



Fourth Session - Thirty-Fifth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(HANSARD)**

41 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	Liberal
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHEEMA, Gulzar	The Maples	Liberal
CHOMIAK, Dave	Kildonan	NDP
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	NDP
DOER, Gary	Concordia	NDP
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	Liberal
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Clif	Interlake	NDP
EVANS, Leonard S.	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	NDP
GAUDRY, Neil	St. Boniface	Liberal
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
GRAY, Avis	Crescentwood	Liberal
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MALLOWAY, Jim	Elmwood	NDP
MANNES, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold	Rossmere	PC
ORCHARD, Donald, Hon.	Pembina	PC
PALLISTER, Brian	Portage la Prairie	PC
PENNER, Jack	Emerson	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	NDP
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	NDP
STEFANSON, Eric, Hon.	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	NDP
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary, Hon.	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	NDP
WOWCHUK, Rosann	Swan River	NDP
<i>Vacant</i>	Rupertsland	

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, March 25, 1993

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Ms. Rosann Wowchuk (Swan River): Mr. Speaker, I beg to present the petition of S. Gessner, D. McAdam, B. McAdam and others, requesting the Minister of Labour (Mr. Praznik) consider holding public hearings on wide-open Sunday shopping throughout Manitoba before March 31, 1993, and requesting the Attorney General uphold the current law concerning Sunday shopping until public hearings are held and the Legislature approves changes to the law.

READING AND RECEIVING PETITIONS

Mr. Speaker: I have reviewed the petition of the honourable member (Ms. Wowchuk). It complies with the privileges and the practices of the House and complies with the rules (by leave). Is it the will of the House to have the petition read? [agreed]

Mr. Clerk (William Remnant): The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

WHEREAS the provincial government has without notice or legal approval allowed wide-open Sunday shopping; and

WHEREAS the provincial government has not consulted Manitobans before implementing wide-open Sunday shopping; and

WHEREAS the provincial government has not held public hearings on wide-open Sunday shopping;

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Minister of Labour to consider holding public hearings on wide-open Sunday shopping throughout Manitoba before March 31, 1993;

BE IT FURTHER resolved that the Legislative Assembly be pleased to request the Attorney General to uphold the current law concerning

Sunday shopping until public hearings are held and the Legislature approves changes to the law.

* * *

Mr. Speaker: I have reviewed the petition of the honourable member (Mr. Dewar). It complies with the privileges and practices of the House and complies with the rules. Is it the will of the House to have the petition read? [agreed]

Mr. Clerk: The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

WHEREAS the United Nations has declared 1993 the International Year of the World's Indigenous People with the theme, "Indigenous People: a new partnership"; and

WHEREAS the provincial government has totally discontinued funding to all friendship centres; and

WHEREAS the provincial government has stated that these cuts mirror the federal cuts; and

WHEREAS the elimination of all funding to friendship centres will result in the loss of many jobs as well as the services and programs provided, such as: assistance to the elderly, the homeless, youth programming, the socially disadvantaged, families in crisis, education, recreation and cultural programming, housing relocation, fine options, counselling, court assistance, advocacy;

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Family Services minister to consider restoring funding for the friendship centres in Manitoba.

Mr. Speaker: I have reviewed the petition of the honourable member (Mr. Hicke). It complies with the privileges and practices of the House and complies with the rules. Is it the will of the House to have the petition read? [agreed]

Mr. Clerk: The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

WHEREAS the United Nations has declared 1993 the International Year of the World's Indigenous People with the theme, "Indigenous People: a new partnership"; and

WHEREAS the provincial government has totally discontinued funding to all friendship centres; and

WHEREAS the provincial government has stated that these cuts mirror the federal cuts; and

WHEREAS the elimination of all funding to friendship centres will result in the loss of many jobs as well as the services and programs provided, such as: assistance to the elderly, the homeless, youth programming, the socially disadvantaged, families in crisis, education, recreation and cultural programming, housing relocation, fine options, counselling, court assistance, advocacy;

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Family Services minister to consider restoring funding for the friendship centres in Manitoba.

* (1335)

Mr. Speaker: I have reviewed the petition of the honourable member (Mr. Cliff Evans) and it complies with the privileges and the practices of the House and it complies with the rules. Is it the will of the House to have the petition read? [agreed]

Mr. Clerk: The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

WHEREAS the United Nations has declared 1993 the International Year of the World's Indigenous People with the theme, "Indigenous People: a new partnership"; and

WHEREAS the provincial government has totally discontinued funding to all friendship centres; and

WHEREAS the provincial government has stated that these cuts mirror the federal cuts; and

WHEREAS the elimination of all funding to friendship centres will result in the loss of many jobs as well as the services and programs provided, such as: assistance to the elderly, the homeless, youth programming, the socially disadvantaged, families in crisis, education, recreation and cultural programming, housing relocation, fine options, counselling, court assistance, advocacy;

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Family Services minister to consider restoring funding for the friendship centres in Manitoba.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Mr. Jack Reimer (Chairperson of the Standing Committee on Economic Development): Mr. Speaker, I beg to present the Third Report of the Standing Committee on Economic Development.

Mr. Clerk (William Remnant): Your Standing Committee on Economic Development presents the following as its Third Report:

Your committee met on Tuesday, March 23, 1993, at 7:30 p.m. in Room 255 of the Legislative Building to consider the Annual Report of the Communities Economic Development Fund for the year ended March 31, 1992.

Ms. Loretta Clarke, General Manager, and Mr. Gordon Wakeling, Manager of Finance, provided such information as was requested with respect to the Annual Report and business of the Communities Economic Development Fund.

Your committee has considered the Annual Report of the Communities Development Fund for the year ended March 31, 1992, and has adopted the same as presented.

Mr. Reimer: Mr. Speaker, I move, seconded by the honourable member for St. Vital (Mrs. Render), that the report of the committee be received.

Motion agreed to.

ORAL QUESTION PERIOD

Sunday Shopping Standing Committee Referral

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, my question is to the Deputy Premier (Mr. Downey). We were quite surprised today to see on the Notice Paper a new bill dealing with The Retail Businesses Holiday Closing Amendment Act, in light of the fact the Minister of Industry, Trade and Tourism just recently stated, and I will quote: It is expected that the committee dealing with Sunday shopping will be called very, very shortly.

Obviously, they did not mean what they said in this House and to the people of Manitoba on March 2, when they made that commitment, because for the last three or four weeks, we have been calling for the public hearings on that bill. We have not received assurances from this government to have the public have a chance to have input into this very important issue of opening up Sunday shopping as proposed by the Conservatives.

I would like to ask the Deputy Premier (Mr. Downey): Why have we not had the Sunday shopping hearings? Why has the government not allowed the public to speak up on this issue? What is the government going to do in terms of public input before the trial period ends in a week and a half?

Hon. James Downey (Deputy Premier): Mr. Speaker, this bill will be open to the public through a legislative hearing process in the Legislature as all other bills that go through this Legislative Assembly.

Mr. Doer: Mr. Speaker, the government promised to have public hearings. I will quote the minister, the minister's own words on March 2: "It is expected that the committee dealing with this matter responsible will be called very shortly."

Why did the government break its word to the people of Manitoba and to the members of this Legislature? Why is the government not having public hearings on the existing Sunday shopping law? What is their long-term policy dealing with Sunday shopping, the bill which expires in some two weeks from now?

Mr. Downey: Mr. Speaker, there has been no commitment broken. When legislation is prepared for this Assembly, there is a process which it goes through in which the public have an opportunity to make full and complete representation to. The process has not changed for this bill as it has not changed for any other bill.

* (1340)

Mr. Doer: Mr. Speaker, I guess the one thing that has not changed is the words of this government, this Conservative government, in this Chamber mean nothing for the people of Manitoba, because they do not intend on keeping it.

Sunday Shopping Standing Committee Referral

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, this government received maximum co-operation from the opposition. We agreed to pass a bill in December to second reading so the public would have a chance to speak out. We agreed to co-operate with the government, because we knew they had no legislative authority to tell the Crown attorneys of this province not to prosecute the existing Sunday shopping law which was passed by this Legislature in 1987.

I would ask the government: Will they give their commitment today to have public hearings on the bill at second reading stage, that has been passed to second reading stage by this Legislature; will they allow the public to speak out before the trial period expires on April 4, or are they going to just totally disregard the public and the public input in terms of their position on the opening up of Sunday shopping by the Conservative government?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, we will not ignore the public, and the public will have a full opportunity to make representation on this bill.

Mr. Speaker, I was planning after Question Period to enter into dialogue with the opposition House leaders, at which time I will provide to them the plans around the new bill on Sunday shopping. As a matter of fact, I would ask the Leader of the Opposition whether or not he would grant leave either today or indeed tomorrow and certainly Monday the 5th, that we might do a second reading of that particular bill.

Point of Order

Mr. Doer: On a point of order, Mr. Speaker. I find it absolutely galling that the government House leader, after getting full co-operation from the opposition to pass a bill in December of this year, would ask us to give him leave in terms of having public input when he has totally denied the public the right to speak—

Mr. Speaker: Order, please. The honourable Leader does not have a point of order.

Home Care Program Equipment/Supply Costs

Mr. Dave Chomiak (Kildonan): Mr. Speaker, we have been told today that the government is cutting dramatically the home care equipment program serving 24,000 people, most of them sick, who will now be forced to pay out of their own pocket for medical necessities like walkers, gauze dressings, bandages, needles, catheter equipment and forcing people who have had a colostomy as a result of bowel cancer to pay much of the cost of their own equipment.

Why is this minister making these changes? How does it fit in with community-based health reform?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, I know my honourable friend will patiently

await the budget on the 6th of April in which my honourable friend will understand some of the planned initiatives in my ministry as well as across government in general. I would encourage my honourable friend maybe to be a little patient and not to necessarily try to feed information out that may or may not be part of future health care initiatives.

* (1345)

Mr. Chomlak: Mr. Speaker, my supplementary: Why is this minister doing this? He obviously admits he is, when his own annual report about the program says, and I quote: The mandate of the program is to support the care and independent living of physically disabled individuals within their own community environment.

In addition, when the increase to people who have bowel cancer of the program is 13.3 percent, according to the minister's own annual report, why is he cutting that program out?

Mr. Orchard: Mr. Speaker, my honourable friend is making a series of allegations from whatever source he may choose. I simply am saying to my honourable friend, be patient. There is a budgetary process coming down. But above and beyond all, let me tell my honourable friend that the ability and the support from government for people to live independently with assistance from the Continuing Care Program and other initiatives of the Ministry of Health and other departments, will continue, Sir, because it is an appropriate response of government to foster independent living.

Health Care System Americanization

Mr. Dave Chomlak (Kildonan): Mr. Speaker, my final supplementary to the same minister, and it is quite simple: Why are we moving from a universal program that helps the elderly, the sick and the infirm and moving to an American pay-as-you-go system?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, my honourable friend the critic for the New Democrats has a very favoured word. He calls it Americanization with everything that he says. When I welcomed my honourable friend to the critic portfolio of Health, I had hoped he would tell us what he stands for. So far, all we have heard is what he stands against.

At this time in government, I think that all Canadians, all Manitobans and all elected people are being encouraged to stand for what they believe in and where they believe the system can go. That crosses political boundaries because in provinces governed by my honourable friend's political party, they are making difficult decisions.

I suppose, Sir, it follows on the quote that my honourable friend might avail himself of that his Leader said in 1988 after he assumed the leadership and the would-be Premiership of the party of Howard Pawley: Doer also hinted last night, after he won the NDP leadership, that the NDP under his leadership may look at doing away with the universality of some government programs that apply to all Manitobans, regardless of their income level.

Health Care System Nurse-Managed Clinics

Mr. Gulzar Cheema (The Maples): Mr. Speaker, my question is for the Minister of Health.

The Department of Health is conducting pilot projects at our Municipal Hospitals with respect to nurse-managed clinics.

Mr. Speaker, can the minister give this House an updated list of all projects, whether they do in fact relate to health care reform and whether on completion of these projects the minister will be providing in this House a summary of the findings?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, so that we are familiar with some of the projects my honourable friend is describing, if my honourable friend is referring to the transfer of function from the Health Sciences Centre Emergency over to the Health Action clinic in which nurses will assume a greater role in terms of management of nonemergency patient care, yes, we have that proposal under active implementation, Sir. We believe that it is a very effective way of delivering patient services and care services, utilizing a team approach to health care delivery issues and attempting to get away from maybe the over-reliance on emergency departments for nonemergency services.

Mr. Speaker, that process is well under discussion now, and the success of that we will share as we have results.

Mr. Cheema: Mr. Speaker, can the Minister of Health tell this House if there has been any ongoing

consultation with the Municipal Hospital in regard to the nurse-managed clinics?

Mr. Orchard: With Municipal Hospital specifically? [interjection] Well, as far as I know, the process of change—and my honourable friend is going to have to give me a little more detail, but the Urban Hospital Council, Municipal Hospital being part of it, they have been part of discussions which involve their changing role or opportunities for change within the system. As far as I know, they have been part of discussions which affect their operations.

Mr. Cheema: Mr. Speaker, I will read my question again. At the Municipal Hospital, there are pilot projects going on in terms of the nurse-managed clinics.

I am asking the Minister of Health if he would share with us the results of those nurse-managed clinics. Can he tell this House whether those clinics are in fact in keeping with the health care reform policy in Manitoba?

Mr. Orchard: Well, Mr. Speaker, yes, they are part of the shift that we are attempting to implement, which takes the focus, if I can be so simplistic as to say, away from a physician-point-of-entry system that we have today primarily to one which has a broader care provider team approach, including the ability of nurses to provide increasing amounts of primary care. That is certainly part of the envisioned shifts that we are attempting to undertake in this province.

* (1350)

Manitoba Foster Family Association Funding Elimination Impact

Mr. Doug Martindale (Burrows): Mr. Speaker, in Section 52(e) of The Child and Family Services Act, it states that, and I quote: "Any person who (e) interferes with a child who is placed in a foster home or other place, or interferes with the foster parents of the child in a manner that detracts from the ability of the foster parents to care for the child; commits an offence punishable on summary conviction."

Mr. Speaker, the cuts by this government to the Manitoba Foster Family Association clearly constitutes a grave interference in the ability of foster parents to provide care to children. We wonder why the Minister of Family Services is breaching his own act with these cuts. Will the minister admit that in cutting training, support and funding for foster parents, that this affects the ability

of these parents to care for children, in direct contravention of his own act?

Hon. Harold Gilleshamer (Minister of Family Services): Mr. Speaker, clearly it is the foster parents who provide that care, and while he is busy reading the act, I would refer him to Article 6(18): "The minister may fix rates payable for services provided under this act."

Mr. Martindale: Mr. Speaker, will the Minister of Family Services admit that through these cuts, he is interfering with the ability of foster parents to provide care, since the minister has reduced per diems by 10 percent and eliminated the grant for training, education and support to the Foster Family Association?

Mr. Gilleshamer: Mr. Speaker, I clearly indicated last week and this week that the funding that is required for legal services and for insurance purposes and for the training of foster parents is in place.

Child and Family Services Agencies Services to Foster Families

Mr. Doug Martindale (Burrows): Mr. Speaker, does this minister speak for his department or does the chief executive officer of Winnipeg Child and Family Services speak for this department, since Mr. Keith Cooper said: I am concerned about the impact this is going to have, and I am concerned about how we are going to continue to provide services with an already stretched staff group?

The implication of the compulsory days off will be 3,000 less hours that his staff will be able to provide. How will Child and Family Services agencies provide education and training and support to foster families when they are already understaffed and their staff are being forced—

Mr. Speaker: Order, please.

Hon. Harold Gilleshamer (Minister of Family Services): Mr. Speaker, I indicated to the member yesterday in our discussions during Interim Supply that I have met with the presidents of the agencies, the Western Manitoba agency, the Central Manitoba agency and the Winnipeg Child and Family Services agency, as well as their executive directors, and indicated the changes that we were bringing about and that we would work in partnership with them to be able to deliver this service.

Universities Visa Students—Differential Fees

Ms. Jean Friesen (Wolseley): Mr. Speaker, my question is for the Minister of Education.

I want to ask her to clarify for the House the government policy on differential fees for international students.

The minister's press release of February 25 says, and I quote: Visa students, except those exempted by existing agreements, will be required to pay a 75 percent premium on tuition to bring Manitoba's universities into line with other provinces.

The Premier (Mr. Filmon), as we know, on Friday said that universities are not forced to introduce these differential fees, that they can, and I quote: choose whether or not to do it.

Yesterday, while trying to clarify this in the House with the minister, the minister said: "Yes, the universities do have the autonomy to apply this surcharge to visa students. We announced what the level would be. If universities wish to apply a level less than 1.75 or the .75 surcharge . . . they will make that decision."

It seems to me, Mr. Speaker, that there is still a great deal of confusion around this, so I want to give the minister the chance to confirm to this House that no university in Manitoba is being required to introduce differential fees.

Hon. Rosemary Vodrey (Minister of Education and Training): Mr. Speaker, previously there had not been a position or a policy taken by government on the issue of differential fees for visa students. This year, in making the funding announcement to universities, we did announce such a policy.

However, there is a recognition that universities are autonomous bodies. Therefore, in the letter that was sent to the chairs of the boards, there were two completely separate paragraphs, one paragraph announcing the 5 percent cap which government did impose upon student tuition fees, and that is tied to a penalty if universities do exceed that 5 percent cap. However, in a completely separate paragraph, not tied to a penalty, was the announcement of differential fees policy.

* (1355)

Ms. Friesen: Mr. Speaker, I will certainly have to read that because I did not understand it as the minister said it. So I will take the question a step further.

Will the minister assure the House that should any Manitoba university choose not to introduce differential fees, there will be no financial penalty to the university, no contingent withdrawal of funds by the government?

Mrs. Vodrey: Mr. Speaker, I have just said to the member that the contingency and the penalty rests with the 5 percent cap on student tuition, and there has not been a penalty tied to the imposition of the differential fee.

Ms. Friesen: Mr. Speaker, will the minister explain to the House why she expects international students on fixed grants from their home country, why does she expect that they will remain in Manitoba under differential fees when the University of Saskatchewan does not charge differential fees? I know that the minister does not believe that. She has raised it in the House before, and I want to table copies of a transmittal sheet from the University of Saskatchewan registrar's department which indicates, as I said, \$100 international fee just like the University of Manitoba's \$50 fee. Why would they stay here under different—

Mr. Speaker: Order, please. The honourable member has put her question.

Mrs. Vodrey: Mr. Speaker, first of all, because universities across this country do have the ability and do impose differential fees; however, some universities do not impose them at the graduate level or some universities do not impose them at the professional faculty level. When the member looks at what is offered at the University of Saskatchewan, I think she will see that there is some difference.

Then, Mr. Speaker, the main reason I think that people will still attend universities in Manitoba is because of a sense of pride that we have in Manitoba that you do not have, because we believe that people do want to come to Manitoba. We still believe this is the best province in Canada.

Universities Visa Students—Differential Fees

Mr. Reg Alcock (Osborne): Mr. Speaker, I wonder if the Minister of Education, now that she has clarified the position on differential fees, could explain to us the reason for their moving towards this policy.

Was this policy decision by government something that was requested by Manitoba universities of the government?

Hon. Rosemary Vodrey (Minister of Education and Training): Mr. Speaker, in making policy we did look across Canada. We did see that there was no statement on behalf of our government in terms of differential fees. There were policies across Canada and other provinces. This was an effort to bring Manitoba into line with other provinces across Canada.

Mr. Alcock: Mr. Speaker, my question I think needs to be reframed slightly.

Did a single university in this province approach the minister and ask her for a policy on differential fees?

