



Fourth Session - Thirty-Sixth Legislature

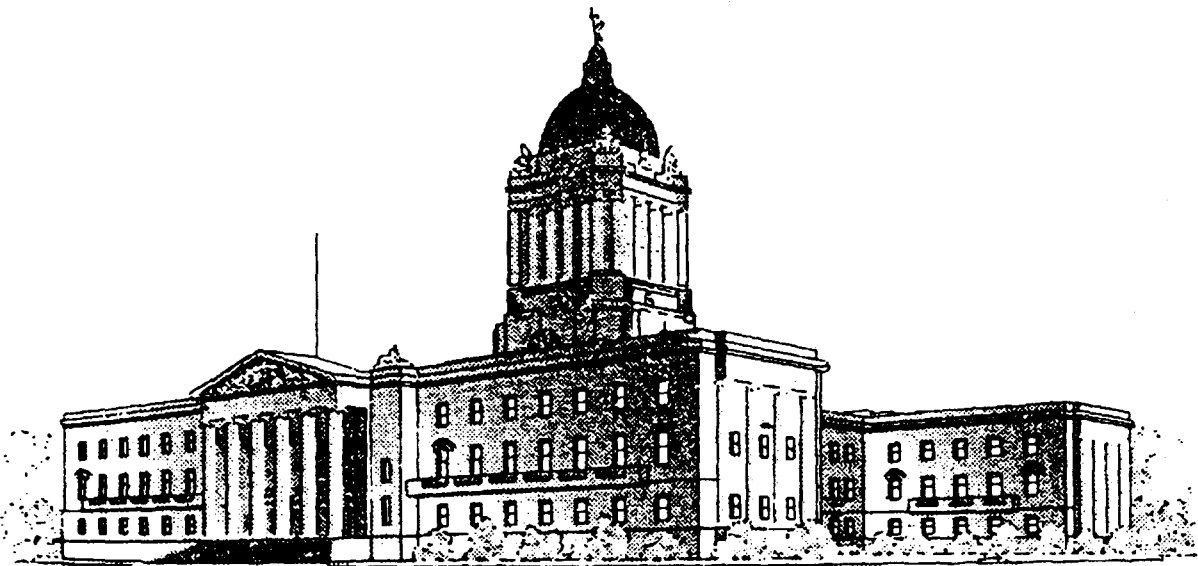
of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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The Honourable Louise M. Dacquay
Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, April 16, 1998

The House met at 1:30 p.m.

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Winnipeg Hospitals Food Services—Privatization

Mr. George Hickes (Point Douglas): Madam Speaker, I beg to present the petition of Maria Juzwa, Konseng Phengpacy, Doreen Guenette and others praying that the Legislative Assembly of Manitoba urge the Minister of Health (Mr. Praznik) to put an end to the centralization and privatization of Winnipeg hospitals food services.

Mr. Jim Maloway (Elmwood): Madam Speaker, I beg to present the petition of Keith Wilding, Mike Lalonde, Miles Youzwa and others praying that the Legislative Assembly of Manitoba urge the Minister of Health to put an end to the centralization and privatization of Winnipeg hospitals food services.

Mr. Gregory Dewar (Selkirk): Madam Speaker, I beg to present the petition of Michelle Masserey, Rocco Boniello, John L. Snively and others praying that the Legislative Assembly of Manitoba urge the Minister of Health to end the centralization and privatization of Winnipeg hospitals food services.

Mr. Doug Martindale (Burrows): Madam Speaker, I beg to present the petition of Doris Makoid, Mary Sydor, Deanna Craig and others praying that the Legislative Assembly of Manitoba may be pleased to request the Minister of Health to consider immediately cancelling the hospital food proposal and concentrate on delivering quality health care instead of using health dollars to provide contracts to private firms.

Mr. Gerard Jennissen (Flin Flon): Madam Speaker, I beg to present the petition of P. Verne, Terry Proctor and J. Proctor praying that the Legislative Assembly of Manitoba may be pleased to request the Minister of Health to consider immediately cancelling the hospital food proposal and concentrate on delivering quality

health care instead of using health dollars to provide contracts for private firms.

Mr. Clif Evans (Interlake): Madam Speaker, I beg to present the petition of Pauline Pellack, Pearl Ali, Lilliane Bridges and others praying that the Legislative Assembly of Manitoba urge the Minister of Health to put an end to the centralization and privatization of Winnipeg hospitals food services.

READING AND RECEIVING PETITIONS

Winnipeg Hospitals Food Services—Privatization

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

An Honourable Member: Dispense.

Madam Speaker: Dispense.

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

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

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

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

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

THAT the announced savings as a result of the contract have been disputed, and one study by Wintemute

Randle Kilimnik indicated that, "A considerable number of studies have compared costs of service delivery in health care between self-operation (public sector) and privatization. Invariably, privatization is more expensive."; and

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

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

Madam Speaker: I have reviewed the petition of the honourable member for Wellington (Ms. Barrett). It complies with the rules and practices of the House (by leave). Is it the will of the House to have the petition read?

An Honourable Member: Dispense.

Madam Speaker: Dispense.

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

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

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

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

An Honourable Member: Dispense.

Madam Speaker: Dispense.

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

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TABLING OF REPORTS

Hon. Harry Enns (Minister of Agriculture): Madam Speaker, in order that honourable members have a better understanding of how I intend to spend some hundred million dollars for various agricultural programs, I wish to table Supplementary Information of the Ministry of Agriculture, and as well, the Annual Report for the Prairie Agricultural Machinery Institute, 1996-97.

Introduction of Guests

Madam Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the public gallery where we have this afternoon forty-six Grade 9 students from Robert Andrews School under the direction of Mrs. Shanley Harper-Nick. This school is located in the constituency of the honourable Minister of Highways and Transportation (Mr. Findlay).

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

ORAL QUESTION PERIOD

Norman Guimond Release

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, I would like to present to the government and to the Acting Premier some 13,000 signatures, people who have signed this petition from across Manitoba in terms of the killing of Jeff Giles and their sense that each of us in this Legislature should do our part to

make our streets safer and make our communities places where people feel they can live without fear.

I would like to pass this over to the government, if I could, please. I would like to ask the government, the Acting Premier—in this case, people are very concerned about the release of one of the accused, Mr. Norman Guimond, who was released from custody. I would like to ask the Premier (Mr. Filmon) or Acting Premier: who released this individual, this accused, and why?

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, I would like to thank the member of the opposition for transmitting to me on behalf of the people of Manitoba the petition. I certainly look forward to receiving that petition and to make my federal counterpart aware of the concerns of the people of Manitoba. I indeed have been doing that on a regular basis.

The member for Concordia, of course, is treading on very thin ice here. He is commenting on a case that is presently before the court. The Supreme Court of Canada has given us very clear and specific directions that neither the Attorney General nor any member of the Legislature or Parliament shall comment on any case that is pending before the courts. So I need to assure the people of Manitoba that we take their concerns very seriously, and I know the federal Justice minister does as well, but the member for Concordia knows of the impropriety of the request that he has made.

Mr. Doer: Madam Speaker, we are not commenting on the case before the court. We are commenting about the justice system and its decision to release an accused and the circumstances under which a person who has been convicted of being unlawfully at large in the past, who is presently charged with a serious offence, is released.

We want to know from the government: have they investigated the circumstances of that release of a person in custody who later became accused of this senseless killing, in our view, of Mr. Giles? Have they investigated this issue, and is this not a case where an investigation should proceed by the Attorney General's department because individuals like this should not be

released from custody, as has happened in our justice system, regrettably, in Manitoba?

* (1335)

Mr. Toews: Again the member has referred specifically to a specific case which is before the courts, and I cannot express my deep, deep concern that he would do that. I want to assure the public of Manitoba that every step taken in respect of criminal investigations is properly conducted, and if they are not, they are brought to my attention to ensure that there is some accountability or an answer. But the question that has been raised causes me a deep amount of concern, knowing that to answer it in the way he has requested would in fact put me at odds with the Supreme Court of Canada.

You know, the member for St. Johns (Mr. Mackintosh) constantly referred to a case that was also before the courts, the Bauder case which is now no longer before the courts, and his comments may well have had a direct effect on our ability to successfully appeal that sentence in that particular case, and so we will never know of the prejudice that those comments from the member for St. Johns caused, but I certainly cannot afford to have any prejudice in this respect in this particular case.

Mr. Doer: Madam Speaker, the Minister of Justice is responsible for the administration of justice here in Manitoba. We asked him who released the individual, the accused, and why. Those are questions completely within his jurisdiction to answer and completely within the public interest to give accountability and answers.

We want to know the answers to the questions because we want to know whether there are adequate Crown resources in place dealing with release of prisoners in custody. We want to know whether there are adequate magistrates in place in our community dealing with people in custody before they are released, and we want to ensure that there are proper backups for our police forces in terms of the application of the decisions we have to make within the administration of justice here in Manitoba.

So I would like the Premier today to answer the question of who released Mr. Guimond and why, and

can we do a better job of backing up our police forces with Crown attorneys, with resources in magistrates, resources in other resources so police officers have adequate backup from this Justice minister and this Justice department.

Hon. Gary Filmon (Premier): Madam Speaker, I will take that question as notice on behalf of the Minister of Justice.

Crime Prevention Antigang Strategy

Mr. Gord Mackintosh (St. Johns): To the Minister of Justice. Many Manitobans have a bit of Jeff Giles in them. They are furious and, like Jeff, want to do something to stop the violence and street gangs. This helps explain why thousands upon thousands have signed this petition which calls for provincial action.

My question to the minister is: rather than send this petition to the federal government as he earlier vowed—I cannot believe it—and again said it in this House, that this minister do something, take responsibility and put in place a vigorous antigang strategy for bail, prosecutions, corrections, probation and prevention, areas that this minister is responsible for, that this government is responsible for.

* (1340)

Hon. Vic Toews (Minister of Justice and Attorney General): This government is committed to ensuring that violent crime in our streets is stopped, is concerned about any act of violence that is committed against any of our citizens. Our government has embarked over the last number of years on a vigorous antigang policy, on a vigorous prosecution of violent crimes and gang offences. We have a comprehensive program related to the containment of gangs, the containment of violent criminals, and we are constantly looking at those issues in order to improve our delivery of service so that the people of Manitoba are protected.

I have asked the member to come to my office and speak to my officials about exactly what we are doing. It is a complex, it is a long answer, but we in fact are confident that what we are doing is the right thing. I

invite him to come to my deputy minister's office, and he will get a full briefing on that.

Madam Speaker: The honourable member for St. Johns, with a supplementary question.

Mr. Mackintosh: Manitobans prefer I do my business in public, Madam Speaker.

Crime Rate Provincial Comparisons

Madam Speaker: Order, please. The honourable member, with a supplementary question, please.

Mr. Gord Mackintosh (St. Johns): Would this government, while it does not so much as even mention gangs in throne speech after throne speech and budget speech after budget speech, admit that Manitobans under this government have suffered the worst violent crime rate of all the provinces since 1993, in fact, the highest such rates ever in the history of Canada?

* (1345)

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, well, let us deal with that part by part. First of all, I am very proud of what this government has done in the area of abuse and violence against women. During the NDP years when I was a prosecutor, the policy was very simple. When women would not testify, they were thrown into jail. That was the NDP policy, and that is clear. You know, there have been thousands of cases on an annual basis now where they were never brought to justice.

Now women are feeling secure and safe because of initiatives that my predecessors have taken and that I am proud to continue on in respect of the Lavoie inquiry commission. I know members have criticized the people on that Lavoie commission and the community members, and I know the amount of work that they have been doing in respect of that. I want to make sure that the people of Manitoba know we are taking care of what I consider a very important issue.

Point of Order

Mr. Steve Ashton (Opposition House Leader): On a point of order, Madam Speaker. Beausheue Citation

417 is very clear that answers to questions should be as brief as possible, deal with the matter raised, and should not provoke debate.

Our Justice critic and our Leader (Mr. Doer) have been asking very serious questions about a very serious incident in a whole series of violent crimes that Manitobans are being subjected to. The answer that the minister is giving may give him some political satisfaction but is not related in any way, shape or form to any of the questions we have been asking.

Given the very serious nature, Madam Speaker, of this matter, I would ask that you call the minister to order and ask him to answer the questions we are asking on behalf of thousands of Manitobans.

Madam Speaker: The honourable Minister of Justice, on the same point of order.

Mr. Toews: Well, Madam Speaker, indeed, I thought I was responding to the question.

From her seat, the member for Wolseley (Ms. Friesen) asked me to give a full expansive answer, and that is what I was doing.

On the prior question—[interjection] If I could finish my point of order—

Madam Speaker: Order, please. All members will be recognized but one at a time, please. The honourable Minister of Justice had been recognized and had not completed his statement.

Mr. Toews: On the prior question, the member for Wolseley (Ms. Friesen) had indicated that she did not think I was giving a long enough and expansive enough answer, and so I attempted then to answer the concern that the member for Wolseley had about what she perceived as an answer that was not expansive enough. Now the member for Thompson stands up and says I am being too expansive. Madam Speaker—[interjection] Well, I am prepared to give a full expansive answer.

Madam Speaker: Order, please. The honourable member for Wolseley now, on the same point of order.

Ms. Jean Friesen (Wolseley): I am not sure if it is the same point of order, Madam Speaker. I would like to correct the information that the Minister of Justice put on the record about what I said from my seat. I do not want to let that stay, because it is wrong. The minister is, as usual, using his time to attack individuals.

Madam Speaker: Order, please. The honourable member for Wolseley was not speaking on the same point of order, nor does she have a point of order. She was trying to make clarification on the record.

On the point of order raised by the honourable member for Thompson (Mr. Ashton) and spoken to by the honourable Minister of Justice, I will take the matter under advisement so that I can very clearly listen to Hansard, read the record and determine whether indeed the minister was or was not giving a specific answer to the question asked.

Point of Order

Madam Speaker: The honourable member for Wolseley, on a new point of order.

Ms. Friesen: On a new point of order, I do want to correct the information that the Minister of Justice wanted to leave on the record. What I said from my seat was that there is a difference between the minister inviting members of the House into his office to speak behind closed doors, a very common practice in this government, and the public record which I was asking him to speak to. He had been asked by our Justice critic to speak to the House on a particular issue. He used his time, as usual, to attack individuals.

Madam Speaker: Order, please. On the point of order raised by the honourable member for Wolseley, the honourable member for Wolseley, with the greatest respect, does not have a point of order. It is clearly a dispute over the facts. I would ask for the co-operation of all members in not extending unnecessary points of order.

Norman Guimond Release

Madam Speaker: The honourable member for St. Johns, with a final supplementary question.

Mr. Gord Mackintosh (St. Johns): Madam Speaker, again to the minister. Would the minister, who does not get it—Manitobans do not feel safe and secure—would he at least explain why he refused our call to investigate why a person who happens to be an accused in the Giles murder, apparently a textbook case of someone who would need denied bail, was released on a weapons offence and in breach of probation, and specifically, though—and this is very important and timely—why the police thought they had to release him, when they say they relied on, and I will quote, guidelines handed down from the provincial Justice department?

Hon. Vic Toews (Minister of Justice and Attorney General): You know, Madam Speaker, this is a member who constantly misrepresents the facts. The Crown attorneys' union have had to stand up and have had to correct him by sending out a press release asking him to quit misrepresenting their position, and again in the House he is doing the same thing. At no time have I ever said that any investigation into any issue related to that matter would not be done by the appropriate authorities.

Home Care Program Privatization

Mr. Dave Chomiak (Kildonan): Madam Speaker, this afternoon in front of the Legislature, thousands and thousands of Manitobans put their names on cards to demonstrate to this government that they are against privatization of home care. It was something that was achieved after a massive battle, when the only people in Manitoba who were in favour of privatization were members opposite, and the vast majority of Manitobans were opposed. It took a strike and it took much fighting on behalf of these people to get the government to change at least partially its mind.

