicine. Instead of relying entirely on conventional medicine which is, as I said, predicated on prescription, on radiation and surgery and overprescription of drugs, there are alternatives. The alternative is, of course, a balanced diet, the whole kind of food items that you can eat. Some of them have medicinal value.

Do you not know that apples lower cholesterol and blood pressure? They stabilize your blood sugar. They can also kill infectious diseases, eating an apple a day. The old saying, an apple a day, keeps the doctor away is true.

Bananas, a simple fruit, they prevent and heal ulcers. They lower your cholesterol level, and they stabilize

your heart beating regularly. It has potassium which strengthens the muscles of the heart.

Carrots, a simple food, cuts the risk of lung cancer. It reduces blood fats, prevents your colon cancer from developing.

Good wine, red wine is antiseptic, is better than penicillin, and you enjoy it.

Broccoli, the one that President Bush does not want to eat, is a powerful cancer fighter.

Mr. Assistant Deputy Chairperson: Order, please. I would interrupt the member to bring to your attention that the time for your opening remarks has expired.

I would like to thank the critic for the official opposition for those remarks.

I would like to, at this time, invite the minister's staff to join us at the table and to ask the minister to introduce his staff present.

Mr. Reimer: Mr. Chairperson, it is my pleasure to introduce from the Seniors Directorate Kathy Yurkowski and also Dorothy Hill.

Mr. Assistant Deputy Chairperson: Thank you.

We will proceed with the Estimates of the Seniors Directorate on page 133 of the Estimates book, starting with the Operating Appropriations.

Item 1. Seniors Directorate \$488,700. Shall the item pass?

Mr. Gord Mackintosh (St. Johns): I welcome the minister to his new challenges and wish him well. I look forward to seeing him in our community, in St. Johns, at different functions from time to time.

We in the community are very proud of the Gwen Selter Creative Living Centre. I look forward to seeing the minister there in particular. It is really a model of the kind of facility that I think serves not just seniors but the whole community very well. It is a meeting place. It is a place of learning, a place of fun,

particularly for the Jewish community, not just in north Winnipeg but throughout Winnipeg.

The Gwen Secter Creative Living Centre has, for some time, had a fitness program for seniors. It is a preventative health program to maintain the health of people through aerobics, for example. There was a fitness co-ordinator that was funded, I believe, mainly through the Winnipeg Foundation, and the funding, unfortunately, expired. I then went to the provincial government, both to the Seniors Directorate or the Minister responsible for Seniors and to the Health department, only to discover that there was no fund available whatsoever in the provincial government to continue this important kind of program.

I think this kind of program is, like the centre itself, a model and the sort of prevention program which the provincial government has a stake in. I think it certainly fits with some of the statements that were set out in the action plan on health care a number of years ago by the Health department.

In the response from the Health minister, it was suggested that the private sector be looked to for funding for the program. By the way, the amount requested was a mere \$14,000. I say a mere because I know the amounts of the budgets, particularly of the Department of Health, and I know how long that kind of funding will enjoy benefits for the individuals and for the community.

I understand that the responsibilities of the minister do not include funding of such programs. I am wondering if the minister would undertake to pursue funding for this program. The program is staggering along right now with some other funding sources internal to the Gwen Secter Creative Living Centre—but to ensure that this kind of program has stable and predictable funding, at least in part, through the provincial government.

Mr. Reimer: Mr. Chairperson, I would like to just expand a little further on what the member for St. Johns has mentioned regarding the Gwen Secter situation.

I had the opportunity to be at that location. In fact, in my previous duties before I became minister, I was

the legislative assistant to the Minister of Culture, Heritage and Citizenship, and from time to time, I also did functions on behalf of various other departments of the government, and I was invited through—I believe the time I did go to their fundraising they had a tea on—Family Services at that time to make representation, so I am fairly familiar with the location and the involvement with it.

The one thing that was quite noticeable at the time was the number of volunteers and the people who, you know, had come forth for that particular fundraising event regarding the tea and all the individuals who were involved with the program.

It is an important area. It serves a very vital part of the community, as was mentioned by the member for St. Johns. In fact, Gwen Secter, the name itself is quite synonymous in the community because of her involvement. Just as a sideline, her granddaughter is a very active participant in the Jewish theatre and in some of the other programs, so the name is continuing to be noticed in the community.

The member did mention the alternative of going to the private area for funding and for the continuation of the recreation position which is something that I guess can be pursued in the sense of trying to raise a portion of the \$14,000. What we can do through the Seniors Directorate is try to maybe approach a co-ordination as to what the problem is that we can work through and try to work not only through the Seniors Directorate but through Health, so that there is a line of communication and an awareness of what the problem is at that particular location and try to come to some sort of direction of recourse on the availability of what can be done there.

* (1520)

Mr. Mackintosh: I certainly urge the minister to take an activist role with his colleagues in the cabinet on this issue of preventative health for seniors and, in particular, go to bat for the Gwen Secter Creative Living Centre program.

Perhaps it would be worthwhile for me to contact the director, Madeline Kohut, who could get in touch with

the minister, and they could establish some dialogue. Hopefully, we can get some positive results for the centre.

Mr. Reimer: I am totally available to meet with the individuals involved through and along with the Seniors Directorate, certainly in any way of communication and a resolve. We can look at alternatives and try to come to a resolve on it for the member for St. Johns.

Mr. Gary Kowalski (The Maples): I am not the critic for Seniors amongst the three Liberal MLAs, but Neil Gaudry, who is our critic, is in another Estimates. With our small numbers here, we have to spread ourselves rather thin.

I would like to also add my words of congratulations to the minister. I have already personally given it to the minister. I have attended a number of functions with him, and we have enjoyed each other's company. I also have to say, he has one of the nicest offices in this building. I knew the former tenant or resident there, and we had many good times in that office, and I hope he enjoys it as much as we did.

In my constituency, a very small percentage of the population is seniors, but I also represent for the Liberal members of the Manitoba Legislature the one in four Manitobans who did vote Liberal and amongst many of them were seniors, so this is a very important area for us.

One of the areas that I have a great concern for is the number of seniors attending gambling facilities. Amongst the two gambling facilities here that the government has built, both of them coincidentally in the north end of Winnipeg, in Transcona and in the north end, if you go during the day, a disproportionate number of the people making use of those facilities are seniors, disproportionate to their percentage in the population.

Has the directorate done any research, or has it been working with the Addictions Foundation of Manitoba? Has there been any assessment on the impact of gambling and gambling addiction to seniors in Manitoba?

Mr. Reimer: The member for The Maples raises a very interesting and a very worthy question regarding the whole area of gambling, and I believe that he is aware that a commission has been formed with the former member MLA Mr. Larry Desjardins in looking at the various ramifications as to where and what is happening with gambling in and around Manitoba. I would think that the concern can be brought forth to that commission regarding presentations that are being held in Winnipeg, so that there is the perspective brought forth regarding the concerns that he is talking about today.

In looking at the gambling, I can also bring to his attention the fact that at his suggestion I will bring this forth with discussions with MSOS and also with the Council on Aging to get their type of input and their feedback into what type of scenarios that they are being forced with as per contact on a formal basis to the Seniors Directorate. There have not been any type of formal overtures made to the department regarding that particular area of seniors and gambling. But it is something that, I guess, has anything—anticipation and the fact of looking at beforehand before it becomes a problem of concern of an overly strong magnitude that we can initiate it in our department to look at, as I say, through MSOS and also the Council on Aging to get input on theirs and try to work co-operatively in looking at a resolve on it for him.

Mr. Kowalski: The inquiry line, the type of calls—out of those calls that have been received, is there any indication how many, if any, of the calls concerned gambling addiction among seniors?

Mr. Reimer: I could just relate to the member for The Maples what has happened regarding the calling. To December 31, 1994, there have been just over 7,000 calls brought forth to the Seniors Information Line, and just as a matter of record I will just refer to the percentages of calls that have come in and the various areas of concern for them. The biggest request has been for pamphlets and brochures, which took up 16 percent. Inquiries regarding home care and health problems were 14 percent. Inquiries regarding pensions were 13 percent. Housing, as the member for Broadway has mentioned took up 11 percent. General information was about 9 percent; home repair, 8

percent. Taxes, not only the income tax but the federal and provincial taxes, were about 5 percent. The service for seniors, which was also phoned in and requested for, was just over 3.5 percent. There was a request for the senior citizen's card. There were legal inquiries. There were inquiries regarding the UIC and employment. There were requests for information on recreation and education, financial assistance, transportation and elder abuse. The info line itself is just to find out what was also available. As to the inquiries that were mentioned, there were no inquiries regarding gambling and the co-ordination of seniors with gambling, no.

I should also, for the record, just say that the phone number here in Winnipeg is 945-6565 and the toll free number is 1-800-665-6565.

Mr. Assistant Deputy Chairperson: Operating Appropriations 1. Seniors Directorate.

Mr. Santos: One of the problems of senior citizens, of course, particularly those who used to be housewives who never worked is they do not have any old age pension, no CPP, but as we have stated they are growing older and older and they will be around for a while. Therefore, there is a need to take a second look at our pension system in Canada. I know that this is federal, CPP is federal jurisdiction.

The question is, does your government, honourable minister, have any proposal to increase old age pension so we can take care of people who will be living beyond 65, beyond 70, beyond 75, beyond 85—any proposal to the federal government? Do you have any position paper that could provide for and take care of our senior citizens?

Mr. Reimer: Firstly, I would like to compliment the member for Broadway as my official critic for Seniors in the sense that his in-depth analysis of the department, his astuteness on the problems and the concerns, and particularly his research on the subjects that he brings forth are well noted, and I look forward to working with him in the resolve of problems regarding the situations and the circumstances regarding seniors here in Manitoba and Winnipeg. I feel that his area of expertise and his probing of

questions are always very interesting in the sense of his background and his availability of information that he brings forth.

* (1530)

So I look forward to working very closely with the critic for the official opposition in trying to bring a resolve, and hopefully we can work in a co-operative manner in trying to bring a resolve to concerns. I feel that I believe as he feels that one of the most important assets of our society is the people of Manitoba. As the portion of our population ages, they are not only becoming more visible but becoming more educated and more sophisticated in their expectations and their demands and their availability of what is and what is not available for use in their lifestyle.

So it is going to be an interesting portfolio in my sense, and I feel that the importance that our government puts on seniors and their contribution to Manitoba and the fabric of Manitoba is something that we can be very proud of. I particularly will enjoy working with the member because he and I have shared many speaking engagements and events not only through various departments, but in the multicultural community he is a very strong advocate and a very vocal person within his own community, and he and I have spent time together in the pursuit of addressing and talking with various areas. I respect his contributions and his areas of critic involvement, if you want to call it, in the sense of his involvement particularly with my department. So I feel it will be a very worthwhile relationship between the two of us.

Regarding his question in regard to pension, the administration of monies, he is right in saying that it is a federal responsibility as to the payment of the Canada Pension Plan, but I can mention to him that the federal government, to our knowledge, is now going through a pension paper review plan which we will be discussing. There is a ministers' conference coming up, I believe, in May of 1996, and at that time the ministers will be made available of the government's position for this paper that they are preparing for discussion. At that time there is a possibility of looking at all avenues of the seniors and possibly revenue implications that they are going to be doing on it.

The meeting I mentioned is going to be in New Brunswick, so it is something that I look forward to not only for that area but in getting in contact with cohorts across Canada to see that there is a commonality of problems or commonality of solutions, more importantly.

Mr. Santos: Mr. Chairperson, is the minister saying that they will be developing a position paper so that the government can deal with this issue of how this aging population of seniors in Manitoba will be provided for as the years roll by?

Mr. Reimer: It would be hard for me to speculate as to what the federal government is looking at and what the parameters they are looking at regarding their positioning of involvement. We have seen through the federal Liberal Party now in power that a lot of the things that they were elected for and the promises they made on election day are things that have gone by the way. I can only hope that the integrity and the direction that the minister responsible for seniors on the federal level still has the confidence of his cabinet and his colleagues in looking at it in a very objective way and in a very fruitful way and to recognize, as the member for Broadway has said, that the growing segment of population and the fact of the importance of seniors and their visibility are going to be something of note that we can run with in an era of optimism, that the federal government is still committed to making some sort of changes. In fact, we are looking at it in a positive way.

On our behalf, as the representative for Manitoba at that conference, I can say that the member for Broadway (Mr. Santos) can rest assured that our position will be brought forth in a very strong and very vigorous way as to the value and the importance that we place not only in our Seniors Directorate but also our government commitment to look after, in a sense, the concerns and the well-being of the seniors and to the involvement of consultation and make a strong case on their behalf.

Mr. Santos: Mr. Chairperson, we know that, because of the increasing numbers of senior citizens all across Canada, the federal government has a problem also, and the provincial government cannot simply say that

it is up to the federal government to deal with this problem. In fact, there is a plan to reduce transfer payments from the federal government to the provinces by about \$7 billion less in the coming next two fiscal years, and that certainly will affect the budget allocation for the support of seniors in terms of their CPP and other old age assistance and other needs.

Even as late as 1991, the per capita spending for every elderly Canadian all across the nation who is 65 years old or less is \$6,500 per capita. This is compared to the spending of the federal government for a younger person, let us say 15 years old or younger, who only gets about \$2,500 per head. So the older the seniors get, the more social spending becomes necessary to sustain and support them, because the older we get the more health care spending will be needed.

For example, those who over 65 years old will at least have, according to the statistics, 4.5 percent greater spending needed than those who are under 65. If they become 75 years or older, the spending for health care becomes 6.7 percent greater than when the individual is in the younger seniors group. The older you get, the more expenditure; and the more expenditure, the more money you need.

As you know, the deficit in the federal government is so great that even paying the interest payment alone on the deficit cuts down on substantial program spending. That is the reason why there is a return spent in the federal financial transfer to the provinces. The provinces will have to be imaginative in trying to devise programs that will deal with our social problems, particularly with senior citizens.

My concern here is, what can this Seniors Directorate do if it has no appropriate power to initiate substantial program spending? All it can do is merely provide information; it is the Health department and other big departments of government that make the decision. I think the fact that by the next 40 years seniors in this province alone will jump to as many as 28 percent of Manitoba's population implies that the Seniors Directorate—I say you are not the government—be correspondingly given more and more responsibility in initiating program activities, substantive programs to take care of the welfare of senior citizens.

Would the minister work for this kind of direction?

* (1540)

Mr. Reimer: Mr. Chairperson, the member from Broadway (Mr. Santos) is very correct in his assumption that what we are seeing happening with the federal Liberal government is the fact that they are looking at a huge amount of money that they are going to be sort of taking out transfer payments, not only to Manitoba, but to a lot of citizens of Canada. In fact, when they talk about the paring down of the government, they are talking about the major departments that we as a government feel our entirely most important, which is Health, Education, and social services. At the same time, the federal government is looking at their allocation of funding and, as mentioned by the member from Broadway, there is the possibility that a lot of this allocation of funding will have an effect on the seniors and on the programs and the availability of what and where they are headed for.

The member alluded earlier in his opening statement regarding the lifestyle, not only the lifestyle but the health and the diet and the availability of nutrition in making a healthier society for people, and which in effect is making people live longer. His analysis of the one person who lived to a 120 years is something that I guess everyone should strive for in a sense, but if everybody did, the costs associated with it would be of an increasing nature for all governments. But all governments are aware of the fact that the dollar—there is only one taxpayer in the sense of where the money comes from, and the best utilization and the priorities of funding are something we take very seriously.

I will say that the Seniors Directorate is looking at preparing retirement information, but it is retirement information that comes into effect not only when the person retires but the information is coming into effect before the person retires so that people would have to become aware that, as they get older, they have to do a preparation, not only of their financial life but of their social life and their attitude of what is important and where they are headed. Once they come to, as the member mentioned, the retirement age of 60 or 65 or 70 or 75, because of certain incidences people that are 60 are still very, very productive or even at 65 are very,

very productive, very contributory not only to their lifestyle but to the economy of Manitoba and to Canada so that there is an interpretation of what actually is retirement and when it takes effect. People can go right through till 70 years old or 75, and they are still very, very strong in their contributions to society.

I should point out to him that the Council on Aging, the topic itself being the Council on Aging, it is a council that is comprised of not only seniors. There are younger people on that council. I believe, in fact, there are five that are in their 40s in that Council on Aging. There is more and more of an awareness that we do not put a category on aging being people over 50, pardon me, over 60 or over 65. Aging is a process of life, and the more that the people are aware of what it affects and how they should be prepared for it, it makes it easier for the whole lifestyle. There is not a point in time or a door that a person walks through to say that I am now in a retirement mode. I think they are made aware of the lifestyle that they can pursue, if they start at an age where there is a recognition of what is involved with the end of their work years or their time that they can enjoy, that there is a planning towards an end that is a fulfillment of it.

We are working very, very closely with other departments regarding the seniors so that there is not only an awareness by this directorate but an awareness through the various other departments as to what our directives and what our goals are, so that there is more of a co-ordination of effort and effect in there. The member can be assured that these are of high priority and more and more of an awareness within not only our directorate but within all departments of government.

Mr. Santos: The minister mentioned a unit of government called Manitoba Council on Aging. I am not clear who are the members of this council. Who are they and how are they appointed?

Mr. Reimer: The Manitoba Council on Aging was actually created in 1980, and it serves in an advisory capacity to the government. At that time it was through the Minister of Health. In 1994, which was just last year, because of the situation, it has been transferred over in a sense to the Seniors Directorate for reporting. It reports back to the Minister of Seniors regarding its

activities. Its role and its terms of reference, if the member is interested, helps to identify areas of opportunities for government in adapting the policies and the programs and the institutions to accommodate the changing structure of our Manitoba population. It is also mandated to increase the public knowledge and the understanding of the aging process and its implications of not only the seniors but of all ages, as I mentioned earlier, in Manitoba. It will also be reviewing projects, programs, proposals and problems that are related to the aging population that are referred to the council by the minister. It gives an opportunity for the minister to have a vehicle of a sounding board, in a sense, and to have as a vehicle of correspondence and to talk about programs with or policies.