Mrs. Vodrey: Mr. Speaker, in meetings with the university, we discuss a wide variety of issues. Some of those issues are revenue-producing issues. Some of those are expenditure-related issues. Others are matter of policy relating to decisions that universities themselves will be making. Therefore, we have a wide variety of discussions with universities representing Manitoba.

Mr. Alcock: Mr. Speaker, I would suggest that I am not asking about a wide variety of issues.

I am asking the minister: Can she table a single piece of correspondence from any university, a students' union, any group within the university that is empowered to make such a request, that makes the request about a differential fees policy? Is there a single piece of correspondence?

Mrs. Vodrey: Mr. Speaker, as the member has spoken about before, universities do have the power to make this kind of a decision and now with government having established a policy, we will look to universities to decide how they will then implement this policy.

Department of Agriculture

Agricultural Development and Marketing

Ms. Rosann Wowchuk (Swan River): Mr. Speaker, each time we ask the Minister of Agriculture a question, he responds that we must look to the future, that our farm economy must diversify and we have to examine new options to adapt to changing times. Given the minister's emphasis on change, will he tell this House why he has cut \$600,000, nearly 6 percent of the Agricultural Development and Marketing branch, a branch which provides resources and support for research into sustainable agriculture, a branch that

supports the 4-H clubs, provides agriculture and training and is supposed to enhance our agriculture and food industry?

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, these are not the easiest of times financially for this government or any government of this country.

We are going through a process of establishing priorities, and the priority in the eyes of the Manitoba farmer is heavy expenditures on stabilization, where two-thirds to three-quarters of our budget goes. Last year, it was \$90 million and this year it will be a similar proportion, two-thirds to three-quarters of our budget on stabilization for the farm community.

Yes, marketing is an important mission for our department and that mission will continue to be carried out. The elements as to why those dollars are less, we will talk about in the Estimates. I am ready to get into them anytime.

*(1400)

Ms. Wowchuk: Mr. Speaker, this just goes completely against what the minister has been saying earlier about change.

University of Manitoba Grant

Ms. Rosann Wowchuk (Swan River): How does the Minister of Agriculture justify reducing the grants to the University of Winnipeg, a grant which according to the minister's own information allows the university to conduct research in enhancing productivity and income for the agricultural sector?

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, I would like to remind the member that research in the Faculty of Agriculture is done at the University of Manitoba, not the University of Winnipeg as she just said. I would expect her to get her details straight before she asks the question in this House. I think the member recognized she made a grave error.

The budget of the University of Manitoba was reduced some 2 percent, a very small reduction. They source research funds from a wide number of other areas and we continue to work with them. Yes, research is important and a 2 percent reduction is not a significant reduction.

Ms. Wowchuk: I apologize to the minister for making a mistake on Winnipeg, instead of Manitoba.

Wild Rice Research

Ms. Rosann Wowchuk (Swan River): If this minister is supportive of diversification in enhancing the rural economy, can he tell us that he is also in support of cutting the grant to the university on Wild Rice Research?

This is supposed to be one of the areas that people on our lowest income are having additional income from wild rice production and this government has cut down the research on this. Why does this minister support this kind of a cut?

Hon. James Downey (Minister of Northern Affairs and responsible for Native Affairs): Mr. Speaker, I want to indicate to the member that the wild rice industry is extremely important to this province. There has been considerable support given to the wild rice producers' co-op in The Pas area, of which there has been substantial funds advanced through CEDF on a loan program.

I can assure that it is an important activity, which the research that has been done to this point will not be in any way jeopardized by the decisions that this government has made.

Racism Hate Literature Investigation

Ms. Becky Barrett (Wellington): Mr. Speaker, yesterday, the president of the National Black Coalition of Canada received a—well, I do not know what to call it—a piece of hate literature, I think, is the nicest word I can use.

An Honourable Member: Garbage.

Ms. Barrett: A piece of garbage—thank you, Mr. Minister—threatening not only his life, but the life of all black citizens in Canada and casting horrendous aspersions upon the multicultural community, the lesbian community, the gay community and a number of other individuals and groups in this province.

Mr. Williams, who received this missive, has called upon the Minister of Justice to launch an immediate investigation not only of this issue, but of the other instances that have happened in this province recently of other hate literature.

I am asking the Minister of Justice today if he is planning to initiate an immediate investigation into this latest in a whole series of horrendous events like this.

Hon. James McCrae (Minister of Justice and Attorney General): Absolutely, Mr. Speaker. The garbage that was sent to Mr. Williams is disgusting in the extreme. It is contrary to everything we as Canadians and Manitobans stand for and is obviously the product of a sick mind.

Mr. Speaker, that information, as soon as it came to my attention, I brought to the attention of the assistant deputy minister for Public Prosecutions who has made the Winnipeg police aware, if the complainant has not already done that, so that we can investigate the matter. I guess we can hope that the investigation will bear fruit.

Ms. Barrett: Mr. Speaker, I am delighted to hear that the minister has undertaken that. This is something that cannot be allowed to continue.

I would just like to ask the minister if he would undertake to keep this House informed, within of course the rules of jurisprudence, of the ongoing investigation so that we can all understand what is happening.

This kind of material jeopardizes all of us in Manitoba, and that there is one individual, even one individual in the province, who is disseminating this kind of material is unconscionable.

I would just ask the minister to keep us informed of the ongoing investigation.

Mr. McCrae: To the extent that I can do that, I certainly will, Mr. Speaker.

This is not the first time this particular complainant has been singled out. The honourable member's colleague for Radisson has been singled out in the past, and a reporter for the Winnipeg Sun has been singled out in the past.

Yes, I will do what I can to keep the honourable member and honourable members informed.

In a way, what happened here makes it all the more reason why the announcement made today about a bumper sticker program, why that program is important. It is a program sponsored by the Canadian police race centre here in Manitoba. We are the first province to have our police agencies displaying a bumper sticker which calls attention to the issue of police race relations. I was pleased to be part of that announcement over at D Division Headquarters today. An incident like the one the honourable member brings up makes it all the more reason why we should do those kinds of things.

Ms. Barrett: Mr. Speaker, notwithstanding the importance of a bumper sticker campaign, the best way to avoid these kinds of incidents happening in the future is making sure that there is a successful conclusion to these investigations.

I want to urge the minister and ask the minister if he will do everything in his power to see that this investigation comes to a successful conclusion, unlike the last one which was unsuccessful.

Mr. McCrae: My department and the police authorities will indeed do everything in our power.

The honourable member has to remember, however, that people who commit criminal—and that is what this is—criminal activities, do their best to escape detection. That has been a problem with other investigations where people have anonymously sent out hate literature. They do not write their name and address at the bottom and that is the unfortunate part about it, but we will do everything we can to try to find the source of this garbage.

*(1410)

National Transportation Agency Airline Merger Hearings

Mr. Daryl Reid (Transcona): Mr. Speaker, on Monday of this week the National Transportation Agency meetings started in Calgary to review the terms of the Pacific Western Airlines agreement with American Airlines. This agreement also includes the withdrawal of Canadian Airlines from its partnership in Gemini Reservations. Gemini employs approximately 175 people in Winnipeg. These meetings will also involve airline transportation in our province in general.

I want to ask the Minister of Highways and Transportation: Considering that Manitoba has many hundreds of airline jobs at risk on top of the 175 Gemini reservation jobs, has Manitoba and has this minister's department asked for standing at the hearings in Calgary, and have we sent representatives to attend those meetings, Mr. Speaker?

Hon. Albert Driedger (Minister of Highways and Transportation): Mr. Speaker, the member is right that the hearings have started on the issue with American and Canadian. We have not taken a formal position at these hearings. However, we have observer status there. We are monitoring what is happening so we know exactly what is going

on. The sensitivity of the position for ourselves as Manitobans is that we have jobs at stake in the amalgamation to some degree. We also have jobs at stake with Gemini. So we are playing an observer role at the present time.

National Transportation Agency Airline Merger Hearings

Mr. Daryl Reid (Transcona): I take it from that, Mr. Speaker, that we do have observers at those meetings.

Can the minister tell me, Mr. Speaker, what policy or what position we will be taking should we have the opportunity to make a presentation to those hearings, with respect to the Canadian Airlines International and American Airlines agreement and, as well, the 175 Gemini jobs? What position are we taking with respect to those jobs?

Hon. Eric Stefanson (Minister of Industry, Trade and Tourism): Mr. Speaker, as I responded in this House not long ago, in terms of the same issue that the honourable member is raising today, we continue to work with the officials of Gemini. We have met with them. We are in constant communication with them to be sure that we do everything possible to maintain the presence and maintain those jobs in Winnipeg, in Manitoba, either in a combination of their current function or responsibilities and/or other functions or responsibilities that we anticipate they can take on.

Gemini Reservations System Manitoba Job Losses

Mr. Daryl Reid (Transcona): Mr. Speaker, my final supplementary to the Minister of Transportation.

Has the minister's department done any studies to determine, if PWA and American Airlines receive permission from the NTA and the competition tribunal to terminate the Gemini contract and to sell 25 percent equity to American Airlines, how many Manitoba jobs will be lost as a result of this agreement being allowed to go forward, Mr. Speaker?

Hon. Eric Stefanson (Minister of Industry, Trade and Tourism): Mr. Speaker, that is part and parcel of the kinds of discussion that we have had with Gemini, is obviously taking into consideration all factors of what might occur. We are pursuing a

series of initiatives in terms of what can be done to maintain those jobs right here in Manitoba.

Sunday Shopping Public Hearings

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, time after time, we see clearer demonstration from this government that they do not have a plan, in fact, they do not know what it is that they are doing when it comes to budget, when it comes to legislation. In fact, if we go back to Bill 4, where it was passed into committee back on December 16, the government made a commitment to go into public hearings. I can recall the debate at that time, when the government was trying to encourage the opposition parties to allow it to go into committee so the government could in fact call it into committee, allow for that public input. That public input has not occurred.

My question to the government House leader is: Why did he not have public hearing on Bill 4? What he has done is he turned the whole process into a farce, Mr. Speaker.

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, a little bit of revisionist history has been presented by the member in his preamble.

Let me say, Mr. Speaker, we said at the beginning and we continue to say through the process, and we continue to say today, that Manitobans will have an opportunity to present their views on any issue dealing with Sunday shopping. The member may have liked to have had the hearings sooner. I am here to tell the member that as was promised by the minister, there were indices. Indeed, there is an opportunity to look at some quantifiable analysis. That had to be developed and indeed had to be performed before open hearings would be of meaning.

Legislation Justification

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, how does the government House leader, how does the government justify changing a law or ignoring a law by introducing a bill, turning that bill into a farce and now they introduce another bill? How do they justify even bringing in Bill 4, because this government had no intentions whatsoever to have—

Mr. Speaker: Order, please. The honourable member has put his question.

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, the member is bordering on impugning

motives of the government, and I do not think he would want to do that. He is an honourable member and would never want to be thought of as that type of individual.

Mr. Speaker, I will fully explain to the Liberal House leader, hopefully some time today, as to the course that the government wishes to take on this whole issue.

Public Hearings

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, can the government House leader give some assurances that he will bring into committee public hearings on Bill 23—or Bill 4? When can we anticipate that the government will be introducing the bill?

He made reference to requesting leave. Something that we were not going to do was give the government House leader leave, because once again, it demonstrates that he did not have a plan.

Mr. Speaker, will the government House leader assure the Chamber that in fact we will have the committee hearings on Bill 23—on Bill 4, my apology—Mr. Speaker? What is his definition of soon, because—

Mr. Speaker: Order, please. The honourable member has put his question.

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, the Deputy Premier has presented the answer to that question, and I have also in my reply. There will be full public hearings. Let me say to the member, our intention is—and I am troubled that the Liberals would choose not to grant leave. It was our intention to try and have second reading on the 5th so that we could—

Mr. Speaker: Order, please.

Point of Order

Mr. Steve Ashton (Opposition House Leader): Mr. Speaker, on a point of order, it is not appropriate for the government House leader to revisit the fact that the opposition parties, after waiting three and a half months for this government to bring in public hearings on Sunday shopping, are now asking leave to bring in another bill—Sunday shopping, the sequel. We want the original bill in committee. We are prepared to deal with that—

Mr. Speaker: Order, please. The honourable member does not have a point of order.

* * *

Mr. Manness: Mr. Speaker, I am disappointed in the member for Thompson (Mr. Ashton). As we are approaching break and another important family time, I am disappointed in his approach today.

I say to the member that Bill 4 will be dealt with in a fashion that—[interjection] No, the Leader says it will be subsumed. No, but we might like to put into tandem both bills. I can assure that all members and indeed all members of the public will have an opportunity to make representation on one or both of the bills if they so choose.

John Howard Society Restorative Restitution Project

Ms. Becky Barrett (Wellington): Mr. Speaker, the Provincial Court Chief Judge, the Honourable Mr. Stefanson, stated there is a growing recognition and acceptance that punishment through jail is failing to rehabilitate a great number of offenders, and no one can doubt that alternative to jail proposals are worth a very serious try.

Mr. Speaker, the John Howard Society has submitted a restorative restitution pilot project to implement community-based sentencing to both the federal Solicitor General, the federal Department of Justice and the provincial Department of Justice. The federal government is willing to match any funds that the provincial government is willing to put forward to this pilot project.

I would like to ask the Minister of Justice if he is prepared to commit the funds for this 18-month pilot project as requested most recently in a draft budget by the John Howard Society.

Hon. James McCrae (Minister of Justice and Attorney General): Mr. Speaker, representatives of the Corrections division of my department and of the John Howard Society have been discussing the program proposal the honourable member raises in the House today. My latest report is that those discussions had not resulted in a proposal to me at that point. It may be that the department is ready to make a proposal to me which I can then review, and I can bring the honourable member up to date on the progress of this matter.

Mr. Speaker: Time for Oral Questions has expired.

* (1420)

Nonpolitical Statements

Hon. Eric Stefanson (Minister of Sport): Mr. Speaker, may I please have leave to make a nonpolitical statement?

Mr. Speaker: Does the honourable minister have leave to make a nonpolitical statement? [agreed]

Mr. Stefanson: Mr. Speaker, building on some comments made recently in this House by the member for Kildonan (Mr. Chomiak), today it gives me great pleasure to rise before the House and on behalf of the government extend our congratulations to Winnipeg Jet rookie forward Teemu Selanne. Those of us who follow the Jets and professional hockey closely have watched Teemu Selanne with amazement throughout the entire season and as credit to his abilities, one record after another has come his way. After surpassing Mike Bossy's record earlier this month for goals in one season by a rookie, Teemu Selanne on Tuesday recorded two goals and an assist to pass Peter Stastny's mark of 109 points and establish a new NHL record for points by a rookie in one season.

With a little more than two weeks left in the regular season, Mr. Speaker, there is little doubt that Teemu Selanne will be named the NHL's Calder Trophy winner as the rookie of the year and should rate serious consideration, as well, as a candidate for the Hart Trophy as the NHL's most valuable player.

A native of Finland, Teemu Selanne has quickly become one of our most recognizable and leading citizens and one of the most popular players in the National Hockey League amongst his peers and amongst fans.

I would ask all members to join me in recognizing the remarkable feats of Teemu Selanne in his record-setting rookie season and for the contribution he has made to our community and province and to further extend our best wishes to Teemu and to the Winnipeg Jets as they prepare for the Stanley Cup playoffs, Mr. Speaker.

Mr. Speaker: Does the honourable member for Kildonan have leave to make a nonpolitical statement? [agreed]

Mr. Dave Chomiak (Kildonan): Mr. Speaker, I join with the New Democratic Party to welcome the words of the minister. Again, the point I want to make is it is Tamu (phonetic) not Teemu.

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I rise and ask for leave to make a nonpolitical statement.

Mr. Speaker: Does the honourable Minister of Finance have leave to make a nonpolitical statement? [agreed]

Mr. Manness: Thank you to members of the House. Mr. Speaker, this past weekend March 19 to 21, hockey teams from all across Manitoba came together at Lundar for the Peewee A Age 13 Provincial Championships. I am delighted to indicate to the House that a team from my constituency, namely, the MacDonald Kernels won the championship with a four to one victory over Stonewall in the final game. The boys on this team come from the hamlets and towns of Sanford, Brunkild, La Salle, Starbuck and Domain. The team includes: Rejean Lagace, goalie, Mark Bain, Andrew Kaminsky, Drew McDonald, Gavin Harrison, Ryan Reinsch, Ryan Chodachek, Kevin Goossen, Kevin Schnell, Russell Erb, Alan Manness, Chad Brick, Robert Elliott, Eric Qually and Matthew Moroz. Of course, a good team like this has to have good coaches. They are Jason Manness, Jeff MacDonald, Cliff Harrison and myself.

ORDERS OF THE DAY

Hon. Clayton Manness (Government House Leader): Mr. Speaker, would you call second readings, Bills 19 and 20.

SECOND READINGS

Bill 19—The Court of Queen's Bench Amendment and Consequential Amendments Act

Hon. James McCrae (Minister of Justice and Attorney General): Mr. Speaker, I move, seconded by the honourable Minister of Finance (Mr. Manness), that Bill 19, The Court of Queen's Bench Amendment and Consequential Amendments Act (Loi modifiant la Loi sur la Cour du Banc de la Reine et apportant des modifications corrélatives à d'autres lois), be now read a second time and be referred to a committee of this House.

Motion presented.

Mr. McCrae: Mr. Speaker, the proposed amendments to The Queen's Bench Act deal with

the payment of post-judgment interest and the periodic payment of damages in actions involving personal injury and death. The amendments affecting post-judgment interest will replace the Interest Act of Canada, which will be repealed once Manitoba's legislation comes into force.

These amendments will allow for the payment of post-judgment interest at the same rate as the pre-judgment interest rate. The rate is currently based on the rate at which the Bank of Canada makes short-term advances to the chartered banks.

The purpose of the legislation dealing with periodic payments is to give the court the ability to make a judgment that allows for the payment of damages arising out of a personal injury claim or death by way of periodic payments as opposed to a lump sum payment. Under the present system, the court could only award periodic payments with the consent of both parties to a lawsuit. These amendments will allow the court to make a periodic damage award when an application is made by one party and the court feels that a periodic payment system is appropriate.

The benefits of a system of periodic payments have been recognized by numerous studies outlined in the Manitoba Law Reform Commission report, as well as by the Supreme Court of Canada.

The present system of lump-sum awards often results in awards that are inaccurate, especially when a large portion of an award represents compensation for future losses. These high-damage awards are often attributed to the management fees and gross-ups for future taxation as part of the lump sum. Periodic payments help to reduce the size of awards by eliminating these two elements. Reducing the size of awards will also help to reduce liability insurance premiums in the future.

At the same time, periodic payments will result in improvements to the accuracy of awards, because the courts will no longer have to calculate gross-ups for future taxation liability. This kind of prediction on future returns on investment and future rates of taxation is very speculative in nature.

I am pleased to note that Manitoba will be the first jurisdiction in Canada to give the court this discretion to award periodic payments. We are convinced that granting the courts this discretion will improve the existing system by which damages for personal injury and death are calculated and paid.

Mr. Speaker, with these brief remarks, I recommend this bill for second reading.

Mr. Paul Edwards (St. James): Mr. Speaker, I am pleased to stand and speak today to this bill. I want to have it noted that I am speaking immediately after the minister has spoken because I want to indicate early on, and I will be the only speaker for our party on this bill, that we wholeheartedly support this piece of legislation.

I do look forward to speedy passage of this legislation, and I recommend it to my colleagues in the New Democratic Party.

As the minister has said, there is a problem in the current state of the law in having courts have the ability to structure settlements over periods of time.

When people are injured, their injuries cause damage into future years, oftentimes a lifetime. The result of that is that the court at a fixed date, at a moment in time, a snapshot, has to try to assess what the damages are going to be for decades into the future. It is a very, very difficult speculative task. One has to only participate in one of the trials of this nature, as I have done many times, to understand how difficult it is and how much at the end of the day it ends up just being a shot in the dark as to what the actual amounts are.