My question to the Premier: have you heard the voices of Manitobans, and will you now make it clear that you will not—you do not agree and you will not allow the privatization of any portion of home care in Manitoba?

Hon. Gary Filmon (Premier): Madam Speaker, unlike the member opposite, our government does not

just simply make knee-jerk reactions as policy decisions, nor does it base all of its decisions on blind ideology as we see from the member opposite. We have said before that, having instituted a pilot project that involved alternate delivery mechanisms for home care throughout the province, we will then have a review of that pilot project and we will evaluate just what strengths, advantages, disadvantages or weaknesses that it offers to us. In that respect, we will come up with an information-based, evidence-based judgment that will guide us in our future policy decisions.

Mr. Chomiak: Madam Speaker, how does the Premier reconcile that statement that he just made in the House, a very clear statement, that privatization can be on, that they are going to evaluate it, with the definitive statement of his own Minister of Finance (Mr. Stefanson), repeated on many occasions, that the experiment, the privatization plan was over? How does he reconcile those contradictory statements?

Mr. Filmon: Madam Speaker, I am not aware of the Minister of Finance making that statement.

* (1350)

Mr. Chomiak: Madam Speaker, the Premier is well aware that I was referring to the Minister of Health (Mr. Praznik).

How does the Premier reconcile his statement in the House today and his previous statements to the Leader of the Opposition (Mr. Doer) and his claim that privatized home care would save \$10 million, and his obstinate position on this issue, with the statements of his Minister of Health, that the privatization experiment was over? How does he reconcile those two contradictory statements in this House and outside, Madam Speaker?

Mr. Filmon: They are not contradictory, Madam Speaker. The tender process is part of the evaluation.

Manitoba Telecom Services Annual Meeting—Minister's Proxy

Mr. Tim Sale (Crescentwood): Madam Speaker, yesterday in this House the minister responsible for

Manitoba Telecom Services finally confirmed that, indeed, as required by MTS by-laws, he was present by proxy at last year's annual meeting when the stock option plan which made his brother a potential millionaire was approved, that he had a separate vote to elect four directors and a regular vote on all other issues before the meeting, including approval of a stock option plan. Will he now confirm, in this House, as he did outside the House to members of the press on Tuesday, that his proxy, Mr. Benson, voted with the common shareholders after they had voted in favour of the stock option plan?

Hon. Eric Stefanson (Minister of Finance): Madam Speaker, I think, first of all, just to be absolutely certain for the member's benefit, as I said in this House yesterday, we have three significant rights as a result of our special share. One is to appoint, to nominate and elect four directors to the board of MTS. One is to effectively vote separately as a special share, a separate class for various issues primarily outlined in Sections 10 and 11 of the legislation. And as I indicated to this House yesterday, the only instance where that applied at the annual meeting in 1997 was for the nomination and election of the four directors. It did not apply for any of the other votes that took place at the annual meeting. And the third significant right we have is we, along with the other 70 million shares, have one vote for what we would call normal operational decision making of MTS. Our nominee at that meeting did not exercise that one vote for any of the normal operational decisions that were made at the annual meeting.

Mr. Sale: Madam Speaker, then is the minister changing his story from what he said on Tuesday in which he suggested to members of the press that in fact his member, his proxy did in fact exercise his vote, and if he did not, why did he not exercise his vote?

Mr. Stefanson: Madam Speaker, our nominee did exercise the vote on the special share, the separate class, which he was authorized to do when it came to nominating and electing our four directors, which was also outlined very clearly in the proxy.

On the other operational decisions, they virtually more directly affect the people who hold the 70 million common shares, the people who invested their own

money in MTS. As a result of that, we felt it is appropriate that those operational decisions are in fact made by those individuals who have become the common shareholders of MTS, and therefore we are not exercising our vote on those kinds of issues.

Minister Responsible for MTS Resignation Request

Mr. Tim Sale (Crescentwood): Will the minister, who has now confirmed that he has changed his story from Tuesday, explain to the House that in fact he withheld his vote on that particular matter, perhaps because he finally recognized the ethical dilemma he is in, and will he now do the right thing and withdraw as minister responsible for Manitoba Telecom Services?

* (1355)

Hon. Eric Stefanson (Minister of Finance): Madam Speaker, there is no ethical dilemma whatsoever. My responsibilities as Minister of Finance are to ensure that the conditions outlined in the legislation are met. They are being met. It is to protect the debt back to the taxpayers of Manitoba, the debt that on January 7, 1997, was originally at approximately \$430 million. To date, almost \$200 million of that debt has been repaid; in fact, it is being repaid at a faster rate than originally anticipated, so that is good news for the taxpayers of Manitoba.

When it comes to the issue of the establishment of the stock option plan back in 1997, I think it is very important to recognize that the people that are directly affected by the establishment are the people who have invested in MTS, the common shareholders, because there are 70 million shares. The common shareholders, by a vote of 93.7 percent of those who voted, ratified the establishment of a stock option plan, and that does allow for the issuance of up to a maximum of 3.5 million more shares. That has a direct impact on the economics of their investment because they are providing for more shares being issued. Therefore, it is the kind of decision that should be decided by those common shareholders. It does not affect our debt. Our debt stands ahead of equity. Our debt is secured. Our debt is being repaid, all because MTS is performing very well today.

Home Care Program Privatization

Mr. Kevin Lamoureux (Inkster): Madam Speaker, my question is for the Minister of Health. When we had the ordeal of privatization for profit of home care services being dealt with with this particular government, there was in fact overwhelming chaos when you had the clients and the workers that were really at odds in trying to understand what it was that the government was doing, and today it appears as if we are revisiting that issue, and I think that saddens a lot of people.

My question for the Minister of Health is to indicate very clearly to this Chamber whether or not this government would be in favour of the privatization for profit in home care services.

Hon. Darren Praznik (Minister of Health): Madam Speaker, I am glad that the member for Inkster has raised the issue of public information and knowledge because one thing that contributes to concern of the public more than any other issue is when members of this Assembly or members of the media take forward a story and portray it in a manner that is not accurate.

As the Premier has answered in earlier questions, the reason in fact we embarked on this was to evaluate our own service. Part of that evaluation is the result of the tender. I have commented on the result of the tender. We have agreed with the union, which represents those home care workers, to an evaluation process, which is now going to get underway to see what we learn out of that particular process. We have always said as a government that we have to test the way we deliver services. This and any other government should continue to do that. But surely if you look at the results of the tender process, the results that were garnered, one can draw their conclusions from that. The fact of the matter is that we will complete that evaluation process. I understand the Winnipeg Long Term Care Authority, because the Olsten contract is coming to an end, is geared up to take over that service.

Mr. Lamoureux: Maybe the Minister of Health can then acknowledge that in order to clear up some of these inaccuracies that are out there, a part of the

responsibility for that is the Minister of Health himself. What the Minister of Health has to do is he has got to indicate very clearly as to what direction this government, in particular this minister, wants to take the future of the delivery of home care services for Manitobans.

Mr. Praznik: Madam Speaker, one of the reasons we had a bout of confusion is because in the whole case of a transition, with the conclusion of the Olsten contract and the Winnipeg Long Term Care Authority taking over that service, some 800 clients needing service, was his colleague in the opposition the member for Kildonan (Mr. Chomiak) continually wanted to have me say would the contract end, yes or no, on a particular date, knowing full well that if there was a transition, members of the New Democratic Party would say: whoa, the whole contract is continuing again and it is terrible. And that is just untrue, and it led to a great deal of confusion, and it was carried by some of the media inaccurately.

We have committed to a review process. Obviously, the results of the tender that we have discussed from last April point to the economic issues. There are service issues that will be reviewed. The member is asking me to make a definitive policy statement that will carry on forever and a day. We have not even completed the review process yet, and surely to goodness we want to see what we learn from that, but common sense, when one looks at the tendering process, should dictate the course.

Mr. Lamoureux: Madam Speaker, what I am asking of the Minister of Health is to make a commitment to a concept of home care service delivery which is based on public delivery, as opposed to private-for-profit delivery.

Is the Minister of Health prepared to make that commitment?

Mr. Praznik: Madam Speaker, just for example, in looking for the very definitive answer—if I were to give the member today—we use a number of private providers and—even the New Democrats used when they were in office for a variety of purposes in the home care system, sometimes to fill in relief. The

trouble here with this is, given the politics around this particular issue, any statement I made is, I am sure, going to be twisted and used to create an issue that really is not there.

The real test of this process—just to apply some common sense for a moment—was the tendering process that took place last April. We know the results of this process. One thing for certain is this government is very pragmatic. We do the things that need to be done to provide the best care for Manitobans. We do not base our decisions on the ideology of members of the New Democratic Party.

* (1400)

Highway Construction/Maintenance PR 391

Mr. Gerard Jennissen (Flin Flon): Madam Speaker, my questions are for the Minister of Highways.

For years the deteriorating condition of PR 391 has been of great concern to northerners, particularly those dependent upon the stretch from Leaf Rapids, Lynn Lake to Thompson. I would like to table a letter from Mrs. Barbara Bloodworth who, together with the PR 391 committee, has worked hard to improve this road. Yesterday, Mrs. Bloodworth, president of the Leaf Rapids Chamber of Commerce, said in a CBC radio interview, quote: we have worked with the department in setting up priorities and then to have them totally ignored, it just is not acceptable.

I would like to also table that.

My question to the minister is: why was the PR 391 base and AST project on the 21.2-kilometre section west of PR 280 not included among the 1998-1999 capital projects?

Hon. Glen Findlay (Minister of Highways and Transportation): Well, Madam Speaker, the member is tabling letters. I would maybe like to inform him to give credit where credit is due—as significant support to what we are doing on 391 from people who travel 391. A letter came in February of '97 from the Local Government District of Lynn Lake congratulating the

government on the projects it carries out on 391. Year after year, we do projects on 391, as we do on 373 and Highway 6. As the member full well knows, we have committed and lived up to that commitment of 11 percent of expenditures on the highways of northern Manitoba, because there is 11 percent of the network up there. It includes 391, 280, 373, Highway 6, Highway 39, Highway 60, a lot of length of highway.

Major projects are happening, in the budget we just announced, on Highway 6 and Highway 373, but there is a project on Highway 391 this year that was announced last year for some approximately \$3 million, which is going to happen in 1998. So commitments are happening on a continuous basis that come out of the committee of 391.

Mr. Jennissen: Madam Speaker, will the minister acknowledge something that all northerners know, namely, that PR 391 needs far, far more than spot grading and repairs?

Mr. Findlay: Well, Madam Speaker, that is exactly what the government has been doing over the last few years project by project, grade and gravel and surfacing of roads on sections of Highway 391, which is a very long road. Everybody understands it takes a long time to do the whole length of the road, and we have committed to it. We are working on it step by step, but not every road gets everything they want every given year anywhere in Manitoba.

Mr. Jennissen: Would the minister be prepared to leave his government car safely at home and drive his personal car from Thompson to Leaf Rapids and Lynn Lake and back so that he can ascertain exactly the nature of the road conditions that northerners face on a daily basis?

Mr. Findlay: Madam Speaker, I am almost embarrassed to have to say this to the member opposite, but he does not read the press clippings from northern papers. I will read from the Northern Star of March 17, 1988, and this is the editorial comment talking about Highway 391, the one that the member is talking about, which he just referred to.

Some Honourable Members: Oh, oh.

Mr. Findlay: The members do not want to hear this quite obviously.

I quote: The road, meaning Highway 391, was good. Not just good, it was excellent. He goes on to say: I would hate to think that the minister might read this because he would find out that the traditional political process of always complaining does not necessarily always happen. The headline in this editorial: Give credit where credit is due, and: to the Department of Highways and Transportation for the good work they have done on Highway 391. I would recommend the member read it.

Some Honourable Members: Oh, oh.

Point of Order

Mr. Findlay: On a point of order, Madam Speaker, I would not want to bring misinformation to the House. If I said '88, it is 1998.

Madam Speaker: Order, please. The honourable Minister of Highways and Transportation did not have a point of order. It is a clarification of the record.

Royal Winnipeg Ballet Attendance—London, England

Ms. Diane McGifford (Osborne): Madam Speaker, yesterday the Minister of Culture (Mrs. Vodrey) confirmed that she and the Minister of Industry, Trade and commerce did indeed spend \$41,500 on their October ballet trip to London. Today I want to ask the Premier the questions that the Minister of Culture failed to answer yesterday.

I would like to ask the Premier which Tory cabinet members, MLAs and staff, in addition to the Premier and, I understand, Mrs. Filmon, attended the ballet in London? Could we have a list of names? Was there a Tory quorum? Were there more cabinet ministers than esprit de ballets? Would the Premier tell us?

* (1410)

Hon. Gary Filmon (Premier): Yes, I certainly will acknowledge with great pleasure that I was able to stop in at London on my way back from a trade mission to

Poland and Ukraine, a very successful trade mission, I might say, in which we made a lot of very important contacts for business expansion in Manitoba. I was delighted to be at the opening of the Royal Winnipeg Ballet's performance in London that was attended by Prince Edward, as well as many other people, business people and people who have a lot of interests in Manitoba.

I wanted to just table for the member opposite, because I think her question smacks of envy and all of that sort of thing—I want to tell her that these are important issues that she should not treat so lightly and that she should look at the long-term implications of being represented by a company that is as widely acclaimed as the Royal Winnipeg Ballet, our greatest ambassadors I might say for culture. It is something that really has such positive long-term impacts for the province of Manitoba.

Here is a series of over 30 press clippings from newspapers from all over Europe and particularly the United Kingdom covering the Royal Winnipeg Ballet's performance. This is the kind of thing that results in our having more than \$400 million a year of culture industry, having acknowledgement worldwide of the kind of quality of living that we have in this province and the very attractive environment that has been created in this province. She should not look at it so narrowly from her own envy point of view but look at the broader implications of what this does for our province and the way in which it is portrayed worldwide.

Point of Order

Mr. Doug Martindale (Burrows): On a point of order, we on this side support the Royal Winnipeg Ballet. We listened very patiently to the Premier's answers, hoping that eventually he would get around to answering the question from the member for Osborne (Ms. McGifford) which he is supposed to be doing. He is not answering the question at all, and I would ask you to bring him to order and ask him to answer the question. Thank you.

Madam Speaker: The honourable First Minister, on the same point of order.

Mr. Filmon: On the same point of order, Madam Speaker, I know that the member opposite is embarrassed because of the lack of support that they have shown for the Royal Winnipeg Ballet and their attempt to gain some cheap political credit for opposing this kind of support for one of the jewels of our performing arts in Manitoba who bring us credit worldwide. I say that we on this side are very proud of the ballet and will continue to promote them throughout the world.

Madam Speaker: Order, please. I will take the point of order raised by the honourable member for Burrows under advisement to review the specifics of the question asked by the honourable member for Osborne.

* * *

Madam Speaker: The honourable member for Osborne, with a supplementary question.

Ms. McGifford: I see the Premier is testy today.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. The honourable member for Osborne, with a supplementary question.

Ms. McGifford: And a very simple question. I wonder if the Premier would tell us, please, exactly what this London junket honestly cost the taxpayers. What was the cost of all government members and their staff? What was the cost of this junket?

Mr. Filmon: Madam Speaker, I know that for each member of government that was there, there were significant business interests being pursued. I personally met with a number of different corporations. I know as well, so did the Minister of Industry, Trade and Tourism (Mr. Downey), and I know that the Minister of Culture, Heritage and Citizenship (Mrs. Vodrey) did as well.

There was a long list of different contacts that were made and opportunities for business development, opportunities that are proving to provide investment and job creation in this province, and that is the kind of investment that is important for governments to make.

I might indicate that all good governments in Canada are making those investments in ensuring that our province is promoted and that opportunities for investment are being pursued at every opportunity. I say to the member opposite, she should get her head out of the sand and learn about the real world.