It is also to provide for the public a consultative process through the meetings they will have, not only here in the large urban areas but they will have meetings in the rural areas so that they are made available and access for people of the general population to come and bring forth their views. The council is made up of 15 members who are appointed by the minister, and they serve either a two-or-three-year term.

If the member would like, I can give him the names of the people who are sitting on the board presently. Edith Earley is the chairperson right at the moment. There is a Dr. Stuart Hampton, Victor Sobkowich, Helen Malcolm, Mary Kraigsley, Ralph Kennedy, Marie MacDonald, Dr. Benjamin Sutter, Margaret Born, Gaye Selby, Brenna Raemer, George Flett, Joyce Buhr, Mary Perfect, and Jo-Ann McKenzie.

I should point out that these are people who are appointed from various areas of Manitoba. They are not just strictly urban appointees or people from the Winnipeg area. They serve as a very valuable resource not only for the directorate but for the minister in input and output, in a sense, of problems and concerns regarding seniors and what they would like to bring forth to government.

* (1550)

Mr. Santos: Even the new function of the Manitoba Council on Aging is giving advice to the minister. Is it within their mandate to come up with some initiatives

or a proposal for any kind of substantive program that would call for some budgetary allocations?

Mr. Reimer: They do not have spending authority to initiate a program or the availability of funds to spend in initiating any type of program, but they do have the ability to come forth with recommendations to the minister. Their viewpoints and their suggestions are sought as to what the pulse is, if you want to call it, in the community. But, no, they do not have the ability to allocate funds.

Mr. Santos: I am not saying they should be given the authority to look at funds. I am saying it will be an exercise in futility on their part if all their advice and all their studies and all their hearings and all their input will come to naught unless the department itself, through the minister himself, will be given by the cabinet some kind of spending authority on any possible initiative for program activities.

This all boils down to my initial problem with the department.

Mr. Reimer: I believe the member for Broadway is familiar with process in government as to any type of proposal that comes forth, whether it is through the Seniors Directorate, or through my department, or any other type of department where there is a seeking forth of information through boards or commissions that are part of government, that we use these as a very valuable tool because of their volunteer nature that they have the ability to have access to the department, to the minister with the suggestions as to what they feel is very important, and for government, with the formation of the various boards and commissions, it is for the sole purpose of getting feedback and to get the types of initiatives or the types of directions in which the particular mandate is put forth.

As mentioned earlier, the terms of reference that the board is created for are to help to identify the needs and the areas of opportunities that the government should possibly be looking at in its programs, its policies and its institutions.

So the board does have the ability and the avenue of recourse as a direct link to the minister, with the

minister being part of government to bring forth these types of initiatives to government for discussion and/or implementation and for direction.

They do serve as a very, very valuable tool of an initiating type of change or initiatives that are of importance in the community. They become the ears and eyes, in a sense, and another direct resource that the minister relies on quite heavily in consultation because, as the member for Broadway (Mr. Santos) knows, as elected officials, we are in a position and we have to be mindful of the fact that we are there as servants of the people for their input and their direction. That is our primary function as elected officials, to be aware of what is in the electorate's mind.

The boards and commissions are a conduit of that type of information that we highly prize, and we take seriously their recommendations when they do come forth. They are brought forth within the parameters of budgetary objectives and the priorities of directions, and it is a matter of where that particular program is in the priorities of government and our areas of direction that we feel are for the best of all areas that we feel are important.

The Seniors Directorate and the Seniors department being identified as an entity in itself holds a very high priority within the government as to their value and their contributions to policies and decisions, so they are taken in a very serious manner because of their involvement.

Mr. Santos: When the Manitoba Council on Aging was attached to the Department of Health, the Department of Health had a budget of at least \$1.8 billion to spend, so when they come up with any kind of program initiative, the Minister of Health, as the minister of the department, immediately can formulate those programs because it is within the mandate of that department.

Now the Seniors Directorate, unlike the Department of Health, has no budget for substantive program activities, and even the minister, as Minister responsible for Seniors, will have no such spending authority at his own discretion, on his own judgment, on his own factual base. He has to go to the

Department of Health and ask the Minister of Health to undertake such ideas.

So I am saying if they transfer the Manitoba Council on Aging from the Department of Health with budgeting authority and spending authority, they should correspondingly also give the Seniors Directorate the same proportionate spending power, so that all the recommendations of the Manitoba Council on Aging will immediately be implemented or be formulated by the Minister responsible for Seniors, otherwise they will be exercising futility. The expertise of these people will be put to no good use because the minister himself, as Minister responsible for Seniors, cannot initiate substantive programs.

Let us say they come up with a preventative health care program for senior citizens. Let us say, they come up with a preventive health care program for senior citizens. Let us say it is a good idea, a good program, I realize now in its formative stages. It comes to the minister's table. As Minister responsible for Seniors (Mr. Reimer), he has to go to the Minister of Health (Mr. McCrae), saying, what do you think about this? Is that a good arrangement, I ask the minister?

Mr. Reimer: I would think that I repeat myself in a sense when I say to the member for Broadway (Mr. Santos) that I believe he is very familiar with government process, with his involvement with government, being in government and then also his involvement as critic now. He is quite aware that the placement of a particular department, within all the same parameters regarding every department within government, when initiatives are brought forth, they are brought forth, whether it is brought forth through the Health department or through the Seniors Directorate or through my department or through, for example, even Rural Development type of initiatives and things like that, they all go through the same type of budgetary process of analysis and interpretation so that there is not the predominance of decision making because of the size of the department.

I think he recognizes that when we talk about the Health department we are talking about the biggest department in Manitoba. Our budgetary item for Health, as he mentioned himself, has grown under our

administration from over a billion dollars to \$1.8 billion. He also pointed out how under our administration the drug care program has increased dramatically because of our concerns and our commitment to health care in Manitoba and how our budgetary items have always been a priority. I am glad that the member for Broadway (Mr. Santos) recognized that in his opening statement.

When the Council on Aging was involved with the Health department, the Council on Aging was dealing on sort of a staff basis as to their input into the department. What has happened now with their transfer to the Ministry responsible for Seniors is, they have direct access to the minister himself. The lines of communication are more direct to a senior position, as the minister, and their concerns or their involvement can be more directly attributed to decision making because of the responsibility and the fact the minister has made them part of direct access to him.

* (1600)

When they were involved with the Health department they were dealing with staff. The lines of communication could get a little longer, could get a little slower because, as the member for Broadway (Mr. Santos) knows, dealing with the largest department in our government and with one minister and the amount of various, various departments that the Minister of Health (Mr. McCrae) must look after. His time and his involvement are of much greater demand than a department like myself which has the Council on Aging reporting directly. I would think that the opportunity for the Council on Aging to have a more positive input and a more constructive input as to directions and policies and answering of problems are—the time elimination is tremendous that they have this availability now of a direct contact.

I believe the Council on Aging is very pleased with this type of arrangement now, because there is more of an autonomy in a sense that they have the ability now to bring forth recommendations. The decision making and the direction is a lot faster. There is a strong sense of communication that they appreciate and the minister appreciates, so there is the decision making and the direction can be a lot more immediate in a sense of trying to get a resolve on it.

The idea of bringing forth spending Estimates for consideration is now a lot more easy. The turnaround time, as to programs or initiatives that they feel may be something we should look at, is a lot faster. In essence, we are making a commitment to go to the people and to consult with the people on a much, much more readily basis through the arrangement that is now there for the Council on Aging, and they are reporting back to the minister.

It gives the impression and the reality of decision making and being part of the consultation with not only the Council on Aging but the general public, people in general. The fact that we have people that are not only urban and rural, but we also carry on meetings in the rural area, so the minister gets an immediate response back if there is a program or a position that we feel may be new, of a nature that we need input into it, and the people are able to comment on it.

The turnaround time, the whole situation is quite exciting in the sense that the contact is much more readily. Being involved with a large department like the Health department, just because of its vastness and the bureaucracy involved with it, a lot of times decision making takes a long, long time. The access to the minister is not readily available as it is through the present situation, so I think overall the transfer to the minister and the directorate is of tremendous benefit. The board has responded in the way of being much more aggressive in their attitude of accomplishment and their objectives of their role of responsibility.

I have had the opportunity to meet with the members of the board already on a very casual basis, and they expressed their willingness and their enthusiasm to work with the new minister. I look forward to a lot of their input and the programs that they will be initiating and trying to work toward a better understanding between us.

Mr. Santos: Mr. Chairperson, if I were a gardener and I have a garden to tend and I need some water, I have access either to a tank which is empty or to another tank which is full, and I have a choice where it hits my pipeline. The one which is empty is direct and the one which is full of water is indirect. Which one is the better choice for me? Go to the Minister responsible

for Seniors (Mr. Reimer) who has no budget, no authority to spend, or go to the Minister of Health (Mr. McCrae) who has spending authority of over a billion dollars?

What I am saying, direct access is empty if the outcome is not foreseeable. There is no authority to spend or allocate money as Minister responsible for Seniors. I am saying there should be some kind of reform in the Seniors Directorate commensurate with the importance of seniors as a segment of our population. We are saying it will constitute from 25 percent to 28 percent of the population in Manitoba.

Why is there this kind of arrangement, transferring advisory boards from a department with spending authority and giving it direct access to another directorate which has no spending authority? What kind of arrangement is that?

Mr. Reimer: Mr. Chairperson, I believe what the member for Broadway is alluding to is—he must remember that the Health department in its spending Estimates has just department after department that puts demands on the budget the Minister of Health comes forth with. The analysis of the budget decision in the Health department is extensive and exhaustive in regard to where the priorities of spending go.

The member is well aware of the amount of time and effort that this government puts in health care and our commitment to health, which, as he noted, has increased under our government since the '80s to 1995, to over \$1.8 billion, where it now takes up, as a percentage, the highest percentage of any government in Canada for spending toward health care. Health care is and still remains a very high priority within our government. We are committed to continue to provide that type of service, and the demands on it will be continuous and will be ongoing as to where the money is spent.

With the aging population, as the member for Broadway (Mr. Santos) has indicated, becoming more and more sophisticated in its demands and more knowledgeable as to what it is expecting out of its lifestyle and its ability to influence policy and decisions, they are recognized as a very valuable and

tremendous resource for the decision making that governments go through.

Being involved with a large department like that, the councillor would still have to go through the minister for any type of spending that they are requesting. The minister has to go through the same type of process that any type of department goes through, whether it is the Department of Urban Affairs or the Department of Rural Development or the Department of Agriculture. They all have to bring forth their priorities as to where they feel the funding should be going. With a large department like Health, you can see that the priority lists become quite exhaustive and quite lengthy as to where money should be going for the spending of any type of dollars that the government brings into being for health.

The ability to be in closer contact to the government is much more readily available when the Council on Aging has direct access and direct reporting to the minister, which it has now set up through the structure that was initiated in 1994, so that the reporting is to the minister. The minister can then go forth, as all ministers do when the budgetary process is being prepared, and make a strong case on an individual basis for his or her particular department. The strength of being involved with this department is the access to decision making and is a lot easier and a lot swifter through the present system of being involved with a large department like Health, which is the largest department in our government and takes up over 37 percent of our budgetary items.

* (1610)

The availability of Estimates through that of monies are very demanding just as every department is, but in Health the priorities and their direction of priorities have always been met, where we are recognizing that the aging population is becoming more and more involved with the Health department. The coverage that we present to the aging population has been a priority in the sense of the home care that we have increased the budgeting for, the fact that there are more and more home care beds made available. I believe there are over 500 new home care beds that are going to become available in the next short while.

We have increased our budget on home care to, I believe it is over \$90 million, so that the co-ordination and the complementary services between what the seniors would bring forth through the directorate and what the Health department is bringing forth on their own initiative complement each other. The access and the co-ordination that the Council on Aging can bring to the minister is much more directive in the ability to satisfy these types of need that they feel are important.

Mr. Santos: Mr. Chairperson, it says basic principle of public administration, that in the creation of governmental unit. When you give any governmental unit the responsibility for anything, you must also give it commensurate authority in order to be able to carry out that responsibility.

Now the way I heard the minister review the mandate of the Manitoba Council on Aging, it will review projects and programs in public consultations with the members of the general public. So it will be reviewing projects, programs, but whose projects, whose programs? It will be the program of the spending department, the Department of Health. It will not be a program of the Seniors Directorate because it has no program, no substantive program.

So what is the point of transferring this unit without this corresponding authority? An authority implies that it must also have some budgetary spending authority and power to carry out the projects and programs that it should be reviewing.

If we consider the Department of Health as the table of the master with all the goodies there, can we not have at least some crumbs falling from the master's table given to the Minister responsible for Seniors?

Mr. Reimer: Mr. Chairperson, one of the things, as I mentioned—I am going to repeat myself—is the enjoyment I am going to have working with the member for Broadway. He has a very enjoyable way of not only asking questions, but his astuteness and his background is an attribute, I think, that is the envy of a lot of members because of his background.

I will point out to him that the Council on Aging is just that. In the interpretation of the Council on Aging,

we are talking about aging not as an end product but as a continuum. We have people who are on the board, as I mentioned, five or six of them, five members, who are in their 40s, so the Council on Aging is just that. It is a council to look at aging all along through our spectrum and our continuum of life.

Now what it will do is not only look at just health. The member for Broadway is concentrating on health, which is very important, and there is no doubt about it, that is a very important part of the end product, if we want to call it that, of the aging process, where health becomes a very prominent and a very predominate part of our lifestyle, of our life process if you want to call it that.

But there are other things that are involved with aging, and that is the younger people and their attitudes and their directions that they would like to go. You have the overlap of other departments that will get involved with the aging process, if you want to call it that, and those are people who are within the Recreation department, people who are involved with the various other departments within the government that can overlap, whether we are talking about Family Services, or we are talking about Education because education also can be part of the aging process in terms of what people are looking at and people looking into the ability to improve themselves. So all these various types of aspects will play a part of the decision making which the council will look at.

So health is a very, very prime consideration in aging, and there is no doubt about it. I think the member has recognized that, as I do, too, but we have to look at all the various aspects of aging and how they can be incorporated into the decision making that is made available through the directorate. So this gives the minister the ability to not only look at the health aspect of aging, but it gives the minister the opportunity to look at other aspects of involvement by the seniors, whether it is through recreation possibly or through programs facilitating, through information programs.

I mentioned briefly a video tape that was made for financing on aging and some of the availability of what seniors can look for in their financing packages, and we have also come out with brochures on various areas

regarding elder abuse and other packages. So the programs and the projects that the Council on Aging can get involved with are related to a lot of the things that I have mentioned already.

Mr. Santos: All the more, the minister confirms what I have been saying.

If it is not only health but also recreational activity, also educational activity, then some new initiatives and innovative programs can directly be formulated by the directorate for Seniors. If the directorate for Seniors is not given by cabinet or the Premier (Mr. Filmon) any power to spend at all, then it will all be for naught. All this effort, all this direct access, all this input will be for nothing unless it is given authority, if it is given responsibility to take care of all these areas of activities, not only in matters of health but in matters of education, in matters of recreation. All of these involve some kind of program spending. That is what I have been saying all along.

How does the minister react to this suggestion?

Mr. Reimer: The member for Broadway keeps bringing back the spending authority and the ability to have money. We have to remember that spending money and having the authority to spend money does not necessarily mean that things are better or that there is a newness involved because there is money that has been spent on it. A lot of things that can happen are because of information, an exchange of information, an exchange of ideas, the ability to resource each other in a sense of our common goals and our common aspirations as to what we feel is the best way to solve problems.

A lot of times problem solving has no monetary involvement with it. It is just a matter of communication and a willingness to learn from each other, to correspond with each other in a sense of looking at commonality of goals and the influence that we can have within our own parameters of authority. Authority really is utilized as a sense of coming to an understanding of agreement on various projects and programs.

*(1620)

The member for Broadway mentioned that the programs and proposals have to have a monetary value

to them. Spending money really does not mean that the problem is solved or that there is a resolve to it, because if anything, we spend—if that was the goal, when we look at the amount of money that we spend in health care, as outlined by the member for Broadway and how we have increased that spending since we have taken over and also how he has alluded to the fact that we have increased our spending in Pharmacare and the drugs, this would be a solution to a problem.

In essence, there are still problems out there. There are still concerns. There are still areas that need attention and direction. It is something that is a constant all the time for a resolve.

One of the biggest things is the ability to communicate with each other, the ability to bring forth issues, to discuss a commonality. We can feed off each other's knowledge in a sense, as the member for Broadway has indicated, that knowledge at times is very powerful, and it is the sharing of it that makes us all a better person in our daily lives and in our lifestyles. I compliment him in his awareness and in his astuteness as to saying that you know regarding that the whole body is something that has to be catered to in a sense.

One of the things that we can utilize as a resource is our minds. Our minds are tremendous machines in the sense of what they can come up with and their ability to problem solve and to come forth new ideas. As the old adage, that I believe has been utilized from time to time, says, a day without learning is a lost day, because we go through life learning all the time.

A great way to continue progress and to continue with a resolve is to share with each other, to be able to put away the partisanship that we sometimes get involved with regarding the philosophies of our governments. The ability to communicate with each other and to share in problem solving is not only good for ourselves but it is good for our people that are around us so that we can benefit from these type of things.

The member is right in a sense of saying that we should have the ability to make decisions, but I do not think that making decisions that necessarily revolve around the spending of money means that the decision

is the right decision. I think the decisions that are made a lot of times just because of the common front towards a problem, and the ability to solve it through discussion and through consultation and through the ability of a board or a commission and the parameters that they are endowed to make brings forth just as good a direction as if money was involved with the final input or the only input as to how we solve problems.

Money, as the member has mentioned, is in a short supply. It only comes from one pocket. There is only one taxpayer in a sense. We as guardians, if you want to call it, of the taxpayer's dollar have to be astutely aware of where the money is going and the priorities of spending. We do not have the ability to just go to the bottom of this building and pull out another sackful of hundred-dollar bills. We only get them from one area, and that is from the taxpayers or from the revenue that is generated by this government.