Judges acknowledge that and have been asking, and the Supreme Court has made comment, about the need for structured settlements. This act, by giving judges the ability to allow for payments over a period of time, works to the benefit of plaintiffs in those cases as well as the insurance company, the insured public.

Mr. Speaker, I am very pleased to see this bill come forward. There will be some questions on the specific wording of the bill at the committee stage, but I think it is important that this piece of legislation, as soon as possible, be passed in this province, because it is high time that we allowed our courts to structure settlements for those future damages.

One other point I want to make is that MPIC has recently come under, of course—and it has in the past—criticism for having to increase premiums to Manitobans. The fact is that, as has been pointed out often by MPIC personnel, it is often attributed to the personal injury claims which are made and are often contested in the tort system in courts.

I want to just indicate that in my experience and in my discussions with people at MPIC, learned people at MPIC, the lawyers in the Legal

department, they will tell you, they will tell the minister that there are all kinds of ways, including this type of legislation, to provide for more efficient, more effective service without going to a system where we are reducing the benefits per se, but we are simply getting better at defining exactly what the damages are.

Mr. Speaker, there are all kinds of things like double indemnity for wage loss, which is often paid in this province. People who are claiming on insurance claims oftentimes get almost or close to double their actual wage loss. Why? Because of glitches in the legislation. Because MPIC is not a fund of last resort. That type of thinking can save the motoring public in Manitoba millions and millions of dollars.

I just lay that groundwork as a caution to this government and in particular the minister responsible for MPIC that the move to no-fault, the phrase "no-fault" should not be seen as a panacea when, in fact, if it is going to mean no benefits, nobody is going to be happy. The truth is, what we have to look for when we are looking at MPIC is getting value for the dollar. What we do not want to have is the motoring public led to believe they are insured for their full damages and then not even get a percentage of their actual damages if they are so unfortunate as to be involved in a motor vehicle accident.

* (1430)

There are all kinds of interesting things that I think we can do to reduce the cost. This is an important piece of legislation, I believe, to move towards the ability for structured settlements. I only wish that it had been in place earlier. I acknowledge what the minister says. We are moving before most other jurisdictions, if not all other jurisdictions. That is good, and I look forward to further discussions at committee.

Thank you, Mr. Speaker.

Ms. Becky Barrett (Wellington): I move, seconded by the member for Swan River (Ms. Wowchuk), that debate be adjourned.

Motion agreed to.

Bill 20—The Social Allowances Regulation Validation Act

Hon. James McCrae (Minister of Justice and Attorney General): I move, seconded by the honourable Minister of Northern Affairs (Mr.

Downey), that Bill 20, The Social Allowances Regulation Validation Act (Loi validant un règlement d'application de la Loi sur l'aide sociale), be now read a second time and be referred to a committee of this House.

Motion presented.

Mr. McCrae: Mr. Speaker, the purpose of this legislation is to clarify regulations under The Social Allowances Act. The policies enshrined in these regulations have been adhered to in practice since the 1970s and this legislation will ensure that the regulations are clearly defined and consistently interpreted.

The social allowances program regulations define sources of income and levels of assets which are excluded from consideration when determining eligibility for benefits under the program. The exclusions apply to payments such as Manitoba cost of living and property tax credits, the federal child tax benefit and the federal goods and services tax credit.

For the past 20 years the social allowances program has held that income from these sources is exempt upon receipt but becomes an asset after a reasonable period of time. The usual guideline for this grace period is about four months. The Social Allowances Act and regulations have been interpreted and applied in this fashion. However, following a recent review it was felt that the regulations should be amended to clearly specify that for social allowance recipients, income from excluded sources will, after a prescribed period of time, become an asset to be considered when determining eligibility for benefits under the program.

The amendments to the regulations will ensure that income from exempt sources will be excluded from a recipient's income when determining eligibility for social allowance benefits in the month it is received. Furthermore, the regulations provide for an extension to this grace period at the discretion of the director of social allowance for a period not exceeding twelve months from receipt of the exempt income.

This legislation has the effect of applying the amended regulations under The Social Allowances Act retroactively. The intent of the legislation is to ensure that decisions made when administering The Social Allowances Act prior to the amendment of the regulations are validated as long as they meet

the criteria of the amended regulations. In other words, if the amended regulations had been in force at the time, these decisions would have been approved. This validation is consistent with the way The Social Allowances Act and regulations have been interpreted and applied with respect to the treatment of exempt income.

With those brief remarks I will recommend this bill for second reading, Mr. Speaker.

Ms. Becky Barrett (Wellington): Mr. Speaker, I move, seconded by the honourable member for St. Johns (Ms. Wasylycia-Leis), that debate be adjourned.

Motion agreed to.

House Business

Hon. Clayton Manness (Government House Leader): Mr. Speaker, would you move the Supply motion as we continue along, the Interim Supply.

I move, seconded by the honourable Minister of Northern and Native Affairs (Mr. Downey), that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of Ways and Means for raising of the Supply to be granted to Her Majesty.

Motion agreed to, and the House resolved itself into a committee to consider of Ways and Means for raising of the Supply to be granted to Her Majesty with the honourable member for Seine River (Mrs. Dacquay) in the Chair.

SUPPLY-INTERIM SUPPLY

COMMITTEE OF WAYS AND MEANS

Madam Chairperson (Louise Dacquay): Will the Committee of Ways and Means please come to order.

We have been considering a resolution respecting the Interim Supply.

Is the committee ready for the question?

Ms. Becky Barrett (Wellington): Madam Chairperson, the committee I believe is hardly ready for the question, but I understand the need for you to ask it.

I have a question or two for the Minister of Family Services, if I may.

The minister has taken a second and maybe even more devastating swipe at the child care system in the province of Manitoba. He has made some

major changes to the funding arrangements that not only daycare centres and child care centres but also individual families have to pay for in the child care system in the province of Manitoba.

Madam Chairperson, I found it interesting that the Minister of Family Services (Mr. Gilleshammer) issued a press release late in the afternoon of the same day that the government announced the elimination of grants to 56 community organizations. I would imagine the timing of that was very carefully chosen so that the community was focused mainly on the 56 community cuts. Maybe the minister expected that the broader community would ignore or not be made aware of the problems that were going to be as a result of his changes to the child care funding system.

Madam Chairperson, I would like to ask to begin with a quite specific question of the minister, that is in regard to the fact that there is a cap being placed on the subsidized spaces in the province of Manitoba. Currently, there are approximately, my understanding is, 10,000 subsidized spaces in the Province of Manitoba child care system, and the cap is going to be 9,600 spaces. My question is to the minister, dealing with those 400 spaces. Can the minister explain the procedure by which those spaces will be lost to the child care system?

Hon. Harold Gilleshammer (Minister of Family Services): Madam Chairperson, I want to start by saying that we released the press release after we tabled the Detailed Estimates here in the House so that members such as yourself and your colleagues and the members from the third party would have an opportunity to have those Detailed Estimates, because we thought we were going into the Estimates process. That was tabled at around 1:30 in the afternoon. I am really puzzled as to what time of the day the member would like us to make announcements.

* (1440)

I remember making one at three o'clock one day and her Leader and others portrayed it as midnight or in the middle of the night. If we do it in the morning, then we get accused of not doing it while the House is open. I would be willing to take some instruction from my honourable friend to indicate what time these announcements would be preferable for whatever purposes she has.

There is going to be a cap on the number of subsidized spaces so that we can maintain our

expenditures within that given budget. We have announced that we would be withdrawing something like 400 spaces from the system, and we would do it by attrition.

Ms. Barrett: Madam Chairperson, I would be delighted to discuss in a different venue with the minister the most appropriate time of the day to issue a press release. However, the specific question I have—and the minister has begun to make an answer to the question about the elimination of subsidized spaces when he states that it will be through attrition.

My next question on this issue is: A daycare with 50 subsidized spaces, should a subsidized family leave one of those spaces—and we can discuss the potential reasons for that family leaving those spaces later. Should a subsidized family leave a single—their child leave that space in that particular child care centre, will that space then be lost to that centre? Is the attrition based by centres or is it going to be spread out throughout the province? How do those 400 spaces get eliminated?

Mr. Gilleshammer: Madam Chairperson, we will do it in the fairest way possible so that we are well aware that we would not want the impact of that decision to reside on any one or a few centres. I think we will work within the Child and Family Services in daycare through that office to try to minimize the impact on both the family and the centres, but we are going to by attrition downsize the number of subsidized spaces by about 400.

Ms. Barrett: Madam Chairperson, I was able I believe to hear most of the minister's responses, but not all of the minister's responses potentially. No, I believe I heard it. I was actually making a comment more to the upper benches than I was to the minister. None of the upper benches, of course, were paying any attention to me, but then—

Madam Chairperson: Does the honourable member for Wellington wish me to call the members to order so that, indeed, your question can be heard by the Minister of Family Services?

Ms. Barrett: Yes, Madam Chairperson, the honourable member for Wellington would appreciate that greatly.

Madam Chairperson: Order, please. May I please have the co-operation of all honourable members to ensure that the honourable member for Wellington may pose her questions and, indeed,

hear the response from the honourable Minister of Family Services.

Ms. Barrett: Thank you, Madam Chairperson.

My understanding from what I could hear of the answer the minister gave me is that the minister and his department have not yet determined the actual implementation of the attrition of those 400 daycare spaces. If my understanding is correct, I would appreciate a clarification. If not, could the minister clarify it for me and have me understand that?

Mr. Gilleshammer: Well, I will certainly try and have you understand it. We are going to, as I have indicated, downsize the number of subsidized spaces by some 400. We are going to do it by attrition, and we are going to work with the daycare providers, whether they be centres or homes, to try and ensure that we minimize the impact on any one centre or any one home. Because we have in excess of 400 homes and centres, our plan is to try to manage it so that the impact of the subsidy reduction does not impact any one centre or home to any great degree.

Ms. Barrett: Madam Chairperson, I believe that my first reaction was correct, that the minister does not have a specific formula or outline that he could share with a particular centre saying, this is how we are going to implement the attrition. I am getting calls, as I am sure the minister's office is, as the Child Day Care division is, as my caucus colleagues are, from child care providers both in homes and in centres, particularly in centres where there is a high degree of subsidization. These centres are legitimately worried about the impact that this attrition and ultimate elimination of 400 subsidized spaces will have on their centre's ability to operate, as well as the impact it is going to have on those individuals, but I would like to focus particularly on those centres.

Centres are getting less and less of their money from the government through operating grants. They are being asked to rely more and more on parental fees. The subsidies are going to be capped. The subsidy amounts are not expanding, and as a result of the restructuring of the formula two years ago, centres have no surpluses. They are to the bones. They have nothing to shield them from the impact of these reductions.

I would like to make another comment. I see the minister shaking his head when I commented about centres having no subsidies. I am not, for a

moment, suggesting that all centres in the province have eliminated all of their surpluses, but many of the centres, over the past two years, have been forced, by this government's fee restructuring and narrowing of its operating grant to centres, to put themselves in a financial situation where they have no additional resources. They are budgeting based on 100 percent, their centres being fully occupied all of the time.

When they have the vast majority or all of their spaces currently subsidized, they cannot afford to lose those spaces. When they do lose those spaces, they want to know—and I think they have a legitimate right to know—what the impact is going to be on their particular centre.

Is there a formula in place where the government says, 90 percent of our subsidized spaces are in child care centres, if that happens to be the case, and 10 percent in family daycare, so we are going to take 90 percent of our reduction or elimination of subsidized centres from daycares and 10 percent from family daycares? Are they going to say, we have done an investigation region by region and have decided that 300 spaces will come from Winnipeg, and 25 will come from the Parkland and 25 will come from Southwest, et cetera? What is the formula whereby those spaces are going to be eliminated? If there is no formula, how is a centre supposed to know what kind of operating budget they are going to be dealing with?

Mr. Gilleshammer: Madam Chairperson, just to go back to the member's initial remarks when she indicated that the grants had decreased to the centres, of course, she is quite correct, but there has also been a tremendous increase on the subsidy side so that centres can gain their income through grants, subsidies and parent fees. Many of the centres have full fee-paying parents, and the restructuring that we did two years ago had a balance to it. As the grants went down, the subsidies went up, and we determined the daily cost of care and thereby set a parent fee.

* (1450)

There is also an additional dollar a day that some of the centres charge to clients, as well as the fact that many centres do some fundraising and also access grants through community services council and the Community Places grants.

So there is a variety of income, and the member has to appreciate that each centre board has a

variety of decisions to make. [interjection] Well, I am sort of surprised by the member's reaction there because there are boards in those centres and they do make decisions. If it is different from that, I am sure she will have an opportunity to tell me during her next opportunity to ask a question.

All of those various sources of income and all of the expenditures they have, the board has to manage that, and, yes, some of the centres and some of the parents have called looking for information that was provided last week on the new fees and changes in daycare. We have been providing that to the individuals who have been phoning.

As well, I met recently with both the MCCA and the home-based organization that looks after daycare homes, and we have talked about some of the restructuring and some of the changes that were going to come about. I have indicated to them, because of a dramatic increase in the amount of dollars that have been spent on daycare, that certainly this next year would be a pause in the amount of government dollars going into the daycare area. As a result, we would be freezing the licensing, and we now have also indicated that we are capping the number of subsidies.

The latter part of her question was to do with the distribution of those subsidies that are given to daycare homes, daycare centres; she also asked a question on the geography of the location of these centres, whether it would be based on that. We have just passed the changes in the regulations which will be coming into effect, and what we have been saying to daycare providers, whether it be daycare homes or daycare centres, is that we would try our best through the attrition process to minimize the impact on any one centre or any one home. Of course, the next part of this process will be that we will also have to use a waiting list for centres and homes that are going to have clients who want to access that service and if we are at the maximum.

Of course, as we approach the summer season, there is often a graduation that takes place as children who are currently accessing daycare homes or daycare centres will be moving into the school system. We are going to make every effort to work with the unions that represent the daycare workers in the centres to manage the change that is going to take place. It is my hope that any centre will not be impacted or any home will not be impacted by more than one position.

Ms. Barrett: Madam Chairperson, my reaction, as the minister spoke about earlier, was it must have been the 40th time, and I am being very conservative in my estimates here, that the minister has stated in this House and in Estimates over the past three years that boards, whether they be of Child and Family Services agencies or child cares or other organizations, have to manage and have choices to make and have the authority to do so. The reaction that I have is that, of course, the boards have those decisions to make and they have in the past made them based on very sound decisions and a knowledge and understanding of their local situations.

What this government is doing is not only offloading its responsibility for the funding of the child care system, but it is also saying that boards have difficult decisions to make when the government is not giving them the resources with which to make those decisions. Then it points to the board saying, the board made that decision when we all know, Madam Chairperson, that it is not the board that is making that ultimate decision. It is the government which says, there will be no operating grants. Ultimately, it is going to be a volume-driven, market-driven child care centre. Instead of being the best in North America, it is rapidly becoming the worst.

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

The minister says that he hopes that daycare centres and staff will not be unduly hurt by these changes, and he hopes they will be able to manage the change. How can a daycare centre manage the change when they do not know how the change is going to affect them?

Obviously, this government has decided we need to cut X number of dollars from this line in our budget. Treasury Board has stated you shall do this, and the government says, the minister says, fine, we will make this change. We will freeze licensing of spaces. We will cut back 4 percent, which seems to be the general operating change in many of these situations. We will cut 4 percent. We will do it by attrition, but we do not need to worry about planning how we are going to implement that attrition. We will let it happen and then we will do it—a clear case of total lack of understanding about the implications these changes have on child care centres and on child care parents.

Mr. Gilleshammer: Mr. Acting Chairperson, I am wondering how the member describes an increase in the budget from \$26 million to \$50 million as offloading?

Ms. Barrett: Mr. Acting Chairperson, I would be delighted to answer the question in a general manner because I do not have the specifics about each year in front of me.

Almost exactly two years ago, April 11 I believe it might have been, well into the new fiscal year, the Minister of Family Services (Mr. Gilleshammer) made an announcement at three o'clock in the afternoon after Question Period so that the opposition would not have an opportunity that day to ask questions about the announcement. He made a major announcement about restructuring the fees and funding of child care in Manitoba. The basic impact—

An Honourable Member: You are supposed to answer the question.

Ms. Barrett: I am answering it a lot more directly, sir, than the minister answers my questions. The impact of the original fee restructuring and the impact of this fee restructuring and changes to the formula for funding child daycare in the province of Manitoba has been to change, as the minister himself says, the focus of funding child daycare from a mix of operating grants, subsidies and salary enhancement grants to a much less, we say, fair mix of an increase in the focus on parental—[interjection] I am getting to the offloading.

The change has been from that mix which recognized a range of funding abilities to a funding formula which places far more emphasis on the fee component. The fee component is made up of the fees when parents are eligible for subsidies on a sliding scale—although we can talk about the unfairness of the sliding scale as opposed to the fee structure itself—a sliding scale of subsidies and fees that centres can charge to parents who are not eligible for any subsidies. The focus is moved far more to the fees that parents or the government through subsidies are paying and far less to the operating grant and salary enhancement grant component.

* (1500)

That, Mr. Acting Chairperson, is the crux of the offload. It is offloading the government's responsibility for participating in an active fashion with funding of child care centres in an operating

grant formula, as well as fees, and putting far more of that funding onto either the subsidy program or to parental fees.

Now, the other part of the offload is that when the government made the change in the fee structure, the government increased the fees for infant care by almost 50 percent and for preschool by almost 20 percent. There was not, Mr. Acting Chairperson, a concomitant increase in the subsidy formula. So, No. 1, two years ago, we have a major offload. If your family income was eligible for a subsidy on April 10, you had virtually no increase in your family income for the subsidy level on April 11, 1991, except that your fees went up by 50 percent if you had an infant in care. Now, if that is not an offload, I would like to know what is.

The second component of the offload is that the formula, as I have stated before, is geared far more to the parents, either the subsidized or the unsubsidized fees. So those are the two components of the offload, and now the government is capping the number of subsidized spaces at a reduction of 4 percent. What this means is that the government is saying, we will only pay for X number of subsidized spaces. If you as a daycare or a family daycare cannot get nonsubsidized, full fee-paying parents to come into your child daycare, then you have to find money from elsewhere. That is offloading onto the daycare centres.

The child care system in the province of Ontario prior to 1990 was used by many child care experts, not only in Canada but in the United States, as a picture of the exact opposite of the child care system in the province of Manitoba. While Manitoba's was considered a model to emulate, Ontario's was considered a model of what happens if you do not have a balanced mix. You have child care centres with enormous waiting lists for subsidized spaces, which the minister has agreed will happen here, and empty spaces in the same child care centres because parents cannot afford the fees.

This is the kind of two-tiered privatized child care system we are going toward in this province largely because the Province of Manitoba is abrogating its ultimate responsibility for the child care system in this province and putting it onto parents and child care centres. That is what I mean very concisely by offload.

Mr. Gilleshammer: Mr. Acting Chairperson, I am still having some difficulty understanding how a 100 percent increase in funding is an offloading.

What the member is saying is that the money, in her mind, is going to the wrong people. The member must realize that a grant is a subsidy to everyone who accesses that system. What you are saying is that you want all parents subsidized the same way through the grant system so that those parents who cannot afford daycare would not get a subsidy and those who have two incomes that go into the hundreds of thousands of dollars should get government money for their children to be in daycare.

The restructuring that we did reduced the grants but dramatically increased the subsidies so that the money was targeted for—[interjection] Well, the former member for Ellice wants to get into the debate, and I am surprised, because I do not think the Liberals have a position on daycare. I have not heard anyone from her party ever speak on the daycare issue. The policy I thought that the Liberal Party was supporting, at least most recently, was that the money should go to people and that that money should be in subsidies and not in grants.