Canada-Manitoba Flood-Proofing Program Availability

Ms. Rosann Wowchuk (Swan River): Madam Speaker, last year this government, along with the federal government, announced the Canada-Manitoba Flood Proofing Program. The government document indicates that this program is separate from disaster assistance and that the flood program was expanded to include all areas outside the Red River Valley. It goes on to say that the program is available for all Manitobans whose homes, businesses and properties are threatened by flood anywhere in the province.

I would like to ask the minister responsible for the flood-proofing program why applications from other parts of the province that are coming in are being denied assistance under this program.

Hon. Glen Cummings (Minister of Natural Resources): Madam Speaker, we have been accepting all applications from communities that are concerned about flood-proofing opportunities. There is, of course, prioritization of all applications. I believe we have some 17 applications in the Red River Valley alone.

Ms. Wowchuk: Madam Speaker, given that there are other parts of the province where people, other than the Red River Valley, suffer from flooding, and people in other areas such as the Shellmouth area, the Swan River area, Cowan, Ethelbert, Pine River want to take preventative measures to flood proof their homes, will the minister indicate whether these individuals can qualify for assistance under this program?

Mr. Cummings: Madam Speaker, I was referring to community protection works, and there is of course a second partner to this. I am not sure if the member has entirely interpreted the conditions of the agreement. I would have to reference the agreement specifically for the wording that she referred to, but I would make it

very clear, we have been accepting applications, and we are seriously looking at situations, for example, that have contributed to the water levels in the Red River Valley, no matter where the community was located.

But remember that there are other individual situations that may arise that would be somewhat different from what we have envisioned within the flood-proofing program, which we signed last year with the federal government.

Madam Speaker: Time for Oral Questions has expired.

MEMBERS' STATEMENTS

Mining Industry

Mr. Edward Helwer (Gimli): The mining industry in our province contributes more than \$1 billion to our economy annually and provides approximately 4,300 direct jobs, plus 12,000 to 15,000 indirect jobs, and it is an integral part of the economic life for many communities. Our government certainly supports this industry, and by working with members of the industry, Manitoba has gone from the highest combined income and mining rates to one of the lowest in Canada, and new mine developments, thanks to initiatives such as the 7 percent investment tax credit, improved processing of allowance deductions and the phasing out of the provincial sales tax on electricity used in mining, manufacturing and exploration.

Now, Madam Speaker, Gossan Resources Limited has announced plans to convert a dormant Selkirk silicone smelter in order to produce a master alloy used in stainless steel production. The six-month conversion of the smelter is expected to cost approximately \$10 million and should be in operation in some two years with the capacity to produce some 30,000 tonnes of chromite for at least 23 years.

* (1420)

Madam Speaker, this is another example of the mining sector responding enthusiastically to opportunities in Manitoba. Gossan Resources Limited's plans are very welcome in this region, and

their investment and creation of an expected 45 new jobs are great news for the local economy. Thank you.

Grain Transportation

Ms. Rosann Wowchuk (Swan River): Madam Speaker, some time later this year, it is likely that the federal government will sell off their fleet of 13,000 grain cars. In many ways, the sales will mark the end of any substantive federal government commitment to western farmers. Many producers wonder if the planned sale is equivalent to the informed comments of the former Liberal Prime Minister Pierre Trudeau who said: Why should I sell your grain?

Agriculture was not even mentioned in the last federal budget speech, even though it was a carefully staged production with one of the longest budget speeches in history. After campaigning against the Mulroney government's agriculture policies, the Chretien government then adopted the same policies, just as they supported the GST and the Free Trade Agreement.

The end of the Crow rate, which was never mentioned in the so-called red book of the Liberal promises, was one of the first actions of the Chretien government. As a result, Manitoba went from the cheapest place in the Prairies to ship grain from to the most expensive. Fortunately, Manitoba producers, in their own way, have diversified their farm economies significantly. This being said, the transition has not been easy in all cases.

The rapid abandonment of rail transportation, encouraged by the federal government, has forced producers to truck their goods long distances over very poor roads. This government, this provincial government has abandoned scores of provincial roads, dumping the responsibilities onto rural municipalities. Only a tiny portion of the federal gas tax goes back to highways.

Whatever happens to the grain fleet, it would be morally wrong if the federal government pockets the proceeds that could be as high as \$400 million when there are so many roads in poor condition and in need of repair. This money must go to upgrade Manitoba

roads that have borne the brunt of the high increased traffic as a result of rail line abandonment.

Film Industry

Mr. Peter Dyck (Pembina): Madam Speaker, it gives me great pleasure to draw to the attention of all members of the House the success of the burgeoning industry in Manitoba. It has not gone unnoticed by members of the industry that Manitoba's film industry is experiencing unprecedented growth.

Film industry scouts are visiting our province in droves in search of locations for feature films, television series and made-for-TV movies. Over the previous three months, 30 film scouts have visited Manitoba. This is three times more than during this period last year. The industry credits the provincial tax credit plan for this industry boom in Manitoba. In the 1997 budget, the Manitoba government announced—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. I am experiencing difficulty hearing the honourable member for Pembina.

Mr. Dyck: Thank you, Madam Speaker. In the 1997 budget, the Manitoba government announced that film producers would be eligible for the Manitoba Film and Video Productions Tax Credit. A 35 percent rebate is available for work done by Manitobans on film and video productions shot here in Manitoba. Our government is again showing its aptitude for attracting a diversity of new businesses to Manitoba.

Given the increase in demand throughout Manitoba's film industry, the province will be in need of more freelance film workers. Individuals with lighting, camera, directing or production ability continue to be in demand as this industry grows. By encouraging Manitoba-based productions, the Filmon government is creating an environment for new and exciting opportunities in the film industry. I would like to wish all members of the film industry in Manitoba great success as our province is chosen as the site of more film and video productions. Thank you, Madam Speaker.

Children's Advocate Report

Mr. Doug Martindale (Burrows): Yesterday the Minister of Family Services (Mrs. Mitchelson) tabled the fourth annual report of the Children's Advocate for 1996-97. I would like to commend the Children's Advocate, Mr. Wayne Govereau, and his staff for doing an excellent job of advocacy on behalf of children in the care of Child and Family Services agencies in Manitoba. It is very helpful to me and to others as members of this Legislature to be able to refer individuals to the Children's Advocate's office in order to have Mr. Govereau or his staff investigate allegations coming from children about agencies with whom they are dealing.

The Children's Advocate, in his annual report, examines the Child and Family Services system and says that many children and families have not been afforded basic dignity and respect. He also points to a lack of access to basic information and involvement in decisions which affect their lives. The Children's Advocate also believes there are many dedicated, committed and caring workers, but that their excessive caseloads and numerous other problems prohibit them from doing their job.

The most telling observation of all is, and I quote: The needs of children and families involved in the Child and Family Services system cannot be isolated from the broader social problems of poverty, unemployment, family violence, et cetera.

Regrettably, this provincial Conservative government fails to recognize the connection between poverty, unemployment, family violence and the number of children in care, which in Manitoba is the highest per capita in Canada. This shows once again that this government has failed Manitoba's children.

Interprovincial Migration

Mr. Kevin Lamoureux (Inkster): I just want to add comment very briefly to an issue which I think deserves more attention from within the Chamber and that is with respect to individuals who leave the province. You know, stats are constantly referred to inside the Chamber, both the pros and the cons. We

talk about jobs increasing over here. We talk about overall economic indicators that appear to give the government more of a positive side, yet there are some major gaps that are there that need to be recognized.

The most important one, or one of the most important ones for me has been the one of out-migration from the province and what the government is doing to address that particular issue. Today Manitoba is still losing far more people than are actually coming into the province. This is a great concern, especially if you break it down in terms of the demographics, the individuals that are in fact leaving the province. These, in good part, could be contributing so much more to the province. One has to get a better understanding as to why they are leaving the province and what we might be able to do to make a better atmosphere to retain more Manitobans to the province of Manitoba. Thank you, Madam Speaker.

ORDERS OF THE DAY

COMMITTEE OF SUPPLY (Concurrent Sections)

LABOUR

Mr. Chairperson (Gerry McAlpine): Order, please. Will the Committee of Supply please come to order. This afternoon, this section of the Committee of Supply is meeting in Room 254. We will resume consideration of the Estimates of the Department of Labour.

When the committee last sat, it had been considering item 11.2. Labour Programs (j) Employment Standards, on page 103 of the Estimates book.

Item 11.2.(j) Employment Standards (1) Salaries and Employee Benefits.

Mr. Daryl Reid (Transcona): Mr. Chairperson, I take it that the minister is going to test my memory here with the question we left this morning. I will have to go on with another question, because I take it that he has forgotten and it has slipped my memory at this time, as well. So I will have to ask him at another opportunity.

Employment Standards, of course, has changed its process by way of The Payment of Wages Act which

changed sometime back. Does the department keep statistics or dollar values on wages that are recovered, and do you have that information here today?

* (1440)

Hon. Harold Gilleshammer (Minister of Labour): Mr. Chairman, the historical range is from \$1.2 million to \$1.5 million.

Mr. Reid: That is recovered on behalf of individual employees or workers in the province of Manitoba and remitted to those employees, or have they had to go to court themselves to collect those funds?

Mr. Gilleshammer: Yes and no.

Mr. Reid: Can you tell me, has the Employment Standards branch proceeded to court with any of the cases? If so, can you give me an indication on how many?

Mr. Gilleshammer: The historical level for the department going to court to recover wages is about half a dozen times per year.

Mr. Reid: Any vacancies or secondments through this branch?

Mr. Gilleshammer: There are no vacancies currently in the branch.

Mr. Reid: And no secondments, I take it then.

Mr. Gilleshammer: No, there are a number of secondments.

Mr. Reid: Can you tell me how many and where?

Mr. Gilleshammer: There is one that has been seconded to Better Systems and one to Workplace.

Mr. Reid: I take it, then, that these positions will be backfilled and before summertime.

Mr. Gilleshammer: They have currently been backfilled.

Mr. Reid: I want to ask questions tying in with what we had talked about earlier dealing with farm safety.

Looking at the information with respect to farm safety, we have had some significant discussion on it here. There has been and there probably will continue to be a growing hog production industry in the province here, which, of course, ties in with the expansions of Maple Leaf and Schneider and other processing plants. Can you tell me, where does the government draw the line with respect to employment standards when it comes to industries such as hog production? When does it move from a farming operation into a commercial operation with respect to employment standards?

Mr. Gilleshammer: If it is on the farm, we do not have a role to play there other than in the area of enforcing wages.

Mr. Reid: So wages in the sense of the minimum wage of the province, and you have no role in its payment of wages. So the Department of Labour has no role to play with respect to employment standards or any of the other issues that the Department of Labour would normally deal with for working people in areas such as we are seeing expansion up here, where we are moving more into commercial operations versus farming operations, where you perhaps could have a significant number of people employed in the growth and production of hogs in the province.

Mr. Gilleshammer: Yes, for the production on the farm, in that phase of farming we are not involved, but if you are talking about the processing industry, then we are involved.

Mr. Reid: Because we are moving into a new era in this province with respect to hog production, and it seems to be a significant expansion area, is there a reason why Employment Standards would not be involved or be able to regulate conditions under The Employment Standards Act for commercial operations that would be beyond what one would consider to be the normal family farm operation?

Mr. Gilleshammer: Well, historically, government has not been involved with farms in terms of The Employment Standards Act, and, for sure, the member is right. The economy is booming, and there is going to be tremendous expansion not only in the hog industry but probably in the cattle industry. There is tremendous diversification going on in vegetable growing, special

crops. Crops like canola have been tremendously significant in the income that producers are making from that, but the law is such that if it is a farm operation, they are not subject to The Employment Standards Act, but we do get involved on the payment of wages side.

Mr. Reid: So then I take it there is no policy consideration being undertaken by the branch or by the minister through his policy advisory committee or group to have some reconsideration of this issue?

Mr. Gilleshammer: The issue has not been brought forward, but that is not to say that from time to time discussions on matters like this do take place within the department.

Mr. Reid: So is this matter being undertaken under consideration by the department at this time?

Mr. Gilleshammer: Well, I have indicated that no such policy has been brought forward, but we do have people who do some thinking within the department on a regular basis, that look at what is happening across the country, what is happening in policy shops across the country. All I am saying is that those discussions may take place from time to time, but we are not advancing that at this particular time.

Mr. Reid: I am just worried here that somewhere down the road there is going to be a need here for a policy or some type of direction to the branch to give an indication of when one terms a farming operation and when it becomes a commercial operation. I do not know if you are in the process as minister responsible in developing that particular policy.

If these operations continue to grow, they could be significantly large employers within the province and yet still not fall under any of the jurisdictions of legislation with respect to Employment Standards or Workers Compensation or any other of the legislation that was designed to protect people who are employed by firms. That is why I am trying to get an indication here of whether or not the minister himself is considering where you draw the line between a farming operation and a commercial operation here. I am not sure if you would be willing to give an indication in that regard.

Mr. Gilleshammer: I live in a part of the province where farming is one of our major industries, and all of the producers that I know, all of the active farmers I know consider themselves to be a commercial operation. That is the way they derive their income. They produce a product, the product is marketed, and the whole idea is to make a profit, make a living out of it. As such, they are commercial operations.

I would be interested in what my honourable friend—I think he is making the distinction between a large farm and a small farm or a small and medium and large farm and just in his mind where he would draw the line that government needs to intervene.

* (1450)

Mr. Reid: I am just trying to get an understanding here of what the distinction would be in the minister's mind or on advice from the department, Employment Standards. Yes, I agree that farming operations are a business and that they need to derive a profit from their business operations to make them viable and allow them to continue into the future. I do not have a problem with that.

I am just trying to get an understanding here because, if you have an operation, for example, a family farm operation that hires in seasonal people to help with the planting or the harvest or perhaps some odd days where there is maintenance done on equipment, perhaps that should not be under The Employment Standards Act, but if you have larger commercial operations in the sense of if you have maybe 20, 30, 40, 100 people, where do we draw the line with respect to employment in this operations? That is what I am trying to get an understanding of. How does the department view what becomes more than just the farming operation, when it becomes a commercial entity itself?

Mr. Gilleshammer: Well, I am not sure that you can draw a line between what you call a family farm and a commercial entity. I think they are all commercial entities, and I am not aware of family farms or corporate farms or what have you, no matter how they are structured, that have a hundred employees. That type of state farm was more of an experiment in eastern Europe, I think, than in Canada.

Particularly in Manitoba, most farms are relatively small in terms of numbers of people employed. They may have grown larger in terms of the number of square acres that are within the mandate of that particular farm, but the majority of the farms in Manitoba are not major employers in terms of looking after either animals or crop, with the possible exception I suppose of the vegetable growers who bring in migrant workers particularly during harvest time. Even with these very large farms, with the technology that they have these days and the size of their equipment, there is a tremendous amount of land base that can be farmed by very few people. The cultivators that are out there now, the air seeders, the combines, do a tremendous amount of work in a very short period of time. Those who do not have access to that equipment on their own tend to have custom work done. Custom combiners, which migrate up from the south, come into Manitoba every year as the crops are taken off down south.

Perhaps the Hutterite Brethren might be the largest farms in Manitoba. I know that their colonies tend to be in the range of 60 or 70 people, including the men, women, and children, but I am not sure that the type of state farm that the member is talking about exists in Manitoba.

Mr. Reid: It was not in the sense of the political state farm that the minister is talking about. It was more in the sense of people who have an ownership of a particular operation and would employ people specifically and solely for the purpose of producing one product. I will just leave that with the minister. I have asked enough in that regard dealing with that.

I do not know—because the minister has his staff here at this time and it is an issue that is fairly current—if the committee will allow a bit of latitude here so that the minister can utilize his staff perhaps for some advice on these matters. I would like to ask about Beatrice negotiations, Beatrice Products. There is currently a strike in here, and I am quite worried about what is happening because there is some thought that the company, much the same way we saw with the Boeing situation, was in the process of moving equipment out of the plant site.