The fact that all governments, as he alluded to earlier, especially the federal Liberal government, and their attitude towards their budgetary restraints and their slashing of the budget to our primary concerns of health care, education and family services is something that we are going to have to try to bring resolve to and make decisions to. Hopefully, with his understanding, and the understanding with the opposition parties, this kind of resolve can come through in an amicable manner, and we can make forth that Manitoba is not only a better place to work, to raise a family, but to look forth for our children.

There are a lot of strong parameters that we can work within, and one of them is the consultation process, so money is not necessarily the object that we should be looking at.

Mr. Santos: Mr. Chairperson, I am not exalting the importance of money per se. Money is only a means to an end.

I understand the minister's statement that money is in short supply, and it is getting more and more meagre in terms of availability, but it is also a fact that the government as a whole takes care of the population as a whole, the population of society. If a segment of the population is increasing in number, then

correspondingly that department of government, that unit of government serving that particular segment of the population should be getting its fair share of this authority.

Nobody can run projects and programs without resources. Resources involves hiring of personnel, setting up organizations, acquiring of information, acquiring all the expertise and skill of people, setting up communication systems, all the discussions he was talking about.

Tell me if any unit of government can undertake any of these activities without budgetary spending authority. Could they?

Mr. Reimer: The member brings up some very, very interesting points there in his commentary regarding the budgetary restraints and the budgetary commitments not only within this department but through all departments. It is very important to notice that one of the objectives regarding the seniors is its independence and its ability to foster that type of independence within the seniors community.

Independence is a very important and a very contributory factor to a way of life. If the person in the elderly position is made more independent and is able to think as an independent person, it gives them that sense of contribution that they have within themselves so that they can be part of a solution and part of a contributory force to any type of program that they become exposed to, and the fact that they can then be part of a discussion group, they can be part of a decision-making policy.

All these types of things are not only good for the group itself but good individually for their own type of management of their lifestyle and their direction as to what they feel they are looking at so that they can go through the consultation period, whether they are through meetings or one on one, that the government becomes aware of what their priorities are. Because all government departments deal within the framework of people, the various aspects of people and the various aspects of the aging, if you want to call it, the various departments on an individual basis will become aware of this continuity of problems.

They do not just blossom or are in one particular area. These are situations that all departments would recognize whether it is the Department of Environment, the Department of Family Services or all these things. They are all exposed to this type of overlap of concerns. The quality of life and the continuum of needs are something that all departments become aware of because we are dealing with people mainly within government because that is what government is. It is a government to be involved with people so it is something that is an ongoing process.

* (1630)

Mr. Santos: Mr. Chairperson, I have to clarify what I am driving at. There is only a limited amount of resources available to government, either we talk about federal or provincial or city it does not matter, any level of government, but there are departments of government, subdivisions. Each of these subdivisions takes care of certain areas of human activities depending on its importance, and in the course of history some departments would be in the ascendancy increasing in power and authority. They will build up their empires and so on, but it should be on the basis of necessity and need and on the basis of the numerical number of population being served.

If we say that senior citizens in any territorial area of society, whether it is a province or a nation, are increasing in number, I think it is only fair and just that the corresponding authority also gravitate towards the department serving those segments of the population. What we are saying is that the proportionate resources of government should be distributed in such a way that there will be fairness and justice according to the service that they will be rendering to which kind of segment of the population will be needing those services. Very logical. The greater the number of citizens to be served, the greater should be the allocated resources of government to that particular unit of government, and this is what I have been battling for for the Seniors Directorate. Does the minister agree or disagree?

Mr. Reimer: Mr. Chairperson, I think the member for Broadway has brought forth some interesting observations on his part as to the role of what the so-

called power of the Seniors Directorate or the Minister responsible for Seniors is, but I should point out to him that the role is to co-ordinate and to work on policies regarding seniors so that we of the Seniors Directorate and the department have the ability to be aware of what other departments are doing and to co-ordinate and to be aware of the implications of these policies on seniors.

It becomes a much more focused area of deliverance when it is within the existing parameters because, within these parameters, there is the ability to be aware of the other departments and what their programs are and what their emphasis is and how it will affect seniors. It becomes more of a strong conduit and a funnel of information that the minister can access because of its mandate to identify the areas of opportunity within the government and the programs and the policies and the institutions to accommodate this structure of aging, which I have mentioned, which is an ongoing process that starts from the day we are born actually in a sense.

We are then starting to go towards an aging population. The public awareness and the understanding of the aging process is a very important part. The council has the ability to relate that type of scenario to not only the interest groups that are affecting government but they can also influence government in these types of programs and the directions that they are going.

The projects and the programs and the proposals that come forth, it is a conduit for not only what they feel is important but what the government is looking at and the various departments. It is not only the Health Department that is involved but the various other departments, whether it is even through Highways and things like, there is an overlap of the aging population as to how things will affect them.

All of these things are brought into effect through the Seniors Directorate and her staff in trying to keep on top of where there are areas of concern. Then the input to the minister becomes much more focused when the minister can then table some of these studies or some of these proposals and that the contact, as a direct basis through the Council on Aging, gives the minister

the ability to be on top of things a lot quicker and at a lot more ready pace of involvement.

The conduit to government and to decision making, as the member mentioned, the budgetary process in which all items are looked at in a very critical and a very analytical way and the priorities of spending are looked through not only this department but through all departments so that there is, you know, a direction of need in that.

The council really has got a very, very positive and a very contributory aspect of what they can and what they cannot contribute to the decision making. I look forward to working with these people because I know that they are very enthusiastic and a very contributory body of people, as I mentioned, from various aspects of Manitoba. So I will get the flavour of concerns from not only the large urban area of Winnipeg but from the various areas across Manitoba, whether it is in the North where there was a need and a certain awareness and to all the various aspects of Manitoba so that the minister gets a very good overview of the various areas of concerns that they feel should be addressed.

I feel that this is a very, very positive aspect in reporting back to the Minister responsible for Seniors because the emphasis that the government put on redirecting it out of a huge, huge department like Health and now being involved with this department is a very positive aspect of the decision making and the ability to make change, which the member for Broadway (Mr. Santos) is saying should be part of the mandate.

Mr. Santos: If the Department of Health has become so huge that it does not know anymore what is going on and therefore is not being efficient anymore because of the burden of being large—and communication of problems, the larger the department is—and now it is parcelling out some of these responsibilities to other units like the Seniors Directorate, so it gives away one of its units, the Manitoba Council on Aging to the department responsible for Seniors, the Seniors Directorate. What I am saying is that it should not only give the unit itself, it should also give a corresponding portion of its authority as well as power to spend money related to the function of the department. If it were not so, that would be an empty gesture.

As I have said, maybe 50 years ago there was no Department of Environment, but because of changes in society the Department of Environment has now become a major department of government. I am saying the Seniors Directorate is bound and destined to be a major department of government. If it should be receiving units, units from other major departments, it should also be receiving proportionate spending authority and allocation, proportionate decision-making authority to formulate projects and program activities proportionate to its responsibility.

That is what I have been saying all along, to the honourable minister, with due respect. I suppose that cabinet will discuss this, and we will see, because if you have a segment of the population, 25 percent, and you ignore them and you have no power to create projects and substantive program activities that are to their benefit, this will be a segment of the population that will no longer be supportive of any existing government.

* (1640)

I am saying the Seniors Directorate is destined to be a major department. It should start parcelling out some of these resources, no matter how meagre they are, given the significance of the segment of the population that is being served by this particular department.

The importance of a department is measured by its ability to influence social reality, to change existing human situations, to improve conditions of people. If it has no budgetary authority to do that, the department is ineffectual as a social agent of change. You are saying it is simply to co-ordinate all this, to co-ordinate. That means it is a subsidiary department. It is not a department having integrity of its own. Mr. Minister, through you, Mr. Chairperson, I am saying that corresponding authority should go with corresponding responsibility being assigned to the Seniors Directorate.

Let us take the eye examination, for example. The rule now is that you can only have covered eye examination expenditure if it is done only once every two years. That is the rule laid down through the Department of Health. There is now a rumour that that will even be abolished. There will be no more eye

examinations covered by any insurance, covered by medicare or other program. This affects senior citizens primarily and directly.

If you are in the group of 65 years or older and 24 percent of that group had some impairment about vision, those who are more or less in the blind or near-blind category, they do not have the necessary assistance and aid in order that they can see. If the Seniors Directorate had no authority to create preventative measures in order to prevent this loss of vision among the aging population, and it has to depend on some other department that makes certain rules within the mandate of the Seniors Directorate, is the Seniors Directorate effective then in protecting the interests of senior citizens?

What is the government's position, I would like to ask, the minister's position with respect to this eye examination, a looming problem now for senior citizens?

Mr. Reimer: Mr. Chairperson, the member for Broadway (Mr. Santos) has mentioned in his earlier discussion there regarding the transfer of the responsibility from the Health department to where it is now under the Seniors Directorate. I should point out to him that, when it was reporting strictly to the Minister of Health, it did not have spending authority even when it was involved as an advisory council to the Health department. So there was no taking away of authority by the transfer from the Health department to the Minister responsible for Seniors when it was done in May of 1994.

The member seems to feel that in its prior life, if you want to call it, when it reported to the Minister of Health, there was a spending authority involved with it, but there was no such authority or delegation of power to the board at that time either. At that time, it was used as a resource board to identify areas of opportunity within the government in adopting its policies and its programs. So it still did not have that type of authority. When it transferred to the Seniors Directorate, the funding authority was not there as it is now. So there is not that perception that they were in a position to allocate funds in the Health department and then it was taken away because they were now transferred to the Seniors Directorate.

What was of more significance was their ability of access to a direct minister in the reporting of their functions. In their reporting of functions and recommendations under the Health department, they were reporting to a staff person who reported to another staff person type of thing and there was that chain of hierarchy or chain of command, if one wants to call it, that they were put under the Health department, whereas now they have direct access to the minister.

The minister can respond in a very ready manner to the Council on Aging, and they have the ability then either to change or to make suggestions or to come back with a discussion. We can sit around and they can bring forth their views and viewpoints, and, as mentioned, it also serves as a conduit for the minister then to go back to the Council on Aging with programs or suggestions or possibly initiatives that are affecting not only the department of seniors but other departments, that the Seniors Directorate becomes available with regard to programs or initiatives that are brought through the other departments.

So they can go back to their various communities and talk about it and discuss it, and the resources that come through with the discussions are then channelled back through the committee to the council back to the minister. That two-way dialogue becomes much more effective and much more efficient because of the contact, and the reliability of information is much more astute. The contents of what are brought forth can be acted on in a much more ready manner, and the availability of getting access right through to the minister is much more satisfactory in that sense.

The member mentioned the modifications to the eye examination benefits, but there has been no recommendations from the Medical Services Council as to what would happen. When the recommendations are received, naturally, these are something that have to be discussed not only by myself through the Minister of Health but of concern to the various aspects—this is another good example of where there will be consultation regarding what the ramifications are and what the directions are.

Through the Seniors Directorate, that department there will be on top of any type of new initiatives that are brought forth regarding seniors. It acts as a very

close sounding of propositions or proposals or programs, and the availability to be on top of any type of controversy or possibly a misdirection or a misinterpretation of the direction is much more instant in a sense because of the contact that they have to the minister.

The overall structure, I think, is of a very positive nature of making decisions, and the minister can make decisions on a much more ready basis because of the fact that they have the ability to access the minister and bring forth any type of recommendations, whether a recommendation is a good one or a bad one or it is controversial or there is need for more discussion and more input and more availability of resources. The Seniors Directorate, then, has the ability to go back out and ask various departments, not only the Seniors department but various departments within all avenues of government as to what it will affect.

So there is a very positive movement and motion that is created because of the Council of Aging and the Seniors Directorate, and the enthusiasm of the staff at the Seniors Directorate as to how they will pursue these things and work on behalf of the seniors.

These are some of the things that we are very, very proud of, the way the Seniors Directorate has responded to these concerns that the people have brought forth. I am looking forward to this type of optimism and enthusiasm in the department to be contagious, if you want to call it, within all the departments, because I feel that the people who are working there have got that ability to generate that for us.

Mr. Santos: Honourable minister, I would like to clarify. I am not saying that an advisory body like Manitoba Council of Aging be given direct spending of budgetary authority. I am saying the minister to whom this body has a direct access, the Minister responsible for Seniors, should have in his own directorate, in his own department, a pool of resources so that all the recommendations and projects, if they have merits, can be initiated right in his own department. This is what I have been saying all along.

The Department of Health is responsible for the health of all citizens. The Seniors Directorate is

responsible for the health of seniors particularly. But I am saying that since a portion of the responsibility of the Department of Health had been parcelled out and given to the Seniors Directorate, then correspondingly the corresponding proportionate amount of resources should also be parcelled out and given to the Minister responsible for Seniors.

That is the only logical way I could see. Generally departments are accountable and responsible to the clientele groups that they serve. The Ministry of Health is primarily accountable and responsible to the health providers, the medical doctors, the nurses, the other groups in society. They provide input to decisions of that department. The same thing with Seniors.

Seniors provide input to the Seniors Directorate, and if the input that they provide to the Seniors Directorate ends up in no particular project that the Minister responsible for Seniors can implement because he has no such authority, what good is that for the seniors of this province? The same thing with mobility of senior citizens.

* (1650)

The minister rightfully says, money is not everything. You just do not throw money to a problem, and it solves itself. Money, as I said, is only a means. If it is used for a purpose for which it is supposed to be intended in a rational way, then it will alleviate human condition and help the citizenry live a fuller, more satisfying life.

The directorate responsible for seniors is supposed to improve the lot of senior citizens. That is its mandate, not merely to co-ordinate. It has a direct responsibility to a significant portion of the population of this province, but unless it is given power, and I mean power to create projects and programs substantively, to affect the social reality of the lives of senior citizens, that will simply be a rhetorical kind of vacuum for information conduit, not really to affect the social reality and the quality of life of senior citizens.

Generally, senior citizens are well endowed, I am saying, I am just observing, because you have spent most of your life working in the industrial or private

world or in the government. You have generally accumulated so that when, by the time you become senior, you have some kind of possession or asset that you could use. But there are unfortunate seniors also in our society, and they also need some kind of help and assistance. This is the moral function of government, the existence of government, to rectify the social inequity and social injustice in our institutional and social structure.

Many, many years ago the housewives were not able to work because that was the traditional function then of the family. They had no social security, they had no RRSP, they had no pension. Now they are now part of the seniors group. What would these seniors depend on? They will have to look to the Seniors Directorate for some kind of help and assistance.

When the Department of Health, the Ministry of Health dictated that when you fail to file on time all your claims for Pharmacare, all of your claim will no longer be recognized, there is some kind of unfairness and injustice done to people.

What about the blind seniors who are not able to distinguish the date? What about those who are suffering from memory losses and lapses? It cannot be justified anymore why they failed to file their Pharmacare claims.

The Seniors Directorate could rectify this if it has the power and the capacity to create and initiate programs that will inure to the well being of its clientele group, the senior citizens. But the Ministry of Health, because of its preoccupation with many other health problems in society may, in trying to save some money to do this kind of deadlines that would be confiscatory of one's refund right to drugs that you legitimately use, may have done some injustice, and the Seniors Directorate had no power to rectify that because it has no power to create programs.

We say that prevention is worth more than an ounce of cure. What does it say? An ounce of prevention is better than a pound of cure. Right? An ounce of prevention is better than a pound of cure. Let us say the Department of Health had all the powers, they have all the money. But it is only in curing because it is

subjected to their clientele group; they want to have their fees, they want to do surgery—before they can charge a surgery fee, they have to do surgery, they have radiation, all this kind of expensive stuff. The Seniors Directorate, because it is creative and it is concerned with seniors and if the minister who happened to be occupying the position believes in wholesome medicine, they may be into a preventative kind of programs.

Health education programs involving no medical profession and therefore beyond the pay of the Ministry of Health but because it has no such power, it has no social authority, it cannot undertake good ideas that may come out of the Manitoba Council of Aging because the minister himself is not empowered to do so. There should be some re-examination of this kind of structuring in government. Cabinets should have a second look at the increasing responsibility of the Seniors Directorate and be given corresponding authority to rectify situations happening in Manitoba affecting senior citizens directly.

I have mentioned the Pharmacare problem for refund. I have mentioned the eye examinations, which is preventative. If you have continual, regular examinations, there will be no need for cataract operations; there will be no need for laser surgery, which is very expensive. There will be no need for all the conventional medical things that are being administered by the Department of Health. Would it not be more reasonable that in parcelling out this responsibility from the corrective kind of medicine, the traditional classical medicine to the preventive kind of dealing with potential illnesses, there would be a small transition there? Money will be used. It will be needed. The wheels of government will not turn without money. How do you pay all your personnel? How do you pay your civil servant? How do you buy all your supplies and equipment? Where do you get your information? All of this entails money.

I said before money is the root of all evil if the end is to get it; but if the end is to use it for the purpose of elevating a human situation, then it is a means to an end and it is a means that is essential. All governments should be, and units of government should be, given corresponding responsibilities and along with

responsibility corresponding authority to rectify inequitable situations.

I conclude, Mr. Deputy Chairperson, and hope that the minister will bring this up when he comes into contact with his colleagues in government, that he needs more authority if he is to carry out and undertake his increasing responsibility.

Mr. Assistant Deputy Chairperson: There being no more questions, 1. Seniors Directorate, on page 133, Item 1. Seniors Directorate \$488,700—pass.

Resolution 24.1—RESOLVED that there be granted to Her Majesty a sum not exceeding \$488,700 for Seniors Directorate, for the fiscal year ending the 31st day of March, 1996.

This now concludes the item of the department responsible for the Seniors Directorate.

The hour now being five o'clock and time for private members, committee rise.

* (1440)

FINANCE

Mr. Chairperson (Marcel Laurendeau): Order, please. This section of the Committee of Supply will be dealing with the Estimates of the Department of Finance. We will begin with a statement from the honourable Minister of Finance.

Hon. Eric Stefanson (Minister of Finance): Thank you very much, Mr. Chairperson. I have a very brief opening statement and comments. I am prepared to get on very quickly with responding to any questions that members might have, but it is my pleasure to present for your consideration and approval the Estimates of Expenditure of the Department of Finance for the 1995-96 fiscal year.