In fact, I am sure the member for Crescentwood (Ms. Gray), probably while practising some recreational sports, might want to speak to somebody who is quite involved in setting up the position of the government on the daycare position.

Again, the offloading the member for Wellington speaks of does not make sense. She would seem to be saying that we should withdraw the money from subsidies and not have daycare accessible to low-income families so that we can spend that money supporting daycare for those people who can afford to pay for it. The member talks about the increase in fees. Those fees were set in consultation with the community to determine what the actual cost of care was because, through the many, many grants that existed before, no one could pinpoint what that cost of care was.

So that committee, supported by all of the unions and people involved in the daycare review at that time, worked together to determine what the actual cost of care was. Now what we find, of course, is that cost of care is not as high in some of the rural centres. When the member was speaking yesterday, I am sure if she had more times she would have got around to that, that in many of the smaller

communities where there are centres, the centres are actually charging somewhat less than the daily cost of care and, at the same time, getting less on the subsidy side but managing their daycares with full attendance.

The member criticizes the fact that we have frozen the spaces. There are no longer long waiting lists. In fact, the MCCA asked us to freeze the spaces last summer, which we did temporarily, and we are going to do again. I am sure that we will have an opportunity to hear from the member for Crescentwood, because we are all really interested to know what the position of the Liberal party is on daycare.

What the member is saying in criticizing government for capping the subsidies and freezing the spaces is, it is okay to overspend your budget. The budget that we will print this year will be higher, and the member probably has already checked that, than the budget we printed last year. So there is an increase in the amount dedicated in the print to daycare. If spending \$45 million, \$50 million on daycare is not enough, I am wondering if the member might be bold enough to say how much we should spend on daycare to put in place the vision she has. Should it be \$75 million or \$100 million? We have seen that very dramatic increase in that budget line, higher than any other budget line in this department, higher than any other budget line in government, and what the member is saying is 100 percent increase over five budgets is not enough. I am wondering if she would volunteer to tell us how much it should be.

Some Honourable Members: Oh, oh.

The Acting Chairperson (Mr. Sveinson): The honourable member for Wellington. [interjection] Order, please. I am having trouble hearing the honourable member.

(Madam Chairperson in the Chair)

Ms. Barrett: My concern with the funding for child daycare has consistently been not with the amount. There is never going to be a total satisfaction on the part of any government or any opposition with any budgeted figure. There is always room for more. My concern has never been with the amount. It is the way the money has been apportioned, and I am not going to go into another explanation of our concerns about this.

* (1510)

I wanted to put one small correction on the record and then get into another area of his changes in the funding for child daycare. The minister said that there was—I believe he was referring to the working group when he was talking about a group that was making recommendations to the minister about the actual cost of care. I just want to remind the minister that the working group—many members of that working group, just like many members of the social assistance group that advised him on the harmonizing of rates provincially and municipally, came up with a series of recommendations.

The working group on child daycare never recommended a 50 per cent increase in fees for infant care to be implemented in one step. They recommended that there be a recognition of the actual cost of care, Madam Chairperson, the concerns that have been raised by members of the working group in the last two years and by family daycares and parents. Because he has been at enough of those meetings and heard enough of those concerns raised, the minister knows that this increase took place from one night to the next day. It was done not phased in but done immediately with virtually no corresponding increase in the sliding scale for subsidies.

The next area that I would briefly like to get into with the minister is his rationalization for the additional \$1.40 a day that daycare centres must charge their subsidized families. I will be brief—two parts. One is the \$1.40—where did that figure come from? Two, what was the rationalization for making that \$1.40 a requirement that daycares must charge their subsidized parent that rather than giving the daycares the option to charge or not to charge, as was the earlier practice with the dollar?

Mr. Gilleshammer: Madam Chairperson, I am pleased that the member for Wellington (Ms. Barrett) has stated the position of her party on the budget line and indicated that the amount we dedicate to daycare is sufficient. I think we are making good progress here, that recognition that the amount is enough, it is just that you do not like the way it is distributed.

Our belief and our philosophy is that the money we dedicate to the daycare line, the majority of it should go into the subsidies, and as a result the grants are lessened. What the member is saying is that she would prefer high grants to all of the centres and institutions and homes, and lower the subsidies. The grant, however, is a subsidy to everyone who

accesses daycare. When you have high-income parents, the member for Wellington is saying they should get a high subsidy. We do not believe that is correct. That is why we have lowered the grants and we have targeted the daycare money to those families that really need the financial assistance. I am pleased that we have agreement here that the budget line is sufficient, because I—

Ms. Barrett: Oh, do not be ridiculous. You know we do not have agreement on that.

Mr. Gilleshammer: You cannot agree to it once and then not agree to it the next time.

Point of Order

Ms. Barrett: On a point of order, I would like to ask the Minister of Family Services, when he is responding to a question, and a comment is made by any member of the opposition—I am trying to be parliamentary here, Madam Chairperson, with great difficulty—that he not put—

An Honourable Member: Do you want some parliamentary words?

Ms. Barrett: Yes, I know a number of unparliamentary words—that the Minister of Family Services, when he speaks, when he says what a member from the opposition says, that he accurately reflect what was stated. The Minister of Family Services, for almost three years has time and time again inaccurately reflected the words and the statements of not only myself but every other opposition member who has ever asked him a question.

Madam Chairperson: The honourable member for Wellington does not have a point of order. It is a dispute over the facts.

Mr. Gilleshammer: Madam Chairperson, if I have misinterpreted the member, I will read Hansard and just check and see what it is she said. I was sure there was agreement that the total budget line was sufficient. If it is not sufficient, I am sure she will indicate what it should be and whether it should be \$75 million or \$100 million.

I would point out in the province next to us that is governed by the member's fellow travellers they have one-third the budget that we have in Manitoba dedicated to daycare. So I am sure I was reflecting what the member was agreeing to, that that budget line is sufficient.

The member also indicated that the member opposite I think—

Some Honourable Members: Oh, oh.

Madam Chairperson: Order, please. The honourable Minister of Family Services to complete his response.

Mr. Gilleshammer: Thank you, Madam Chairperson, for getting members opposite under control, because I think this is really important that they understand that the member is saying that the subsidy scale is not wide enough. We give subsidies for children in daycare to people with a net income of almost \$60,000. What the member is saying is that upper limit of the subsidy should be further expanded and that subsidies should be given to higher income earning families. I can tell you that is not the vision that we have over here.

The member opposite did make comment on the development of the actual cost of care. This was a very important work that came out of the daycare discussions in '88, '89 and '90 where it was important to determine what the actual cost of care was for a child. It was determined that the cost of care for younger children was greater than the cost of care for some of the older children who are in daycare. It was a very important step in budgeting and assigning subsidies and grants to determine what that cost of care per child is. I would remind the member that the cost of care in daycare for children under two where either the parent or, through the subsidy process, government is involved, the cost of care for a child of that age can be over \$8,000 or \$9,000. So it is important that we know what that cost of care is when we do our budget deliberations.

If the member wants to expand the subsidy scale, that would indeed add more cost to the subsidies as more parents would be eligible for subsidy and, of course, they would pay less of that parent fee themselves. So I think while that subsidy scale may not be perfect, if it has to be changed, probably it should be shrunk instead of expanded so that the money is truly targeted for those who have a lower income.

Now the member did ask a couple of questions there. On the question of the \$1.40 a day, we felt because of the cost of care, because of the cost of the subsidies and the grants, because our daycare budget has escalated, that we would ask those parents of children who were being subsidized—

some of them completely, some of them partially—that they would contribute \$1.40 per day towards the cost of that subsidized space. Again, we still will be spending additional money from what we printed last year.

Again, I have to say I am pleased that the member has indicated that the budget is sufficient, and if she does have different ideas of how we should spend that \$46 million, \$47 million, we would be pleased to hear how it should be spent.

* (1520)

Ms. Barrett: Madam Chairperson, the minister, in his answer about the rationalization, has partially answered the question about the thinking behind the \$1.40 a day. I do not know if I asked it first, but I will ask it this time, why the figure \$1.40 was chosen, and secondly, another subsequent question—and he did not answer why it is now required, rather than allowing the daycares to make the determination if their family should, or could, be asked to take that extra \$1.40 a day. Thirdly, if the government is saying, as the minister said, that subsidized parents should be asked to pay some of the costs or additional costs of the child care fees, additional fees, why was the decision made that there would not be a sliding scale on that \$1.40?

The impact of that \$1.40 increase will be felt in a negative way by all families who are subsidized. However, it will be felt most negatively by those families who are currently fully subsidized, but they are going to be asked to pay the same \$1.40 a day extra as a family who gets only a partial subsidy is going to be asked to pay for.

Again, that appears to me to be a very regressive move rather than a recognition that families who are fully subsidized are, by definition, determined by the system to be unable to afford to pay for child care. So now the minister is saying, well, yes, we are fully subsidizing them on the one hand, but on the other hand, we can ask them to pay upwards of another \$700 a year for child care. I do not understand the rationalization behind that determination.

Mr. Gilleshammer: Madam Chairperson, what the member is saying is she would have preferred that we had a sliding scale, so that those at the top end of the subsidy would be paying more and those at the bottom end would be paying less.

The way the numbers go within the subsidy range is that the majority of the subsidized parents are at the bottom end of that range, and I suppose go

upward in a pyramid, so those people who are making a net income, those families, of \$50,000 who are still getting subsidy, would have to pay considerably more to offset the fact of what the member is saying, that they should be paying less at the bottom end. It would have presented a more cumbersome way of implementing this cost to the parents.

The \$1.40 per day was arrived at by studying the number of subsidized children whom we were currently responsible for. We looked at the daily cost of care, and we wanted to be able to keep that figure low enough, so we felt that all subsidized parents could participate by paying that \$1.40 a day, and, of course, lower the total amount of budget we dedicate to daycare.

The member has agreed that the \$46 million, going on \$47 million, was sufficient. If we have to work within that global figure, certainly there could have been different ways of doing it, having the additional cost per day higher for some, but we do have 10,000 subsidized spaces. The majority of them are at the bottom end. To make an appreciable difference at the top end, we would have had to put that fee up considerably for those who were at the top end of the subsidy. That is really inconsistent with what the member is saying about moving the top end of the subsidy even further. As a result, looking at the cost, looking at the income we wanted to minimize the impact on parents and at the same time give the daycare centres the same income.

I know that the member has aspirations of being the House leader of the opposition party some day and probably will be busy studying the Beauchesne to look at the various lists of words that are acceptable and unacceptable. I know when she takes over that role from the member for Thompson (Mr. Ashton) that she will do just an excellent job.

Point of Order

Mr. Kevin Lamoureux (Second Opposition House Leader): Madam Chairperson, generally speaking, we have seen opportunity—the official opposition has had an hour and a half to ask questions, or however long it has been. We have been waiting quite patiently. I do not mind if the member for Wolseley wants to ask questions. She is fully within her rights. I would suggest that the third party does have some questions too that they would like to get onto the record.

Mr. Steve Ashton (Opposition House Leader): Madam Chairperson, I would point out that it was the Liberal Party who did not want to get into Interim Supply. Perhaps if his Leader had not spoken for seven and a half hours and we had that additional time for Interim Supply, more members might be able to speak.

Madam Chairperson: The honourable member for Inkster does not have a point of order.

There are no rules outlining the order in which members speak or question in Ways and Means committee.

Ms. Jean Friesen (Wolseley): Madam Chairperson, I just have a few questions.

I wanted to ask the Deputy Premier about a government decision which the Minister of Education reminded me yesterday was not a departmental decision, it was a government decision. I want to ask the Deputy Premier: What is the government's position on differential fees for universities?

Hon. Rosemary Vodrey (Minister of Education and Training): Madam Chairperson, the decision that was made on behalf of the university funding and on behalf of the policy of visa fees and the differential fees for visa students is a government decision.

I am not sure what additional information I can provide the honourable member with that will assist in the point that she may be leading to.

Ms. Friesen: Madam Chairperson, my question really requires a yes or no answer.

Is the government requiring Manitoba universities to introduce differential fees of some kind, yes or no?

Mrs. Vodrey: Madam Chairperson, as I have explained, government has set out a policy regarding differential fees. Now the universities will look at how they will implement that.

As I have explained, the process of differential fees for visa students is not tied to the penalty that exceeding the 5 percent cap is tied to.

Ms. Friesen: Madam Chairperson, can I then use the minister's own words again and to say, are universities in Manitoba being required to implement differential fees of some kind, yes or no?

Mrs. Vodrey: Madam Chairperson, in explaining and in answering, I have given the same explanation to the honourable member, and I will explain it again. Government has set a policy. Universities have been informed, but we recognize that universities will be making their own decisions regarding the application of the differential fee, and I understand that the presidents may also be discussing this. It is not tied to the penalty as the 5 percent cap on student tuition is tied.

* (1530)

Ms. Friesen: The minister said the universities will be making their own decisions about the application of a differential fee. Does that mean that universities in Manitoba are being required to implement a differential fee, yes or no?

Mrs. Vodrey: Madam Chairperson, again, I have said that the government has set out a policy. There has not been a policy that has spoken to the differential fees on visa students, and there has been across Canada. Other governments have spoken to whether or not visa students might pay a differential fee. Across Canada, universities have determined how they will apply the fee, and we expect Manitoba's universities to do the same.

Ms. Friesen: Madam Chairperson, then what I heard the minister say was that universities will determine how they will apply a fee which has been set and requiring them to be implemented by the universities.

Again, I want to ask the minister: Is the government requiring universities in Manitoba to implement a differential fee of some kind, yes or no? [interjection] Until I get an answer, frankly.

Mrs. Vodrey: The honourable member seems to be seeking some specific wording to her answer. What I am doing is offering her the explanation, and it has been the same each time.

Government has set a policy regarding the differential fees for visa students. That was not articulated or in place in the past. We know that other provinces in Canada have done so.

Government has initiated and stated the policy. This policy has been communicated to the universities, and now the universities, through their boards of governors, will determine how they will apply it.

Ms. Friesen: Madam Chairperson, as I understand the minister then, the universities have no leeway

on whether or not to apply a fee. They have only the opportunity to decide how much of a differential fee will be applied. Is that what the government is saying, yes or no?

Mrs. Vodrey: Madam Chairperson, the universities will decide how they will apply the differential fee as it relates to visa students.

Ms. Friesen: I do thank the minister for that. I think that is clear. It does take us a step further. The universities must then apply a differential fee. Do I understand the minister correctly?

Mrs. Vodrey: Yes, the universities will decide how they will apply the fee. We have given a guideline. The universities will determine how they will apply it.

Ms. Friesen: The government then is requiring universities in Manitoba to apply a differential fee. Is that the case?

Mrs. Vodrey: Madam Chairperson, government has stated our policy regarding a differential fee to apply to visa students. However, we have not tied the application of that differential fee to the penalty that we have tied exceeding the 5 percent cap. Where universities exceed the 5 percent cap on student tuition, we have attached a penalty clause. The universities have been informed of that when the universities received in writing their information regarding the grants this year from the Universities Grants Commission.

I stated this physical separation even in the letter when I answered a previous question for that member. In one paragraph, the 5 percent cap was stated and the penalty should universities exceed the 5 percent cap. In a separate paragraph, universities were informed of government's policies regarding differential fees for university students.

Ms. Friesen: Madam Chairperson, the minister is answering questions which I have not asked. I am not asking at this stage about the penalty. I am asking the simple question whether universities in Manitoba are required to introduce a differential fee. The minister certainly, as I understand her today, has said, yes, they are required to introduce a differential fee, and they have some leeway in how that will be applied and I believe that she has said a maximum up to the level at which that can be applied. However, we are still left with the Premier's comment in the House on Friday which said that universities are not being required to do this.

Universities are very much confused about what is happening. If you look, for example, at the University of Winnipeg newspaper which is published today, the entire front page is devoted to the introduction of differential fees at the rate of 75 percent. Now, the university newspaper presumably was working on limited information. My job here is to try and clarify that for students, for their families and for the university administration, and that is exactly what I am trying to do.

I want the minister to say on record that, yes, this government is requiring universities in Manitoba to introduce some level of differential fees. It is a very straightforward question. I have asked it a number of times in the last hour. It seems to me that in all respect for this House the minister and the government should answer yes or no.

Mrs. Vodrey: Madam Chairperson, the answer to the member remains the same. Government has set a policy. The policy has been communicated to the universities. However, the application of the differential fee is not tied to the penalty clause as I have explained to the member. Therefore, universities will make their decisions. They will make their decision as to how they apply the fee. Now, the member may now have to approach the universities and speak to them about how they wish to apply the fee, but they now have the decision-making process. We have communicated with universities, spoken with universities and now the universities will make their decision.

Ms. Friesen: Madam Chairperson, well, then as I understand what the minister said yesterday, she has now changed her position. Yesterday, I said to the minister and I am quoting, I said: "If I am to understand what the minister is saying now, it is that the universities are under no direction, under no compunction, there will be no penalty if they do not apply differential fees to international students," and the minister said that is correct. So what she has said today is somewhat different. She is saying that there is—[interjection]

So let us follow up with some examples, if we can perhaps get at the answer that way. As far as this government is concerned, is it within the policy that the minister and government have set for the universities now to apply a \$1 differential fee; that is, they would be following the path of applying a differential fee and having the liberty to choose at what level it will be set? [interjection] I am asking a question.

Mrs. Vodrey: Madam Chairperson, I have answered the question several times. The member is asking me to speculate on what universities might do. I have told her that universities now will decide how they will apply the differential rate to visa students.

Ms. Friesen: So the only area of choice, of decision making to the universities is in the level of the fee. I understand what the minister is saying.

Is it within the context of this government's policy for the universities to set a \$1 differentiation fee for visa students?

Mrs. Vodrey: The universities, as I have said, will decide how they wish to apply the differential fee.

Mr. Kevin Lamoureux (Inkster): I have a number of questions that I would like to ask the Deputy Premier.

Madam Chairperson, what has happened is the government did make a commitment to rural Manitobans when they introduced the VLT system. What they did is they said that the VLT revenues would in fact be returned to rural economic development. They even came up with a program known as REDI.

My question to the Deputy Premier is: Why has this government broken its promise and not allocated all the revenues that are being generated from the VLT machines back into rural Manitoba?

Hon. James Downey (Deputy Premier): Madam Chairperson, I think it is important that we step back just a little bit further than the position which the would-be Leader of the Liberal party is wanting to start from, and that is the commitment of this government, this Premier (Mr. Filmon) and this party to rural Manitoba.

* (1540)

I will put on the record many of the things that this government has done to maintain and to establish for this country an agricultural—or maintain an established agricultural base that this country has depended upon for many, many years.

The thousands of dollars in program funding that have been put in place through the GRIP and NISA program, Madam Chairperson, cannot be disregarded—the amount of funds that are continued to be put in place and supported by this Premier and by this government in decentralization of government services throughout rural Manitoba, the programs that have been announced a year ago for

the mining industry to support the enhancement of mining activities, for the thousands of dollars that this government committed to the upgrading of the smelter in Flin Flon, millions of dollars which in fact will make sure that there is not environmental difficulty. That has been ongoing for many years, and it is in fact being upgraded.

I could go on and on as to the commitment of this government to rural Manitoba. As well, if the member wants to heed the information that he has been given several times, that we as a government have embarked upon the video lottery terminals for rural Manitoba, which would enhance the rural hotel industry—Madam Chairperson, the program has worked and has worked successfully.

I have not heard the member stand up and in any way acknowledge the policies of this government in the introduction of VLTs, to say, we appreciate the government of Manitoba introducing a program that would, in fact, support and retain rural hotels throughout Manitoba. Not once have I heard him in a positive way say that, Madam Chairperson. Not once have I heard him stand up and give credit to the positive initiatives that have been introduced by this government, but he comes with the tack that he thinks he is going to gain some political support for his leadership, political opportunism, because he picks up on an issue that he thinks is in some way going to cause the government problems.