Now, I do not know if the department is involved in that, if Employment Standards is the section where we

would deal with that, to give the minister the opportunity of advice from staff. I am not sure if he has even involved others to assist with that particular process to make sure, first, that we do not lose the industry from the province and that we do not lose the jobs that are associated with it, and then we can resolve this matter in a timely fashion. Can the minister provide some update with respect to that matter?

Mr. Chairperson: Order, please. I think that with respect to this, if this is not to deal with Employment Standards, then we would need unanimous consent of the committee to deviate from it. Is there unanimous consent? [agreed]

Mr. Gilleshammer: Well, there certainly is a work stoppage that has just commenced at Beatrice and, of course, this is a part of bargaining that can take place. There are risks involved as the member has referenced. We have had a conciliation officer involved in the process. It is very early on in the actual work stoppage, but our role so far has been to provide a conciliation officer to assist with the process.

Mr. Reid: Can the minister confirm, because I do not want to see a repeat of what we saw in the Boeing situation, which was not the best for our province or for the industry itself, whether or not the company is indeed moving its particular production equipment from their site here?

Mr. Gilleshammer: Well, I was not the minister at the time of the Boeing work stoppage, but I know that we certainly do not want a repeat of the riot or near-riot conditions that took place there. I know that we have done some work with the Winnipeg Police Service to be sure that there are good communications and people are aware what is happening without disrespecting anybody's rights, so I am pleased so far that that type of activity has not taken place. As I have indicated, we do have a conciliation officer who has been assigned to the task of working with the parties to try and resolve the matter. As far as the removal of equipment or other parts of the operation, we are not aware that any of that has taken place or is likely to take place.

I did come in early this morning and have a chance to go through the newspapers. I did see, reported in the paper, comments by union and management about the

work stoppage, and probably my honourable friend has seen that, too. There was a reference there, I think, to continue service by using product from other jurisdictions.

* (1500)

Mr. Reid: I believe that was in the article and my concern here is that—and this is what I am trying to avoid—if we can find out and if the conciliator can play a role and not have a heightening of the tensions between the parties until there is a chance to work out some contractual arrangements. If there is a way to discourage any removal of the equipment or indication of removal of the equipment, so that there would not be a heightening of the tensions between the parties, then I think it would be in the best interests of finding a resolution to the contractual dispute. So I would encourage the minister, through the various branches of his department, to find out if that can be, in effect, if the company and the union would agree to further discussions with respect to the contract and that the company would not take any steps to even attempt or to indicate a removal of any of the equipment until the parties can sit down and have some more discussions. I will leave that with the minister for his further consideration.

Mr. Gilleshammer: We very much want to see the parties resolve the issue amongst themselves, and we will do whatever we can do to provide positive resources to the situation and hope that they can resolve this sooner rather than later.

Ms. MaryAnn Mihychuk (St. James): I would like to ask a couple of questions on call centres and where they fall in terms of jurisdiction in terms of employment standards, workplace safety issues. This is directly related to a case that I am dealing with through a constituent who has phoned and has had a very negative experience in a call centre. My first question is: where do they fall jurisdictionally? Does the Department of Labour have a role in call centres?

Mr. Gilleshammer: The majority of them would fall under the responsibility of the province.

Ms. Mihychuk: I am going to cite the call centre, because there was some confusion about the jurisdiction. This was AT&T. The situation was that

an individual who had been injured many years ago in an accident had been unemployed, collecting social assistance for well over 10, 15 years. He had been employed at a workplace, at a call centre; was actually enjoying the opportunity to be in the workforce, and then was—it was quite obvious to everybody who meets the individual that the person had a physical handicap—placed in an environment where there was significant, I am going to use, horseplay, tomfoolery. Toys and other projectiles were being thrown around in the call centre, resulting in the individual being struck. This situation ultimately led to the person no longer working at the call centre, unfortunately, and is, in fact, no longer employed. My question is in the circumstance, would the Department of Labour have jurisdiction over this call centre?

Mr. Gilleshammer: The federal Department of Labour is claiming jurisdiction and is currently working with that individual.

Ms. Mihychuk: It is my understanding that actually the federal Department of Labour has claimed that it is outside its jurisdiction because it is an international call centre.

Mr. Gilleshammer: Well, the advice that I am getting from my staff is that the federal government is claiming jurisdiction for this operation and is currently working with the individual the member referenced.

Ms. Mihychuk: Is the minister, through his department, aware that the federal representative was not allowed access to the worksite?

Mr. Gilleshammer: I am told that we are aware of that, and that the case is proceeding to court.

Ms. Mihychuk: The individual, who was unfortunately in this situation, is not in the financial means to take this—and I know that he has appealed to virtually every government representative he can find—to appeal. Can the minister provide more detail as to who is going forward with this obvious problem, a breach in jurisdiction? Is it the province that is going ahead with the court case?

Mr. Gilleshammer: It is the federal government Department of Labour that is proceeding with the court case.

Mr. Reid: Is the criterion that the department uses to determine responsibility for the call centres based on whether or not those particular call centres make or place calls into other jurisdictions provincially or internationally? Is that the criterion that is used to determine responsibility and whether or not those companies fall under provincial or federal jurisdiction, or can you tell me of some other criterion that is utilized to make that determination?

Mr. Gilleshammer: Yes, the guiding principle is that the federal jurisdiction falls with certain industries or certain operations such as banks which is federal, telecommunications, airlines and railways, to name a few.

Mr. Reid: I am aware of that information. I am just trying to get an understanding here when we should not be coming to the Department of Labour Employment Standards with issues like this to get an idea of where the responsibility or the jurisdiction lies in dealing with matters. Are these call centres considered telecommunication industries, and, if so, then why does the province retain responsibility for most of them, as you said in your earlier comments?

Mr. Gilleshammer: I am told that we do not have complete clarity here on some of these cases, and usually the federal government Department of Labour co-operates with the provincial Department of Labour, and the working relationship is such that we work our way through these. In this particular case that you have referenced, the federal government is taking the lead on it.

Mr. Reid: Well, is it possible then, so you do not have to do this on a case-by-case basis, perhaps the deputy ministers of Labour across the country could sit down with the federal government, minister, deputy minister and work out some kind of an arrangement whereby you would not have interjurisdictional disputes or have to go through this on a case-by-case basis? Is it possible to do something like that to resolve the jurisdictional issue here?

Mr. Gilleshammer: I accept that as a very worthy suggestion and will pursue it.

Mr. Chairperson: Item 11.2. Labour Programs (j) Employment Standards (1) Salaries and Employee

Benefits \$1,823,100—pass; (2) Other Expenditures \$642,900—pass.

Item 11.2.(k) Worker Advisor Office (1) Salaries and Employee Benefits \$586,900.

Mr. Reid: Can you tell me the caseload of the worker advisors themselves, please?

Mr. Gilleshammer: I am told that the average workload would be in the neighbourhood of 60.

Mr. Reid: I take it from your comments earlier, you have two vacancies in this particular department. Can you tell me when we might expect that these vacancies would be filled?

Mr. Gilleshammer: We do have two vacancies. We have somebody starting on May 4 and the other one will be starting in the near future.

* (1510)

Mr. Reid: Are there any people that are seconded in or out of this particular area?

Mr. Gilleshammer: We have one person that has been seconded to BSI, and we have brought in somebody that is an employee of the Workers Compensation Board.

Mr. Reid: So an employee of the Workers Compensation Board has come into the Worker Advisor Office to work in that capacity?

Mr. Gilleshammer: That is correct.

Mr. Reid: I have had the opportunity to utilize the services of the Worker Advisor Office in an advisory capacity through—I think it is Mr. Hampson who, I believe, is the director there and appreciate the support that they have shown in helping to resolve some of the cases. Are there any cases that you are aware of that were noteworthy in their successes by the department in this past year?

Mr. Gilleshammer: Well, we will certainly pass your kind words along to Mr. Hampson and his staff, and I know that throughout the department, there is always

interest in reading Hansard to see what the current issues are. We will be sure that your good wishes and support are passed along to him and his staff.

There are a variety of cases that are part of the work activity of the worker advisors. I am not sure whether there is any in particular that we would want to go into any detail on, but I do believe they do good and valuable work.

Mr. Reid: So then I take it there has been no large cases that have been dealt with by the Worker Advisor Office that they would consider to be major successes in resolving the issues?

Mr. Gilleshammer: The work is certainly important, and each individual case is given the appropriate attention. As we are dealing with individual employees, I am sure that in every case there is a feeling that the issues being resolved are important to that individual, and we try to see that we can provide the best service possible.

Mr. Reid: You mentioned that the caseload was 60 per worker advisor. You have 10 professional/technical people that are in that area, and your Expected Results is over 1,000 cases. Would that not indicate that the caseload per individual would be about 100 cases?

Mr. Gilleshammer: To resolve the arithmetic problem, some cases take longer to deal with than others, and at any one time an employee would have about 60 cases that are deemed to be active.

Mr. Chairperson: Item 11.2. Labour Programs (k) Worker Advisor Office (1) Salaries and Employee Benefits \$586,900—pass; (2) Other Expenditures \$165,800—pass.

Item 11.2.(m) Office of the Fire Commissioner, no dollars—pass? The item is accordingly passed.

Mr. Reid: I have questions on the Fire Commissioner.

Mr. Chairperson: Sorry. Is there unanimous consent to revert back to the Office of the Fire Commissioner? [agreed]

The honourable member for Transcona, proceed with the question.

Mr. Reid: Mr. Chairperson, the Fire Commissioner's office has been converted into a special operating agency, I believe, for a little over a year now and perhaps maybe slightly longer than that.

There was a distressing situation that came to the attention of our office a short time back dealing with the fire at the Pine Falls Three Bears Day Care. A number of questions arise out of that particular fire, not the least of which is the concern for the two-year-old Katrina Rae Guimond, who lost her life in that particular fire.

That daycare was housed in the basement, I believe it was a church, and there has been some discussion about whether or not daycares or places of child care looking after children, whether or not it is appropriate to have those particular facilities housed in the basement of any building considering that should fires occur on the main floor or upper floors of that particular structure, then those who would attempt to exit from the building would have to go up through the smoke and flame of the fire. It draws to my mind questions with respect to how many daycares or child care facilities in our province are housed in basement accommodations.

I want to ask the minister the question, can he provide information with respect to how many would not be on the ground floor and would be below ground level?

Mr. Gilleshammer: We do not have that information lodged in this department. I would suggest that the most appropriate place to get that would be the Minister of Family Services (Mrs. Mitchelson), whose Estimates are coming up following ours, a little way down the road, and through the Day Care Branch.

Mr. Reid: Well, I would have thought that the minister who was responsible for the Fire Commissioner's office as a special operating agency would have some idea, even some historical information with respect to the number of daycares in the province and the inspections that are done for them. It is my understanding that it is a licensing requirement to have fire inspections undertaken, and since you have to make some kind of a determination on when you are going to do that, because it is a workload for your department, you

would have to have some idea of how many of those facilities would be in place in the province.

Perhaps the minister could indicate why he does not have that information available to himself and his staff.

Mr. Gilleshammer: I would point out to my honourable friend that what the Manitoba fire code states is that the owner-occupant is responsible for ensuring that provisions of the fire code are met and maintained. The owner-occupant takes the responsibility, and most of the facilities are inspected by the local fire department.

I would like to just say one other thing, that, unfortunately, the Fire Commissioner and the Deputy Fire Commissioner are not here today. They had a previous commitment, and I indicated they should go to that commitment. They were here for the last three days, and we felt that their commitment to the International Fire Service Accreditation Congress was significant enough that they should attend that.

I would like to introduce Ms. Brenda Hollier, executive project co-ordinator, and Mr. Ken Nero, comptroller, who are with us today.

Mr. Reid: Before the Fire Commissioner's office became a special operating agency, was it the responsibility of that office to undertake annual inspections of the daycares within the province?

Mr. Gilleshammer: I am told that nothing has changed.

*(1520)

Mr. Reid: Rural Manitoba has a significant number of volunteer firefighting forces in the province, and I believe that each of them would have a fire chief who would be responsible for that particular service, and each of those individuals themselves are no doubt gainfully employed in other areas and that being a fire chief is not a full-time occupation for them. Do these particular people that do the inspections, whether it be the fire chief or others, have the training that a Fire Commissioner officer would have to go into daycares in the province to do the inspections to ensure that they

are meeting licencing requirements and other building code requirements?

Mr. Gilleshammer: I can tell you that we are just extremely proud of the Fire College and the work they are doing and the volunteer fire brigades across this province. I have had the opportunity to recently attend the graduation at the Fire College. [interjection] I am sorry, Mr. Chairman, I am getting heckled by the member for St. James (Ms. Mihychuk) there and I am losing my train of thought.

Mr. Chairperson: Order, please.

Mr. Gilleshammer: The training that these local fire departments are receiving over the last number of years, I think, has been tremendous. I know that the communities that they represent, the municipalities they represent, have a great deal of confidence in their local fire departments. They have become more than just the volunteer fire brigades. I think there is a tremendous interest in accreditation in receiving the best possible training that they can get in updating their equipment. The communities in my part of the world, in western Manitoba, not unlike the rest of the province, I think are doing a tremendous job in providing a service to their community that simply cannot be done by hiring professional firefighters in smaller areas.

I would mention that The Municipal Act compels local municipalities to provide fire protection, and inspections can be part of this protection service. The Office of the Fire Commissioner readily assists local authorities in doing inspections when asked, so we feel that there has been a lot of progress made in terms of equipping and training of local fire departments. Part of our mandate is to give them assistance in those areas if they require it and request it.

Mr. Reid: So then I take it that the people that do not know that they do not possess certain skills that would be required to ensure that structures or facilities meet the fire code, the building code, and the licensing under the daycare act, for example, if the people that are doing those jobs in the rural communities do not know that information, then they are not going to be aware of what it is that they have to inspect for. If they do not have the finances, or finances are tight in some of the smaller communities, they may not send people to your

particular facility for that training. That is why I am trying to get an understanding here of whether or not all of the people that are doing the jobs, charged with the responsibility of doing the inspections, have the particular training necessary to allow them to make those determinations as would a Fire Commissioner officer. That is why I have asked the question here.

Mr. Gilleshammer: Well, the member can be critical of those local fire departments if he wants to be. I happen to think that they do have resources and talents far beyond what the member is giving them credit for. I would also point out that the Office of the Fire Commissioner conducts the initial inspection of all licenced daycares, and we also will assist local authorities in doing inspections when asked.

Mr. Reid: Then I take it, in the Pine Falls situation, that the person charged with the responsibility of doing the investigations there possessed the training necessary to make the determination that that particular daycare was operated in a safe manner and met all of the code provisions?

Mr. Gilleshammer: Well, I am going to give my honourable friend a similar lesson and answer that the Minister of Justice (Mr. Toews) did today. This issue is currently before the courts, and I do not think it is appropriate for he or I to comment on it.

Mr. Reid: Yes, I noticed your government has a history of trying to escape issues for which you have responsibility. It seems to be a standard practice protocol amongst your ministers. I guess that since there is not an inquest or an inquiry that is called, or perhaps there is, to this point, would you be able then to comment on whether or not that particular facility had an alarm system that was working?

Mr. Gilleshammer: My honourable friend makes some disparaging remarks, but really what he is doing is counselling us to break the law. I have indicated to him that, when an issue is before the courts, it is completely inappropriate for myself as minister, or he as an MLA, to get into a public discussion of this.

Mr. Reid: Can the minister tell me, did the wall in question that did not have the fire break all the way to the ceiling, did that meet the fire code requirements and

the building code requirements for housing of a daycare in this province?

Mr. Chairperson: I will allow the minister to answer that, but beyond that I think the questioning is out of order.

Mr. Gilleshammer: I would simply refer the member to my previous answer.

Mr. Reid: Mr. Chairperson, I am trying to get an understanding here of how it is that you have jurisdiction when the Speaker—

Mr. Chairperson: I have not recognized the honourable member for Transcona.