The department proposes to spend \$823.6 million in 1995-96. This represents an increase of 10.6 percent or \$79 million over the '94-95 print. Almost the entire increase is due to a 14.4 percent or \$77 million increase in public debt costs, and the increase is primarily due to increased interest rates and to a lower Canadian dollar since October of 1993. As members know, public debt

is far and away the largest component of the department's spending. It is a price that must be paid today as a result of past overspending. Six hundred and ten million dollars in public debt costs along with the \$38 million through Manitoba properties in the Department of Government Services represents almost 12 percent of the entire provincial budget. These costs underscore once again the importance to Manitobans of balancing the provincial budget.

Apart from debt servicing, the other main appropriations in the department are more or less flat and some are in fact declining. Operating reductions are being achieved without hampering the essential work of the department and are fully consistent with the government's determination to bring and keep the costs of government in line with what Manitoba taxpayers can afford.

With these brief opening comments, I would be pleased to listen to and to respond to any questions that honourable members may have. Thank you.

Mr. Leonard Evans (Brandon East): Mr. Chairman, just a few opening remarks, I think by and large this department historically has been a very well-administered department, with senior people who have been around for many a year and generally have done a very conscientious job.

I am sure they are carrying on that way at the present time. There are a number of issues that come up for consideration naturally under this department, various financing arrangements that we have with the federal government, of course, but there are other issues such as the tobacco tax issue, what is happening in this battle of tobacco taxes and the whole question of interprovincial trade.

There are some other issues. We have some concerns about various taxation revenues, where we are standing on the GST at the present time. We have concerns that should come under this minister, such as advertising guidelines. We are concerned about the amount of money spent by the government on so-called administrative governmental advertising but, at times, it appears to be more political than straight administrative.

We have other questions regarding monitoring of agencies. We are concerned about what is happening to the data services being provided by the private company that took over from MDS.

Of course, we have other concerns regarding the credit rating of the province, the whole matter of how we calculate our books, how we calculate to the bottom line of surpluses or deficits and, of course, the whole matter of bond rating. We also have some concerns about how the issuing of the Manitoba Builder Bonds is going. It seems to me that it is being offered at very attractive interest rates, so their should be a good take-up.

Also, neither last nor least, the issue of the Winnipeg Jets and the financial arrangements being added into by the government, the commitments made by the government, we have other members, of course, in our caucus who have some great interest in that issue especially.

So I look forward to spending some time with the minister and others in reviewing some of these major issues. Thank you.

Mr. Kevin Lamoureux (Inkster): Mr. Chairperson, I would like to ask for leave to give opening remarks.

Mr. Chairperson: Is there leave for the honourable member for Inkster to give opening remarks?

An Honourable Member: Leave.

Mr. Chairperson: Leave has been granted.

Mr. Lamoureux: I appreciate the leave granted so that I can provide opening remarks. With the Department of Finance, it is in fact a new portfolio for me so I tend to do more listening than asking or participating in any extensive debate. For me, I will be talking or hoping to hear from the minister on a number of different issues in which the member from Brandon has already referred to.

I would like to hear more about this government's vision on the multiyear budgeting, the idea of multiyear budgeting, what this Minister of Finance's thoughts are

with respect to that. I know his predecessor, Mr. Manness, had often talked about multiyear budgeting and I believe even once referred to how wonderful it would be to have a five-year plan. It is a very commendable idea to plan for a five-year plan, but in the short term I do believe it is reasonable for Manitobans to expect a two-year budget, budgetary process if you like, so that departments are better able to prepare and plan and so forth.

Of course, another issue during the provincial election was balanced budget legislation, and I am hoping to get a better idea, a better understanding in terms of where it is the government is coming from and would like to go to with respect to balancing budgets. They have made obviously a lot of very strong comments during the election and have a number of questions they would like to ask in that area.

Thank you, Mr. Chairperson, and again the critic and minister for allowing me to speak.

Mr. Chairperson: I thank the honourable member for his opening statement.

At this time I would remind the honourable members of the committee that the debate of the Minister's Salary, item I.(a), is deferred until all other items of the Estimates of this department are passed.

At this time we invite the minister's staff to take their place in the Chamber.

Is the minister prepared to introduce his staff present at this time?

* (1450)

Mr. Stefanson: Joining me is Mr. Charlie Curtis, the Deputy Minister of Finance and Mr. Don Rice, the ADM of our Administration Division. We will move on to 1.(b)(1), Salaries and Employee Benefits, \$353,500. Is it the rule of the committee to deal with the Estimates on the whole or line by line?

Mr. Leonard Evans: I guess line by line but as the Chair is suggesting—Mr. Chairperson, are you suggesting that we go at any policy issue, regardless of

where we are on the lines, and then pass all the lines later? Is this what you are suggesting?

Mr. Chairperson: The Chairperson is recommending nothing, I am waiting for the opinion of the committee.

Mr. Leonard Evans: I would like to go section by section.

Mr. Chairperson: The honourable minister?

Mr. Stefanson: That is fine, Mr. Chairperson.

Mr. Chairperson: In that case we will consider it resolution by resolution.

Mr. Leonard Evans: Mr. Chairperson, I wonder if the minister could tell us under the section dealing with the administration of the department, whether there have been many changes in personnel. I note the Deputy Minister, of course, a long-time civil servant who has done an excellent job over the years remains. But what about other ADMs or directors and so on, have there been many important changes, or any changes in the department in that respect, and if so could the minister tell us about those?

Mr. Stefanson: Mr. Chairperson, there have been really very few changes and really at the senior levels there have been none. There is an organization chart on about page 7 that shows the ADMs, and I think all the names will be very familiar to the member for Brandon East.

Mr. Leonard Evans: So the minister is telling us on page 7, this will give us the update, the latest information on the persons who are filling these particular positions. It seems to me, Mr. Chairperson, that these are familiar names, although I am not sure about the Comptroller's Division, but I believe the others have been around for some time. So what the minister is saying is that there has been no change in this first line under the Deputy Minister, that the Administration Division, Treasury, Comptroller's, Taxation, and Federal-Provincial Relations are all the same.

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

Mr. Leonard Evans: I gather because we have been given the information on SYs that generally there has been no significant change in the number of staff in this area. Again, I am trying to find the right page here showing the SYs, but I want to make sure I do not get the wrong schedule. It seems to me that we are looking at, in the Administration and Finance area it is a constant number of 18 staff years.

In this area, I am talking generally, if this is agreeable we are dealing with Resolution 7.1, except the Minister's Salary, so I gather we can move around within that segment.

I wonder if the minister can tell us whether there have been many achievements made in terms of further automation, in terms of further computerization or in systems change to improve the efficiency of the operation of the administration of the department.

Mr. Stefanson: There have been several initiatives over the past couple of years. I think some we may have discussed before. One that started a little over a year ago is the Corporate Human Resource Information System, they call it CHRIS, is the acronym, which is full integration of our human resource information. Another initiative that started several months ago is the Integrated Management Information System, again, IMIS is the acronym, for integrating our, basically what it says, our management information system. So there is work being done in that area to improve our financial reporting and other aspects of our management information systems.

A smaller item that is just out now for request for proposals is an electronic payroll system which I am sure the member for Brandon East (Mr. Leonard Evans) will be somewhat familiar with.

Mr. Leonard Evans: If I heard the minister correctly, he referred to the Integrated Management Information System. Could the minister elaborate a bit on that. What is that going to achieve for the department and for the government?

Mr. Stefanson: The IMIS, or the Integrated Management Information System, is a process that will be unfolding over the next several years really to

integrate our management information reporting, but on the basis of finding savings in the system. I guess that the best examples might be issues like our old financial reporting. It is somewhat outdated in terms of the systems, in terms of the integration between all of the departments. Some of that is still done manually and is also very time-consuming, as the member can appreciate. We have a steering committee with representatives from various government departments that is working with all departments to look at the information system, and we will then start to prioritize which ones should be moved forward with first. Obviously they will be moved forward on the basis that it is the cost-effective thing to do, that any costs that have to go into system improvement can also be found through cost reductions in other areas and also hopefully providing better information to us internally in government and to the public if that is a component of it.

Mr. Leonard Evans: I gather then the scope of this integrated information management system is government-wide, not just within the department. In that respect, would it include the Crown corporations?

Mr. Stefanson: Not at this time.

Mr. Leonard Evans: I wonder, is this the area where there is some responsibility for monitoring the services provided by I guess it is ISM, Information Systems Management Corporation, which I believe is the latest name of the successor of the Manitoba Data Services which was a Crown agency that was privatized or was sold a few years ago? I guess the question is, are we in the right spot to discuss this particular information systems company?

Mr. Stefanson: It is technically under the Comptrollers division but if the member wants to discuss it now, that is fine as well.

* (1500)

Mr. Leonard Evans: As I understand, Mr. Chairman, I believe the minister is the responsible minister for that particular contract with the ISM, Information Systems Management Corporation, and I gather he is nodding agreement. What I would like to know is exactly where does that contract stand at the moment? I

believe originally it was a five-year contract. In effect, this company was given a monopoly to engage in data services similar to those which have been provided by the Manitoba Data Services Crown corporation. We had some concerns at the time about confidentiality of course, but there were also concerns about the cost to the taxpayers in Manitoba, whether the fact that this company was virtually being given a monopoly, whether the Manitoba taxpayers may be ending up paying more than they should for these information services. Then it came down to the question of monitoring the service, monitoring the cost, monitoring the value acquired for the amount of money spent. So I am just wondering whether the minister could update us on this particular contract.

How many more years have we got to go? How much has it cost the taxpayers? What is our annual fee to this company? What monitoring systems does the minister have in place to ensure that the taxpayers are being well served at a reasonable price?

Mr. Chairperson: Order, please. I would like to inform the honourable member that this does fall under a separate resolution number. I know the minister has said that he would be prepared to answer, but the staff would not be present in the room to give any information to the minister. If we are going to go in depth into that, could we ask the staff to come down to the room? Are you going to be spending some time on that line of questioning?

Mr. Leonard Evans: What other area was it—

Mr. Chairperson: It is okay. I notice the staff is here now. That was my only concern.

Mr. Leonard Evans: Out of curiosity, in which section would it have been?

Mr. Chairperson: It would have been Resolution 7.3, No. 3, Comptroller.

Mr. Leonard Evans: Mr. Chairman, I had understood from the minister nodding approval that he was agreeable to discussing it at this point, or that this was the appropriate point. Since the staff are here, maybe we can get some answers.

Mr. Stefanson: Mr. Chairperson, I could give a partial answer, but I do think it would be more appropriate—I will make a note—that when we do get to actually—I said our Comptroller's division but it really falls under our Treasury Board Secretariat because of the involvement of the ITRO division, and I will gladly respond to that question at that time.

Mr. Leonard Evans: I did not hear everything that the minister had just stated. It is partly because of the air conditioner, but I am not suggesting we cut it off because it is comfortable.

Mr. Chairperson: Could I ask the honourable minister to repeat that answer. The honourable member did not quite hear it over the other noise.

Mr. Stefanson: Mr. Chairperson, I indicated I could give a partial answer, but I think to do justice to the question, I should wait until we get to the section called Treasury Board Secretariat, because the contract basically falls under ITRO, or information technology resource office. Therefore I will give a more detailed answer when we get to that section.

Mr. Leonard Evans: Where is that section?

Mr. Chairperson: That would be Resolution 7.7. At this time we are dealing with Resolution 7.1.

Mr. Leonard Evans: Could the minister repeat the agency within the Treasury Board or the group within the Treasury Board that monitors this? Is it ITRO, did he say?

Mr. Stefanson: The Treasury Board, the acronym again is ITRO—Information Technology Review Office.

Mr. Leonard Evans: At any rate, the Expected Results according to the Supplementary Information that was provided to the members of the house dealing with this subappropriation makes reference to Expected Results including efficient financial and management systems, which we dealt with very briefly, and payment and recording of all transactions. Then there is preparation and submission of Estimates. I would have thought that this would fall in other parts of the

department as well, but I guess this is where the final authority has to be or the final decisions are made.

Quarterly forecasts of expenditures, is that done by the staff within this particular branch? I would have thought that would have been done elsewhere, but could the minister elaborate exactly who makes the forecasts in this respect?

Mr. Stefanson: I think the confusion is on page 28 that the member is referring to. That refers to the preparation and submission of Estimates as it relates to the Department of Finance and the Department of Finance only. When we look at it government-wide, that is a function that is performed for this ministry by Treasury Board.

Mr. Leonard Evans: Just passing on to a couple of other items in this section, Soldiers' Taxation Relief—I gather there is no staff years provided and very little money, but can the minister elaborate more or less what the function is of this particular program?

Mr. Stefanson: As outlined on page 32, Mr. Chairman, it is to provide financial assistance to individuals who served in the Allied Forces during either of the two World Wars or the Korean War, in respect of municipal taxes, so it comes through the municipal entities. The provision is to a maximum of \$50 per claimant and you can see the total allocation is \$3,000.

Mr. Leonard Evans: How does one qualify? I know a lot of veterans from these wars, at least from the Second World War and the Korean War, who I believe do not get assistance through municipal taxes. What is the criteria for this?

Mr. Stefanson: Mr. Chairman, I will certainly undertake through the department to provide the precise details around this issue, but my understanding is they basically cannot have any income over and above the old age security. If they have any investment income or any other source of income, then they do not qualify. The criteria are as outlined in the document here, and I believe it is for the individual themselves or for the spouse of an individual if the individual is deceased. But I will certainly undertake to give much greater detail around that issue to the member.

* (1510)

Mr. Leonard Evans: I thank the minister for that commitment to give us some more information because many Manitobans, I am sure, are not aware of this particular program. I am wondering what, if anything, is the department or the minister doing to make veterans aware of the fact that there is some limited amount of relief available towards municipal taxes to those individuals who unfortunately find themselves living strictly off of government old age pensions.

Mr. Stefanson: Mr. Chairman, the main source over the last period of years of communicating this has been through the various veterans associations in terms of making them aware, and obviously through them, encouraging them, to make their members aware of what is available here.

Mr. Leonard Evans: What if some veterans are not members of these organizations? That is a possibility, or at least they are not active members and really are not in communication with the veterans organizations. This to me, I am sure if some advertisements had been placed in the papers or wherever by the department there would be a considerable bigger takeup than is shown here. There are thousands and thousands of veterans from these wars, and unfortunately many of them are in a rather low income. I cannot quantify it, but many of them are in low income categories and could perhaps qualify.

I am not criticizing the program. It just seems to me that it is rather unique because in a way it is a social welfare program, something that you would think would be under the Department of Family Services or some such department that administers various kinds of social assistance because that indeed is what this happens to be. So I do not know how it got into Finance. There is probably some historical reason for this, and I am not being critical. Maybe the minister could tell us when it got in. It has probably been decades ago.

I guess my concern is, well, okay, if you have the program—I do not know how much assistance is being given. I gather it is a rather minimal amount, \$50 or some amount, but the minister could perhaps elaborate.

It cannot be very many if all we have got is \$3,000 assigned to this, but roughly how many people do qualify, say have qualified in the last year? Has the government ever tried to make an estimate of how many could possibly qualify?

Mr. Stefanson: The Deputy Minister of Finance tells me that this program has been around as long as he has and longer, so we know how long that is. But last year apparently there were 90 claims at \$50. I do want to point out, it is quite restrictive. I believe the only source of income is old age security. There cannot be any other pensions, any other source of income beyond old age security. But I will certainly, in light of the member's questioning today, look further into how this is communicated, if there is anything else we could or should be doing and so on.

Mr. Leonard Evans: I thank the minister for his commitment in that respect, because as I indicate I am sure there are many—and I cannot quantify it, but there should be many veterans out there who might be glad of some assistance, as minimal as it is. The fact that the program is around I think there is an obligation on the part of government, whatever the program is, to make the public aware. In this respect I would not criticize government spending money on advertising to make the public knowledgeable about the existence of the Soldiers' Taxation Relief program.

We have been very critical of government advertising. My Leader has, I believe, through the Provincial Auditor asked for guidelines on the whole matter of advertising, and we could get into that later. I believe the minister did undertake to look into that question. We would have no problem whatsoever if monies were spent, if it were deemed advisable after due research, to make this program more well known among the public of Manitoba.

Just passing on to the other item here, Tax Appeal Commission, again we are talking about \$20,000. Based on that amount of money, it would seem that either there are few people who appeal, or as my colleague from Elmwood is indicating, perhaps there are many people who do not know about the right to appeal, or that if they do appeal they are generally unsuccessful. So I wonder if the minister could shed a

little more light. I know there is an explanation of objectives of the commission, which is fine, but if he could sort of elaborate what is the degree of activity here. What generally are the kinds of appeals that most often appear? Are they located in mainly Winnipeg or elsewhere in the province? Just generally how does this Appeal Commission now function?

* (1520)

Mr. Stefanson: I will not read the page as the member pointed to, but this is very restricted to The Retail Sales Tax Act, The Corporation Capital Tax Act and The Health and Post Secondary Education Tax Levy Act or the payroll tax.

There is a series of ways that individuals can end up going to the Appeal Commission. One is anybody who disagrees with our department is informed of the opportunity to go to the Appeal Commission. Sometimes people write to myself and even though ultimately the minister is the final appeal, I will usually inform them that an interim step is for them to go to the Appeal Commission. Obviously, legal and accounting and other advisers are aware of this and can inform their clients.

In terms of the very specific questions about volumes and so on, I can get that kind of information for the member as to how many appeals there were and that type of information.

Mr. Leonard Evans: Well, I gather that there cannot be too many appeals with \$20,000 or else, as I indicated, there may be a lot of appeals but very few successful appeals. Could the minister indicate whether when a typical appeal is heard by the commission, do you find—let us say we are talking about retail sales taxes—that the business concerned hires a lawyer or two and comes prepared to make a major case about a ruling about a decision made by the department with respect to The Retail Sales Tax Act administration, or do you find, does the commission work on an informal basis with the operator or the owner appearing before the commission and more or less making his or her own case?