I can tell you, I do not think he is on the right track. Madam Chairperson, there has been a commitment made, and there have been commitments lived up to as it relates to—I can add a few more: the rural water program under the Southern Development Initiative, where there are several millions of dollars that have been put into the sewer and water; for example, the program in Brandon where the Department of Rural Development put a million dollars into the upgrading of the Ayerst program for sewage treatment.

I could continue on, Madam Chairperson, but I know that members hopefully would like to pass this this afternoon, hopefully they would so that government could carry on with the business, rather than continually delay activities of government which cost taxpayers money.

I believe there has been a commitment made and a commitment lived up to, as there will continue to be commitments made and lived up to by this government to rural Manitoba.

The specifics of which he is asking, I will let the minister responsible further respond to, but I am not going to stand here, Madam Chairperson, or sit here, or this government is not going to sit here and take the kind of politicizing, the kind of lack of vision, lack of acknowledgement of what really has taken place throughout our rural communities. There is a commitment to rural Manitoba, as there is to urban Manitoba from this government. There will continue to be a commitment and a commitment lived up to. We will not sit down and take the cheap political posturing that a potential Liberal candidate has to better his career on the backs of people of rural Manitoba.

Mr. Lamoureux: Madam Chairperson, I am absolutely amazed with the baffle-gab that I just heard from the Deputy Premier (Mr. Downey). He talked about commitments that he made to rural Manitobans. What is very clear is that this government broke a commitment. They made a commitment that the VLT revenues would be returned to rural Manitoba. In fact, that commitment has not been maintained.

The Deputy Premier says, well, we have programs for the mining industry; we have a rural water commitment. Madam Chairperson, that has nothing to do the question I asked the Deputy Premier. The question I asked the Deputy Premier was, why did this government break its promise to rural Manitobans by not returning the VLT revenues back to rural Manitoba? Why did the government break its promise?

Hon. Leonard Derkach (Minister of Rural Development): Madam Chairperson, I am more than happy to stand in response to this question. This is one that has been raised by the member opposite on a couple of occasions, yet he knows nothing about what is going on in rural Manitoba. As a matter of fact, he does not really care, and that has been evidenced by the statements that they have made, his party has made, his Leader has made, that have been recorded quite accurately in the press of late.

Let me just, for his edification, explain what has happened in rural Manitoba since this government has taken over and has introduced the video lottery terminals.

Madam Chairperson, first of all, with regard to the VLT revenues that are generated in rural Manitoba, the reason that the VLTs were introduced into rural

Manitoba was twofold; first of all, to assist in the revitalization, if you like, of the rural hotel industry that was dying in the province of Manitoba. It was a way for us to assist that industry to survive in many of the rural communities across this province that were suffering as a result of the lack of business in those establishments.

I have to tell you that has been a success story because today we have the rural hotel industry in this province thriving. I would have to say that there would have been at least a dozen hotels in this province that may have closed if we had not taken some action in that regard.

The second purpose of that was to ensure that we could use some of that money to reinvest in Manitoba, to reinvest in rural Manitoba for economic opportunities. We had projected that in that first year, we would generate something in the neighbourhood of \$5.3 million from video lottery terminals. In our Estimates last year, and the member may wish to check, we had allocated a substantial amount of those dollars to Rural Economic Development Initiatives.

Madam Chairperson, I have to tell you that, indeed, communities around this province have taken good advantage of the REDI program, of the Grow Bond program, of Partners with Youth, of the Green Team and of the initiatives that have been implemented to assist rural Manitoba get back on its feet.

The member says, you broke faith because you said all of the money was going to be returned to rural Manitoba. Well, Madam Chairperson, I can tell you that if we check the records, that money will be returned to rural Manitoba, and there is much more money being returned to rural Manitoba besides the video lottery terminal money.

I have had the opportunity, as Minister of Rural Development, to visit communities all across this province, and I speak with people who are out there working and earning hard-earned dollars and are paying taxes. If you ask them where they see priorities for money that this government spends, they will tell you that they are such issues as health in this province, as education in this province—[interjection] Yes, as agriculture in this province, as social services.

I would have to tell this House that if you were to survey the public in rural Manitoba, I am sure that 70 percent plus would tell you that the monies

generated from these video lottery terminals should be going to those initiatives and reducing the deficit.

Is that not a tremendous assistance to the rural inhabitants of our province, to lower the deficit, to indeed put money into health, to indeed put money into education and into the services that we may not be able to support if we did not have this kind of revenue generated from a variety of means?

Now, Madam Chairperson, although the member for Inkster (Mr. Lamoureux), who is running for leadership in the Liberal Party, tries to make a point of all of this because he is trying to garner some support out there in rural Manitoba. He has not laid out any kind of a plan that his party has for any kind of revenues that would come from video lotteries if he were the Premier. As a matter of fact, he says give it back to the municipalities; do not really have a plan but give it back to the municipalities. They do not have any priorities. They do not have any vision for this province; so therefore, his only recourse is to stand up and attack something that he knows nothing about.

* (1550)

Mr. Lamoureux: Madam Chairperson, the minister did not make it very clear that this government did break their promise. Now, I want to quote a letter. I will be more than happy to table it after I go through it. This is what the letter says—and this is the initiative that I had nothing to do with. I did not ask for these letters even though a number of them were sent to me.

This is the first paragraph: Please let this letter serve as notice that we are extremely upset with the position that the provincial government has taken in regards to the distribution of revenues generated from the video lottery terminals in rural Manitoba. It appears that the funds will not be returned to rural Manitoba as initially promised.

Well, Madam Chairperson, who did this letter come from? It came from mayors, it came from reeves. I want to put on the record who sent these letters: the Town of Niverville, signed by the council of the Town of Niverville; the Town of Carman; the Village of Teulon; the Municipality of Bifrost; the Rural Municipality of Lakeview; the Rural Municipality of Strathclair; the Rural Municipality of Lawrence; the Rural Municipality of Woodlands; the Local Government District of Lynn Lake; the district of Altona; the Village of Arborg; the Village of McCreary; the Rural Municipality of Winchester; the

Rural Municipality of Woodworth; the Rural Municipality of Miniota; the Town of The Pas; the Village of St. Claude; the Rural Municipality of Langford; the Rural Municipality of St. Laurent; the Town of Carman; the Rural Municipality of Gilbert Plains; the Town of Souris; the Rural Municipality of Ste. Rose; the Rural Municipality of Arthur; the R.M. of Roland; the Town of Niverville; the Town of Snow Lake, town office—actually the Town of Snow Lake had another letter that went.

Madam Chairperson, the letters go on. A number of letters from rural Manitobans, mayors, reeves. Rural Manitoba knows that this government broke a promise and we are going to make that very clear. I have taken the liberty to ensure that in fact rural Manitobans are aware of it, because this government has taken rural Manitobans for granted far too long.

This is a case which clearly demonstrates that this government does not have a plan in terms of VLTs. It was interesting to hear the minister say that we do not have a plan in this party. Well, I can say that I have a plan, or more of a plan, on the whole issue of gambling which has been tabled, Madam Chairperson, not in this Chamber but in other forums, on what it is that we believe we should be doing in terms of gambling. But gambling is another issue.

What this government did is they brought in the VLTs and tried to justify bringing in VLTs to rural Manitobans by saying that all the proceeds that come from the VLTs would be redirected back into the rural economy. Then they created this REDI program, and all of those monies were to go back to rural Manitoba. A while back I heard, through representation, through a group of individuals who met with me with reference to daycare, that the Minister of Family Services (Mr. Gilleshammer) indicated to them that the VLT revenues, they are not too sure what the government is going to do with them, that, in fact, what the government might do is use it to help reduce the deficit.

Madam Chairperson, the government was quick to say, no, no, that this is not, in fact, the case. When I raised the issue inside the Chamber, when I asked the Minister of Family Services that particular question, did he say it? Well, what was the response? The response was, well, you know, maybe the Minister of Family Services was not too far off, that we do not want all of that revenue, as we promised, going back to rural Manitoba, that we

want to use those funds to do other things. Now they come up with these other things being health care, social services, deficit.

Madam Chairperson, we are all concerned about those issues, but the bottom line is that this government made a commitment to rural Manitoba when they introduced the VLTs, and that commitment was that the revenues would be going back to the rural municipalities.

Madam Chairperson, there are municipalities that have not received a dime from the VLT revenues, not one dime. They have all contributed to it. Now, we have provided—[interjection]

The member for Portage la Prairie (Mr. Pallister) is exercising himself inside the Chamber, and somewhere here I have, not a letter, it was a news article that was sent to me, and it has a quote from the member for Portage la Prairie. I am going to read right from the Portage newspaper, and I am looking for a date if there is a date on it; it is March 11 in The Daily Graphic. It reads: Everyone is experiencing a cash crunch, but municipalities are wrong to think receiving 25 percent of provincial video lottery terminal revenue will solve their problem, says MLA Brian Pallister.

Madam Chairperson, I think the member for Portage la Prairie is letting down his constituents. The government made a commitment to return those funds. The government is not returning those funds to rural Manitoba. They are not doing it, and the rural municipalities are asking this government at the very least to ensure that they get some of the money back through a 25 percent, 25 percent of the VLT revenues come back, and how does the new member for Portage la Prairie respond to that? He says, well, they are off base; they do not need it. We are all under a cash crunch.

Madam Chairperson, I would suggest to you that the former member for Portage la Prairie would not have sat back and let this government walk over not only the residents of Portage la Prairie, but residents throughout the province of Manitoba.

The member for Portage la Prairie (Mr. Pallister) should be standing up, as I am doing, and criticizing the government for breaking its promise to rural Manitobans. That is what the member for Portage la Prairie should be doing, Madam Chairperson, not going to the graphic and saying that what the government is doing, there is nothing wrong with it.

I think the member for Portage la Prairie should re-evaluate his position on the REDI program, on the VLTs, because let me tell you, the government will say that I am doing this for leadership ambitions and so forth—but the costs of the VLTs.

You know, the Minister of Rural Development (Mr. Derkach) said, well, it is wonderful, the VLTs have brought life back to the hoteliers. Madam Chairperson, I do not stand up and I do not give credit for that.

I do not see the government standing up and talking about some of the negative social costs of the VLTs. I do not see that happening.

What I do see happening is a government that has broken a promise, a promise that was very clear to rural Manitobans. That promise was to give that money back or put that money back into the rural economy.

Again, I know that the minister wants to answer the question. So I am going to pose the same question that I asked the Deputy Premier now to the Minister responsible for Rural Development.

* (1600)

How does the minister justify breaking a promise to rural Manitobans, because it was very clear that all of the VLT revenues were to be returned back to rural Manitoba, and he knows that. How does he justify not doing that now today?

Mr. Derkach: Madam Chairperson, it is unfortunate that the member from Inkster's (Mr. Lamoureux) misleading comments that do not parallel with truth have had to be uttered in this Chamber, because it is clear that this member does not understand anything about what is happening in rural Manitoba.

He wants us now to do a thorough investigation of where gambling is going in this province, but I find it almost strange—

An Honourable Member: Passing strange.

Mr. Derkach: —passing strange that on March 18 of 1993 in committee the member for Inkster suggested that perhaps one of the ways to save our resort in Gull Harbour was to perhaps turn it into a full-fledged casino. He says, and I quote: Gull Harbour being one of those resorts, a first-class facility, and the idea of potentially having some form of a casino of sorts. Well, where is this member really coming from? Does anybody really know?

Madam Chairperson, the member went on a bit of a tirade about the fact that we have not returned any money to rural Manitoba from video lottery terminals. Again those comments are misleading. They are erroneous and, again, it shows that the member has not been doing his homework and does not know the facts.

So for his information I would like to put on record some of the initiatives that have been undertaken as a result of revenues that have been gained through the VLTs. First of all, we have had a very successful Grow Bond program initiated in this province, one that many of our investors and many of our communities are seeing a way in which communities can invest in projects within their own backyards. I guess I would have to point to such successful ventures as the Rimer-Alco one that was launched in Winkler, whereby we saw, through the initiative of Grow Bonds, significant dollars invested in that community. Today, Rimer-Alco is bringing on new products as a result of that investment, and it is also saving, as the Minister of Health (Mr. Orchard) indicates, a large chunk of money for the government.

Well, Madam Chairperson, that was one project. If I wanted to describe each and every one of those projects, I would show the member that rural Manitobans have found the Grow Bond vehicle a successful way in which they can invest in projects that will help their communities, not only in investment but also in the creation of jobs.

Madam Chairperson, I would have to say that the initiatives under the Grow Bond program have resulted in well over 160 jobs in rural Manitoba. That is one initiative and there are others.

Under the REDI program, we have launched about 40 projects, either under the Feasibility Studies program, under the Project Development Support program or under the infrastructure support program, and we have returned significant dollars to rural Manitoba as a result of the REDI program. I will show the member for Inkster (Mr. Lamoureux) a copy of a newspaper article that was written in Thompson that showed that we have returned well in excess of a quarter of a million dollars to northern Manitoba through the REDI program.

And that is just the beginning, Madam Chairperson. The REDI program is one that you will not find in the province of Saskatchewan and you will not find in the province of Ontario. You will not

find one like that in Canada. It is a unique program but a very successful one.

That program focuses on rural economic development, and it was because of this program that we were able to assist Ayerst Organics to establish and to expand a plant in Brandon. That program in itself is going to create some thousand jobs in rural Manitoba, some \$80 million of investment, of activity, in rural Manitoba.

Madam Chairperson, this man says that we do not have any idea about returning money into rural Manitoba. Well, he better get his facts straight, because rural Manitobans are not going to stand for that kind of rhetoric.

Madam Chairperson, there are other initiatives that are being launched right across this province, and under the infrastructure program or under any of the REDI programs, any municipality, any community can access those dollars. They can apply for them, and based on the criteria that has been established, they can access dollars for worthy projects in their communities.

Madam Chairperson, we did not say when we launched the program that we were going to just throw this money at rural Manitoba and hope that somehow some of it would fall in areas that would benefit the community. We said that we would establish programs, and under those established programs, we would return that money to those communities.

Another successful program, Madam Chairperson, that I would like to talk about is the Partners with Youth. As a matter of fact, I have to tell you I met with the western economic development corporation not that long ago and, to my surprise and to my happiness, the western economic development corporation has hired a young individual under the Partners with Youth program to assist him in economic development programs in the Westman area.

This is now happening in other regions of the province, a good way to share the resources, to provide jobs for young people in this province, long-term jobs which will indeed be of benefit to those individuals and to those communities.

Another very successful program, Madam Chairperson, one that was criticized, I might say, was the Green Team. Now the Green Team was a program to simply provide employment for high school students and for young university students in

their own communities. What that meant was that those students could work in their own communities, could earn some dollars in their communities, but they would have to work at sustainable development projects, projects that would be of economic benefit to those communities and to those areas. Indeed, these students then did not migrate to the cities where they would be taking jobs that could otherwise be taken by students in the urban centres.

Secondly, most of them were able to live in their communities and put away some money for perhaps their tuition and their much needed class that they are associated with going to university. That program was very, very successful and, if you ask any of the participating communities, they would tell you that they would like to see that program expanded because it was so popular in those areas. As a matter of fact, in a matter of a couple of weeks the entire program was taken up. So it is programs of this nature.

We have also assisted very unique projects, and I would like to talk about a project, almost a cottage industry type project, which we were able to support. It was a project whereby a woman who was involved in a farming operation wanted to do something in terms of adding value to the product that their farm was growing. Through assistance from Rural Economic Development Initiative she was able to put together some of her money and develop a product which is now being sold not only throughout the province but indeed in other jurisdictions as well. Now that little industry that grew up from a little farm is employing five people in a small rural community. These are the types of success stories that are out there, and they are only successful because we have been able to provide for the communities those kinds of supports which help that little business or that little industry get off the ground.

* (1610)

Madam Chairperson, I could stand here all day and talk about the successful initiatives that have resulted because we have implemented two programs: one, the Grow Bonds program; and secondly, the Rural Economic Development Initiative program.

I have to tell you that I look forward to that member getting more information about the REDI program and about the Grow Bond program and I would be happy to sit down with him and show him the value that there is in these programs for rural Manitoba.

Mr. Lamoureux: Madam Chairperson, I will go right back to the Minister of Rural Development (Mr. Derkach) but, before I do, I want to ask one question of the Deputy Premier (Mr. Downey).

The other day I asked a question of the Premier (Mr. Filmon) with reference to the 25 percent going towards the rural municipalities. He implied in his answer to that question that the reason why they would not want to do something of this nature is that they do not want to create slush funds for the rural municipalities.

This is on page 1262. I can quote from it where it is halfway through, because he did have a bit of a verbal diatribe here: "The issue in the minds of people of this province is, there is only one set of priorities. When they say that health care, education and our social safety net are the biggest set of priorities, they do not want us to set aside 25 percent of the Lotteries funds in a slush fund so that some municipal governments . . ." and so on.

I am wondering if the Deputy Premier can expand on that point. Does he believe that if they gave the 25 percent to the rural municipalities they would be irresponsible with the money and create slush funds, to coin the phrase that the Premier (Mr. Filmon) used? Why is this government really opposing the 25 percent? Is it, as the Premier is saying, because of a slush fund?

Mr. Downey: Madam Chairperson, let me at the outset say that in no way in the answer that the Premier has given, or at anytime, has he ever in any way lessened the importance of the leaders throughout rural Manitoba, those people who are elected to do their jobs in civil governments representing municipalities. I have never at any time heard him say anything to that situation; however, I have heard him praise the work and efforts of those leaders throughout Manitoba.

As it relates to comments from Hansard of the other day, the Premier has many times, I think, demonstrated where the government's priorities are: Health, Education and safety nets through Family Services. That has been demonstrated time and time again.

There is one other point that should be put on the record as it relates to not only the municipal people but the general public. There is one other policy that should be spelled out that our Premier stands very strong on and shows tremendous leadership, and that is the ability of this government to tighten its belt

and, at the same time, maintain the essential services in Health, Education and Family Services, but to be able to freeze the taxes, the sales tax, the personal income tax that leaves monies in the pockets of every taxpayer to add to the economic activities of this province.

That is the kind of money that this Premier (Mr. Filmon) is talking about when he talks about how important it is to economic generation. Now, as far as the slush fund comment is concerned, I would ask that the member at his first opportunity ask the Premier to further elaborate.

(Mr. Marcel Laurendeau, Deputy Chairperson, in the Chair)

I can tell you, our Premier has tremendous commitment to the municipal governments of this province, and that has been demonstrated time and time again and the co-operative approach that has been taken: his leadership in working with the northern communities, as it related to the devastation of forest fires; his work and the co-operation and in fact the recognition that he gave the municipal leaders at that particular time; the work that has been done with the Union of Municipalities, as it related to close co-operation on decentralization of government works; and the credibility that our Premier has when it comes to the municipal people. So I am not in any way taking from the comment that the Premier put on the record that there is any way that lessens his respect for the municipal leaders throughout this province.

Mr. Lamoureux: Mr. Deputy Chairperson, I would like to just pick up on that. It is interesting, the remarks that the Deputy Premier (Mr. Downey) says, because it is straight from Hansard. He is referring to the people of Manitoba, if you will, then quote: "they do not want us to set aside 25 percent of Lotteries funds in a slush fund so that some municipal government can set their own priorities."

Does the Deputy Premier agree with that statement?

Mr. Downey: In no way have any comments come from this government, the leadership of this government that in any way would diminish the importance of the leadership of the municipal officials in rural Manitoba—in no way has that happened.