Mr. Reid: Mr. Chairperson, I am trying to figure out how it is that you have jurisdiction on this matter when the Speaker of the House does not rule in a similar fashion inside the Chamber and you are attempting to do that here today. Can you provide me with some guidance on that, please, Sir.

Mr. Chairperson: For the benefit of the committee, my advice is that this line of questioning is out of order. If there is a decision that has to be made, I can take this matter under advisement and report back to the committee at a later date.

Mr. Reid: I would ask you, if you want to have a few moments, I am willing to recess this committee to allow you to consult with the Clerk of the House and perhaps the Speaker to find out why conditions are one way for Chamber matters and why they do not exist for this particular committee and why there are discrepancies between the two. I am willing to have a short recess to allow that to take place.

Mr. Gilleshammer: Well, the member is completely out of order. There is a long-standing law in Canada that issues that are before the courts of this land are not debated in parliaments of this land. The member heard that a couple of times today; he is hearing it again. I am sure that if there was a lawyer in this caucus maybe he could consult with him or with the Legislative Counsel, but the rulings have been very consistent on this matter.

Mr. Chairperson: For the benefit of the committee, under 506. (1) of Beauchesne, "The *sub judice*

convention has been applied consistently in criminal cases. *Debates*, June 29, 1942, p. 3745. *Debates*, January 29, 1948, p. 710, and *Debates*, February 27, 1968, p. 7020.

“(2) The precedents in criminal cases are consistent in preventing reference to court cases before a judgment is rendered; however, the convention ceases to apply after the judgment is given. *Debates*, February 10, 1928, p. 366. Nevertheless, the convention is applied again when an appeal is launched.”

* (1530)

Mr. Reid: I understand what you are saying there, Mr. Chairperson, and even though I do not see that practised within the main Chamber itself during Question Period, I will have to accept your comments here today.

My comments are going to be, in a general way, dealing with daycares in the province. Not to ask questions with respect to jurisdictions that would fall directly under Child and Family Services, but to find out about building code and fire code provisions as they would apply to these particular facilities in the province. So the questioning that I have from now on will deal in a general way with daycares in the province, if that is in order.

Mr. Chairperson: For the benefit of the committee, we will allow the questions as they are, and the Chair will reserve the right to determine whether or not the committee can endeavour to deal with the question raised.

Mr. Reid: Of the daycares in the province, can you tell me, do all of those daycares, the ones that you have inspected or the ones that have been inspected by the various jurisdictions here, meet the fire code of the province?

Mr. Gilleshammer: They are inspected, and they met the fire code at the time the inspection took place.

Mr. Reid: So I take it, then, that all of them have alarm systems functioning?

Mr. Gilleshammer: If that was the fire code of the day, when they were built, then they would have to comply with that.

Mr. Reid: Is it allowable under the fire code or acceptable by the Fire Commissioner's office to have fire breaks not extend all of the way to a ceiling, and are T-bar ceilings with regular tiling systems acceptable as fire break as allowed for under the act?

Mr. Gilleshammer: I have indicated that these facilities were built to the code of the day. They were inspected and met the code that existed at that particular time.

Mr. Reid: When a Fire Commissioner officer finds deficiencies upon inspection of a facility, including daycares, does that officer have powers of enforcement for findings of deficiency that could put at risk the people that would be in that particular structure, or does that power rest solely with the minister, and has the minister ever issued such an enforcement?

Mr. Gilleshammer: If in a building that is inspected there are deficiencies, it is expected that the owners of the property would correct these deficiencies. If it is a new building, they will not get an occupancy permit certificate. If it is an existing building, they have a period of time to bring it up to the appropriate standard.

Mr. Reid: Have owners of buildings refused to upgrade to meet the code, not in the sense of something that would not be considered to be part of the fire code, but if a fire commissioner goes into the structure and makes a determination that they are unsafe, what power does the Fire Commissioner have, or anyone for that matter, whether it be a fire chief in a rural municipality? What power do those individuals have to make sure that those particular structures are brought up to standard?

Mr. Gilleshammer: I am informed that they have a range of options, including closing the building.

Mr. Reid: What enforcement mechanisms does the Fire Commissioner's office or fire chief, for example, have if someone refuses to undertake that meeting of the code?

Mr. Gilleshammer: Potentially there could be prosecution.

Mr. Reid: So a fire commissioner would then be able to go back to the department head or the director of the

Fire Commissioner's office or to the minister to have enforcement of the deficiencies?

Mr. Gilleshammer: Matters of this nature are handled in the Fire Commissioner's office, and I have indicated that one of the remedies is prosecution.

Mr. Reid: Have any building owners ever refused to upgrade to meet code?

Mr. Gilleshammer: I am told that we have been in court on some occasions.

Mr. Reid: I guess the courts then would make a determination on whether or not the owners of those structures then have to meet the code. So then it would be the discretion of the Fire Commissioner's office or the minister on whether or not these matters would proceed to the courts then.

Mr. Gilleshammer: I want to assure you, in the months that I have been minister, I have not dealt with this. This is dealt with in the Fire Commissioner's office, to do the inspection and do the day-to-day work and achieve the compliance.

Mr. Reid: It is my understanding the Fire Commissioner's office now charges a fee for inspections. Can you tell me, what is your fee for inspecting a daycare?

Mr. Gilleshammer: On the initial inspection that I referenced earlier there is no charge, the inspections are done by the local fire authority. Where it is, for whatever reason, done by the Fire Commissioner's office, there is a charge of \$250.

*(1540)

Mr. Reid: Do you have a list of fees that you charge for your inspections, and is it available?

Mr. Gilleshammer: Just a clarification on the fees. If the member was referencing daycares, currently there is no fee for doing that. It is anticipated that there has to be a regulation change over these inspections, and then it will be up to local authorities whether they charge a fee or not. I might mention, the City of Winnipeg Fire Department is being contracted by the

Office of the Fire Commissioner to perform these inspections on their behalf, and the City of Winnipeg has required that they be paid for this service at \$75 per inspection. At the current time, the Department of Family Services is paying that fee.

Mr. Reid: Are hotels in the province, do they fall under the responsibility of the Fire Commissioner's office, and can you tell me, do you inspect those facilities? Do they have to meet the fire code of the province, and do you have a listing for the inspections that you would have done in these particular facilities?

Mr. Gilleshammer: Yes, I am told that we do inspect hotel facilities, and they are inspected based on the code that is in force at that particular time. It is done on a rotating basis, and particular attention is given to the inspection for the building code when facilities are sold.

Mr. Reid: So, if a hotel changes hands, then that is when a fire code inspection would take place to determine whether or not that particular structure meets the building and fire codes of the province and that you do it on a rotational basis. So when would an owner of such a structure be expecting an inspection to take place? Is it once every two years? Is it once every five, once every 10? Can you give me some indication on when they might expect an inspection to take place?

Mr. Gilleshammer: The inspections in the city of Winnipeg, of course, are done by the Winnipeg Fire Department and in other municipalities by the local authorities. I am told that they would expect to have that inspection other than when they are sold, probably on a three- to five-year basis.

Mr. Reid: It is my understanding that there was a hotel fire in Melita. One individual man died. This is not a case before the courts to the best of my knowledge. Can you tell me, did the Fire Commissioner's office do an inspection of that particular facility, and was the alarm system or the lack of an alarm system for that particular structure written up and not adhered to?

Mr. Gilleshammer: We do not have information on that with us today, but we could provide it for the member in due course.

Mr. Reid: I would appreciate that information, whether or not that particular structure met the codes, because it is my understanding that it did not and that that facility had been written up through an inspection and there was no follow-up with respect to enforcement of that report. So if the minister could provide some details on that, we would be pleased to receive that information.

The personnel within the Fire Commissioner's office, because this is now based on for profit from what the minister has said in past Estimates process, that he wants and expects that there will be a profit shown by the activities of the Fire Commissioner's office, even though that is not the case at this point in time, can you tell me, what activities has the senior staff of the Fire Commissioner's office undertaken? Has there been some travel involved in trying to draw people to our Fire College in Brandon?

Perhaps the minister can give me an indication of what travel has taken place, what jurisdictions have been contacted and what associated costs are related to that particular activity in trying to market that structure.

Mr. Gilleshammer: Well, I want to comment on my honourable friend's opening remarks. I am not sure where the, in quotations, "for profit" line comes from, but I think what I would suggest to him is that we have a budget, and the challenge for the leadership at the Fire College is to live within their means, and I am very pleased that in the second year of operation that they are able to do that.

The member is asking what sort of marketing of the Fire College we are doing. Certainly, one of our areas of interest is in the city of Winnipeg where we believe that there is a good opportunity to train firefighters who could seek employment and be employed by the City of Winnipeg. In fact, I am meeting with officials from the city in the next short while to further discuss this.

We have also been in discussions with the City of Saskatoon, and they are very interested in hiring graduates of the Fire College. I know I am supposed to call it the Emergency Services College, so I should do that; but the City of Saskatoon is quite interested in the graduates from the college. In fact, I just had the very wonderful opportunity to attend the graduation just a

few weeks ago where 24 young people graduated from the Emergency Services College and are now able to seek employment as professional firefighters, so that we are going to be able to provide that training and certainly they will get the opportunity to have jobs within Canada.

A more recent initiative is we had four students from Cuba who were trained at the Emergency Services College. This provided some wonderful experiences, some unique experiences for staff there. I believe we were able to secure a Manitoban who was able to act as an interpreter. I think it should be part of a worldwide initiative to make Cuba more welcome, certainly not only in the Western World, but right across the world, and this is one step in that direction, so that they not only export baseball players, but that they also are able to use our facility and our training. I think even though there were a few bumps on the road on the way, it was a successful venture, and they were able to complete some training there.

As well, I know as part of the initiative to secure, I suppose, students from other parts of the world, there have been efforts expended in Brazil, Chile and Argentina to offer the services of the Emergency Services College, and we do have a memorandum of understanding signed, as I indicated in my opening remarks, with the University of Santiago. This initiative is also being shared by other educational institutions in the province: the University of Manitoba, the University of Winnipeg, Brandon University, Red River Community College and Assiniboine Community College.

* (1550)

I do not know whether my honourable friend has ever been out to the Emergency Services College. It is located in Brandon, and it is located in close proximity to Assiniboine Community College, and I think also in the same vicinity as Brandon University. I think there are opportunities there, and we see a lot of opportunities for growth as a training institution. I can tell you from attending events with volunteer firefighters and fire chiefs, meeting with the professional fire chiefs throughout the province, for the most part there is good support. We are optimistic that through

discussions with the City of Winnipeg, we are going to be able to enhance the institution and provide for more classes and more training.

I happen to think that it is important that we provide the best training possible for our firefighters. It is an occupation that I had never considered for myself, but I do have a tremendous admiration for those people who have the training and the interest in firefighting and want to go into burning buildings, risking their lives with the motivation of saving others. There are others who might even say that we are not training brain surgeons here, but I think that is perhaps a rather negative, derogatory comment. I would maybe even table this article where this comment was made. It is one that I do not agree with, that the fire service does not agree with, and I think that we need to educate people who make comments like this to get a better understanding of the importance of the fire service in Manitoba.

I might also add that in the very near future we are going to be opening a training site in Brandon, and it is going to allow the instructors at the facility, I think, to carry the training to a higher level. I know that there has been considerable interest in the training site. It is located adjacent to the Brandon Airport. There has been a fair amount of private-sector contribution to that facility, and I think it in many ways rounds out the facility and the opportunities for the Emergency Services College to offer a rather full package.

So I would invite the member, when he has time, to travel outside the Perimeter Highway to the city of Brandon. I am sure that, if we knew when he was coming, we could give him the full tour of the facility and it would, I think, be enlightening to him.

Mr. Reid: Well, I would be pleased to take up the minister's offer, if that is what it is, to take a tour of the Fire College and the facilities there. I think it would be interesting to see the type of services that are provided for those that avail themselves of that.

You did not answer the second part of the question, though, with respect to costs and to travel. That was the heart and soul of the question that I had asked, of course, and you skated all around it but did not answer that particular piece of information that I was seeking.

So I ask it again of you: What was the travel of the management of the Fire College, and what were the costs associated with it? Where did they go in marketing the Fire College?

Mr. Gilleshammer: Well, I believe that I did give the member a fair amount of detail. I indicated the cities in Canada that we were targeting and those in South America. I did not get into the exact dollars that have been allotted in the budget.

The budget year for 1997 has just been completed, and we are awaiting the printing of the annual report, which I am expecting in the very near future. I did mention earlier today and I did mention previously that they were able to operate this current year within budget. In their budget, they did have a certain amount for both travel and for marketing. The travel budget within this institution was in the area of \$200,000. Now, that is for all members and staff members of the institution. It includes travel back and forth from the city of Winnipeg. It includes travel costs for staff when they are doing their normal work. So the total travel budget within something like a \$4-million budget at the Emergency Services College for travel was in the area of \$200,000.

There was also some money set aside for marketing. I do not have the detail on it here, but the marketing would include such things as brochures and literature and postal expenses. It was in the neighbourhood of \$50,000. I would also point out that within the travel budget, the vehicles, and perhaps the member has seen them from time to time, representing the Emergency Services College, the vehicle leases, and I am not sure how many vehicles we are leasing, I believe it is 27, that is part of the fleet vehicles that the college has, and that is found under another appropriation.

Mr. Reid: Well, the minister referenced travel of \$200,000, and I would like some indication of who has been travelling, where they have gone, and what were the costs associated with it. If you do not have the information here, I do not have a problem with that. If you can provide it when you send over the package of information you have already committed to do, that may be an appropriate way of making me aware of that information.

You mentioned marketing costs associated with the college for which obviously people have been doing some travelling. If the travel costs are coming out of the marketing budget, perhaps you can make that indication and tell me what were the dollars associated with that and who did travelling for that aspect as well. So that is the type of detail that I am looking for, and if you do not have it here, then perhaps you can send it along with the other package of information.

Mr. Gilleshammer: We can send you some more information. We have, I believe, 41 staff in the Emergency Services College and probably at least 30 of them do some travelling, so we can try and get you a breakdown and send that along when we are able to finalize the other information that we have committed to you.

Mr. Reid: Does that information also include the marketing costs, travel associated with that? Is that going to be part of the information you send along?

Mr. Gilleshammer: We will give you more detail on that as well.

* (1600)

Mr. Reid: Can you tell me, in the marketing of the college and the services that you provide on a fee-for-service basis, is there some requirement—because I understand that the Fire Commissioner's office staff have been travelling to some South America jurisdictions and perhaps even to Latin America. Are your staff undergoing language instruction, perhaps, in Spanish language? Is that training ongoing for the staff to allow some communication? What is the cost associated with that and the number of people involved?

Mr. Gilleshammer: Well, as I indicated in an earlier answer, when we had the four Cuban students, we at that point had to hire out interpretive staff and were able to find in Manitoba an individual who was of great assistance. I believe our Fire Commissioner was also on the Team Canada trade mission to South America. He does have quite an interest in learning that language and is taking some training. We have, besides him, one other staffperson who is also taking some training.

This could be, I mean, not only an exciting area because of the Pan Am Games, but the north-south trade within North America is, of course, increasing by leaps and bounds, and Manitoba has become a tremendous beneficiary of that. Any contact that we can have with Latin American countries, with the Pan Am that is coming up, that we can continue to with our trade development and with our educational exchanges, the Fire College, the Emergency Services College certainly has a role to play here. We are very excited about what might lie in the future as far as offering training not only within the province and within Canada but doing some international work as well.

Mr. Reid: Then, I take it that you will be forwarding the information then with respect to the costs of this training, you will be sending it along with the other information regarding travel and marketing costs, along with a list of fees that you have agreed to send along?

Mr. Gilleshammer: We have people taking notes here of information that you are seeking and we will do our very best to comply with it.