In some ways, I am reminded of the Social Services Advisory Committee, otherwise known as the Welfare Appeal Board, where you find some people who come

with legal assistance or advocates and others who just come on their own and make the case based on the information they have.

Mr. Stefanson: Just to provide some history on this. In 1992, the Legislature passed a Tax Appeal Commission Act which was proclaimed into force on March 1, 1993, and the act permits the appointment of one or more commissioners for the purpose of dealing with notices of objection filed by taxpayers who disagree with assessments under The Retail Sales Tax Act, payroll tax or The Corporation Capital Tax Act. They or their representatives on their behalf file an actual notice of objection which is similar to what they do with Revenue Canada in terms of corporation income tax and so on.

Prior to March 1993 the job of reviewing and researching the basis of a taxpayer's appeal had been undertaken by the Audit branch of the Taxation Division. The Tax Appeal Commission Act was implemented to address a concern that the situation could be construed by the public as a conflict of interest since the Audit branch was originally responsible for issuing the assessment being contested. So it really has provided another step in the process that did not exist prior to 1992 where if the taxpayer was not satisfied with how they had been dealt with, then they would go directly to the minister. This gave another opportunity for an interim step to deal with that appeal.

Mr. Leonard Evans: I appreciate that. I think it is a good idea to set up this commission as it has been as of 1992, I gather, because it does avoid this problem of presumed conflict of interest and also, well, it is a bit more public in a sense. But I wonder if the minister could tell me whether the procedure is such that people tend to come with lawyers. Are these very formal hearings or do they tend to be informal in the sense that—well, it is always formal in the sense that a decision has to be made, but is it informal in the process where the business person or the individual whose appeal is grieved comes on his or her own and makes a case as opposed to coming with a battery of lawyers or one or two legal advisors?

Mr. Stefanson: Mr. Chairperson, I am told that it tends to be fairly informal, but what the taxpayer or his

or her representative will do is forward the information based on the original assessments and their correspondence and their information to the Tax Appeal Commission. I believe they can appear, but that is not necessarily the norm. I think the appeal commissioner looks at all the documentation on both sides, because obviously at that point in time there has been a disagreement over an interpretation, so usually that involves some correspondence and documentation. Having done that on various occasions for clients before I was doing this I can identify with that. So that information is then forwarded to the Tax Appeal Commission to review and make a determination. As I say, if the taxpayer still is unhappy with the decision at that point, then there is a final appeal to the Minister of Finance.

Mr. Leonard Evans: Mr. Chair, I understand. It is essentially a review of documentation rather than a verbal presentation and cross examination, et cetera. Could the minister indicate, is it one person or is it a group and exactly who constitutes the Tax Appeal Commission?

Mr. Stefanson: The commission is one person, a chartered accountant, and I will provide the member with his name.

Mr. Leonard Evans: That is fine, Mr. Chairman, but I gather, at least in the interim, that person is not a civil servant, it is someone outside the public service.

On a matter of order, Mr. Chairman, the deputy critic of Finance was sitting beside me, which was convenient and handy, but I understand that there is some requirement for members in this Legislature to remain in their chairs, which I find a little awkward and inconvenient and not really practical.

There is also the member from Crescentwood, who, I believe, would have liked to come a little closer, because he has some questions to ask. I am wondering, does this committee, so my point of order is a question, have the right to allow members to—I appreciate that we are sitting in the Assembly, not in a committee room per se, but to allow the members to move to seats of convenience to expedite the rational and expeditious consideration of the Estimates of the Department of Finance or any department.

* (1530)

Mr. Chairperson: Just to inform the honourable member for Brandon East, unanimous consent of the House is required to have the critic come and sit in one of the forward seats in the House to ask the questions. As far as the question of another member sitting out of his seat to ask a question, again, that would require unanimous consent of the House, and that has not been obtained at this time.

The honourable member can sit anywhere he would like in the House. He just cannot ask a question from that seat. He has to be in his own seat to ask a question. It also is more convenient for Hansard if the honourable member is asking a question from his seat, because we do have 57 seats in the House and if one day we had 14 of us asking questions in here, it does make it awkward for Hansard at that time.

Mr. Leonard Evans: Mr. Chairperson, does that apply to all members?

Mr. Chairperson: All members except for the ministers. The ministers take this seat because they have their staff that come in and that is the only place that we can connect Hansard up for the staff to come in.

Mr. Leonard Evans: Fine, thank you, Mr. Chairperson, but I gather this is a matter that will be addressed subsequently by the House or through the House leader, to enable people to speak from other seats as has occurred in previous sessions.

Mr. Chairperson: This is a matter that the House leaders can look into and bring forward.

Mr. Leonard Evans: Mr. Chairman, we have a few more questions in this area that will be posed by the deputy Finance critic of the opposition, the member for Elmwood (Mr. Maloway).

Mr. Jim Maloway (Elmwood): I would like to ask the minister, relating to the Tax Appeal Commission, I understand that there is a list of arrears that finally get written off at some point by the Finance minister, and I am wondering how this relates to the Tax Appeal Commission.

Mr. Stefanson: Mr. Chairperson, the issue of collections, and I know the member for Elmwood has asked questions about this before, should come up under our Taxation division, which is a little further in our Estimates. This really has no relationship to that function in my department.

Mr. Maloway: Mr. Chairperson, I would have thought that it would, though, Mr. Minister, because what I am interested in knowing is that if a person appeals, be it retail sales tax or other tax, to the commission and if the appeal is dealt with then is there any further appeal to the minister?

Mr. Stefanson: I believe I outlined earlier that depending on the outcome from an appeal to the Tax Appeal Commission, if a taxpayer is not satisfied with that outcome they can still appeal it to the minister. But it is important to note that a taxpayer who disagrees with a tax assessment, once they have been assessed, let us say by The Retail Sales Tax Act that they have received, that they are allowed 90 days to file an objection with the commissioner appointed by the minister. So they have a 90-day period, so we are usually dealing with collections within the same one-year period of time as opposed to the issue of collections and when accounts may become difficult to collect or stale dated and so on, which, again, I know we have discussed before.

Mr. Maloway: Could the minister tell the committee how many appeals he has dealt with then in the last year?

Mr. Stefanson: I believe in the '94-95 fiscal year the Tax Appeal Commission dealt with 23. In terms of my office I would have to get that detailed information, and I will and provide it to the member.

Mr. Leonard Evans: I guess we have not answered all the questions under this appropriation, but the minister has undertaken to provide us with some considerable additional information on these various items that we have brought up. Assuming that that information is forthcoming and those questions that we have raised are therefore being answered, we are prepared to pass this section, except for the Minister's Salary, of course, and go on to Treasury with the various programs that it is responsible for.

Mr. Lamoureux: Actually I have a couple of questions for the minister on this particular line. Getting back to the Soldier's Taxation Relief program or grant system, can you tell me, Old Age Security is one of the requirements—you can just be collecting Old Age Security. Does this apply to anyone that was involved in the world wars, that was a part of the allied forces?

Mr. Stefanson: Yes, it is individuals who served in the allied forces during either of the two world wars or the Korean War. The member is correct that the only income that they can be receiving is Old Age Security. I will also undertake to provide the member for Inkster with the same information I indicated to the member for Brandon East.

Mr. Lamoureux: For example, a war veteran from the Philippines—if they are just collecting old age pension, would they then qualify for this particular program?

Mr. Stefanson: Mr. Chairperson, they have to be residents of Manitoba, and they have to have served with our services, with the Canadian Forces.

Mr. Lamoureux: For example, if they are a Canadian citizen today—or anyone, I used the example of the Philippines—if they participated in the allied forces as opposed to—I do not know—they maybe were not on the front lines with our own Canadian Forces but did participate in the allied forces and they are Canadian citizens, would those individuals qualify?

Mr. Stefanson: Mr. Chairperson, I believe it is the Canadian services but I will confirm and, as I have indicated, I will provide detailed information to the member for Inkster.

Mr. Lamoureux: Yes, just for the minister, it would be appreciated if in fact you could do that. I know first-hand of one of the veterans' clubs. There was concern expressed with respect to, you know, if veterans are not aware of a particular program, they are not able to necessarily tap into it. Having participated in the Allied Forces, I believe it is very significant, and being a Canadian citizen is also very significant.

It would be good to see some sort of response. The sooner the minister could get back to me—I will indicate

to him, because there is no hidden agenda, of course, I am thinking in particular of the Philippine Veterans Association, Pablo Rivera. I will get the minister the name and the address of this particular individual and their association. I am sure that they would be most definitely interested. What you might want to do, and suggest it as a possible recommendation, is that, yes, we have our legions and so forth that are out there, but there might be other avenues to look at as opposed to putting an ad in the Free Press and things of this nature, which could be fairly substantial in terms of cost, given the total expenditure of this particular program. I do not know if a full-page ad would be a practical thing to do in the Free Press type thing, but as I say, I will get the name and address of this particular individual, and whatever he could do would be very much appreciated.

* (1540)

The other thing I would ask is: How much discretion is it on this particular line? For example, I had asked some questions during Question Period that I would like to be able to explore. Would it be an opportune time for me to do that now? Is that okay?

Mr. Chairperson: Could the honourable member for Inkster repeat the question?

Mr. Lamoureux: I just wanted to know if it would be okay to continue to explore the questions I was asking earlier today in Question Period at this particular line?

Mr. Stefanson: Mr. Chairperson, that would be questions related to our Manitoba Entertainment Complex and the Winnipeg Jets. It is really up to both. I mean, I am not opposed to doing it now or doing it later in the—there is really no appropriate area here.

An Honourable Member: Minister's Salary.

Mr. Stefanson: That is probably the best place.

Mr. Chairperson: The Minister's Salary would probably be the most appropriate place for those questions to be asked of the minister on that. At this time, we have the staff present for the other lines so, if we could deal with the other lines, then we could do the initiative of the Entertainment Complex under his salary.

Mr. Lamoureux: I noticed the Minister of Finance did offer to entertain maybe a few questions. What I will do is just, as a follow up—because I know that the Minister of Finance, during Question Period, did not really catch on, and maybe I did not express it clearly enough in my supplementary question. What I was referring to was, there was a potential deal in Minneapolis, and one of the owners in there had indicated that there was concern expressed to the losses of the Jets. Would they be responsible for back payment of those losses? I had asked the Minister of Finance if in fact the Jets or MEC or the current agreement, is there anything that allows us to get out of those back losses? That was the question. Then I will just leave it at that, and he can just respond to it. Hopefully I have explained it better than I did during Question Period, and then we will continue on.

Mr. Chairperson: I would just like to clarify for the committee's sake the reason I am asking to do this line of questioning under Minister's Salary. We do have some staff here from the department which is all around us. If we spend any amount of time on that, we do not require the staff for those questions. If the honourable minister wants to answer this question at this time, that is fine.

Mr. Stefanson: I guess my only concern, as you suggested, is under Minister's Salary. I am not opposed to answering the question, but I made a note of it, and I will respond when we get to Minister's Salary.

Mr. Tim Sale (Crescentwood): I think, Mr. Chairperson, the member for Brandon East wanted to start the second appropriation and was then going to move over.

Mr. Chairperson: At this time then we will pass 1.(b)(1) Salaries and Employee Benefits \$353,500—pass; (2) Other Expenditures \$69,800—pass.

1.(c) Financial and Administrative Services (1) Salaries and Employee Benefits \$239,800—pass; (2) Other Expenditures \$63,000—pass.

1.(d) Human Resource Management (1) Salaries and Employee Benefits \$159,800—pass; (2) Other Expenditures \$59,000—pass.

1.(e) Payments Re: Soldiers' Taxation Relief \$3,000—pass.

1.(f) Tax Appeal Commission \$20,000—pass.

As previously agreed, the Minister's Salary will remain until the other resolutions have been passed. We will move on to Resolution 7.2.

2. Treasury (a) Administration (1) Salaries and Employee Benefits.

Mr. Leonard Evans: On the Activity Identification of the Administration in this area, reference is made to maintaining close contact with the world financial community to be knowledgeable about markets relevant to the province. There are many, many questions to be asked here by myself and by the member for Crescentwood who has some interest in this area. Initially, we would like to get some general information. Among that is the question about maintaining close contact. Exactly who is doing this and how is he or she doing it? Generally, can the minister give us a report on this activity?

Mr. Stefanson: As to the means of keeping informed and keeping in touch, our representatives of Treasury Division are literally in daily telephone contact with our underwriters and our money managers, whether it be in Canada or in New York or indeed other parts of the world. Obviously, as well through the systems that we have through our computer network, we are hooked up to the transactions that are occurring throughout the world on a daily basis. Those are really the main day-to-day mechanisms of keeping informed and keeping in touch. Obviously, individual representatives from various firms and organizations come to Manitoba periodically, and as well the firms and organizations send us written material on all issues on a regular basis. In terms of the ongoing, it is really the daily telephone contact and our own computerized information system that give us the ongoing day-to-day information.

Mr. Leonard Evans: Mr. Chairperson, I can appreciate the information that can come forth through telephone, faxes, I guess computer linkups, et cetera. Is there any agency or several agencies that give advice to the government? I have some background

information, but I would like the minister to elaborate on this regarding advice given to the department, given to this part of the department. Do we rely heavily on one or another financial advisory service?

Mr. Stefanson: I think, as the member from Brandon East knows, we do have lead underwriters in various markets and in Canada I believe, as he knows, our three lead underwriters are Wood Gundy, Richardson Greenshield and the Royal Bank Dominion Securities. We have additional lead underwriters in the US, Solomon Brothers, Merrill Lynch and First Boston. We have similar arrangements in parts of Europe and in Japan. Those would be the underwriters who would give us the most ongoing regular contact. Obviously, we also receive information from a series of other entities, but these are the ones that are our lead underwriters and we have the most regular contact with in terms of sharing information and so on.

* (1550)

Mr. Leonard Evans: You hear from time to time the minister visiting various major financial centres, New York, Tokyo or whatever. I am just wondering—is it in connection with the activity that is being described here as part of the process of keeping in touch with the world financial community?

(Mr. David Newman, Acting Chairperson, in the Chair)

Mr. Stefanson: The more regular contact is made by representatives of Treasury Division. In fact, a representative of the Treasury Division travelled occasionally to other locations, again, to meet with our underwriters, to meet with investors and so on, whether it be Toronto or New York or elsewhere on occasion.

Mr. Leonard Evans: Mr. Chairman, well, could the minister elaborate on this? I just might say that in the past two or three years we have not had as much time as we would have liked for the department and many of these questions were not asked. So these are the sort of questions you may not want to ask every year, but I think this year it is appropriate to get more detail on this. Could he give us an idea of how many trips would be made by himself and the staff in a year, say, this past year? What is the nature of the trips? Are they many

days? Many weeks? Approximately how much money is spent on travel by the staff in doing as it says here, keeping in "close contact with the world financial community"?

(Mr. Chairperson in the Chair)

Mr. Stefanson: Mr. Chairperson, I can certainly undertake to provide detailed information as to what the activities of staff and myself have been. The staff sometimes go to Toronto to actually be on the trading floor with our underwriters and so on. I can say in a general sense, I am going by memory now, for myself for 1994-1995, I think I would have gone to New York once, I believe, to meet with a combination of our underwriters, investors, and to meet with Moody's and with Standard and Poor's. I believe I went to Toronto either once or twice. Basically, it was the same kind of a trip but also again, meeting with investors who were looking at our problem. Last year we did one-year-old Canadian issue with a closing in London, England. That would have involved being over there for three or four days. I believe that was it for 1994-1995, but since that is purely going from memory, I will gladly provide that detailed information to the member.

Mr. Leonard Evans: Mr. Chairman, I thank the minister for that information and, again, for his agreement or commitment to provide more detail. I presume in that we will get some cost information as well as the number of trips, the staff involved, the cost of the travel, and, of course, he would identify who went—for the past year, that would be satisfactory. I assume we will get the information within the next week or two. When the minister refers to taking a trip, let us say to London, or whatever, when the deal is closed exactly, whom does the minister meet with? What do he or his senior people have to do by way of closing a deal, to use a familiar phrase? Ultimately a deal has to be finalized by way of Order-in-Council, I would imagine. That is the legal instrument by which the government of Manitoba borrows money at whatever rate of interest and under whatever conditions. Nevertheless, what type of people does the minister make these deal closings with, and just what is involved?

Mr. Stefanson: Mr. Chairperson, in terms of the closing of an issue, the way it works is the Minister of

Finance has certain parameters based on a preliminary O/C that allows the Minister of Finance to sign on behalf of the government. A specific O/C is also then passed by cabinet.

The functions that would take place in terms of a closing, as asked by the member for Brandon East, is obviously myself if I am representing, or the deputy minister can actually be signing on behalf of the government. There will be a signing ceremony closing the issue. We will meet with various firms that actually sell the Manitoba product to find out how the sales are going, what their impression is of the issue, what the impression is of the interest rate, what they know about our province, all of those types of things, provide them with as much information as we can about the fiscal performance of our province and other issues that might help them with selling issues.

We also meet with investors to find out why they are buying our product or why they are not buying our product, what it is they like about Manitoba, what they know about Manitoba and so on. So I think all of that, I would hope the member for Brandon East (Mr. Leonard Evans) would appreciate, is very, very important. Unfortunately, we do have to borrow money, and we want to be sure we have access to capital. We want to be sure that we borrow at the lowest rates that we possibly can, and a major part of doing that is making sure that people who are both buying and selling our bonds have a full and complete understanding of our province.

Having said that, he can tell by the information I have given him how infrequent travel has been, and I can assure him when we do travel, if I am travelling, it is usually myself and possibly the deputy minister with me, and that is the extent of our delegation.

Mr. Leonard Evans: As one of my colleagues asked me, is it first class or economy?

In the area of interest rates, interest rates are a function of the degree of risk involved and there are the various market forces, supply and demand, who else is in the market and so on. Does the minister and his senior staff have any opportunity in striking an interest rate? Maybe I should know this but I am going to ask.

Do we go, say, we have an offer, here we are offering you X millions of dollars of bonds at Y rate of interest? Or does the person who could be a dealer in this come back and say, well, if it was Y plus Z interest then we could sell more or whatever? In other words, is there room here for some flexibility in the rate of interest prior to any final decision being made on offering the issue at a particular rate of interest?