In fact, what the Premier has said in that statement is that he is committed to making sure that the health, education and safety nets are there for

those people throughout rural Manitoba, which those people who lead, those people at municipal levels have the what-with through the tax revenues that they generate to provide the services, whether it is in health, whether it is in education or whether it is in family services and/or whether it is in programs like the farm safety net, the GRIP and NISA programs. It is this Premier who has made sure those programs have been put in place supporting his ministers who have come forward with initiatives.

That is what this Premier has done. That is what this government has done. I am sure that if the member wants further clarification, that the Premier will be back very shortly to in fact clear that up for him.

Mr. Lamoureux: Yes, Mr. Deputy Chairperson, I would very much like to clear that up because I think that the words speak for themselves. That was in Hansard. Definitely he is implying that he does not trust the 25 percent for the simple reason it is a slush fund.

My question to the Deputy Premier is: Can he tell the House why 25 percent cannot go back to the rural municipalities given that they were promised that all the revenues that were going to be generated from the VLT machines would be going back to rural Manitoba?

Mr. Deputy Chairperson, the Deputy Premier (Mr. Downey) might deny that that commitment was there, but there are letters—I am sure I have at least 30 letters from different municipalities saying that that promise has been broken, that they were promised all of those revenues. So because they are not materializing on those VLT revenues, the municipalities have been arguing that they would like to have 25 percent of the revenues. The government can hopefully put back in the balance of those percentages, but why is this government not wanting to give the 25 percent back to the rural municipalities.

Mr. Derkach: Mr. Deputy Chairperson, in response to the member's question, again, I would have to say that first of all that money that is coming from the VLTs is indeed important to not only municipalities, but is important to us as government and the people of this province. We need to put those scarce revenue dollars to the best possible use we can.

The member for Inkster says, let us just throw 25 percent back to municipalities. He has climbed on that bandwagon that some municipalities have, and he is demanding that we turn that 25 percent directly back to municipalities. Fine. Municipalities, of course, are important parts in their communities, but there are other members in communities who have something to say about revenues that come to the province.

Mr. Deputy Chairperson, I have to tell you that we will be making a policy statement with regard to what those monies will be used for. I have to tell you that we have spent a long time in discussion, in deliberation. I personally have talked to municipalities around this province, to communities around this province for many, many hours with regard to the revenues that are going to be coming or are coming to this province from video lotteries. As I indicated a moment ago, there will be a general policy statement made as to how these dollars will be used for the benefit of people in this province.

* (1620)

Mr. Lamoureux: Mr. Deputy Chairperson, the minister says that I just want to throw the 25 percent out. The minister accuses me of just jumping on the municipal bandwagon for the 25 percent. He says that is what I have done, from his seat. I do not believe what the Premier has said about a slush fund. I do not believe the preamble or the comments that the minister himself has just put onto the record.

I believe that municipalities can spend money responsibly. [interjection] Well, the minister implies it. The minister implies it by the fact that if you read what the Premier is saying in terms of does not support the 25 percent because of other things that he would like to see the money spent on, when the government did make the commitment that the money would be returned to rural Manitoba. Now the minister has said something for the first time that I have not heard before; it is that they will be coming up with a policy statement. I ask the minister, when are we going to see the policy statement?

Mr. Derkach: Mr. Deputy Chairperson, we will be coming forth with a statement on how lottery dollars are going to be expended in the very near future. As the member knows, a budget date has been set, and many of these announcements that have to be made will be made in and around the time that the budget will be tabled in this House.

Mr. Lamoureux: I would ask the minister if he has been consulting with any rural municipalities with respect to this policy statement.

Mr. Derkach: Mr. Deputy Chairperson, yes, as a matter of fact, I have met with organizations, not just municipalities, but I have met with chambers of commerce. I have met with individual groups in communities. I have met with the Manitoba Association of Urban Municipalities. I have also met with the Union of Manitoba Municipalities. So I have met with a variety of groups, their executives, their directors, where we have embarked on discussions with regard to VLT revenues. I have basically given them the same message that in a very short time frame we will be coming forward with a statement on how video lottery revenues are going to be expended in this province.

Mr. Lamoureux: Can the minister indicate that the City of Winnipeg has been involved with any of this?

Mr. Derkach: Mr. Deputy Chairperson, I have not spoken to anyone in the City of Winnipeg with regard to video lottery revenues, because we do not have any VLTs in the city of Winnipeg at this time. Certainly, that is an issue that is going to be addressed as we approach the installation of VLTs in the city.

Mr. Lamoureux: So the policy statement that is going to be coming up in and around the same time that the budget is being introduced, that will just be on the VLTs in rural Manitoba only.

Mr. Derkach: Mr. Deputy Chairperson, it is difficult to make a policy statement on something that is not in place at this time. As I have indicated, that is an issue that certainly will be addressed as we approach the installation of terminals in the city of Winnipeg.

Mr. Lamoureux: Can the minister indicate if he has met with the MAUM or UMM at all with respect to the policy?

Mr. Derkach: Well, I meet with UMM and MAUM officials monthly. We try to meet monthly for a short meeting with their executives. Sometimes it does not quite work out that we meet on a monthly basis but, during those meetings, on several occasions we have addressed the whole issue of VLT revenues and also the REDI program, Grow Bond program and all of those kinds of programs associated with rural economic development in Manitoba.

(Madam Chairperson in the Chair)

Mr. Lamoureux: Madam Chairperson, I know that I have heard, or at least I have had one presentation from one of the organizations in which they made reference to the 25 percent as one of their major concerns or issues. I am wondering if in fact the discussion about the 25 percent, if the government has considered that. If they have considered it, maybe he can somewhat expand so that individuals could at least plan on some of their budgets. You know, municipalities too have budgets that have to come forward also.

Mr. Derkach: Well, as I indicated to the member earlier, this type of information will be made in a general policy statement, and that is not something that I can speak about at this moment.

Mr. Lamoureux: Madam Chairperson, I did want to emphasize to the government, given that they are going to be having a policy statement with respect to the VLTs—I know that the Minister for Lotteries has a meeting that she has to get to right away, so I am just going to ask a couple of very brief questions with respect to it.

The first question, Madam Chairperson, is with respect to the study. There is a study that is being done. I was wondering if the minister can report to the Chamber as to what the current status is and what she is anticipating.

Hon. Bonnie Mitchelson (Minister charged with the administration of The Manitoba Lotteries Foundation Act): We indicated that the study would be finished by May. I understand that it is progressing along extremely well. We will have responses, results of that study, by the time that we had indicated, and that is sometime in May.

Mr. Lamoureux: Madam Chairperson, I have heard, and I take it that the minister has heard of a number of incidents that have occurred in rural Manitoba. I am going to concentrate just a bit in terms of some of the negative social costs, if you like, of the VLT machines.

I would ask the minister if in fact the department has anything that is tracking what has been going on. I know that there have been some cases, and I believe we have discussed it previously, about some concerns with some suicides, to individuals' family breakups, that sort of thing. Is there anything being done to track the social costs of the VLT machines?

Mrs. Mitchelson: Madam Chairperson, I do know that there are many Manitobans for one reason or

another who do have compulsive, addictive behaviours of some sort. Very often it is not just a gambling compulsion. There are many of us, probably some of us in this room, who have some habits that might be considered compulsive to some degree. It is not unlike any other kind of addictive, compulsive behaviour.

We heard instances where certain things have been attributed to VLTs, like the suicides that were mentioned. I think the chief coroner for the Province of Manitoba indicated very clearly in his comments that it was rather foolhardy to think that video lottery terminals alone would have caused a suicide, that indeed there were probably many other circumstances surrounding that very unfortunate situation or a couple of incidents that did occur.

I guess the issue of dealing with people who have any type of addictive behaviour is indeed the recognition by that individual that they have a problem. Unless that person does admit there is a problem, or there are extenuating circumstances where the family notices a major change in habit, Madam Chairperson, it is extremely difficult to track, because there are people when they are asked whether they have an addictive behaviour do indicate quite clearly that they do not. So unless—

An Honourable Member: I do not, but I like to play just the same.

Mrs. Mitchelson: My colleague indicates, too, that many people do use different forms of gambling or gaming as a form of entertainment. Before government got involved in lotteries of any sort, we had the horse racing industry. We have had for many, many years—I have known of card games and gambling that go on in the basements of homes throughout the community. Community organizations have been running bingo activities and events for many, many years.

It is very difficult to determine whether video lottery terminals alone have an impact on a wide, broad cross section of the community. I do know there are many people who do participate in many different forms of gambling activities. So to deal with video lottery terminals in isolation, I think, is pretty difficult.

* (1630)

Mr. Lamoureux: Madam Chairperson, I know that I am on the record of calling for a moratorium in terms of the VLTs. I am also on the record of saying the City of Winnipeg should receive 25 percent of

the VLT revenues. Someone might say that is a bit of a conflict, but I want to explain that. I want to say, if we do go ahead and implement and put in VLT machines into the city of Winnipeg, I would maintain that they should also be receiving 25 percent. I will go into why I believe the 25 percent is important at another time.

I want to concentrate on why I say the moratorium, because I believe we need to know or have an idea in terms of the direction that we want to go, the direction that we want to take the province with VLTs. No doubt there are many different forms of gambling that are out there. It is just a question in terms of—well, we legalize this, we bring in that, we do this and where is the line? How far do we go before we cross that line, that imaginary line, if you like?

I am wondering if the minister would be better off to have some sort of a study complete so that we know what the social costs are prior to bringing in VLTs into the city of Winnipeg. If the study comes out and there is a way in which we can implement VLTs into the city of Winnipeg, then we go ahead and do it. If in fact they end up coming in, then as I say, the city of Winnipeg should be entitled to that 25 percent.

The VLT machines that are out there right now in rural Manitoba, the impact that is having on rural Manitobans, the social costs, government policy could change if we knew what the costs are of having those VLT machines in rural Manitoba. We might want to reduce—instead of having dollar VLT slot machines, we might want to have the 25-cent slot machines so individuals cannot lose the same sums of money. Nickels and quarters is in fact what I would suggest, that the nickel and quarter machines should be a cap in terms of having them in hotels, because if you have it in a local hotel and you put in a small number of VLT machines or restrict to a certain number of VLT machines in rural Manitoba, it will have an impact. The social cost has to be followed, tracked, and government needs to act on those studies. It is premature to be able to implement.

A couple of weeks ago, at the annual general meeting of our party, I had presented a number of ideas in terms of gambling, in terms of the direction that I think we should be going, and that is based, Madam Chairperson, on a lot of talking and a lot of consulting that I have done with rural Manitobans and individuals who live in the city of Winnipeg.

Before one would implement a program, you have to know what the costs are going to be, not only the social costs, the cost to the local community in terms of dollars that are going to be lost through bingos, through Nevada ticket sales, other nonprofit organizations that are out there.

I would suggest that the government, before proceeding ahead with the VLTs in the city of Winnipeg, should know what those social costs are, and if there are different ways in which we can address—if it means that we are going to have VLT machines, there are certain things that we might do to ensure that some of those social costs are minimized. I would ask the minister to comment on that.

Mrs. Mitchelson: Madam Chairperson, we have had a well thought-out plan of implementation of gaming activities throughout Manitoba. The first one was of course the video lottery terminals in rural Manitoba, initially to deal with the economic problems of rural Manitoba hotels and indeed to put some money back into the rural Manitoba community through economic development. We have indeed accomplished that.

Madam Chairperson, we had then looked at the next logical step which would be video lottery terminals in the city of Winnipeg in Winnipeg hotels. We have made the announcement already that they will be coming in in September.

Most of the studies that have been done in other jurisdictions do indicate that there is a very small component of any community that indeed has a compulsive or addictive behaviour to gambling and to gambling machines. We anticipate that our study in Manitoba will prove that Manitobans are not too much different from many other jurisdictions throughout North America and, indeed, throughout the world.

We will, as a result of the study, when we find out exactly what problems are associated and what kinds of problems are indeed here in Manitoba, we will attempt to address those problems through some sort of initiative. Until we get the study back to indicate clearly how much of a problem it is here in Manitoba, if it is a problem of any sort and how we come to grips with dealing with it, that will be determined through the study.

As I indicated, what is happening in other jurisdictions and information that we do have is that

it is a small component of the population that does gamble that truly has an addictive behaviour.

Madam Chairperson, we will continue along the path that we have indicated. We will be bringing video lottery terminals into the city of Winnipeg, but I am not at all convinced at this point in time that we should be just putting 25 percent of those profits from video lottery terminals just towards the City of Winnipeg's budget problems.

There are many, many—600,000—people who live in the city of Winnipeg, and there are many, many issues that they have high on their priority list of what the provincial government should be doing. Those priorities are health, education and the social safety net.

Indeed, I think that we have to look at not necessarily what a mayor and a City Council sitting around a council chamber in the City of Winnipeg should determine what the priorities are, but we need to determine for all Winnipeggers, for all Manitobans what their true priorities are, and we need to channel and focus our scarce resources today in the areas that are going to most benefit all of the people in the city of Winnipeg and, indeed, in the province of Manitoba.

They have indicated quite clearly to us, and I think probably the Liberal Party has heard on many occasions that people, especially in Winnipeg, do not want to see higher taxes. They do not want to see their City Council increasing taxes. They also do not want to see their provincial government increasing taxes if at all possible. They want more dollars in their own pockets to determine how they want to spend their money.

Madam Chairperson, I think that what we have to do is not necessarily listen to the mayor and the city councillors in the City of Winnipeg and accept their priorities. Quite frankly, I do not always agree with their priorities and the way the City of Winnipeg spends their money. I really believe that we have to listen to all Winnipeggers when we look at where we are going to put those scarce dollars and how we can try to accommodate no increase in taxes while still providing for our basic health, education and social safety net.

Mr. Lamoureux: Madam Chairperson, I believe it was either Nova Scotia or New Brunswick that has the VLTs, and it was one of the two provinces that actually started to take out VLT machines. Now I do not know all the circumstances surrounding it in

terms of where they were and so forth, but the bottom line for them is there was a government decision to start taking out VLT machines.

This is the reason why, you know, as I say, before we continue to expand, we should know what it is that we are doing. Once you have put in the VLT machines it is going to be very hard—if government decides tomorrow that no hotel can have more than two VLT machines, that you cannot have any VLT machine that accepts anything more than a quarter. If you get any sort of a change it is going to be that much harder to implement; whereas if we knew in terms of the direction that the government was wanting to go in advance, then, Madam Chairperson, I would imagine that there would be a number of things that would go off a whole lot better.

* (1640)

I have made the assertion in terms of why this government has tied the VLTs to rural economic development. I have made some assertions as to why they tied the Crystal Casino to the health care, and my opinion has not changed on that. But when the government does make a commitment, you know, we do expect it to fulfill that commitment.

The next question that I have I guess would be more to the Minister of Urban Affairs (Mr. Ernst), unless the Minister for Lotteries (Mrs. Mitchelson) was wanting to comment on that. I am going to go on to the Minister of Urban Affairs, Madam Chairperson, as a follow-up with respect—the Minister for Lotteries wants to comment first.

Mrs. Mitchelson: Madam Chairperson, I just wanted to respond very briefly to the comments that were made about what is happening in the Maritimes. I always forget whether it is Nova Scotia or New Brunswick also, but in fact they had video lottery terminals spread throughout the province in much, much greater numbers than we have in Manitoba. They had video lottery terminals in the local mom and pop stores, in every community outlet possible where children under the age of 18 had access to those machines on a regular daily basis.

As a result of some study that they had undertaken and, indeed, with some consultation with the province of Manitoba, what they are doing is removing the video lottery terminals out of facilities that are not age controlled. They are adopting Manitoba's policy in an age-controlled licensed premise, and those will be the only places

that video lottery terminals will be located there in the future. So what they are indeed doing is adopting the policy that we already have in place.

Mr. Lamoureux: Madam Chairperson, I will go to the Minister of Urban Affairs with respect to VLT revenues. I know that there has been some commotion between the City of Winnipeg and his department with respect to the funding and what is going to be happening with the revenues generated from the VLTs. At this point in time it looks like the government will be introducing VLTs in September in the city of Winnipeg. In fact, the City of Winnipeg, from what I understand, has budgeted for a certain percentage of those revenues.

My first question is, has the minister had any correspondence with the City of Winnipeg or formal correspondence with respect to the VLT revenues?

Hon. Jim Ernst (Minister of Urban Affairs): No, Madam Chairperson.

Mr. Lamoureux: Well, I am a bit surprised with that particular response. I would ask if the minister responsible is aware of what the City of Winnipeg is talking about? [interjection] The minister says responsible for what?

Well, with respect to the VLT—just in case the minister does not know, the City of Winnipeg is presenting a budget or actually they passed a budget. I do not know for certain, but I believe that they were talking about having 25 percent of VLT revenues if in fact the provincial government brings it in. Now, there are a lot of ifs there of course, but what I want to know is, is the minister aware of that particular issue, or maybe he can comment as to what the City of Winnipeg is talking about with respect to the VLT revenues.

Mr. Ernst: Yes, Madam Chairperson.

Mr. Lamoureux: Madam Chairperson, the answer was so short that I did not hear him because other members were talking. Maybe if the minister can respond to it.

Mr. Ernst: The member for Inkster asked me if I was aware. I said yes, I was. The fact of the matter is, the City of Winnipeg has budgeted, I believe, \$3.8 million of VLT revenues in their current year budget, even though, of course, there are no VLTs in the city of Winnipeg, save those at Assiniboia Downs.

Madam Chairperson, they are, of course, presuming that at some point, VLTs will be introduced into Winnipeg, and they will generate a

certain projected amount of revenue, and that they should somehow be entitled to 25 percent of that revenue.

I made public statements about this over the last couple of days. The fact of the matter is, I think they are either fooling themselves or are attempting to fool the citizens of Winnipeg by putting this money into their current budget, when in fact they have never even asked us for it. I find it perhaps a little arrogant on their part to put it in when they have made no approach to myself, no approach to the Minister responsible for Lotteries (Mrs. Mitchelson), no approach to the Premier (Mr. Filmon), no approach to the Finance minister (Mr. Manness).

I find that a little puzzling and a little disturbing that this would occur. We would all like certain things to happen during the budget process to make that a little bit easier. The fact of the matter is, they did not do that. They did not approach the City of Winnipeg at all. They simply put into their budget an amount of money that was, in my view, inappropriate.

On top of that, then they had to double up at the last minute and put in a \$4.5 million contingency fund, just in case they did not get the VLT revenue. So that I also found a little puzzling.

Mr. Lamoureux: Madam Chairperson, even though I do not support City Council putting it into the budget without consulting with the minister or at least letting the minister know that this is in fact something that they want, I can somewhat understand why they would presume it, because there was a government news release. The provincial government has indicated that they will be bringing in the VLTs, so I can understand as to why they would believe that VLT machines would be in the city of Winnipeg by year-end.

My question to the minister is with respect to—if you bring VLT machines into the city of Winnipeg, much like into rural Manitoba, there are other aspects like, you know, disposable income—there is only so much in terms of a disposable income, and if you have more dollars going down a VLT machine, some of those dollars that are going down there could have been used for other things, such as local fundraising events, to have individuals being able to participate in community events. The Nevada tickets, as I pointed out earlier with respect to the rural—there is going to be a cost to installing the VLTs into the city of Winnipeg. Those costs are going to have to be picked up from somewhere.

I am wondering if the Minister of Urban Affairs (Mr. Ernst) agrees with that, that there is going to be an additional cost because of the introduction of the VLTs.

Mrs. Mitchelson: We are working presently as a result of the veterans' clubs and the legions throughout rural Manitoba and some of the private clubs coming forward and indicating that their revenues are considerably down as a result of video lottery terminals. We will be responding, of course, and I have indicated I would get back before September with an answer, and we may possibly be coming close to a solution. But the fact of the matter is, bingo revenues throughout rural Manitoba are up some 5 percent or 6 percent so, indeed, there are more dollars being generated by community fundraising charitable organizations through bingo.