Mr. Reid: I think I have said most of what I need to ask with respect to the Fire Commissioner's office. There is much more, of course, but I know my colleague here is wanting to get into Estimates as well for the next department. My concern here with respect to the Fire Commissioner's office, and I am not a proponent of doing these types of things on a profit basis. I see the fire suppression, the firefighting forces of the province, which I would include in the Fire Commissioner's office as a way to educate and take preventative actions versus a reactive force.

Looking at some daycares in the province where some of them are run on a not-for-profit basis and you have volunteer boards with them quite often, and looking at the fee that you are anticipating charging to these facilities, I am not sure how this is in the best interests for those particular operations to start charging the fee.

To leave it to volunteer fire chiefs or firefighting forces in the province who are historically trained in fire suppression versus prevention, origin and cause determination that actual duties and responsibilities and training that the Fire Commissioner's office has,

volunteer firefighters that I know of are not full-time people. They do this as an additional duty. I am not aware of training that they would have with respect to report writing. I do not know what inspection training they have with respect to origin and cause of fires or whether or not the Fire Commissioner's office still gets involved in situations like that in all cases or you leave that to the local fire chief to do. But now that you have made this into a fee-for-service facility through your special operating agency, I am not sure that the safety of the public is best served by this type of approach.

In the beginning when you moved to this, I was not critical; I wanted to see what was happening. I have seen now situations that have come to our attention for a matter that the Chairperson has ruled out of order here today with respect to the Pine Falls daycare fire. I am not sure that this move is in the best interests. Yes, it may be to the government as far as the general revenues are concerned, and you do not anticipate to have a draw on general revenues for a period of time, hoping that the Fire Commissioner's office would become self-sustaining.

I am not sure your move to a special operating agency in this regard is the best for public safety, and I would hope that the Fire Commissioner's office would have been there to protect the public to undertake, as they have in the past, origin and cause of fires, and to provide the preventative training programs that they have in the past to make sure that the public is continually educated on the dangers of fire and the necessity for meeting or exceeding fire code and building code requirements within the province within the country.

I know you are trying to make this into a self-sustaining operation, but by pushing it in that direction and looking at what is happening at least in one case now, I am not sure that is the best move. I think the public safety is far too important to turn this into a for-profit venture. Public safety should come first before the profit of a particular special operating agency that the government has chosen.

I am going to close on this part, I hope, unless other questions arise out of the minister's answer. With the feasibility study that was undertaken, I believe, by KPMG regarding the special operating agency, do you

have a study that was undertaken by KPMG and can you provide us with copies of that particular study?

Mr. Gilleshammer: I do hope that my honourable friend would come out to the Emergency Services College in the near future to get a better understanding of the complete operation and appreciation for the professionalism that exists there and the talent that exists there and the services that are provided. I know that he would see the tremendously positive relationships that have grown up between the Emergency Services College and the fire departments across this province, the growth and the abilities of those volunteer brigades, the growth in the co-operation through the mutual aid districts and the growth in the equipment, not only in numbers but in updating the equipment in these fire brigades, I think my honourable friend would be very impressed.

So I urge him to come out in the near future and present himself with an open mind to view what is happening there. It might even be best when there is a group of students who have been taken in. I have just indicated that the graduation was held just a few weeks ago when 24 people graduated, but there are other activities going on, and there will be another class starting in September, I believe.

I know that it is not my place to ask questions here, but you have sort of piqued my interest in your criticism of the special operating agencies, and I wondered if you were opposed to all 16 of them or just this one in particular.

Mr. Reid: Special operating agencies differ, as you well know. Some provide glass, steel, plastic and rubber. Others provide human services. Some of those are safety related, as this one is. I draw a distinction between those. Where you have human safety involved, that is where I draw the line, when you have a for-profit—and I do not use that term in the negative context because the minister has referenced that in his statements last year, but I just draw on those statements.

Where you have a facility that you want to be able to stand alone on its own and it is charging fees to the public to do safety inspections, that is where I have a separation between that particular special operating agency and agencies that provide steel and rubber for

people to travel around the province. A big difference between the two, human safety versus inanimate objects.

So those are my comments about special operating agencies. There are some cases where they may be appropriate. I do not deny that may be the case, from my own personal viewpoint. I cannot speak on behalf of caucus, but that is my viewpoint. But when it comes to human safety, to the safety of the public, that is where I draw the line between the two.

* (1610)

Mr. Gilleshammer: I gather the member is generally in favour of special operating agencies but is opposed to the Fire College or the Emergency Services College being a special operating agency.

Again, I would encourage him not to close his mind completely on that. What we have done—and I will look back in Hansard. I do not recall using the phrase “for profit” as he has indicated. What we are asking the Emergency Services College to do is live within its means. They operate on approximately a \$4 million budget, or a little less than that. The vast majority of that comes from a fee on insurance policies and 1.25 percent of insurance policies. Over \$3 million of their budget is raised in that manner.

So, you know, if he would come out to Brandon and meet the people and tour the facilities and come with an open mind and maybe even go to some of the conferences where the fire service is meeting—they tend to meet in Brandon now and are well received by the citizens of Brandon and the city council. We have a number of them coming up or at least there are one or two coming up this spring, you know. It is a good opportunity to see the facility but also to meet some of the people who are more directly involved in it.

Mr. Reid: It is not the Fire College that I have difficulties with, because I think they do some good work. I wish that a lot of their work would be internal to the province of Manitoba, providing public safety and training for people in this province. With the special operating agency that you have set up, of course, you have to expand beyond that because they have to recover their costs, as you said in your own

comments here, which I just happened to bring along, a copy from last year's Estimates. It says here in your words, and I quote: “The objective, of course, is to balance the budget and even turn a profit if we can.”

That is the comment that you made in last year's Estimates, and that is where I draw reference to those.

Your Fire College people, I think by far, for the little I know of at this point and hope to learn more upon my visitation, do good work. I just wish it would be done in a way that would provide for the public's safety for the people in the province of Manitoba and perhaps give others the opportunity to come in and pay those fees, if you want to import the dollars, instead of having to charge the people of Manitoba for those vital services. So that is the distinction I draw between the way you have operated it to this point, once you converted it to the special operating agency. I would prefer to see other jurisdictions, if you want to bring them in here and provide training, by all means, import the dollars. Bring the people in here and train them, but when it comes to providing services to Manitobans, that should be, as far as fire safety is concerned or hazardous materials protection, that human safety should be first for Manitobans. That should be our first priority, and that should not be done on a for-profit basis or fee-for-service basis, if you can at all avoid that.

So those are my comments with respect to the special operating agency, and if there is an opportunity to go to the Fire College in the near future—because I do, once sessions end, like to travel to various parts of the province as I have done in past years—I will endeavour to get to the Fire College at the minister's invitation and do a tour of the facility and perhaps ask some more questions at that time.

Mr. Chairperson: Item 11.2. (m) Office of the Fire Commissioner has been previously passed.

Resolution 11.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$12,662,900 for Labour, Labour Programs, for the fiscal year ending the 31st day of March, 1999.

The last item to be considered for the Estimates of the Department of Labour is item 11.1.(a) Minister's

Salary. At this point, we request that the minister's staff leave the table for the consideration of this item.

Item 11.1. Labour Executive (a) Minister's Salary \$26,300.

Mr. Reid: Mr. Chairperson, just a few closing comments here. We have covered a wide number of areas, and the minister and I do not always see eye to eye on the operations of the department.

There is a fairly large amount of information that I have requested from the department this year, and I look forward to receiving that information from the minister. If he has any questions with respect to the intent of my request, in other words, what information detail that I would like, he is more than free to let me know inside the Chamber or to call me, and I will provide whatever assistance I can.

There is some information that I still have yet to provide to Employment Standards people with respect to some of the business operations taking advantage, from what I am told, of young people, and I will provide that information to Mr. Dyson, Employment Standards.

I look forward to the continued debate and discussion with respect to the piece of legislation that the minister has introduced to the Chamber, and we will take him up at his offer to have a briefing sometime in the near future.

Mr. Chairperson: Item 11.1.(a) Minister's Salary \$26,300—pass.

Resolution 11.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$476,400 for Labour, Labour Executive, for the fiscal year ending the 31st day of March, 1999.

This now completes the Estimates of the Department of Labour.

The next set of Estimates that will be considered by this section of the Committee of Supply are the Estimates of the Department of Energy and Mines. Shall we briefly recess to allow the minister and the

critics the opportunity to prepare for the commencement of the next set of Estimates? [agreed]

* (1620)

ENERGY AND MINES

Mr. Chairperson (Gerry McAlpine): Good afternoon. Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Energy and Mines.

Does the honourable Minister of Energy and Mines have an opening statement?

Hon. David Newman (Minister of Energy and Mines): Mr. Chair, I am pleased to present the 1998-99 Expenditure Estimates for the Department of Energy and Mines.

The mission of the department is to foster investment in the sustainable development of our energy, mineral and petroleum resources and promote the efficient use of energy. Our vision is to make Manitoba the best place in Canada to invest in mining, provide the best business climate in Canada for the sustainable development of petroleum resources and be recognized as the best source of impartial information on energy efficiency in alternative energy in Manitoba.

We have established long-range measurable goals that flow from our mission and vision and strategies and objectives to help us progress toward goal achievement. I would like to take a moment to discuss this government's efforts to create a positive business climate in Manitoba for investment by the mineral and petroleum industries. These are messages that I believe are of great interest to companies that we would like to attract to Manitoba or to those that are already here.

These are messages that I have personally conveyed to companies at various conventions and meetings. I have told companies to think of our government as a silent partner operating within the context of a relationship in good faith wherein we partner on the basis of consultation. We share in success through taxes, royalties and fees. We share in losses and risks through exposing our natural resources and living

things and infrastructure to impacts of development without certainty about the consequences and through investing in infrastructure to support exploration and development. As government, we encourage success.

Mr. David Faurshou, Acting Chairperson, in the Chair

Over the past 10 years this government has been driven by three guiding principles to help achieve success: first, our fiscal or economic agenda culminating in the 1995 balanced budget legislation in four consecutive balanced budgets, including the most recent 1998-99 budget; second, the long-term investment in our social agenda is intended to decrease dependence on government—you might say the best form of social assistance is a job—third, the commitment to the sustainable development of our economy through a balanced approach between environmental protection and economic development. We are committed to designating areas for environmental protection, while at the same time celebrating economic development opportunities to serve current needs without jeopardizing the needs of future generations.

However, it is important to temper these positive aspects with the fact that the mineral and petroleum industries are feeling the effects of volatile market conditions. Low prices for precious and base metals and petroleum are making headlines throughout the world and are playing havoc with producers in exploration companies. Clearly current prices are on the downside of the cycle. Although we cannot control these price cycles in Manitoba, we can influence the competitiveness of our province in attracting exploration in mining and petroleum activity.

We appreciate that industry must continue to be competitive globally, and we in government must continue to do our part to offer competitive business environment. We cannot be content to sit back and list our successes, achievements and advantages. There are new challenges that government and industry must meet, and our most recent budget reflects this commitment to meeting the challenges.

On the tax side, this budget extends Manitoba's overall tax freeze for an 11th consecutive year. It increases our debt payment to \$150 million, which is

double the required payment. Manitoba's basic personal income tax rate, currently 52 percent of basic federal tax, will be reduced to 51 percent for the 1998 tax year and further reduced to 50 percent on January 1, 1999.

An exemption from motive fuel tax will be allowed on propane fuel used in drying mineral or concentrates and for heating processing plants and underground mines. This exemption represents an estimated savings to the mining industry of \$1.3 million on a full-year basis.

The payroll tax rate will be reduced from 2.25 percent of taxable payroll to 2.15 percent of taxable payroll effective January 1, 1999. This reduction represents an estimated \$250,000-savings to Manitoba's mining companies. Custom-developed software and custom computer programming services became exempt from sales tax effective midnight March 6, 1998.

In terms of expenditures, over a \$170 million will be spent on improving the province's roads and highways, \$10 million more than last year, and \$3.6 million, or \$1 million more than last year, will be spent on capital projects related to infrastructure development in a number of northern communities.

A major contribution is being made to develop the potential of Canada's only major arctic port at Churchill. Manitoba will contribute \$6 million to harbour dredging over the next two years. A commercially viable arctic port will further enhance Manitoba's position as the northern gateway to the mid-North American trade corridor, and this has potential benefits for the mining industry.

This budget continues the Mineral Exploration Assistance Program, the Prospectors Assistance Program and Petroleum Exploration Assistance Program.

Now, dealing specifically with the Department of Energy and Mines, Mr. Chair, the department has two divisions: Administration and Finance, and Energy and Mineral Resources. The Administration and Finance division has two branches, Executive and Administrative Services. The Executive branch, which

comprises my office and that of my deputy minister, provides policy direction for the department, along with overall program management. Administrative Services provides centralized management services for the entire department, comprising financial, human resource and computer services. The Energy and Mineral Resources division has four program branches: Marketing, Petroleum and Energy, Mines, and Geological Services.

* (1630)

Mr. Chair, we have made four senior management changes in the past year. Oliver Boulette, who formerly served as assistant deputy minister, Local Government Development Division for the Department of Northern Affairs, is now the deputy minister for both Energy and Mines and Northern Affairs. Garry Barnes, who was formerly executive director of Financial and Administrative Services is now assistant deputy minister for Energy and Mines. With the retirement of David McRitchie in September 1997, Christine Kaszycki is acting director for the Geological Services Branch. Craig Halwachs, manager of Financial Services, is now acting director of Financial and Administrative Services.

The department is also responsible for a number of industry support programs: the Mineral Exploration Assistance Program or MEAP, the Petroleum Exploration Assistance Program or PEAP, the Manitoba Potash Project, and the Acid Rain Abatement Program in Flin Flon.

In support of the department's mandate and goals, the role of the Marketing branch is to market and enhance mining and exploration investment opportunities in Manitoba. The branch's role is carried out under two main program areas: information production and distribution and business development. It should be noted that marketing is more than simply promotion of Manitoba's mineral products and the Manitoba advantage in a shotgun approach.

Our marketing approach is that of a systematic path which clearly identifies the industry's clients and their needs. Mr. Chair, we constantly enhance and promote a complete investment package to mining and exploration companies throughout North America. It focuses on reliable and timely geological information,

the competitive cost of doing business, land access and tenure and streamline and practical permitting and regulatory processes.

Our approach also entails providing high quality service to companies already operating in Manitoba with the intent of keeping them in the province. The outcome or results of this approach cannot necessarily be measured in one or two years, although Manitoba's experienced growth and exploration expenditures and the number of new companies working in the province since 1995—by the nature of this industry, the ultimate goal of finding an economic orebody or developing a new mine is most often a long-term endeavour and influenced by outside variables, many of which cannot be controlled by the Manitoba government. However, Mr. Chair, what we do control and provide is an investment package with the necessary-based geological information, plus an environment conducive for doing business.

Some of the main accomplishments achieved by the Marketing branch during the last year are: under MEAP, \$3.5 million in assistance funds were allocated to companies proposing 65 exploration projects estimated at \$13.1 million. This brings the total assistance allocated since inception in 1995 to \$10.7 million for 190 proposed projects by 65 companies. Of the 65 companies, 35 are considered new to Manitoba. During the 1997-98 fiscal year guidelines were developed for MEAP project inspections and company office audits to ensure program integrity. Six inspections and two company office audits were completed. As well, a formal evaluation of MEAP was completed. The evaluation consisted of an economic impact assessment and industry survey and review of the department's MEAP statistics since inception in 1995. Results indicated that the program has been a success in terms of attracting and keeping exploration investment in Manitoba.

The 1997 Manitoba Mining and Minerals Convention held in November was the largest in its 29-year history. The convention provided a venue for industry to learn of the latest geological information releases, exploration and mining services and business issues and opportunities. A distinctive aboriginal theme was also woven throughout the event to help further

facilitate relationship building between the mining and exploration industry and Manitoba's aboriginal peoples.