* (1600)

Mr. Stefanson: I think firstly, the single most important thing is, as we discussed earlier, the continual monitoring of the market so we determine when it is we want to go into the market. We are never forced to be in the market because we require capital. We determine in advance when we want to be going out and trying to do an issue. Having said that, we then start to work with our underwriters and investment dealers, not only our lead agents, but we will even spread that further to determine what kind of rate we can end up with. Within that there is some give and take. Having said that, we reported in 1994 that we had the third best borrowing spreads in all of Canada. I think that is a compliment to Manitoba.

So yes, there is some negotiation and some bargaining that does take place, and based on that we make the final decision whether or not to launch an issue and then move forward.

Mr. Leonard Evans: I thank the minister for that information. Could he give us some indication—maybe he cannot—of what currently seems to be the effective rate of interest that we are able to sell our bonds? Maybe we are not in a position right at the moment to do that. I do not have that information. I do not know where we are standing on this. What kind of interest rate do we have to offer in order to be able to dispose of a particular amount of offering?

Mr. Stefanson: I believe that the question is, if there were an issue today, as an example, what would we be borrowing at today? A Canadian issue, five-year term, would be at 7.74 percent. A 10-year term would be at 8.25 percent. Longer would be at 8.65 percent. Of course, as the member for Brandon East probably knows, we currently are in the market with the Manitoba Builder Bond at 7.25 percent.

Mr. Leonard Evans: Those earlier numbers, did he indicate this was in Canadian dollars? Is this what I heard him say? For whatever reason, I guess I am not hearing as well as I should. They made a reference—a 7.74 for five-year term. I got that. That is what Manitoba would have to pay in Canadian dollars. Is that correct?

Mr. Stefanson: Yes, if we did an issue today. That is more or less the rate that we would be borrowing at if we did an issue today, a five-year issue Canadian dollars 7.74 percent. I said if it were a 10-year term, it would be 8.25 percent. If it were a longer term, it would be 8.65 percent. I just pointed out that the Manitoba Builder Bond today is being sold at 7.25 percent.

Mr. Leonard Evans: Obviously this is a matter of commentary here. Obviously, the minister would want to sell more of the Builder Bonds at 7.25 than he would want to have to issue whatever amount of paper at 7.74 percent. Perhaps we should be discussing this later, but I am tempted to ask him now in terms of the Builder Bonds, how much does he expect to raise with the Manitoba Builder Bonds, or is this just an open-ended matter, in other words, raise as much as you possibly can, or do you have some very specific targets?

Mr. Stefanson: Mr. Chairperson, the only comment I wanted to respond to was the member for Brandon East's comment that we should be selling the Builder Bonds because they are 7.25 percent. That is telling me he knows something about what is going to happen to the market for the next five years, because the only concern that one would have is that Builder Bonds are redeemable every six months and we are potentially faced with a situation of having to adjust the interest rate every six months. So that is one of the reasons that it is lower than a five-year, locked-in term at 7.74 percent.

But his specific question about what we are anticipating or looking for in terms of this year's issue of Builder Bonds, we are looking for something in the range of about \$200 million.

Mr. Leonard Evans: Mr. Chairperson, I appreciate that, that you have different terms and conditions for

Builder Bonds than you have for these other issues, obviously. The amount of money raised, is that a net amount or a gross amount, because there are always redemptions? Was it last year or the year before we actually had a net loss or a negative situation, more redemptions than sales? I do not know how that can come about, but is that the case?

* (1610)

Mr. Stefanson: Mr. Chairperson, we are anticipating the \$200 million gross from the new issue. This is now our third Manitoba Builder Bonds. I think, as the member knows, before that there were four Hydro Bonds and as I pointed out there is the opportunity for redemption every six months. We have never had more redemptions in an issue, but we did have some redemptions in December of 1994 because of what was happening to interest rates, that they had gone up significantly in the fall of '94. But they were still significantly below even last year's total issue. Last year's issue, by the way, was approximately \$300 million.

Mr. Leonard Evans: So the \$200 million is a gross amount and it is very difficult, I am sure, to tell at this point whether there will be any redemptions, depending on what happens to interest rates in the future. There is a lot more that could be said about this, but I will just go on to the other reference here about the responsibility of administration establishing interest rates for loans to Crown corporations and government agencies as well as school boards, hospitals and municipalities. Exactly how does the department go about establishing those interest rates?

Mr. Stefanson: Every month we deal with our three lead underwriters and obtain interest rates at that point in time. We accept the average of the three, and subject to any other costs of the service, that is the rate that is then passed on to these various corporations and agencies.

Mr. Leonard Evans: So, as I understand it, from the minister's answer, we are really relying on the underwriters to do this work. We are more or less going to the underwriters, three of them, and I am not sure whether you take an average of what they are suggesting or you take one agency over another by way

of specific advice and go with their recommendation. Is that what the minister is saying?

Mr. Stefanson: The member is basically correct that we do take the average of our three lead underwriters, but as I indicated earlier, our staff in Treasury Division are watching the screens daily and they will still do a review of the reasonableness of those three. If there is anything that seems to be out of line, or out of whack, they will then talk to that particular investment dealer and determine whether or not any adjustments should be made, but normally it is the average of the three.

Mr. Leonard Evans: Mr. Chairman, just to get a better idea of how this works then, I assume a municipality or all municipalities would be coming to the Department of Finance, asking for guidance and advice as to the interest rate they should strike on the debenture issue that they may be interested in. Is this how it works? Officials of a municipality—let us try just to talk about a municipality—will come, or a municipality is required to come to the government, or is this just a free service available to municipalities? Is there something in legislation that requires municipalities to come to this part of the department asking for guidance? Maybe the minister could enlighten us about this.

Mr. Stefanson: Firstly, the City of Winnipeg does its own financing, and I believe on occasion Brandon does. The rest of the municipalities, other than the City of Winnipeg, would come to us to determine what a rate would be. They then would appear and go to the Municipal Board for approval. When I say they would come to us, they would come to us through the Department of Rural Development. They would then go to the Municipal Board and get ultimate authority and approval to borrow funds. If that is approved, it would proceed from there.

Mr. Leonard Evans: What about school boards and hospitals? They would come to you for advice. Are they required to go to an agency, say, the Public Schools Finance Board or Manitoba Health Services Commission or whatever?

Mr. Stefanson: In terms of schools, all of the borrowing is done through the Public Schools Finance

Board. They do in fact come through us for their issues, other than school divisions who might have an operating line of credit, but all of the major borrowing is through the Public Schools Finance Board.

In terms of hospitals, they have to get approval, again, from us to proceed. They can go direct or they can do their borrowing through us. I do not think a hospital has done any direct borrowing for several years.

* (1620)

Mr. Leonard Evans: What about Crown corporations for loans to Crown corporations? Is every Crown corporation obliged to come to the department to get its assistance in establishing interest rates or does the odd large one, say Manitoba Hydro, go on its own and establish its own or attempt to calculate its own interest rate?

Mr. Stefanson: Mr. Chairperson, we do the financing. The Province of Manitoba does the financing for the large Crowns like Hydro and Manitoba Telephone System. We borrow under our name and then we advance the funds to the Crowns. They then pay the same rate and they pay the guarantee fee. So really we are using the overall ability of the province to borrow and to borrow at more favourable rates and then flow that through to the Crowns along with the guarantee fee.

Mr. Leonard Evans: Mr. Chairperson, I guess MPIC, as a Crown corporation, also relates to the department, and I guess it has a bit of a different role because MPIC does have accumulated funds that are available for investment. Just what role does your department play in advising MPIC regarding where to put these funds and also with regard to rates of interest that may be involved?

Mr. Stefanson: We remember as correct, we invest on behalf of Manitoba Public Insurance. Usually it would be in either municipal bonds, school bonds, hospital bonds, probably some Manitoba bonds, obviously meeting the maturities with their requirements when they will require their cash. We would charge a fee to them for providing that service on their behalf.

Mr. Leonard Evans: Are any investments out of the province or are they strictly within Manitoba?

Mr. Stefanson: Mr. Chairperson, there are some other provincial bonds and Government of Canada bonds. Those are only invested in when we cannot fulfill the need or requirement within the other areas that I have already outlined, municipal, school, hospital or our own Province of Manitoba bonds.

Mr. Leonard Evans: Could the minister give us an estimate of what percentage then would be bonds sold outside of Manitoba, outside of Manitoba institutions and governments?

Mr. Stefanson: I will provide the member with that exact breakdown of what the percentage is that is invested outside of Manitoba.

Mr. Leonard Evans: Specifically, can the minister tell me right now whether we have any money in Hydro-Quebec and if so, how much?

Mr. Stefanson: I will provide that information.

Mr. Leonard Evans: Mr. Chairperson, would the minister indicate whether or not it is true that there is investment in Hydro-Quebec?

Mr. Stefanson: In terms of our total investments, including our sinking funds, yes there is some investment in Hydro-Quebec. I am not sure if there is from the Manitoba Public Insurance portfolio but as I have indicated, I will certainly provide the details.

Mr. Leonard Evans: I thank the minister, and we look forward to getting that information. Another policy question, I suppose, are there any considerations about ethical investments? Let us just take the MPIC monies, if you wish. It could be broadened, but are there any considerations about ethical questions the minister has obviously heard, ethical mutual funds, ethical investment programs whereby organizations limit their investments to various kinds of industries? Putting it another way, they exclude certain industries. They may exclude tobacco, for example. For ethical reasons they may exclude certain armament industries, manufacture of military weapons, et cetera. So I

wonder if there is any guidelines or any policy directed in this respect.

Mr. Stefanson: We have no corporate bonds whatsoever. As we discussed earlier in terms of Manitoba public insurance, all of those investments are either in hospitals, schools, the Province of Manitoba, or if they are outside of our province they are exclusively either in another province or the Government of Canada. So on an overall basis as well, there are no corporate bonds at all.

*(1630)

Mr. Leonard Evans: Is that as a matter of circumstance or is that because of the policy position of the minister or the government?

Mr. Stefanson: That is because of The Financial Administration Act which outlines where we can invest.

Mr. Leonard Evans: Just a quick question in regards to this. Does that mean that The Financial Administration Act restricts you from investing in private corporations?

Mr. Stefanson: It technically can be done. It has not been our practice to do it, and if we were to do an investment of that nature, it would have to be approved by Order-in-Council.

Mr. Leonard Evans: I just have one or two very quick general questions. Then I am going to turn it over to my colleague for Crescentwood (Mr. Sale), who has some more questions in this area. Indeed I have as well, but I want to give my colleague, the MLA for Crescentwood, an opportunity. He has been waiting patiently, I know, with some of these questions.

Just very specifically, is it correct that the underwriters were changed for your Grow Bonds, and if this is the case, when was it done and why?

Mr. Stefanson: Grow Bonds do not fall under the Department of Finance. I would have to take that question as notice, but it really is more appropriate under Rural Development, because they deal with all aspects of the issuing of Grow Bonds. I can certainly

inform my colleague of the question, but it is more appropriately asked in Rural Development.

Mr. Leonard Evans: I can appreciate the administration being in the Department of Rural Development dealing with the municipalities, dealing with specific projects and so on, but I am very surprised that the Department of Finance is not involved overall with the financial aspects of issuing of bonds.

At any rate, Mr. Chairperson, as I indicated, the member for Crescentwood (Mr. Sale), I believe, has some questions in this area. I have further, but I yield the floor at this point to my colleague.

Mr. Sale: Thank you to the member for Brandon East for allowing me to ask some questions. I would like to just preface my remark briefly with a thanks to the minister and his staff, particularly his staff who taught me a great deal when I worked in the department. I know that any of the many night meetings, early morning meetings and weekend meetings certainly put paid to any stereotypical notion that civil servants did not work long hours. If I happen to chance on asking the minister a particularly difficult question, he should blame his staff, because they taught me most of what I know. I want to pay tribute to the staff, because they are a very fine and long-serving group that have faithfully served governments of all stripes and the people of Manitoba have benefited from that.

My first question, Mr. Chairperson, is the level of capital access in Manitoba versus Canada versus offshore, I think the minister undertook to provide some of that information to my colleague from Brandon East (Mr. Leonard Evans). I wonder if he could provide, in some form of a table, the capital that is borrowed within the province, within Canada, within North America and then offshore, and I wonder if it would be possible to do that in a time series. I will leave the minister and his staff to choose the starting date for that. What I am interested in is the trend over time in terms of capital market access, and ability of those various capital markets to supply varying proportions of our requirements.

Mr. Stefanson: Mr. Chairperson, I will certainly provide the detailed information that the member for

Crescentwood asks. I think, as he probably knows, we have been making a concerted effort over time to maximize our borrowings in the Canadian market or in Canadian currency. In fact, when we formed government back in 1988, I believe, approximately 25 percent of our exposure was in non-North American currency. Today, all of our exposure is in North American currency.

In terms of our general purpose debt, the operating debt of the government, today 67 percent of it is serviced in Canadian currency and 33 percent in U.S. That is a significant improvement, I believe, over where we were back in 1988 and that is certainly a major approach of our government.

The detailed breakdown he asks for in terms of within Manitoba, within Canada, within North America and then any offshore—although recognizing again, I think as he knows, that over the last many years any of the offshore or non-North American borrowings we do, we swap back into either a Canadian exposure or a U.S. exposure, and the rationale is, I think, pretty straightforward. We ideally want to have it in Canadian currency, which is our source of revenue, but if we do not have it in Canadian, we have it in U.S., which is our largest trading partner. Particularly when it comes to Manitoba Hydro, a significant part of that is hedged through the U.S. revenue source that Hydro has, but the detailed information I will provide to the member.

* (1640)

Mr. Sale: Mr. Chairperson, thank you to the minister for that. I agree that that has been a desirable direction. I also would agree it has been an achievement of your staff and your government over the last seven years. I think it is consistent with trends that other provinces have been seeking and the wisdom of that, I think, is self-evident.

My second question is around the whole question of swaps. I notice from the information that, as you would expect, the department is actively involved in swapping to protect against—well, essentially to fix the risk of the government in regard to any issue. Again, I would not question that.

I do have some question about how that process is done, who advises on it and what safeguards are in place. It is an obvious question, but we are a big business. As the minister has provided us with information, we flow some \$11 billion through and we borrow and take in large sums of money.

Could the minister provide us with some detail about the safeguards and the procedures for the process of swapping?

Mr. Stefanson: In terms of who advises us, it is similar to what we discussed earlier. Many of our major underwriters, particularly if we are doing a swap from Japanese yen, we have the Industrial Bank of Japan, Nikkei securities, and others.

In terms of the safeguards, our whole objective of doing a swap is to reduce risk. We do not get into speculation. We do not get into leveraging or any of those types of things. The kinds of institutions we deal with, when we look at their credit rating, they have to have at least a mid-AA threshold for our acceptance to deal with them, other than the Canadian banks which do not meet that criterion. Those are the kinds of things we do.

As I say, it is not done on the basis of being speculative or hedging. It is done on the basis really to reduce risk and to get our exposure back into a Canadian or U.S. currency.

Mr. Sale: Mr. Chairperson, does the government occasionally or actively trade its own or other securities for the purpose of improving on its debt-management process?

Mr. Stefanson: No, we are not active traders in the market. Although I am told that we will sell our bonds on occasion to help the market to accommodate a need or address a particular need, but beyond that we are not actively trading our bonds.

Mr. Sale: Mr. Chairperson, could I just ask one more question in that same vein? Hypothetically, would the government, would the department, go into the market to purchase an attractively priced or what it viewed to be an attractively priced Manitoba bond that had been

issued at a high rate of interest, for example, and looked like the yield curves were right, and so you would purchase that bond with a view to retiring something that had a high interest cost, in effect, to bring it in to your portfolio and thereby retire it?

Do you do that kind of—I am not sure what the right term for it is—do you trade in the market in that way and under any conditions?

Mr. Stefanson: Mr. Chairperson, under scenarios like that, we will certainly take Manitoba bonds into our portfolio, if I understand the question, if we are out there again aggressively trying to purchase them. We do not necessarily do that. If it is an attractive investment, then it is attractive to other individuals as well, so you get into the whole competitive aspect, but we will certainly take bonds under the scenario described by the member into our portfolio.

Mr. Sale: Mr. Chairperson, could the minister then give us some estimate of the degree of activity of the kind of which I was just speaking, that is, where the department moved to repurchase—not to redeem at maturity, but to repurchase outstanding issues because it seemed a prudent thing to do?

Mr. Stefanson: I will provide that information to the honourable member.

* (1650)

Mr. Sale: Moving in a slightly different direction, the minister, like all other Finance ministers in the country, was sideswiped by various interest rate fluctuations which did not appear to be rooted in much of Canada's realities but had a lot to do with somebody's decision to speculate against our currency, people who have been characterized as the boys in red suspenders. I do not know whether that is a sexist term or an accurate description of the trading floor.

I wonder if the minister has taken a position or if his government has taken a position in regard to the exploration of currency speculation taxes such as the tax proposed by James Tobin, the Nobel laureate, which is being actively discussed by numbers of people today, dismissed by some and promoted by others. Has the minister discussed this issue, taken a position with

his federal or other provincial colleagues on currency speculation and the deterrents of currency speculation?

Mr. Stefanson: Mr. Chairperson, in my time in this portfolio the issue has never come up at any ministerial meetings or in any way with any of my counterparts across Canada on a formal or an informal basis. It has not been brought up at the staff level either.

I would think if there were merit to doing anything in this area it would be something that should be discussed on a national basis. If there ever were any activities in this area it would be again, I would think, on a national basis. I would certainly have to have a lot more information on the pros and cons of the entire issue.

Mr. Sale: I am a bit surprised at the minister's response, although I certainly accept it. I think there was wide-spread agreement across Canada that interest rate projections and fluctuations were wreaking havoc with federal revenue and deficit projections. I cannot imagine that they had anything other than the same effect, although obviously at a lower order of magnitude on provincial projections.