I think we are finding that, of course, the break-open tickets are down. The revenues are flatter down on break-open tickets even in the city of Winnipeg. It appears that the break-open tickets are the area where there seems to be some downturn of sales, and we are presently attempting to find a solution to that problem for the veterans' clubs and the legions and indeed some of the other nonprofit activities.

* (1650)

I do want to indicate that there are many, many dollars. Studies show that 60 percent of the gaming or gambling dollars that Manitobans spend are spent outside of the province of Manitoba. They are going to Las Vegas. They are going across the border, we know, by the busloads, into some of the casinos in the United States. That is 60 percent of gaming dollars that could be staying here in the province of Manitoba. Because we do not have maybe the same amount of gaming activities in Manitoba does not necessarily mean that Manitobans do not gamble. They do and they go elsewhere to do it.

I am sure that the member for Inkster (Mr. Lamoureux) would agree with me that, in fact, why should the government of Manitoba not have access to those revenues so that we can put them back into the Manitoba community, the Manitoba economy, rather than letting them go to support South Dakota, North Dakota, Minnesota?

Mr. Lamoureux: Madam Chairperson, the cost—you know, we talk about Nevadas, the bingos, but there are other costs such as the kid who wants to

sell a box of chocolates for a fundraiser for the community. Those sorts of fundraising events, the scratch patch or other fundraising events that the local communities enter into in order to raise money for a wide variety of things, are the type of fundraising events that I hear about that are being cut.

In fact, even some of the larger ones—you know, we have seen the hospitals, the foundations and so forth suffering in terms of ticket sales, that there is additional cost to this. You know, I believe it was the Bombers that had a \$100 lottery ticket and they were unable to sell all their tickets. In previous years they have been more successful.

Madam Chairperson, if in fact the VLTs are, at least in part, part of the problem, or if we implement—or the casinos—what is going to happen is you are going to get the Bombers, if they require additional monies, they will go to the different locals of government quite easily. Are there going to be some costs? I would ask maybe to the Minister responsible for the Lotteries (Mrs. Mitchelson) before the Minister of Urban Affairs (Mr. Ernst), but would she agree that there are some costs that local municipalities or the City of Winnipeg might have to pick up from because of the VLT machines? Does she believe that there are any costs?

Mrs. Mitchelson: Madam Chairperson, as the mother of an 18-year-old daughter and now a 10-year-old son, I have had many, many years of—

An Honourable Member: You are not old enough.

Mrs. Mitchelson: Well, yes, child bride. Anyway, I have gone through many, many years of community fundraising activities whether it be for gymnastics or whatever my daughter was involved in up to now, hockey and soccer and obviously different school activities that do require community support and community fundraising. I have seen a major change over the last number of years from the time my daughter was in elementary school to now my son being in elementary school. You know, the days of the chocolate bar and that kind of thing are almost over. Parents are finding, and children are finding too, that they do not want to keep going back to their neighbours time after time to sell chocolates which are not necessarily the most nutritious product.

An Honourable Member: Grandparents always buy.

Mrs. Mitchelson: Yes, and it is either the grandparents or the immediate neighbours. I am finding that a lot of parents now are saying to me when they come home asking my child to sell chocolate bars, I buy all the chocolate bars myself, or just send in the donation, because it has changed. I guess the types of fundraising activities have to change on a continual basis, and you have to have people that are very innovative and creative in finding a new way to sell a product to generate revenue.

That is not unlike what has happened with the hospital lotteries that you mentioned earlier. I think we are finding that, you know, the dream home is no more, I guess, as much a draw to sell lottery tickets as it has been in the past. Community organizations are having to become more creative in their marketing strategies, indeed, to generate interest and sale of lottery dollars and lottery tickets. We also do know that as times are a little tougher and everyone is having to tighten their belt a little bit, that sometimes the disposable income that people have is spent in other ways rather than buying a \$100 lottery ticket. I think the St. Boniface Hospital has come up with a very innovative new lottery, and it looks like they are doing fairly well.

But it is incumbent upon those organizations that are looking towards lottery dollars—and everyone is looking towards a raffle of some sort or a lottery of some sort to generate revenue. A lot of thought and energy and time commitment by volunteers has to go into that kind of activity because the more people become involved or more organizations become involved in the sale of lottery tickets or raffles, the more spread around the money becomes, and they have to fight a little more for the charitable dollar that is available out there.

There are basically problems and, as I said, it is up to every community organization to be innovative and creative and to think of new ways to try to generate that dollar that people are willing to spend on charitable causes.

Mr. Lamoureux: Madam Chairperson, I notice we are quickly running out of time. Let me ask a question, because I think that there are valid points that could be made on both sides of the issue.

I would be curious to know if in fact the minister would be interested in establishing some form of a task force of sorts, a relatively inexpensive one, where you just maybe have a member from each

caucus, if you like, and a person from the Lotteries Foundation to go out and listen to what some of the different communities are in fact saying so that we can come up with some sort of an overall plan in addressing the whole issue of gambling.

In a certain way, I do agree with the minister in the sense that there have been a lot of changes, but I think that there are a lot of questions that have to be answered. We are going to agree to disagree on a couple of the points, such as the 25 percent going back to rural Manitoba. That comes primarily from an argument or from a commitment that the government itself made. On those points, we are not going to come to any sort of an agreement on, but I think that there is some potential there that if the government will was to try to do what was in the best interests of Manitobans that we could accomplish something and address a number of the concerns that all three political parties have in the Chamber.

Mrs. Mitchelson: I have to say that those who work at the Manitoba Lotteries Foundation and indeed myself, as minister responsible, meet on a regular basis with many members of the community and many community organizations to try to deal with the issues that have been raised here this afternoon. You know, ultimately it is government that has to be held accountable for the decisions that are made, for the direction that we take, based on the best advice that we get from the community.

We know on an issue like Lotteries and generation of Lotteries dollars that there are going to be people on both sides of the issue, and it does not matter what kind of decision or what kind of an action government takes. We are not going to make everyone happy. There are people who definitely do not agree with any form of gambling or gaming, and there are those who would like to see it wide open, have us be the Las Vegas of the North, so to speak.

* (1700)

What we have tried to do as a government is to implement our plan in a very logical way and look at the issues that arise, the problems that do arise, and deal with those in a very common-sense fashion. We will continue to do that and, as we go along, of course, we have the opportunity through the committee stage to examine the Manitoba Lotteries Foundation Annual Report, so we can have that kind of debate in committee among members. I would

venture to guess that as we bring in amendments to The Manitoba Lotteries Foundation Act, that would be an opportunity then for the public to indeed come forward and present their points of view.

Madam Chairperson: Order, please. The hour being 5 p.m. and time for private members' hour, committee rise.

Call in the Speaker.

IN SESSION

House Business

Mr. Speaker: The hour being 5 p.m. and time for private members' hour. Before recognizing the honourable member for Seine River (Mrs. Dacquay) with her committee report, I will recognize the honourable acting government House leader.

Hon. Jim Ernst (Acting Government House Leader): Mr. Speaker, I wonder if you might canvass members of the House to see if there is a willingness to continue with Supplementary Supply, go back into committee to continue Supplementary Supply and waive private members' hour.

Mr. Speaker: Is it the will of the House to waive private members' hour? There appears to be one dissenting voice. Is there one dissenting voice? No? For clarification purposes here, is it the will of the House to waive private members' hour? No? No, not now. Okay.

Mr. Ernst: Mr. Speaker, might I offer a small compromise? I believe that the member for The Maples (Mr. Cheema) has a motion which will be before us in private members' hour. It is the intention, I think, of our side to deal with it expeditiously, and if that is the case, we might then return to Supplementary Supply and continue on until six o'clock.

Mr. Speaker: Order, please. I think rather than getting into private members' hour and then back into Supply to accommodate private members' hour, would it be acceptable to go into private members' hour say at 5:30? No. You want to go back into Supply now. Okay.

Ms. Becky Barrett (Acting Opposition House Leader): Mr. Speaker, I would suggest that a better way to deal with this situation is to start private members' hour at five o'clock, and should we conclude the Private Members' Business prior to six o'clock, we can then decide if there is a will for the House to go back into Committee of Supply.

Mr. Speaker: Okay. On that recommendation, the only thing I would like to caution the House is that we would need leave of the House to return to the Supply. So we would need leave to pass the Supply motion again to go back into Supply. That is agreed. All right.

PRIVATE MEMBERS' BUSINESS

Mr. Speaker: The hour being 5 p.m. and time for private members' hour. In order to facilitate the workings of the House, are we proceeding at all with debate on second readings, any public bills? No, we are not proceeding with any public bills, any at all. Okay. We will go straight to resolutions.

PROPOSED RESOLUTIONS

Res. 13—Pharmacare Card

Mr. Guizar Cheema (The Maples): Mr. Speaker, I move, seconded by the Minister of Health (Mr. Orchard),

WHEREAS seniors make significant contributions to their communities and the economy throughout their lives; and

WHEREAS many Manitobans, including seniors, are required to pay for their food and housing as well as other necessities, including drugs, out of fixed incomes; and

WHEREAS the Pharmacare program in Manitoba subsidizes the costs of pharmaceuticals for all Manitobans; and

WHEREAS Manitobans must purchase their prescribed medications with their own money and then apply for reimbursement of purchases exceeding the deductible amount; and

WHEREAS Manitobans on fixed incomes may experience cash flow problems resulting from the purchase of prescribed medications; and

WHEREAS drug prices are steadily increasing at a rate at least equal to the rate of inflation; and

WHEREAS people on fixed incomes experiencing cash flow difficulties may delay or refrain from purchasing necessary drugs; and

WHEREAS the need to make application for reimbursement and the time required to process the rebate may cause undue hardship for people on fixed incomes.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the Minister of Health to consider adopting a Pharmacare Card

system for Manitobans on fixed incomes which will eliminate the need to pay for prescribed medications in excess of the Pharmacare deductible amount; and

BE IT FURTHER RESOLVED that this Assembly urge the Minister of Health to consider the implementation of a Pharmacare Card system for all Manitobans.

Motion presented.

Mr. Cheema: Mr. Speaker, I am very pleased to be able to introduce this resolution for the consideration of this Chamber.

I am grateful that the Minister of Health (Mr. Orchard) has chosen to second the resolution, because it is so important to make sure that we spend our dollars very effectively, and it is part of the health care reform package that the government made a commitment to introduce the Pharmacare Card system.

Mr. Speaker, in view of the commitment made by the government and the commitment made by our party for the last five years, and also I suppose the NDP party was also advocating for the Pharmacare Card system, and I am hopeful that all the members would agree to pass this resolution.

Mr. Speaker, it is so essential that not only in this Chamber we come with criticism to the government, we must offer the concrete alternatives which are very crucial for the effectiveness of our health care system. This has been proven in this House. Many other Houses in this nation are taking a good look at how the parties can function on a very fundamental issue such as the health care policy. We are so pleased that at least for the last two and a half years we have been able to achieve that part. By achieving that, we have been able to do what is best for all taxpayers of Manitoba. This resolution typifies that approach on health care reform in this province.

Mr. Speaker, many other provinces are having a good look at the health care reform in their own way, but everybody is giving the example of this province in terms of how the policy is going to proceed in the long run.

I want to deal with the specifics of the resolution now.

Many Manitobans, including seniors, are required to pay for their prescriptions out of fixed incomes. With advances in research, new medications are

arriving on the market. However, many of these medications are quite costly. These medications may be beyond the budget of people on fixed incomes. Drug prices are rising steadily, at least equal to the rate of inflation.

Mr. Speaker, although the cost of medications beyond the amount may be reimbursed by the Pharmacare plan, the realities of month-to-month budgeting may make it impossible for a person to purchase the drugs that he or she needs without sacrificing other monthly necessities, such as nutritious diet or the payment of the utilities.

Mr. Speaker, as a result, although the person may like to take the medication, but if they cannot afford on a month-to-month basis, some of those people may not be able to afford the medication. In that way a person may decide to delay the purchasing of medication to a later date, or the person may decide to ration medication by not following the correct doses. This can lead to further health problems or prolong the illness, and that will cost Manitobans more in the long run.

* (1710)

Mr. Speaker, it is for these reasons that we are requesting—in fact, the government has agreed, and the Minister of Health (Mr. Orchard) should be very proud of the fact that he has been able to second this resolution of ours, which was basically made very clear during the throne speech.

The Pharmacare card, Mr. Speaker, would be able to look at the various practical problems of prescribing medication, and also it can avoid the duplication of some of the medications. The Pharmacare card can also deal with some of the problems such as double-dipping.

Mr. Speaker, we will go even further because ultimately there has to be a smart card which can deal with all the problems, not only Pharmacare. I think this will be the first step, and then the government can learn from the experience or they can bring the smart card as such. The smart card can deal with all the major components within the health care system. If the smart card was issued, say, five years ago, many would argue that government is trying to restrict health care and that is not the case. The thinking has totally changed. As long as we can protect the confidentiality of a patient, we should do everything possible to make sure the health care dollars are spent very effectively. If you can have it in a smart card system

which will deal with the three major issues—the prescription drugs, the medical needs and also the hospital needs—if you can give a person a specific code number, a PIN number, then that can be used very effectively without violating patient confidentiality which is very crucial.

Mr. Speaker, not only will that improve efficiency, not only will that help seniors and others who are on fixed incomes so that they do not have to pay money out of their pocket, but it will also help in the long run to process the applications and cut the time and cut some of the obstacles that naturally come when you are processing applications on a day-to-day basis. All of these things put together will help not only individuals on a fixed income, but everybody who is having access to the medical system.

Mr. Speaker, it is so crucial that, as I said from the beginning, we deal with the issues of health care in a practical, in a reasonable—as much as possible in a long-term point of view, as much as we should. Ultimately, if we do not do things right today, they will have a problem in the long run. We must tell Manitobans that the changes which are being made today in the health care system are not going to help this government in the next vote because the results of the good effects may not show up for four, five years to come. It is a very, very risky business; it is a risky business in politics, but not in real life. It will help the taxpayers in the long run.

We are urging the minister to let the people of Manitoba know all the good things happening in the health care system. Make sure they know, as they did last week in terms of the mental health reform. It was very good to see the comments from the government that they will not cut any of the services unless—I should not say cut, but they will not shift any of the services unless the community services are put in place.

Mr. Speaker, that kind of information then is there. It is very helpful. The patients were very comfortable, and it will make the minister's job very—it will not make the job too easy, but it will at least make it more comfortable. I think that message has to come across, that the government is serious as they are, but people have to know the only way we can do it is if we can disseminate information in a very positive way. We can bring the issues here. We can tell what is wrong, but we should tell at the same time what is right with the system. We should tell what the ultimate ways are of improving the system. It is so important because everybody said

in the 1988 campaign, we want a Pharmacare card system.

In 1990, everybody said the same thing, but actually, in the last throne speech, the government made a commitment in terms of the implementation of what they have been saying. It is very, very positive, but it is more positive to see today that the government is going to second this resolution and make that commitment again. They want to reinforce it, and our party wants to do the same thing. I am hopeful that members of the NDP would do the same thing, because that is the only right way. The right way is to work for all Manitobans, not for a special section of the community.

Thank you, Mr. Speaker.

Hon. Donald Orchard (Minister of Health): Mr. Speaker, my comments will be brief, but I want to say at the outset that I want to thank my honourable friend the member for The Maples (Mr. Cheema) for again introducing this resolution.

On past occasions, we were certainly supportive of the principle, and I think it is fair to say that this side of the House, government, has indicated in the throne speech, as referenced by my honourable friend, that we are embarking upon the introduction of plastic card technology to our health care system.

That is why I am pleased to second my honourable friend's resolution, which I think, Mr. Speaker, is something of an unusual circumstance in private members' hour. We normally do not cross political affiliations and have one party sponsor and have, particularly the government, second the resolution. I think that indicates the kind of co-operation that we need in this Chamber to achieve the broad goal of health care reform.

Mr. Speaker, I want to make a couple of points, though, in terms of the introduction of the plastic card technology as it applies to the Pharmacare program and the wider application that we envision and that my honourable friend referred to, that being expanding its utilization across the system for physician billings, optometric billings, even other fee-for-service billings. That has a wider application, and it is certainly the intent of this government to pursue that as quickly as possible.

I do want to caution my honourable friends that this is not an inexpensive proposition. Introduction of this technology will require fairly significant investment. It will also, probably at first, increase our costs of operation until we get the wrinkles out

of it, so I just want to forewarn my honourable friends that this is not a technology without cost, that there will be program costs involved.

However, the long-run benefits are pretty clearly identified, and we think there is an opportunity in Manitoba to introduce plastic card technology, so that we in effect can probably lead all Canadian provinces in terms of its introduction across the system and with the benefits that can ensue from that, from better provision of service and better identification of services that have been provided to an individual.

All of these are benefits to the health care system and to those providing services to it. I think that we may have to cross some policy, and I am not sure of legislative initiatives, to introduce the technology, and I know that this is understood by the opposition parties. I am signaling and asking for their co-operation in that process as we identify sort of the goals we need to establish to bring this technology, this system of information, to the province of Manitoba.

I want to close, Sir, by saying again, I congratulate my honourable friend for bringing the resolution in, and I hope that my honourable friends in the official opposition might see fit to join with the second opposition party and government in facilitating the introduction of this technology to the province of Manitoba.

Thank you, Mr. Speaker.

Mr. Conrad Santos (Broadway): Mr. Speaker, certainly the official opposition, when it comes to the welfare of senior citizens, will be willing to consider the implementation of this Pharmacare card which we have advocated before. [interjection] If the honourable member will review the record, I have talked about this and how the Alberta government had, after giving some benefits to seniors, had turned around and taken away those benefits. Then there is this lack of support now for the Progressive Conservative Party in Alberta because what they gave to seniors, they took away. This is the pattern now that is happening here in this province, and we want to stop this by the introduction of the Pharmacare card.

As I understand the system, Mr. Speaker, if a senior citizen on fixed income had a Pharmacare card available to him, he does not have to come up-front with the money in order to buy the drug that he needs. What he will have to pay is any amount

of the drug that is not covered by Pharmacare. That will, of course, become an efficient system because there will be no need to reclaim the refund of the deductible later on. It will abolish all parts of the administrative system. It will abolish the necessity of putting a deadline whereby the application for the refund will have to be filed, and some seniors have lost their reclaim credits for the Pharmacare costs. That will no longer be a problem.

It will simplify the system, because when a senior citizen comes to a drugstore, all he needs to pay will be any amount of the cost of the drug that is not covered by Pharmacare. So he pays only that one which is not covered by the plan, and he waives all the deductible amounts in favour of the government.

* (1720)

This means that there will be more efficient government bureaucracy. It will be issuing cheques to fewer drugstores, the outlets, rather than issuing cheques to the claimants, the many seniors in this province. That means there will be numerically fewer numbers of cheques that will have to be issued, and there will be efficiency in the administration of those refunds to the retailers of drugs.

If we look at the historical background of this difficulty of Pharmacare, which is a component subsystem of our medicare system, we can trace the difficulty to when the arrangement between the federal government and the provincial government was unilaterally changed by the federal government. We know for a fact that initially there was this arrangement in the provincial level of government and the federal level of government by which the federal government at the start of the system of medicare will pay 50 percent of the costs of medicare. Then, in 1987, the federal government amended these arrangements and reduced its contribution to a fixed percentage of the overall economic performance of Canada to about 7 percent.

Then the federal government, in 1987, amended the Patent Act and gave the multinational drug companies, in 1987, a 10-year monopoly on the development of new drugs, new products. Finally, in 1992, the law had extended this monopoly to the multinational drug companies to 20 years.