To help individual prospectors market their properties to more advanced exploration companies, a series of nine property workshops were held throughout Manitoba. A spinoff of these workshops was a free property showcase space made available at the convention for property holders to promote properties for option or investment. As well, properties for option or investment listing was co-ordinated by Marketing branch in print form and on the departmental website. This service gives participating property holders a broader exposure to exploration companies throughout the world.

Several Business Development outreach programs were instrumental in promoting investment opportunities and gaining feedback from mining and exploration companies not now operating in Manitoba. Business Development team members, including the minister and deputy minister, visited over 80 companies, several investment and mining exploration conventions were attended to further profile the advantages of investing in Manitoba. The branch's Business Development team provided ongoing service to companies operating in Manitoba and those that are considering coming to the province. The team provided technical and business advice and acted as a liaison between clients and other government departments. Through participation on government industry committees, it also monitored and provided ongoing input on a variety of issues that affect investment. Issues included taxation, land access and tenure and permitting and regulations.

The industry-government mining taxation committee successfully lobbied for the removal of the sales tax on motive fuels helping to reduce the cost of doing business. A redesign of the Energy and Mines website was completed. The new site provides greater opportunity to conduct business on-line by enabling clients to access databases, download maps, order publications and contact key staff for technical and business development support. Since the launch of the new website in November, monthly contacts or hits have increased over 100 percent. Nine new geological reports were published including the six-volume set of operation superior multimedia geochemical survey

results. These results provide important information on the Northern Superior Geological Province considered to be a new frontier for exploration in Manitoba.

A variety of exciting promotional material was produced, including the Explore in Manitoba/Discover the Advantage promotional binder. The binder was designed to highlight Manitoba's geology and the positive business climate for mining and exploration investment. It has become an important tool which I and the marketing staff use when meeting with exploration companies not familiar with Manitoba. This year, Marketing branch will continue to focus on promoting and enhancing investment opportunities for the mining and exploration industry. We will place additional emphasis on working with the industrial minerals industry, given the positive market conditions associated with certain commodities in this sector.

Specific priorities for the fiscal year are: to continue updating the Energy and Mines website making it more effective for conducting business on-line; increase emphasis on digitizing geological information and making it available on the website; complete revisions to MEAP and seek approval for funding for an additional three years; co-ordinate an industrial minerals advisory committee and begin formal liaison with the industry; investigate ways to provide financial assistance for market development of key industrial mineral commodities; work co-operatively with mineral property holders to market properties available for option or investment; plan and stage the Manitoba Mining and Minerals Convention, 1998; focus on base and precious metals and industrial minerals and continued promotion of investment opportunities in Manitoba through a variety of business development outreach programs; examples are conventions, conferences, company visits and special events; continued provision of high quality promotional material and information services to profile investment opportunities in Manitoba; continue to monitor issues affecting investment. This means issues related to the cost of doing business in Manitoba, land access and tenure and permitting and regulatory processes. We will also provide input to government industry committees associated with these issues, track the impact of the mining and exploration industry versus government investment through socioeconomic impact assessments.

Turning to mines, Mr. Chair, the principal responsibility of the Mines Branch is administering legislation governing the dispositions of mineral rights—permits, claims and leases—exploration, development and production of our nonfuel mineral resources and rehabilitation of mines and quarries. The branch administers The Mines and Minerals Act, Mining and Metallurgy Compensation Act, quarry minerals regulation, mineral disposition and mineral lease regulation and drilling regulation.

Mr. Chair, we have mixed news in several areas of the province as far as the mining industry is concerned. The industry has encountered declining metal prices throughout the year resulting in difficult conditions for mines operating in Manitoba. We are sensitive to the role of the prospector in our mineral industry. In the past five years, the Prospectors Assistance Program received 219 applications of which 167 were approved. To date, 124 have been completed at a total cost to the province of \$534,584. The program allows up to \$7,500 for each approved project. The program is continuing in 1998-99 and a formal evaluation is being undertaken.

* (1640)

The gold mining industry, Mr. Chair, is suffering the effects of very low gold prices. At the present value of gold, it is very difficult to operate successfully. Nevertheless, the Black Hawk operation at Farley Lake near Lynn Lake continues to perform strongly and produced 63,067 ounces of gold in 1997. Their target for 1998 is 63,000 ounces. Snow Lake continues to benefit from the TVX New Britannia Mine now fully operational. Currently employing 270 people onsite, the mine produced 91,400 ounces of gold in 1997 and plans to produce 92,500 ounces in 1998.

Mr. Chair, I would like to insert a point about the Bissett gold mine. As the appointed receiver for the Bissett gold mine company, KPMG has accepted an offer to purchase the idled Bissett gold mine subject to government and court approval. The accepted offer is from 16703 Yukon Inc., which is controlled by Harmony Gold Mining Co. The offer accepted for \$14,310,000 Canadian was one of five, and the only offer free of any financial conditions. Harmony has indicated that they intend to put the mine back into

production and hire as many local residents as possible, including the former mine management team. We are now awaiting court approval of the transfer of ownership before we transfer the mineral lease.

The base metal segment of the mining industry is suffering with the low metal prices being experienced and all participants are having to examine their operations very carefully with a view to cost reduction. Tantalum Mining Corporation continues with strong production at its TANCO mine near Lac du Bonnet. Hudson Bay Mining and Smelting continues to operate in Flin Flon, Snow Lake and Leaf Rapids, while Inco operations continue in Thompson and at Birch Tree.

With specific regard to Hudson Bay Mining and Smelting, the province fully supports the company's Project 2012. HBM&S is a valuable corporate citizen and its impact on the provincial economy cannot be overstated. We have had several discussions with the company on how the government can contribute to the successful implementation of Project 2012. To date we have advised the company that we could declare two potential mines under Project 2012 as "new mines" eligible for the new mine tax holiday and new investment credit under The Mining Tax Act. As well, subject to the analysis of additional information, the proposed zinc plant expansion could qualify for the new investment credit. Other items, such as potential government loans are still under consideration.

I am pleased to advise you that our recent budget has also had a positive impact for HBM&S. The reduction in the payroll tax will result in savings for the company of approximately \$100,000 per year. The motive fuel tax exemption will result in savings of approximately \$500,000 per year with one-quarter of this benefit realized in 1998.

Turning to exploration, Mr. Chair, Falconbridge continues to focus its Thompson nickel belt exploration specifically on William Lake where exploration drilling discovered very promising nickel mineralization in 1996. Falconbridge announced recently that Hudson Bay Mining and Smelting will also participate in this project.

I am pleased to report an active year in the area of staking new claims with 1,664 mining claims and 10

exploration permits recorded in 1997 covering an area of 386,243 hectares. In addition, 70 quarry mineral leases, 780 casual quarry permits and 801 registration certificates for private pits and quarries were issued during the same period.

Mr. Chair, our government is strongly committed to the rehabilitation of depleted gravel pits, and my department developed a program to deal with the problem. Since the program began in April 1992, we have rehabilitated some 446 gravel pits, covered 1,896 hectares at a cost of \$2.9 million. This year we will develop a strategy to increase the rate of rehabilitation.

Mr. Chair, I would like to outline some additional goals for the Mines Branch in 1998-99. The first is an aboriginal mining accord. We will facilitate discussions between the mining industry and aboriginal organizations. We hope this will lead to the development of a code of practice whereby aboriginal people take a much more active role in the development of mines in their vicinity with the opportunity to reap more of the benefits of mining operations.

Speaking of relationship building, at the PDAC—that is, the Prospectors and Developers Association—meeting in a conference in Toronto this past March, I had the opportunity to meet with many mining and exploration companies to discuss the advantages of investing in Manitoba. I also offered these companies some advice. By the way, I offered this advice to all civil servants employed by Manitoba Energy and Mines, as well, in terms of the changing expectations and indeed culture of the North. Just to qualify this, I had switched hats to my Northern Affairs responsibilities and was speaking as a partner in a good-faith relationship with the people and ecosystems of northern Manitoba. I dare say those people and those ecosystems expect the following from civil servants in my government and from companies given the privilege of entering their traditional territories and communities: (1) humility, not arrogance; (2) respect, not intolerance or discourtesy; (3) honesty and good faith, nothing less; (4) genuine ongoing communication, not just give notice, and expect no surprises; (5) maximum opportunities to participate in the jobs training, education and wealth generation potential associated with mining exploration and development.

Is this a new culture to adjust to? You bet it is. Those civil servants and companies who adjust first and best will be the most successful for themselves and for the benefit of all Manitobans.

Secondly, a mine closure regulation will be introduced early in the fiscal year. It will set standards for mine closures and require that a closure plan be registered with the department. The regulation will also require that the mine operator provides sufficient financial security to pay for all of the costs of rehabilitation at the time of registration of the closure of the plant.

The third is rehabilitation of orphan sites. Four former mine sites have been identified as major sites requiring rehabilitation and are called orphan since there is no associated company that can be approached to cover the rehabilitation cost. Funding has been found to rehabilitate one site during this fiscal year. Every effort will be made to find additional funding to take care of the other three.

We will also consult with Natural Resources regarding protected lands throughout this year and next. Finally, we will complete the process of digitizing claim maps. Digitized claim maps at a 50,000-to-one scale will be available for the entire province by next November.

Mr. Chair, I would like now to turn to my department's very active Geological Services program. A major thrust to the program focuses on providing an enhanced geoscience knowledge base for the province which will facilitate positive investment decisions and exploration and development and provide the basis for sound land-use decisions. The challenges in meeting this objective are many, not the least of which is maintaining a balanced approach that will not only foster new exploration opportunities in frontier areas but provide continuing support in the established mining camps.

Mr. Chair, we have been facing these challenges in a variety of ways, including looking for opportunities to enhance program delivery through collaboration and/or partnerships with industry and other federal and provincial agencies. Over the next two to three years, collaborative projects with the federal government,

industry and several Canadian universities will produce expertise and opportunities for technology transfer with direct operational expenditures averaging approximately \$1 million per year. This is in addition to our current program allocation. These programs will significantly increase our current geoscience knowledge base and provide a solid framework for future work in the province.

* (1650)

This type of innovative operation was successfully employed in the Shield Margin NATMAP project, which contributed immensely to our understanding of the controls on mineralization in the Flin Flon-Snow Lake greenstone belt, the richest greenstone belt of its age in the world in terms of historical production value per square kilometre of greenstone. The newly mapped extensions of the greenstone belt beneath the cover of Paleozoic rocks to the south provide some of the most active exploration targets in the province. Final maps, reports, and digital data releases on CD-ROM and the Internet are scheduled for this year.

In 1995, the department identified a need to upgrade the level of geological information available for the Northern Superior Province in an effort to promote exploration opportunities in this underexplored part of Manitoba. Accordingly, Operation Superior was launched in 1996. This successful program now entering its third year was recently linked to the Western Superior NATMAP project sponsored by the geological service of Canada, which will augment work being carried out by the department. This year, the very successful multimedia geochemistry project will continue in the near east-central portion of the region. Industry-anticipated results of this past summer's work will be released in May in time for explorationists to develop follow-up programs for the 1998 field season. Bedrock mapping and mineral deposit studies will continue in the Knee Lake, Island Lake and Stull/Kistigan lakes areas.

The recently launched Thompson Nickel Belt CAMIRO project is another example of innovative program delivery. Industry support for this program averages about \$130,000 a year over a three-year period. The program is operated through the collaborative efforts of our department, the Geological Survey of Canada, and five Canadian university

geoscience departments. It represents the first integrated study of this world-class mining camp. The project also targets the relatively unexplored southern extension of the Thompson nickel belt beneath Paleozoic cover. This program directed by Manitoba Energy and Mines will develop new exploration tools that will yield long-term benefits to nickel explorers in the province.

Geological Services is also developing new exploration and development opportunities in southern and central Manitoba. Work in the Mafeking area suggests the potential for previously unrecognized metallic mineral deposits hosted within or beneath carbonite rocks overlying the Churchill/Superior boundary zone, although in the preliminary stages of development, this work could potentially lead to the identification of new deposit types in Manitoba. Mr. Chair, the branch is in the process of hiring an additional industrial minerals geologist to help foster the development of these important commodity-specific mineral resources. To further consolidate these efforts, responsibility for the aggregate and quarry mineral resources program was shifted to the branch in January. Over the short term, aggregate activities will continue to focus primarily on assessing aggregate potential in wildlife management areas that are under consideration for inclusion in Manitoba's network of protected areas.

In the Winnipeg area, the first phase of the Capital Region study is nearing completion. In this effort, crushed stone, dolomite, dimension stone and other potential industrial and metallic mineral resources were inventoried to provide a framework for effective land use planning in the region. The second phase will provide an overview of the sand and gravel aggregate resources in the region and forecast supply and demand scenarios. This phase will likely be deferred until evaluation of wildlife management areas has been completed. Again, work in this region is being augmented by collaborative projects with the federal government.

A new NATMAP project in the greater Winnipeg area now entering its second year will provide enhanced mapping of surface minerals in the region, including a study of flood frequency in the Red River Valley, as well as development and integration of digital databases. In addition, a new federally

sponsored hydrogeology initiative now underway will focus attention on aquifer mapping and ground water dynamics in the Winnipeg region.

The Geological Services branch has been actively involved in the review and consultation process for candidate sites for Manitoba's network of protected areas. Through extensive consultation with our client groups, we are working toward meeting our provincial objectives for the Endangered Spaces campaign in a way that is consistent with our sustainable development strategy. The process to date has identified a set of candidate sites agreed upon by our industry clients, Parks Branch, Mines Branch and Geological Services. The challenge this year will be to put forward an action plan that will allow further evaluation of those sites for which there is a potential conflict with mineral potential values. To this end, our clients have recommended completion of mineral resources assessments within candidate sites and the need to more rapidly expedite the development of fully digital databases that will allow rapid access to assessment files, mineral deposits, aggregate industrial minerals and quaternary and geological databases.

In petroleum and energy, Mr. Chair, the Petroleum and Energy Branch fosters the sustainable development of Manitoba's oil and gas resources and promotes investment in efficient energy use and the development of economically viable alternative energy in Manitoba. Last year was a banner year for the oil and gas industry in Manitoba. Highlights were a record level of revenues, \$6.3 million from the administration of Crown oil and gas lease rights, increased exploratory and horizontal drilling activity, increasing oil production and the designation of two new oil fields, Mountainside and Birdtail, and an expanding Manitoba-based oil field supply sector, which included the launching of Manitoba's only oil well drilling rig operated by CanAM Drilling of Steinbach. Clearly, this level of activity was in large part driven by the price of oil. However, the activities and policies of the department have also been instrumental in promoting and facilitating investment opportunities in Manitoba's oil patch. In addition, we have taken an active role in minimizing the environmental and safety impacts of development of these resources.

Mr. Chairperson in the Chair

The branch promoted Manitoba oil and gas investment opportunities at a number of forums throughout the year, including the international Williston Basin horizontal drilling symposium in Regina, the annual general meeting of the Petroleum Society of the Canadian Institute of Mining in Calgary and a one-day open house and trade show that we organized and presented in Calgary.

Mr. Chair, I had the pleasure of attending the Calgary open house, and I can tell you that all our industry clients expressed praise and appreciation for the branch's clear, logical and businesslike approach to promoting and regulating this important industry.

Mr. Chair, well information is the lifeblood of the oil and gas industry, and convenient access to reliable information is a critical component of any jurisdiction's efforts to attract investments. I am pleased to say that through development of our Mogwis System, Manitoba has taken great strides to improve industry access to this critical database. In addition, the branch's presence on the Internet has been enhanced as we continue to explore this new and effective medium of information dissemination. I invite the members here to take the opportunity to visit our web page; probably the Chair already has, knowing his interest and capacity in using his computer. I think you will be very impressed.

As well, the branch has made strides in electronic exchange of information and electronic transfer of funds for payment of fees, especially for Crown lease bonuses.

On the environmental side, the branch completed the abandonment of Manitoba's only historical orphan well in 1997. In addition, a new orphan well, resulting from the bankruptcy of the operating company, was also properly abandoned. I am pleased to note that the branch has taken a pro-active role with oil companies to ensure that their abandonment and rehabilitation responsibilities are honoured. I am pleased to note further that the incidence of oil and salt water spills in Manitoba in 1997 is down and that the total volume spilled dropped by 43 percent from the previous year.