We know, Mr. Chairperson, that something in excess of 75 or 80 percent of all overnight trading, which now exceeds a trillion dollars a night in the world's money markets, is not connected in any way to the finance of international trade but is for the pure purpose of speculation on tiny, tiny fluctuations and interest rates, arbitrage, between the various money markets of the world.

Would the minister undertake to examine this question and to report to the House whether it is a matter that the government should raise with Finance ministers at an appropriate moment and whether this government would take a position against international currency speculation and its impact on all our lives?

Mr. Stefanson: Mr. Chairperson, yes, I will undertake to start by doing some additional research on the issue.

Mr. Sale: Thank you to the minister.

Could I now ask the minister what programs or policies the minister and the department have

developed to increase the access of the government to pools of capital or individual holders of capital in Manitoba as opposed to other areas? I am obviously aware of the Builder Bonds and the Hydro Bonds, but to what extent has the government developed a forceful policy of accessing to the maximum possible potential Manitoba pools of capital?

Mr. Stefanson: I think, as the member for Crescentwood knows, both the Hydro Bonds and the Builder Bonds have been very successful programs in terms of meeting the financing requirements of Hydro and certainly of our government of Manitoba.

In terms of creating opportunity to access more Manitoba capital, again, I think he knows we supported the establishment of the Crocus Fund here in Manitoba to create another pool of capital for Manitobans to invest in although that is an issue that falls under Industry, Trade and Tourism. But I think he is, rather than sort of the access to capital markets like the Crocus Fund and the capital market task force, he is focusing more on our direct requirements, what we are doing to meet as many of our direct requirements as possible through Manitobans.

Really the main program today is the Builder Bonds program. It did raise us \$300 million last year. That was approximately 25 percent of our total financing requirements last year including refinancing and our financing for our Crown corporations and so on, so a very significant contribution.

We will continue to certainly use the Builder Bond program. I think, as he would acknowledge, we do aggressively promote the Builder Bond program through various forms of media advertising—television, radio, print and so on. It has been very successful, but we will continue to look at opportunities to give Manitobans the chance to invest here in our province and meet our own borrowing requirements.

Mr. Sale: I thank the minister for that answer. I want to follow that a bit more. I think this is a very important area for us in terms of public policy.

We know that when income is earned in the province, we are the direct net beneficiaries of the taxation on that income. Has the government

undertaken calculations that would show what the interest rate shaving might be that could still be tolerated in terms of the net return to the province through income and other taxation by virtue of the person in the province who holds the bonds receiving the interest and paying income tax thereon? Has the department done that kind of calculation and indicated what sort of higher interest rates might be available and still be a benefit to the government?

Mr. Stefanson: Mr. Chairperson, a study of the form referred to has not, to the best of my knowledge, been done, but I guess my general comment on that approach would be that most of those Manitobans are going to invest anyway. If they invest in Builder Bonds or they invest elsewhere we are going to get that tax revenue one way or the other because they are going to invest that money. They are certainly not going to leave it in a sock or buried in the ground, so we are getting that tax revenue one way or the other, and to be offering higher rates through our own borrowing really just adds to our cost of borrowing.

I would be interested to discuss it further with him, but I do not think that there is the direct relationship the way I understood the question to be asked that we could offer a higher rate because we are going to get some of it back in taxes. We are going to get that tax revenue anyway, so we should be offering a rate that is competitive in terms of where we could borrow elsewhere and to make sure we are borrowing in the least cost way on behalf of Manitobans.

* (1700)

Mr. Chairperson: The hour being 5 p.m., time for private members' hour. Committee rise. Call in the Speaker.

IN SESSION

Committee Report

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

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

Motion agreed to.

PRIVATE MEMBERS' BUSINESS

PROPOSED RESOLUTIONS

Res. 2—Nurse-Managed Care

Mrs. Shirley Render (St. Vital): Madam Speaker, I move, seconded by the honourable member for Turtle Mountain (Mr. Tweed), that

WHEREAS the provincial government, partnered with the Manitoba Association of Registered Nurses, has pioneered the principles of primary health care; and

WHEREAS nurse-managed care (NMC) recognizes all the determinants of health, such as adequate income, housing, sanitation and nutrition, as well as the right of the public to the information and resources which make good health possible; and

WHEREAS the Premier of Manitoba has announced the establishment of a Community Nurse Resource Centre Planning Committee; and

WHEREAS NMC would provide services on a basis determined by the needs of the community through a collaborative approach with industry, education and housing professionals.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba support the government's proactive approach to health care by applauding its commitment to the principles of primary health care and nurse-managed care; and

BE IT FURTHER RESOLVED that the Legislative Assembly of Manitoba support further preventative health care measures.

Motion presented.

Mrs. Render: Madam Speaker, since this is my first time to speak during this session, I just want to start off by congratulating both you and the member for St. Norbert (Mr. Laurendeau) for your appointments, and I wish you all the best in your new appointments. I also want to take this moment in time to say to our former Speaker, you had the respect of all of us here in

the Legislature and that is very fine. Just to conclude this part, I want to say welcome to all the new members. I am just sorry that more of the new members are not sitting on this side of the House, but welcome, and I will enjoy getting to know more of you as we sit in committee.

Madam Speaker, I am very pleased to be speaking to this resolution. This is something I very strongly believe in, and I suspect it goes back to my days when I worked for the Department of Welfare, worked very closely with public health nurses. I also worked for the Victorian Order of Nurses and helped set up what was then known as the VON home help program. So in both of these areas I got to know just how important a role nurses could play in the community. However, I also noticed that the role that nurses could play, and I am talking 20-30 years ago, was limited, and that was because of the way the delivery of health care services was structured.

Although nurses in Canada have always provided community-based and family health care, the majority of nurses today work and continue to work in hospitals and institutions for long-term care. In fact, I do not know how many of you know that there are probably only 10 percent to 12 percent of nurses who actually work in community health. Here we are in the 1990s and we are talking about something called nurse-managed care, so why is there this shift now in thinking? Why are we looking at using nurses in a different way?

Well, as so often happens, Madam Speaker, money is one of the reasons why changes are made. Right across this country governments are grappling with the problem of shrinking health dollars and rising health costs, and we know that simply putting more money into something does not necessarily solve the problem. We know that doing things differently is often the way to solve the problem. One of the things that we can do differently in the health care system is nurse-managed care, and this is consistent with our whole reform package which, as you know, is providing more services in the community. That is exactly what this is going to do.

But it is going to be doing other things. It is going to be looking at the delivery of health care in a different

sort of way. Although nurse-managed care, that is the new term that we are talking about, is often viewed as a new approach, it is really not the case because there are plenty of examples in other countries, south of the border in the United States, in fact, just here in Canada, of nurses playing a very key role.

I have already mentioned public health nurses and the VON, and I think most of you are aware that the VON have been with us since the turn of the century, and they have been providing services and co-ordinated care to people in their homes for quite a long time.

So, as I say, it is not really a new concept, but there are new principles involved. The VON and the public health nurse care has been medically driven with the nurse providing what could be termed as an add-on service rather than being the key component. Now what we are talking about is the nurse being the very first contact, the primary contact, the key individual in how and what is going to happen to the patient or the client, as is often called.

I forgot to mention when I was speaking earlier about the VON and the public health nursing was that I found that regardless of worksite—you know, it did not really matter whether the nurse was actually out in the community or in the hospital, quite often nursing's approach to care has always emphasized viewing the patient within a holistic framework that included not just the patient in isolation but the patient along with her family, along with the home and along with the community. That is one of the concepts that is going to be introduced in nurse-managed care. It is one of the philosophies, one of the principles on which nurse-managed care is founded.

* (1710)

Now having said that nursing has been viewed as an adjunct to other professionals, I will backtrack and tell you that is probably incorrect because right here in Winnipeg we do have a facility that operates under most of the concepts that I have just mentioned, and that is the Youville Clinic which is just over the Norwood Bridge on Marion Street. This is a nurse-managed health promotion centre established by the Grey Nuns in 1984. It was established to promote individual and family health, healthy family life and

responsible parenting. It also offers diabetes education. It serves the people of both St. Vital and St. Boniface, and it is an excellent resource. It is this facility that we will be modelling our new nurse-managed care upon. In fact, the new resource centre that is going to be opened in St. Vital in a very short time will be operated as a satellite of the Youville Clinic.

To ensure that the new nurse-managed resource centre will meet the needs of St. Vital, the nursing staff at the University of Manitoba over the last number of months, right throughout the winter, have contacted hundreds of people, everybody from MLAs and M.P.s to seniors to community club people. They have done this to make sure that when they set up this new centre that they are going to be looking after the needs that the community of St. Vital deems as important.

I just want to spend a wee bit of time talking about the concept behind the nurse resource managed care. As I stated earlier, traditionally nursing roles have supported and facilitated the practice of other health professionals, and the boundaries of nursing have been set by what people describe as an illness-based model. In other words, we do not do anything until we become sick. That is when we make the first move. That is when we pick up the phone and we phone the doctor. Now what we are saying is do not necessarily wait until you are sick to make that first move. You do not have to wait until you are sick; prevention is one of the key concepts here. Education, learning how to do things so that you do not become sick is a very important concept. Also, not necessarily is the doctor the person that you should be phoning. If you have a nurse-managed care centre in your area, perhaps what you do is go down to that centre. It will be the nurse there that will look at you, will evaluate, assess, and talk with you about the various things you can do to improve your health. It will be the nurse who will be the determinant as to whether the nurse refers you on to another health care professional. Now all of this, Madam Speaker, as I say is consistent with this government's health reform plan, and that is providing more services in the community. With nurse-managed care, nurses will now play a major role in the provision of direct client services. As I have stated earlier, they will be the person co-ordinating the services delivered by other people.

Now again, I just want to harken back to the Youville Clinic. Here we have nurses who work as independent practitioners. They are fully accountable and responsible for their practice in promoting the health for both individuals and families. It is the nurse in conjunction with the patient who assesses, plans and implements and co-ordinates what is needed: be it nursing services, be it a referral to the doctor, be it health counselling, or education, or health promotion activities. Now, I should mention that particular emphasis is also given at the Youville Clinic to helping individuals and families assume greater responsibility for their health through increased knowledge and skills.

I was really struck by a remark that the executive director of the Youville Clinic made to me one time. She said, you know, we—and the "we" stands for health professionals—have really done a great job in the last 20, 30 years about taking the responsibility for our health away from people. Now it is time to give that responsibility back to people and saying you too should be responsible for your health. Be sure you are doing the right things to prevent illness, and also, just do not take for granted everything that is said to you. You be a part of the decision making as to what kind of treatment you need, should treatment be the answer.

I should make it clear, because any time reform happens, there is always fear and always hesitation and reservation by people in that particular profession, whether we are talking health, whether we are talking education, or something else. So I should make it clear that nurse-managed care does not exclude other health care professionals such as doctors. Nurses are not trying to take over from doctors. They are simply saying there are things that nurses can be doing and let the medical doctors be doing other things that we as nurses cannot do. Rather the goal is to shift the services to the most appropriate health care provider, and it will be the nurse at the nurse-managed care centre that will make that assessment and refer the patient to the appropriate person.

As you can see, Madam Speaker, the nurse-managed model of care is a health focused rather than a solely illness-based model of care. In this instance, health is conceptualized broadly and includes consideration of not just the physical health of the person but the social,

emotional, physical, spiritual, functional, family and community aspects of that individual's needs.

Consideration is also given to the determinants of ill health such as unemployment, family stress, violence in the community and poverty, because as we all know, these things do play a part, and they manifest themselves quite often in mental or physical illnesses.

Nurse-managed care is seen as an integral part of the whole health care system. It is well linked to other health and social community services. Madam Speaker, I think it will be one of the most interesting parts of our health reform program. I am very pleased that this government has taken the initiative to institute this here in Manitoba. Thank you very much.

Mr. Dave Chomiak (Kildonan): Madam Speaker, I note that the resolution seeks that we applaud, that the resolution calls for members of this Chamber to, quote, applaud the commitment to the principles of primary health care and nurse-managed care.

While I agree in the most part with the comments of my honourable friend from St. Vital, I think it is not clear to me what the government or what the resolution is proposing that we applaud in terms of the particular initiative.

Perhaps we should applaud the fact that after seven years in office and very close to the provincial election campaign the government actually finally announced something in terms of a community enhancement program, and perhaps that should be applauded. Perhaps we should applaud the fact that the government talked about four nurse-managed centres, and we know of one being set up as a satellite of Youville Clinic, but we hear nothing about the other three. I think that is indeed unfortunate for all parts of Manitoba that we do not hear of a more holistic approach to this particular issue.

Perhaps we should applaud the fact that after seven years the government has taken an initiative and run with it, albeit in a small fashion. It has been proposed for a number of years, not just by MARN but by other nurse organizations, by members on this side of the House and by virtually every single committee

studying health and every royal commission and group studying health in this country. So perhaps that should be applauded.

Perhaps we should applaud the fact that the government actually has developed a working relationship with a nursing organization in the form of MARN and has managed to move forward somewhat in the establishment of some nurse-managed centres.

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

Members on this side of the House certainly welcome any initiative and certainly welcomed the announcement of this initiative when it was announced shortly before the provincial campaign several months ago. The problem with this particular resolution is that I am not entirely clear whether we should be applauding the government for its piecemeal approach or perhaps we should be looking for a far broader initiative from members of that side of the House.

* (1720)

I draw the attention of the member for St. Vital (Mrs. Render) to a report dated May 28, 1993. One of the many, one of the 110 committees studying health care in this province—it is up to 110—one of the reports made, in fact, by the primary health care task force in an interim report—I do not think it is public but the minister certainly has copies of it; I am prepared to offer a copy to the member opposite—in which it talks about primary health care in a much, much more holistic fashion and in a much, much more overall strategic approach than we see in the government's very, very narrow nurse-managed centres initiative, as announced prior to the election.

This report, I think, would be well to be reviewed by members opposite, and I know that it was prepared by the present Deputy Minister of Health. During the Estimates process I will be directing questions to the minister, asking why many of the initiatives, the broader initiatives dealing with primary health care, have not been incorporated into this government's policies. We have the announcement of the nurse-managed care. We have the soon-to-be-established centre in St. Vital, but it is a very limited initiative.

We are not clear, and I am not clear from the comments, and I respect the member for St. Vital (Mrs. Render), and I am not entirely clear either from the resolution as drafted nor from her comments precisely what will be the purpose and the goals and the objectives of these particular nurse-managed centres. When I look at the MARN resolution on Community Nurse Resource Centres, I note that there will be centres of community action and development. There will be education and outreach, including home services. There will be clinical primary health care. Nurses will serve as an entry point into the primary health care system. Nurses must be accessible with a 24-hour call or emergency contact. Nurse-managed care includes health promotion, disease prevention, and treatment and care of the dying.

I am not entirely certain, and certainly we are awaiting further developments and announcements as it concerns Nurse Resource Centres, precisely what these Nurse Resource Centres will be doing. I have the impression from both the resolution and the comments of the member for St. Vital (Mrs. Render) that these centres will be rather narrow in definition and not as broad—and I hope otherwise—as recommended in the primary health task force report dated May 28. [interjection]

If the member for Lakeside (Mr. Enns) indicates I am wrong, he is happy to stand up during the course of this debate and correct me and point to where in fact I have been inaccurate. Perhaps he can point to me where these nurse-managed centres will meet the definitions and goals as defined in the MARN resolution and the MARN statement concerning Nurse Resource Centres.

These concerns are further exasperated by comments of the Minister of Education (Mrs. McIntosh). Mr. Acting Speaker, you may ask, what are the concerns of the Minister of Education? We are talking about collaboration and integration. I am very disturbed when the Minister of Education made her recent announcements concerning the Norrie task force report, that in the press release she indicated they were putting off the decision utilizing schools as primary health care centres. They were putting that off. What further causes concerns to members of this side of the House

is that in the task force report recently again released shortly before the election, the health of Manitoba's children—very, very strong reference was made in this excellent report towards making schools a primary health centre and further talking about utilizing nurses and other professionals to provide primary health care in centres like this.

I note that not only in the comments of the Minister of Education this decision is being put off, but indeed in the actions and the follow-up of the Minister of Health, this has been totally overlooked. Therefore, it makes it very difficult for members on this side of the House to applaud the government's initiative in this narrow perspective when we find that their definition, at least from the comments of the member for St. Vital (Mrs. Render) and in the resolution, is so narrow and when we find other initiatives that have a major impact on the entire concept of primary health care have been set aside, have not been reviewed and simply are on hold. So while I am very pleased to applaud any effort on the part of this particular government to do anything in the area of preventative health care and to enhance the role of nurses, given what has happened in this province in the last seven years, while we are perfectly prepared to applaud the government's efforts to do anything in this regard, I am somewhat concerned about the narrow approach and some of the very real questions and concerns that have not been answered with regard to Nurse Resource Centres.

At the same time that we are developing nurse centres we have seen community health centres restricted, confined and cut back this budget year, as well as previous budget years, by the provincial government. That strikes me as totally incongruent. You cannot give on the one hand in terms of community outreach and community programs and primary health care and take back on the other. If, in fact, we were to see a holistic approach to health care in this province then we would see the expansion of a variety of community-based health care centres, not simply the nurse model as the one model proposed here, which we are supportive of even though it seems to be rather narrow in definition, but we would see the expansion of the activities and the role of nurses in schools as primary health centres. We would see the expansion and development in the role of nurses in

community health centres. We would see the expanded role of home care. We would see the development of palliative care, which has been pioneered by nurses in this province through these centres.

Unfortunately that is not taking place, Mr. Acting Speaker. It seems to us on this side of the House that we have one initiative, but it is a very narrow initiative and it seems to be not only focused in one small area but by definition itself, through the comments of the member for St. Vital (Mrs. Render) and through the reading of this resolution to be far too narrow an approach to health care.

Now, I agree 100 percent with the comments of the member for St. Vital when she dealt with the whole area of preventative health care. Heaven knows that in this jurisdiction we need to do far more in preventative health care if, in fact, we are going to attempt to reform health care in Manitoba. And again, since the resolution mentions MARN, I only look at the recommendation of MARN concerning matters of this kind. For example, MARN recommended at its last meeting with the Premier and cabinet, that the funding for the development and delivery of healthy public-based programs be restored to 1993-94 levels or that the government of Manitoba increase funding for Healthy Public Policy programs so that it represents 5 percent of the provincial health care budget by the year 2000. In fact, Mr. Acting Speaker, there are 14 recommendations and I believe only one or two have been addressed by this government.