This had adverse effects on the generic drug companies which are Canadian owned. The cost of pharmaceuticals, therefore, had gone up in the level

of costs. There is no more generic substitute that can be made available at the reduced cost of approximately 30 or 40 percent less than the brand name drug.

The trouble with this change brought about by Bill C-91 is that the brand name drug companies will have an exclusive right to 20 years for any new drugs that they develop, and the costs of those drugs will of course escalate because they are brand name drugs.

As an example of an illustration of this rise in the cost of drugs, there was a brand name drug, for example, in the United States called Levamisole, that used in the form of one treatment, it cost only \$14.95. When it was developed and patented into a new form of the same drug as a form of treatment of human cancer, what originally cost \$14.95 is now costing \$1,495 for a supply of the same drug in the form of a treatment for cancer.

You could see that this is about a 1,000 percent increase in the cost of the same medication simply because it is now under the monopoly of a multinational company which is primarily based in the United States. Without any competition from the generic producing drug companies, which are Canadian owned, these multinationals will dominate the development of new products in Canada, which means that the price saving of 45 percent for the cheapest generic drug substitute will no longer be available to Canadians. This will prevent competition among all these kinds of patents of drugs, and only the official brand name drugs will be available, because they have that monopoly which is granted by the federal law.

This is the ultimate cause of our trouble. What is the effect of this in the provincial system of our costs of medicare, including Pharmacare, as a subcomponent of our medical system?

This means that the provincial drug plans will be forced to raise their deductible, and this has already happened in this province. The deductible of 80 percent has been reduced. It means that it will have to limit the coverage of the kinds of drugs that will be covered by the insured scheme in the provincial system, and that is already happening now. We have already taken off some of the other main drugs from the insured list, and anybody who needs those kinds of drugs will no longer be covered. That means they have to pay it from their own pockets.

Mr. Cheema: What does that have to do with the resolution? Let us pass it and get on with this.

Mr. Santos: The honourable member for The Maples (Mr. Cheema) says, what has this to do? I am trying to explain why the costs of the drugs are escalating because we have given the drug companies the exclusive right to certain monopoly of certain drugs.

And the introduction of the Pharmacare card. What will this help in the control of the cost of drugs? It will not. What it will only facilitate is that it will help the senior citizen to be able to acquire those drugs immediately without coming up with the entire cost to pay for the drug, because with the use of the Pharmacare card all that they have to pay, as I have stated before, is the difference that is not covered by the Pharmacare plan.

With this, Mr. Speaker, I commend the resolution which has the support of the government and that the government in effect had accepted the introduction of the Pharmacare card in this province with the official opposition's natural support for the benefit of our senior citizens. Thank you.

Mr. Dave Chomiak (Kildonan): Mr. Speaker, as was indicated by the member for Broadway (Mr. Santos) quite eloquently, we on this side of the House are quite prepared to support this resolution, having advocated this measure initially in 1988. We are very pleased to see that all sides of the House are concurring in this progressive step to recognize a change in reality, a difference in a program that has existed for some time and been very successful, but quite obviously requires some changes insofar as particularly, as the member for Broadway (Mr. Santos) indicated, the requirements and needs of many seniors in our society who are suffering some fiscal and financial restraint.

Having said that, I can indicate that we are in support of the resolution and very happy to see that all sides of the House concur on this very important and significant resolution. Thank you.

Mr. Speaker: Is it the pleasure of the House to adopt the resolution? [agreed]

House Business

Hon. Jim Ernst (Acting Government House Leader): Mr. Speaker, I wonder if you would please determine if there is leave of the House for me to again move the Ways and Means motion, so that we may return to the Committee of Ways and Means.

Mr. Speaker: Is there leave of the House to allow the honourable acting government House leader to return to Ways and Means? [agreed]

Mr. Ernst: Mr. Speaker, I move, seconded by the Minister of Natural Resources (Mr. Enns), that Mr. Speaker do now leave the Chair and that the House resolve itself into a committee to consider Ways and Means for raising of the Supply to be granted to Her Majesty.

Motion agreed to, and the House resolved itself into a committee to consider of the Supply to be granted to Her Majesty with the honourable member for St. Norbert (Mr. Laurendeau) in the Chair.

* (1730)

SUPPLY-INTERIM SUPPLY

COMMITTEE OF WAYS AND MEANS

Mr. Deputy Chairperson (Marcel Laurendeau): The Committee of Ways and Means will come to order to consider the resolution of Ways and Means.

Ms. Rosann Wowchuk (Swan River): Mr. Deputy Chairperson, I would like to take this opportunity to ask a few questions of the Minister of Natural Resources (Mr. Enns).

I know that there have been several groups lobbying the minister and members of government to look at elk ranching. There is elk ranching going on in other provinces at the present time. There are serious problems with tuberculosis outbreaks in those provinces, but there are people who still continue to lobby to have that industry started here in Manitoba.

I want to ask the Minister of Natural Resources (Mr. Enns) what his government's position is, and what message he is giving to those people who are lobbying, in particular the venison council, who are wanting to start elk and deer ranching.

Hon. Harry Enns (Minister of Natural Resources): Mr. Deputy Chairperson, I can confirm for the honourable member that there are, of course, ongoing representations made to government on the subject of elk ranching. These representations are understandable inasmuch that, as the member is aware, this is an activity that is permitted in most other provinces I believe.

I am not totally up to date on where all the jurisdictions stand on the matter, but certainly our provinces to the immediate west, Saskatchewan and Alberta, have developed over the past number

of years, I suppose my cultural friends would say, a significant industry in the business of raising elk and/or other animals that we would consider to be nondomestic.

The member is also aware, and certainly I am very much aware, and she alluded to it in her questions, that it is not without difficulty. There have been some very serious problems both in Alberta and Saskatchewan related to health problems, so the issue continues to be a controversial one in the minds of many people.

I can report to her that I have not been led to any conclusion to change the current policy of the government, which is simply that that is not permitted in Manitoba, and to the best of my knowledge, that policy will remain in effect.

Ms. Wowchuk: The minister alluded to the fact that there are problems in other provinces with this industry. We hear about the amount of tuberculosis outbreaks that have been in other provinces.

I want to ask the minister whether or not his government has done any studies, and whether or not he is prepared to share those studies with us now as to the consequences of keeping those animals, particularly elk and deer, in captivity, what the amount of disease is, and whether they have done any studies on that?

Mr. Enns: Mr. Deputy Chairperson, I am not aware of any recent specific study on the subject matter. I would have to go back into the archives of the department. I suspect there was a reasonable amount of studying undertaken some seven or eight years ago when, in fact, a trial period existed where one or two operators were licensed or permitted on a temporary basis to get into the business of elk ranching. The member is fully aware of this. This in fact took place in her constituency up in Swan River valley.

The member is also aware that a subsequent decision by the government of the day to not proceed with the practice of elk ranching was accompanied with some considerable public outlay of tax dollars to, in effect, bring that operation to an end, to, in effect, buy out the licensed operator and bring elk ranching officially to an end in the province of Manitoba. We, of course, have monitored and have been recipients of some of the studies and some of the research data that continues to be produced, particularly from those jurisdictions that have experienced problems with this, and I refer

again specifically to the health problems associated with it.

There is another kind of overriding reason why in Manitoba we have tended to take this position. We, and I say this with some pride, I suppose, have been told by wildlife biologists and by biologists from other jurisdictions that we have a superior elk in the wild in the province of Manitoba in terms of its heredity, in terms of its species designation. There is some concern that we could lose that plus, if you like, on the genetic side of this particular species by encouraging or allowing the movement of elk from different jurisdictions, which is what you inevitably get into when you get into elk ranching.

A great deal of the income earned by people who are engaging in this process is in the moving around of breeding stock. Elk ranchers in Alberta, Saskatchewan or across the States, just as we do in the domestic livestock industry—a lot of animals get moved around from different parts of the country.

It has always been a position that my wildlife specialists have told me is possibly one of the—even greater than the health concerns, is this concern about denigrating the gene stock that we have in our native elk populations.

Now, Mr. Deputy Chairperson, you of all people will be aware that there are, as well, other concerns. There are. There are a legitimate number of people who have no intention of engaging in elk ranching. There are people, urban Manitobans and others, and I suppose they could be qualified or could be put under the term, for instance, under such organizations like the Manitoba Wildlife Federation and supported by their national organization, the Canadian Wildlife Federation, which is a substantial group of people who are concerned about the natural environment, including people who are concerned about maintaining responsible hunting regulations.

In the main, these organizations, representing many hundreds of thousands of citizens across this land and in Manitoba, have in no uncertain terms continued to express their opposition to the concept of elk ranching, and to this point in time that continues to be the policy of my department, my ministry and my government.

An Honourable Member: What about red deer, white-tailed deer.

Mr. Enns: My learned colleague from the wilds of Charleswood (Mr. Ernst), where wildlife abound,

correctly points out that there is this kind of peculiar definition of what constitutes a wild animal and how we handle it. For instance, there is no prohibition against bison farming.

* (1740)

There is a somewhat different attitude toward deer farming, the red deer farming that the venison council for instance put forward in its presentations to myself in a formal meeting some several months ago, and I believe met also with other members of our caucus and may well have met with members of the official opposition caucus. I know that they were around doing their lobbying on behalf of that kind of activity.

To answer her more directly again, this is where it is at as far as Manitoba is concerned.

Ms. Wowchuk: Mr. Deputy Chairperson, the minister did raise the whole issue of the game farming, the elk ranching which did take place in my constituency, and he is well aware that it was a very controversial issue at that time.

I would hope that if this government was considering establishing elk ranching again that he would tell the people that if he is going to do it, he will take it to public hearings so that people can again have input just as they did the last time. I think it is an important enough issue so those people who have an interest in it should have a say in what is going on.

I think that we should be very concerned about the stock here in Manitoba and protecting that breed, that particular gene pool, and that we do not lose it by having other stock brought into the province.

It is interesting that the minister is separating deer farming and elk farming because when we had the presentation from that particular group, I thought that they were one and the same thing.

The minister has talked about the whole trial period of those two projects that took part and were cancelled. He said that they cost the public purse a lot of money, and they did. It was a tremendous amount of money that was paid out.

I want to ask the minister why those elk are still being held. Those elk, the government paid for them, but they are still being held by that same person who had them before.

This has been brought to the minister's attention. Why has he not addressed that whole issue,

because it was my understanding that when Mr. Eisner was paid for those elk, that that was going to be the end of it, but there are still elk in captivity, and I believe that there are elk even leaving the province from that particular ranch or farm, whatever you want to call it, and there are products being taken out to the States.

I want to ask the minister, why then was that substantial amount of money paid out by the government, and why did nobody take any action to see that those animals were not removed?

Mr. Enns: Mr. Deputy Chairperson, I have no reason or desire not to be absolutely candid with the honourable member for Swan River who is asking these questions.

There are elk being held in captivity in different parts of the province under permit. The exact rationale or how that came about I am not fully, you know, capable of explaining at this time. I would welcome her questions perhaps at that point in time when we deal with the Estimates of the department and I have my officials with me, or I can undertake to provide her with an answer by taking these questions back to my department.

The issues as well are separate. Elk farming is not taking place in the province of Manitoba. That does not mean that there are not relatively small groups of elk in captivity on different farms. I was driving down No. 2 Highway to visit the southwestern portion of my constituency on my way to the village of St. Claude, and one of my constituents operates a large horse feedlot on No. 2 Highway, feeding out the PMU colts, the colts that come off the PMU operations. [interjection] He feeds lots of horses.

I drove in. I had not seen my constituent for some time. I just drove in the yard to pay him a visit, and he was not in, regrettably, but I drove around a little bit to look at some of the operations and the animals that he had in the feedlot, and I was surprised to see this elk roaming around in the middle of these 1,400, 1,500 horses—not in the pens but just in the yard.

Now, I know that my department—it is permissible to have wild animals including ducks or geese, you know, in captivity. They are required to inform the Department of Natural Resources. There has to be a reason for it. They can have them under permit. I know in my own community an elderly farmer who made it a practice of picking up geese, you know, that had been wounded, and raised them on his

farm—[interjection] Nursed them back to health, and some of them would fly off south after they were well. He does this under permit from the department. The department knows that the geese are there. He is not doing anything illegal.

Now, the issue with the particular elk and the animals on the Eisner operation and farm, I would have to get the specific details, but my understanding is some of them were returned to the wild. If that is not the case, then I would have to ask the member's indulgence to allow me to get the specific information.

I can report to her that I know, and she is also aware, that is a particularly ongoing kind of controversial case. There was a lawsuit involved in terms of, I suppose, or I do not know whether it was a former partner or what have you that called for some animals being traded in payment for the lawsuit. But in any event, I will undertake to provide a more full, detailed answer to this question when I have an opportunity to ask my department about the same.

Ms. Wowchuk: Mr. Deputy Chairperson, I would appreciate that answer because it is a question that has been brought to my attention several times, and it is true, it is a very controversial issue. There has been a dispute over who owns the elk. The minister talks about ducks and geese kept under permit and really this is quite a different story; these are large numbers of animals that are being kept, and in fact, it is quite a different story than just picking up a few ducks and geese that happened to be hurt along the way. I look forward to hearing from the minister if he could provide us with that information and what is happening with that specific case, because in fact if the government did pay a substantial amount of money to clear up that whole situation to end the trial period and those animals are still being kept in captivity, the government has not done its job.

I want to ask the minister, there is an elk enhancement group in the Parkland, in the Minitonas area, and they have just received a grant, some money to count elk or some sort of project. I am not quite sure what they are going to be doing.

I wonder if the minister could elaborate on what he expects from this money. I believe it was \$15,000 that was provided to this organization, particularly at a time when we have some very vital programs being cut, when we have the friendship centre in Swan River that has been cut, we have had

the occupational health program being eliminated and we are losing jobs. What does the minister expect from this organization for this money? What would be the results of this grant? What information would the minister be provided with from this grant?

* (1750)

Mr. Enns: Mr. Deputy Chairperson, allow me to put on the record that the Department of Natural Resources, when I was privileged to assume its leadership again as minister three short years ago, had a total budget of \$104 million. It, today, has a budget of \$84 million, and I suggest to the honourable member, whom I know among her other responsibilities in this House, but she is, particularly in that area of Swan River and the valley, very much aware of the importance that the functions of the Department of Natural Resources are to her constituency, as they are indeed to all Manitobans.

I simply suggest to her and to all members of the House that in terms of ensuring that the important social programming that she alluded to, whether it is in family services, or in education or health, to enable those services to continue, up until this year, to enjoy enhanced budgets of 5 percent and 6 percent and 7 percent, departments like Natural Resources.

The member knows whereof I speak, because it was only a few short years ago that she was the official critic for the official opposition and she—Mr. Deputy Chairperson, you may not believe this, but she was less than kind to me on several occasions about what was happening in the Department of Natural Resources, the fact that significant numbers of layoffs occurred, that there were not enough Natural Resources officers to control and patrol the poaching activities that take place there.

So I simply say to you, and put on the record, that this department has not taken a 2 percent cut, it has not taken a 5 percent cut, it has taken a 15 percent to 20 percent cut to enable us to redirect the resources of the province to those high prioritized areas of this government. I accept that. I agree with those priorities, but when she asks me then to—when she focuses in on one particular little program like the elk enhancement group that we were talking about, that group has done some very good work in several things.

They have provided feeding stations in the Parkland area in the hope of keeping the elk off of farmers' grain lands so that they would not cause

damage to their fields, which then becomes a claim on the public purse, and we try to compensate for that. Also, it is a protective measure for the elk. In doing this work, and in this particular year, partly because of the reduced budgets in my department, they volunteered to help us in doing an intensive survey in the whole northwestern region.

If I have to do that entirely with my own staff, understandably, it is considerably more expensive. We get a great deal of volunteer effort from this group of responsible minded local citizens who are interested in the elk in particular. They are in some cases engaging their own aircraft. They are doing this in consultation and with the wildlife biologists from the department.

I believe it was, I think the figure is right, \$14,000 or \$15,000 which, by the way, comes out of the Special Conservation Fund that I have which my colleague the Minister responsible for Lotteries (Mrs. Mitchelson) is gracious enough to allow me to have a bit to work with volunteer organizations throughout the province of Manitoba in assisting the Department of Natural Resources to carry out its mandate and its responsibilities with respect to the resources of this province.

In this case it is elk, specifically to help with a survey, and that certainly is information that is important to us. It tells us the health of the herd. It helps establish limits to the kind of hunting pressure that can or cannot be sustained in that area. It also gives us some forecast of, you know, if the herd is increasing, and I can report to her the herd is increasing. Our preliminary information is that they are in pretty good health despite the fact that there has been some pretty heavy pressure on them in both a legal and an illegal way, but it is important for my game managers to have this information.

We welcome that support, and we justify it on the basis that we are in fact getting more information for the dollar spent, if you like, than if we had to do it all on our own initiative.

Ms. Wowchuk: Mr. Deputy Chairperson, I thank the minister for that answer. I hope also that he will share the results of that survey with us. I would be very interested in knowing those numbers and what the impacts on the elk herd have been by the activities that have been going on in that area.

I just want to change to a different subject for a moment. I know we do not have very much time, but in December the minister attended a meeting in

Winnipegosis. At that time, the Winnipegosis fishermen raised some very serious issues with him, particularly the low stocks in the lake and their inability to make a living off that lake because of the depleting number of fish.

I want to ask the minister whether he has addressed that issue. In particular, is there going to be a way that there will be additional stocking of Lake Winnipegosis to have the numbers raised? What other actions is he going to be taking to address the particular problems that the fishermen raised with him at that particular meeting?

Mr. Enns: Well, the honourable member is correct. It was a well-attended meeting by a large group of the fishermen who have traditionally fished on Lake Winnipegosis. They raised a host of issues, but the bottom line was really the regrettable fact that fisheries season, at that time, and as far as I know, it has not improved much, was dismal, to say the least. I have asked Mr. Joe O'Connor, who is our Fisheries director, along with the other Fisheries biologists, to provide us with some further advice.

The advice tends to be kind of stark. There is active consideration given in the party as to whether or not further restrictions with respect to fishing on the lake ought not to be employed, not that we particularly want to do that. It is obvious if the fish are not there or fishermen are not making ends meet on the slim pickings that are on the lake, whether or not some further restrictions should be placed in the hopes that would improve the future production off the lake.

I am examining the stocking profiles of the lake in the past, which we had some difficulty again and lack of understanding as to what in fact we were doing, but I will not go into that right now. The result, quite frankly, is as disappointing to officials within my department as it is to the fishermen. There was some optimism; there was some hope that after the closure that was imposed on the lake by the previous administration, and I believe it was for the duration of some three years, whether we might have been better off to maybe extend that for an additional several years, benefit of hindsight, you know, when one can see that.

There is some active consideration being given to, for instance, closing a season, closing the summer season. I am familiar with the Lake Manitoba situation where for many, many years we have only had the one winter season. That has

worked well for that particular lake. I appreciate that each fishery is different. Certainly, Lake Winnipegosis over its history has had a very worthwhile and proud fishing record. One does not really like to contemplate that. Again, I invite the—I am somewhat forewarned by the member's questions. I will certainly be challenging my Fisheries staff to have some further information to provide her and the committee members with when we come to the Estimates of the Department of Natural Resources. Thank you, Mr. Deputy Chairperson.

Mr. Deputy Chairperson: Order, please. The hour being six o'clock, committee rise.

Call in the Speaker.

IN SESSION

Mr. Speaker: The hour being 6 p.m., this House now adjourns and stands adjourned until 10 a.m. tomorrow (Friday).

Erratum

On Tuesday, March 23, 1993, Vol. No. 32, page 1265, Ms. Marianne Cerilli's first question should have read: Mr. Speaker, this government's elitist economic policy and attack on the public school system is unfairly penalizing students and their families in Transcona-Springfield.

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Thursday, March 25, 1993

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