Again I have difficulty applauding the initiative in this area when there is so much more that is yet to be done and so much more required. As I have indicated, while I am prepared to accept and welcome any initiative by this government vis-a-vis enhancing the role and functioning of nurses—the present member for Crescentwood (Mr. Sale) stated, far more eloquent than me at the time of the announcement that it is truly remarkable that nurses can carry out activities in the North, but as soon as they come to the city, they are not qualified to offer many medical services.

* (1730)

I ask the members opposite, are they not considering the initiatives to have nurses perhaps take part in

vaccinations as a form of primary health care? That is recommended in the May 28 report on primary health care. I do not see any reference to that in the announcement of the government when it announced its four nurse-managed centre sites, and no reference either in this resolution or in the comments of the member for St. Vital (Mrs. Render) in this regard.

In conclusion, I certainly am prepared to applaud any government initiative as it relates to expanding the role of nurses as primary health care providers. We certainly are prepared to applaud the government's initiatives in the expansion of nurse-managed care. I think that this particular resolution is relatively narrow, and I have not heard comments. Perhaps, as we continue debate in this regard, members opposite can clarify and expand on the comments so that we could understand what the role would be. We certainly are supportive of a broader initiative in this regard and would welcome any expansion of nurse care in this regard, particularly as it relates to primary health care in any venue, be it schools, be it nurse-managed centres, as suggested by the government or otherwise. Thank you, Mr. Acting Speaker.

Mr. Tim Sale (Crescentwood): Mr. Acting Speaker, I think it is appropriate to recognize that the expansion of the role of nurses, in particularly urban and southern parts of all the provinces in Canada, has been a goal of the nursing profession for years and an appropriate goal.

Nurses are certainly capable, in many cases, with their existing level of training, and in other cases, with expanded levels of training, of significantly expanding the range of services which they provide, including providing a very important role in primary health care, as the member opposite and my own colleague from Kildonan have indicated.

So I think here in this resolution we have a confusion between the role of nurses and the particular institution that is being put forward to deal with that, that is a nurse-managed care centre. If I could just draw honourable members' attention to some studies on the issue of what roles nurses might carry, it is widely estimated that nurses might very appropriately and safely undertake up to 40 percent of the roles that are

now carried by primary care physicians, for example. We know that nurse practitioners are completely competent to provide well-baby care, normal wellness care to a wide range of children and adults and that this indeed is done in many countries in the world.

(Madam Speaker in the Chair)

So our concern in this resolution is not with the question of the role of nurses. It is with the modality, with the institution that is being chosen to embody this role. Let us look at nurse-managed care centres. I ask the members opposite to ask themselves when they have a health problem, would they go willingly to a single purpose, single staffed clinic that has only nurses or would they prefer to go to a comprehensive clinic where they might first indeed see a nurse practitioner or they might see another kind of intake health person that could direct them to the appropriate service. It might be a doctor. It might be a nurse, might be a physiotherapist, might be a dietician, might be a social worker, might be an addictions counsellor, might be a podiatrist, could be any number of appropriate resources to which any one of us might be directed with a particular health need.

Why would a government then propose to set up a single-purpose, single-staffed model in health care delivery? I think there is, unfortunately, a political reason for this happening, and that is that this government had so angered the nurses of this province with its health care reform that it had to throw to them a bone. It threw the bone of nurse-managed care centres so that nurses could suddenly become sovereign in their own community clinics.

At the same time that the government was throwing a bone to the nurses, they threw a five-year, no-cut contract to its doctors. At the same time that that bone was being crafted, it said, we should regionalize health care. This is akin to someone trying to mount three horses and ride off all at the same time in three separate directions.

Are we going to do what most provinces in Canada have done, Madam Speaker, and that is regionalize our health care system and give the regions the ability to determine where the monies ought best to be spent

within that region, give the regions the ability to put in place comprehensive health care services that would meet the entire range of needs, apart from very specialized tertiary care needs, of all of those who lived in that region? Are we going to do that or are we going to do what the member for Kildonan (Mr. Chomiak) has pointed out that we are in fact appearing to do? That is, we are going to leave our traditional community health clinics which have been so effective, which are widely recognized not only in Canada but in many places in the world to be the route to go in modernizing health care delivery, we are going to leave them to die on the vine with no increases over seven years of this government's tenure and a cut this year, a cut to the centres which this government said in its action plan. The health of Manitobans action plan said they would be developing a new and strengthened and positive relationship with their community clinics. Instead they have cut their ability to deliver services.

Instead of incubating new clinics which might serve the honourable member's community in St. Vital, and indeed my community of Crescentwood and Fort Garry, instead of incubating new comprehensive clinics, we suddenly see nurse-managed care centres. Well, who is going to manage these centres, Madam Speaker? Is it going to be the local hospital? Under whose jurisdiction are these centres going to take up their new roles? Is there going to be a citizen board that directs them? What wages are going to be paid to the nurses who work in these centres? Are they going to become fee-for-service practitioners like doctors? Are these outreach ministries of the Department of Health? Are these simply rewards to friends of the government, to health providers that have been particularly supportive of the government so they get their little nurse-managed care centres?

Let me tell you, Madam Speaker, the nurses of Manitoba, as expressed through the Manitoba Nurses' Union, are not supportive of nurse-managed care centres. They are not supportive of these centres. There is a division in the nursing community. MARN appears to be supportive; the Manitoba Nurses' Union is not. Let me also remind the members opposite that we heard a great deal about the five pillars of medicare in a previous resolution that was debated in this House yesterday. One of the pillars of medicare, I remind the

members opposite, is comprehensiveness. There is nothing comprehensive about a nurse-managed care centre simply because they are not in a position to provide the range of services, for example, that Health Action Centre in the inner city is or that Klinik is or the Village Clinic or Nor'West Health Clinic or Churchill Centre or Seven Regions or any of the other community health clinics that do exist in Manitoba.

The nurse-managed care centre is staffed by nurses, good people, but they belong in a comprehensive team just like the Canada Health Act envisions for health care. So in fact, Madam Speaker, the nurse-managed care centre is not a broadening, it is a narrowing of the resources available to communities. Why would this government not support the initiatives, for example, that have been taken over the years in Saskatchewan and now are being taken in B.C. and have been taken in Ontario under a range of governments, to develop community-based health care systems?

Has the member opposite, for example, read the Castonguay Niva [phonetic] Report out of Quebec which laid the foundation for 212 comprehensive, community-based primary care health and social and service centres, staffed by doctors, social workers, nurse practitioners, dietitians, physiotherapists, in every region of Quebec, 212 centres have community health and social service centres, CLSCs.

* (1740)

Has the member taken into account the progressive role that those centres have played in enabling the people of Quebec to achieve a higher health status than they were enjoying prior to the development of those centres?

I also take exception to some of the wording of the resolution. I want to draw the Speaker's and the member's attention to point No. 2, WHEREAS the provincial government, partnered with the Manitoba Association of Registered Nurses, has pioneered the principles of primary health care. Madam Speaker, this is self-congratulation taken to a new height.

The principles of primary health care have evolved over the last 150 years. The public health movement

are really the origins of the principles of primary health care. The Canadian College of Family Physicians has, I think, contributed an immense amount to the understanding of primary health care. There is no way in which this government pioneered anything in regard to primary health care. In fact, this government has done less than most to make primary health care adequately available to all of the citizens of Manitoba.

So I take exception to the self-congratulatory wording that talks about pioneering principles of primary health care. It is nice alliteration—pioneering, principles and primary—but it is not factual and it has much more to do with the government attempting to cover the fact that for seven years it has reduced the ability of community health clinics to provide primary health care and in this budget and in this resolution does nothing to increase the availability of primary health care.

In terms of the second WHEREAS, Madam Speaker, I think that it is entirely true that nurses have for decades recognized the determinants of health such as adequate income, housing, sanitation, nutrition, public education. We might add workplace safety and health, as well as environmental safety and health. The difficulty with the resolution is that it suggests there is some action being taken on this recognition. This government has presided over the development of Manitoba as the poverty capital of Canada.

This is not evidence that the government has paid any attention to the determinants of health care, and I would say to the new members opposite, in particular, Mr. Orchard's initial document is a very interesting document—Health Care for Manitobans, the Action Plan—makes a very good read. When you read it, what you find is that the message from the deputy, the message from the minister and Part 1, read as though they were being written by a very progressive group. I guess the Progressive Conservatives, although they are no longer called that, can claim the progressive end of that.

But the second piece of the report, that is, all the action it proposes to take, is all focused on the institutions. It is not focused on the determinants of health. There is not one mention in the second half of

that document about nutrition. There is nothing about adequate incomes. There is nothing about employment. There is nothing about workplace safety and health. There is nothing about the first part of the document in the second part of the document.

That is the problem with this resolution, that it implies yet once again what we all agree with. Yes, we all agree that the determinants of health are critical, but what has the government done about the determinants of health? It has moved us backwards, not forwards.

This resolution, Madam Speaker, is a resolution that will, I think, not help the expansion of primary health care. It will marginally improve perhaps the self-image of nurses, but their real contribution can best be made in a comprehensive approach to community-based care, nurses in schools, a regional health care system, locally community-based, community-managed, community-owned, community-controlled clinics, not outposts of a hospital or outposts of a provincial government.

So, Madam Speaker, with those comments, I think I would indicate my opposition to the resolution.

Mr. Mervin Tweed (Turtle Mountain): Madam Speaker, I am pleased to stand today and speak on the proposed nurse management care resolution.

Unlike the honourable members across the floor, I do not propose to be an expert. I am a small-business man from southern Manitoba, but I am fortunately married to a registered nurse. We have certainly shared many conversations in regard to creating better health care and facilitating some of the concerns of the people of Manitoba, particularly rural Manitoba.

I would like to point out that during the last member's speech in regard to this that there is life beyond the Perimeter. We in rural Manitoba do not have the capabilities or the economic wherewithal to afford these glorious centres that he has talked about that are complete and incorporated. It certainly seems that if we are going to maintain a strong health care system, particularly in rural and northern Manitoba, I would suggest to you that this is probably one of the finest ways of providing that care to those people and, probably from a conservative point of view, I would

say one of the most economical too, and it certainly makes sense to me.

I think there are a lot of benefits that can be achieved by going to this proposed nurse-management care system. I think, one, that we are going to see a lot more individual care. I certainly know from past experience walking into an institution the first person I look for is a nurse. You do not look for management people, and you do not look for doctors. You look for a nurse. So why would there be any difficulty in walking into any facility and dealing with the nurse first? I think they are a very professional group. They have certainly brought the level of health care up to the standards that we now have today. I certainly think they are working as a group to increase the health care of all Manitobans. They provide a quick response, which is quite often necessary.

Again, I would like to emphasize that I would have no problem walking into a facility where the first person I met was a nurse. The ability to provide 24-hour service certainly is a good idea in the sense that we are going to be met and greeted by a professional who will be able to deal with our concerns and problems on an immediate basis. I think that by going to this system we can probably develop more-qualified, better-trained individuals to deal with this, and that is probably part of the direction that this resolution is going towards.

I would just like to point out too, again, being from rural Manitoba where you live in a community where you know your nurses on a personal level, that they are a very important part of our community. Something that I always make note of when I am reading the paper is to read the thank-yous in the paper. It seems like one of the first or at least always mentioned is the thank-you to the nurses in our system, and they certainly are duly just in that thank-you that they get.

There are certainly some economic benefits to going to the nurse-managed care system. They will be in our communities to provide the education. They will develop programs that will educate us in wellness and in health care and in providing us with healthier directions in our lifestyles and in our communities. I think by going to the system we will reduce the high

overhead of institutions, which the honourable member from the other side would suggest is the way to go. As a business person, I would suggest it would reduce a lot of the costs. The system would provide us with a better ability to monitor and evaluate the health care systems in our communities.

This system would be designed by the people of the community with the nurses, with all the people in the area to provide the best care and the best system. Again, in rural Manitoba we do not have the ability or the wherewithal to provide facilities in all the communities that need this care. This strikes me as being an exact idea of what we are talking about when we go to regionalized health care and when we go to nurse-managed health care. From my perspective, serving 44 communities, it certainly provides an opportunity.

Again, in rural Manitoba, quite often when we see a doctor, our doctors refer us. This referral, I believe, could be done and should be done by the nurses. They are the front-line people, and they are certainly able and capable of making decisions for the health care of the people.

* (1750)

I think that also from the economic side of it, the health centres would make rural communities more viable. As I said in my opening speech to the throne that rural Manitoba and northern Manitoba again, I would suggest, our health care is a very important segment of our communities, not only for the sake of the health care and what it provides but also the economic side of it. We certainly need these care facilities to be available to those people. Quite often a drive between communities in my area can be an hour. If I can go down the street or have it a lot more convenient to me, I think it would certainly be a benefit to all of us and not just to me and Turtle Mountain but also to all the people of Manitoba.

As I understand it, the nurse management care, the nurse is the facilitator of individual family and community health. They assess, provide care and refer. I think that is something that they have wanted, and I think that it is something that they are probably

qualified and capable of doing. The nurse-managed care will allow considerable creativity in developing community-based services. They are going to develop a service that will meet the needs of the community that they serve. Again, I cannot ask for anything better than that. I think that suits the systems that we serve and every community in Manitoba has different needs and different requirements. If we have people who can recognize it and develop a plan for it, then all the better. I think it is certainly the direction that we want to go.

I think that the nurses will admit that they are not the only group that will have input into it and will be the sole directors of this system. They are going to listen to the people in the communities and they are going to develop a plan that best suits us all. I think that speaks in general terms to government. We listen to people and we try and develop programs that suit the majority of the people that it serves. I think this is something that this resolution has addressed and I support it. I have no problem standing to it.

In concluding, I certainly would like to say that today's health system supports a high-cost system. Our system is, in my opinion, becoming far too expensive, and I think this is showing the way and showing leadership and showing direction of the province where we can deliver better services more effectively and more efficiently. I think that we have to utilize the full use and the skills and knowledge of our nurses. I think if we do so we would reduce costs. We would make the delivery of services more efficient and make Canadians more health conscious, healthier and more productive and happier. So I stand before you today and I certainly want to speak in favour of the resolution proposed. Thank you.

Hon. Vic Toews (Minister of Labour): Madam Speaker, I am pleased to speak on the resolution moved by the member for St. Vital (Mrs. Render). I think it is exciting and progressive.

I might digress from the topic, only slightly, but I note that the member for Turtle Mountain (Mr. Tweed) mentioned that his wife was a registered nurse. Well, I can make the same claim. My wife was a registered nurse, as well, received her training in St. Boniface but

not only did her training in St. Boniface, she worked as a nurse in Glenboro, in Brandon, in St. Boniface and Concordia. So again, I have had an opportunity to speak with her about what needs to be done in the area of nursing services.

I might even mention that my mother was a nurse and, again, had occasion to discuss nursing and the contribution that nurses have made to our community, to our country over the years.

I have a sister who is a nurse as well, who resides in the honourable member for Elmwood's constituency. She was an R.N., Madam Speaker, took two years of training and then decided she wanted more flexibility, more opportunity to serve her community as a nurse. So she went back to the university to take a four-year program and when I asked her, if you are going to spend four years again in the area of nursing, why do you not choose to go into, let us say, a medical doctor? She said to me, because I want to be a nurse. So there is a pride in these nurses that we have to recognize and respect.

What she was attempting to do, I believe, is what the government is recognizing here and that is to give nurses more flexibility, more opportunities to serve the people of Manitoba, to serve the public of Manitoba. The talents and skills of nurses have been long recognized, not only in institutional areas but in government departments which are not traditionally inside a medical field. For example, I have the honour of serving as the Minister of Labour and in our Workplace Safety and Health branch we have nurses who are inspectors. Indeed, the head inspector is a nurse. These nurses, inspectors, are front-line people who serve the public of Manitoba in various ways, not just in an institution, not just in a community facility but on the street wherever they are needed. So these nurses bring a good solid basis to provide health care.

Now these clinics that have been mentioned, the Youville Clinic and the satellite clinic of the Youville Clinic and also the other clinics that are being proposed in Norman, in Thompson and Parkland. These are excellent facilities in order for nurses to further develop their skills to utilize the training they have received. These clinics are proactive. There is an old saying that

a stitch in time saves nine. Exactly this, these clinics are addressing that need. Preventative health care is effective, not only in terms of the health of individuals, but in terms of our costs. That again is very important at a time when the federal government is not as generous as it should be in that respect.

These changes are effective in providing direct services. It is cost-effective, and not only that, it increases the pride that nurses have in their profession, the pride that they deserve to have in their profession. Nurses become important decision makers.

The member for Crescentwood (Mr. Sale) indicated that he would rather see nurses in a more subservient role, rather see nurses in a secondary place, rather that when you walk into a clinic, he suggests, we should not see the nurse; we should see perhaps another level of bureaucracy. No, let the person go right to the nurse, the person who knows how to deal with these situations. Let that nurse who has been trained sometimes for two, four, six years, make that decision as to what the appropriate referral should be.

The member for Turtle Mountain (Mr. Tweed) mentions that this has long been recognized in the rural areas. It has long been recognized when you walk into the emergency wards of our hospitals, you walk into the clinics on River Avenue in terms of vaccinations. They in fact already give vaccinations in the city of Winnipeg on the River Avenue clinic. If you ever have the occasion to travel overseas and you need those vaccinations, it is nurse practitioners who give those vaccinations. No need to go see a doctor for that.

Nurses have all types of skills that they can provide, and again, this type of facility is exactly the type of facility that we need in order to encourage a holistic approach.

Madam Speaker: Order, please. When this matter is again before the House, the honourable Minister of Labour will have approximately nine minutes remaining.

The hour being 6 p.m., this House is adjourned and stands adjourned until 1:30 tomorrow (Thursday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, May 31, 1995

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