Mr. Chair, much of this improvement can be attributed to the diligent work of our petroleum inspectors in our district offices in Virden and

Waskada. The Petroleum and Energy branch administers the PEAP program providing for grants of up to 20 percent of the cost of eligible exploration expenditures. PEAP has been instrumental in revitalizing Manitoba's oil patch. Before PEAP was introduced in 1996, only two significant oil discoveries had been made in Manitoba since 1986. By contrast, at least three significant new oil discoveries have been made since 1996, and I must note that a number of other plays are being evaluated by development wells. A total of 17 oil and gas companies, previously inactive or with insignificant activity in Manitoba before PEAP, have conducted exploration under the program.

Mr. Chair, since 1997 saw the proclamation of the new Oil and Gas Production Tax Act, replacing a previous act of the same name, with this, the modernization of Manitoba's oil and gas legislation was completed. This has resulted in Manitoba legislation being among the best written and most effective legislation of its type in the country. World oil prices have declined sharply since late 1997 to a current level of under \$20 Canadian per barrel as of April 7, compared with over \$33 a barrel in early 1997. This has resulted from a number of factors, including overproduction by OPEC states, notably Venezuela, and the economic meltdown in East Asia.

Our challenge in this area of reduced prices will be to continue to attract a significant level of exploration and development investment in Manitoba's petroleum resources. In addressing this challenge, the department is undertaking a comprehensive review of the effectiveness of PEAP, together with the appropriateness of the current petroleum fiscal regime, unchanged in almost 20 years.

In addition, enhancements to Mogwis and internal information processes will ensure that the branch continues to provide the best service possible to its industry clients and to Manitobans. The branch will be represented at a number of technical and trade symposia, and will continue to promote investment opportunities in our oil patch. Notably, the department is the co-sponsor of the second Manitoba oil show to be held in Virden on May 12 and 13. I would certainly invite members opposite to participate in this event, which is designed to inform the public about Manitoba's oil and gas industry and provide a forum

through which Manitoba-based businesses can exhibit their wares.

The branch will continue its efforts to ensure that operators of inactive, uneconomic wells fulfill their obligations to properly abandon and rehabilitate these well sites. Backed by effective legislation, including the well abandonment to preserve account, the branch will continue its campaign to address all environmentally suspect operations in Manitoba.

On the energy side, the branch operates programs designed to increase the efficiency of energy use in Manitoba. Noteworthy is the Manitoba R-2000. A total of 35 homes were enrolled under the program in 1997-98, an increase of some 20 percent over the previous year. For this fiscal year, we are targeting at least 70 new enrollments.

Of note in the R-2000 Program is the BrieCrest Estates Project of Horizon Custom Builders in Brandon. This will be the first seniors condominium project in Manitoba to be constructed to R-2000 standards. To date, 16 of the 35 units have been completed and are undergoing final testing. I invite my opposition colleagues to join me on the weekend of April 24 and 25 to attend the open house for this project and, of course, all of my colleagues on the government side are always welcome to attend any of these kinds of events.

The branch is working with Government Services to implement the second phase of the Manitoba Government Buildings Initiative. During this year, monitoring of the pilot building, the Woodsworth Building, has confirmed that the retrofit investment has led to substantial energy savings. The second building retrofitting is at the Portage Provincial Building and has just been completed. This project includes installation of heating equipment and controls to improve environmental control, as well as a lighting retrofit.

Mr. Chair, I reported last year that a major scheduled initiative was to raise the profile of the department as an important source of impartial information on energy efficiency and alternative energy. We have made considerable progress in this area as a result of our participation in the re-entry and reconstruction effort after the great flood of 1997. As a result of 17

workshops attended by 247 people in the flood-damaged area and fielding of some 500 technical inquiries—

* (1700)

Mr. Chairperson: Order, please. The hour being 5 p.m., time for private members' hour.

When this committee reconvenes, the honourable minister will have 20 minutes to complete his opening remarks. Committee rise.

HEALTH

Mr. Chairperson (Ben Sveinson): Order, please. I guess we will resume consideration of the Estimates of the Department of Health. I would like to thank the honourable member for Pembina (Mr. Dyck) for taking over for me this morning, but back to our honourable member for Kildonan.

Mr. Dave Chomiak (Kildonan): As indicated earlier, I anticipate that we will spend the balance of the day on capital, and we will probably have to return to capital for a short period of time at some later date that we can negotiate. My colleagues will also be joining us to deal with some questions. I tried to give a quick briefing to my colleagues. I hope we do not cover too much ground that has already been covered, but unfortunately the nature of the way things work it has not been advisable, so there may be ground covered again.

Just at the onset, can the minister indicate who will retain responsibility for capital decision making? Is it going to be ceded to the various authorities, and how is that process going to work?

Hon. Darren Praznik (Minister of Health): The change in structure for decision making, the ultimate authority to approve capital projects, will remain with the Ministry of Health. Obviously we deal with Treasury Board on our allotment for capital programming, but what we have done is we have asked regional health authorities in their planning process to review their capital needs, sort out their capital planning and to make recommendations or requests, I guess is more the correct term, to us on a regular basis

for their capital needs. Then what we do is we will assess them against criteria that we develop and setting priorities throughout the system and take forward our list for approval.

So there are really sort of two stages of sorting. There is the sorting within the region, and I think the regional health authorities have been developing. There is some trial and error in this and getting a feel for it in the first few years, so it is not that it is written in stone, but I think they are developing a sense of their own criteria, and we have been working with them a bit on that and what they use on assessing projects and vetting projects and sorting them out on what is really needed and then moving their lists and priorities forward to us for a similar kind of province-wide assessment of need, and then we move to our annual approvals.

Mr. Chomiak: Suffice to say roughly the process is not changing with respect to capital from the previous system as it relates to regional health authorities other than that it is a different administrative body that will be making the capital requests? Is that a fair observation?

Mr. Praznik: Mr. Chair, in process, yes, I guess, other than before facilities used to make requests for their capital needs or communities.

Yes, Mr. Chair, one difference, I guess in practical terms, is that their capital program has to be tied to their regional health plan. So as opposed to just sort of holus-bolus requests from communities that one would get, their capital has to fit into their overall health planning. I think what we are starting to see, particularly on the rural side or the outside of Winnipeg part of the province, is that as regional health authorities are taking over their facilities, they are able to look at where they deliver services within those facilities.

One of our objectives is to make sure we are getting the best use out of the current capital that we have. That is one of the reasons why we created the conversion fund. I know, for example, in the Marquette region of the province, when you look at the region overall you find out that on acute care beds it

probably has some 100-plus acute care beds today that it does not need. It does not have a need for that 100 acute care beds. On the other side of the coin, they are probably short 80 to 100 long-term care beds.

So one of the things we would expect in their planning process is, as much as practical, be converting acute care beds to long-term beds and bunching them and making use of their facilities in a manner that will sort of maximize the appropriate use of that space. Other things that come up in this process, too, is regions look at the services that they deliver. I know in my particular region of North Eastman there was a need for a rehabilitation service, physiotherapy, people who have gone through hip/knee replacements. Just in saying, where are you going to put that, well, there was a fair bit of space available at the Pinawa facility, and so that became the obvious place, and the local health authority decisions were made that that would be developed at that particular facility.

So, again, we want to make use of our existing capital as best we can, and that is somewhat new in a practical sense because under the old system, when each facility was dealt with separately, it was much harder to get that kind of planning process. It was almost impossible to make sure space was being well used throughout a region.

Mr. Chomiak: When we next meet, would it be possible to get an update as to the status of the major capital plans that were announced last year when the capital plans were unfrozen, if we could have an idea of the status as to the various stages of those particular projects?

Mr. Praznik: Mr. Chair, I am going to ask Ms. Bakken to do that to the committee at this time.

Ms. Linda Bakken (Director, Facilities Development): The first project would be the Cancer Foundation, and we are anticipating that that project will go to tender within the next six weeks. The Red Cross project, or the Winnipeg blood transfusion centre project, is already under construction.

Then in the 1997-98 capital program, there were what we called six major projects approved. The

Health Sciences Centre, the project has now moved into what we call schematic design, and we are hopeful that the first phase of the project, which is what we call CN decanting, which is a building that has to be taken down in order to prepare the site, could go to tender late this fall.

The second would be Brandon, which I gave a verbal briefing on this morning. The third would be Boundary Trails, and we are anticipating the construction tender for the piles will be let this fall. The main project tenders will be let in the spring of '99. The Betel project that the minister has already referred to, the Lions project—well, I am being safe by saying August. It could be July, depending on how things go. It will go to tender. The Sharon Home, which is a replacement of the 60 beds, the community is still looking for a site that is appropriate, because they want to have not just a care home but some supportive housing.

* (1450)

Mr. Chomiak: Just two quick questions arising out of that. Is the community contribution for the Boundary Trails still \$6 million and, secondly, are you saying in the Sharon Home that the site still has not been arrived at?

Mr. Praznik: Mr. Chair, I think the member does hit upon one of the frustrations, I guess, in dealing with the Sharon Home. There are more delays than we would have liked. Part of it, as the member may know, is that their administrator, Mr. Daniel Ruth, departed sort of midway in this process, which caused some delay. We know those beds have to be replaced. I would have loved to have seen them in the ground a lot earlier, so we continue to push them. But as sponsors for the project, they have some decisions that they want to make. By the way, I have not included those 60 replacement beds in the calculation of construction that we discussed this morning, because they are, in fact, replacement. They do not add new beds at the end of the day. The only additional service they would provide is if we get them constructed and keep the old ones open so much longer, but I do not think that is a very desirable option, given the quality of the current capital.

With respect to Boundary Trails, I am going to get Ms. Bakken to describe them in greater detail. She has done some more work on revising the costs of that project, but I also understand that the community has gone a long way to raise dollars in the process of doing it with municipal commitment, and there are some credits and some other issues that are coming along there. So she will give us an update.

Ms. Bakken: The application of the community contribution policy in terms of a 20 percent would require that the Boundary Trails communities pay \$6 million, but the details that were announced this morning on the community contribution policy, we do not know at this point how that community will take that, what pieces of cash they will put down. So the bottom line in terms of how much they will have to come up with and the credit for the land that they have already purchased and things like that, we are not able to give that to you, because those discussions have not occurred and because the policy has just been really announced today.

Mr. Praznik: Mr. Chair, I may add that the member for Pembina, Mr. Peter George Dyck, has been working with me very closely on this particular project. I know he has been very closely involved with the RHA and the various municipalities in that area, and he was one of the colleagues that I certainly consulted as we moved through here on changes that are needed to the policy. I know he is very confident that the changes we made today should go a long way on that particular project to ensure that it is manageable by the community.

Mr. Chomiak: We indicated when we last met and talked about food services that there were some details to be forwarded regarding the renovations to the kitchen facilities at Health Sciences and St. Boniface and figures and numbers. I wonder if we have that information.

Mr. Praznik: Mr. Sheil I know will be returning to the committee. If I may have a moment with Ms. Bakken. With respect to that matter, the base numbers of capital, and there are some issues of transition, we will want Mr. Sheil to be back, I think, and Ms. Bakken at that time to go through both, because the estimated \$35

million, there are a number of components to it, and I want to make sure both of these people have had a chance to discuss it and ensure that the accurate information is coming to the committee.

Ms. Rosann Wowchuk (Swan River): Mr. Chairman, I would like to ask a couple of questions under the capital area that apply to my constituency or in the Parklands region. There are three projects that I would like to ask some questions on. One of them is the Winnipegosis facility, the conversions there. I would like to ask what the anticipated cost of that is and whether or not, when there are conversions, there are any community contributions that are required in conversion? There are two projects, the Winnipegosis one and then there is one in Ste. Rose that has a conversion. What are the costs, and when you anticipate they will be done?

Mr. Praznik: Mr. Chair, with respect to the policy issue—and I know members are in and out of three committees—we today indicated at this committee we had made changes to our policy. There have been no changes in the conversion area. Conversion dollars is I have a \$10-million fund with a ceiling of \$500,000 per project. The purpose of the fund is to be able to take space in existing facilities and convert it to better use space; for example, an operating theatre in a hospital that does not do surgery, converted it might become a clinic for a doctor, it may become a room for nurses, it may become additional beds, whatever is required.

We do not require a community contribution for conversions. I think to date we have approved some \$4 million of the \$10-million fund, and that is available because there are other projects that are coming up through the RHA and community process.

I am going to have Ms. Bakken respond directly on the two projects to give you an update of what she knows from our capital program.

Ms. Bakken: Mr. Chairman, as conversion projects, they will not exceed \$500,000 each, but we do not know what the actual cost will be until they are tendered. The staff have talked to the facilities, the facilities are now recruiting an architect, and we

anticipate that those projects will go to tender this fall. They will have a very short construction period because they are relatively minor projects.

In Ste. Rose, they are using the existing operating theatre space to provide expanded space for ambulatory care and clinic offices. In Winnipegosis, they are using the space now dedicated to the operating theatre and the delivery room to provide for physician clinic space.

Ms. Wowchuk: Mr. Chairman, so those two are conversion projects. The other project that is listed in the capital project is a community health centre at Sapotaweyak Cree Nation, and it is listed as a major project. I would assume that if those projects cannot exceed \$500,000, that a major project would be a larger amount of money.

Can the minister indicate what amount of money is targeted for Sapotaweyak Cree Nation community health centre and at what stage that project is at?

Mr. Praznik: Mr. Chair, I am going to ask Ms. Bakken to describe the project, the information she has and the costs, et cetera. I know the member for The Pas (Mr. Lathlin) joins us, and I expect he has some questions.

We have revised our policy and I have shared that with members of the committee this morning, so I know I can expect everyone to be up to date on that, but there are some issues that we have dealt with with respect to First Nations and unorganized territories, Northern Affairs communities, and how that is treated because there are different funding mechanisms. I think it now makes it much easier to deal with these projects when we determine the community contributions, so I am going to have Ms. Bakken describe to you the project, and then perhaps we can discuss some of the other issues.

Ms. Bakken: Mr. Chairman, the Sapotaweyak Cree Nation project is primarily a federal project, and the province was asked to make a contribution to support the space that would normally be occupied by staff that are funded by the province. So the actual stage of this project is really in the hands of the federal government. The province has approved a contribution to support

the space for the operating dollars that the province would be transferring to this Nation, and so the actual scope of the project and the timing of the project is really in the hands of the federal government.

* (1500)

Ms. Wowchuk: What you are saying, then, is that the province will be allocating money to provide space for people from the province who come to provide service such as the provincial public health nurse that comes out, then the province will want to ensure that there is space available for the people to work there. Is that the space you are providing? I am not clear on what is being proposed.

Ms. Bakken: My understanding is that there is no dedicated health centre space in that community at this point, and that community, along with a neighbouring Metis community, is negotiating with the federal government for the transfer of health services to their control and that when that transfer occurs, part of that transfer will include a building.

They are also talking with the province—and I really want to defer more to Sue here—around the transferring of the authority for the services that the province has been delivering and therefore the operating costs associated with them. When those transfers occur to the authority of the community, the province will contribute to building space to support those functions.

Mr. Praznik: If I may add to this, I guess part of the relationships—and one has to appreciate the different jurisdictions and delivery systems that are in place and what we are trying to manage throughout this. I know that I have to put some people in place in my department in the next number of months to manage relationships with MKO, for example, who are moving into the health care area and negotiating a transfer agreement with the federal government. We have a number of these other issues, and we have to staff up to deal with them, but we want to have some common sense in the delivery of systems.

If a First Nation who has a different jurisdiction than the province—although there is a lot of overlap in health care delivery and funding—if they are taking over the

delivery system from the federal government Health and Welfare Canada and that facility or system that they are building in a particular area is also going to service or can service neighbouring communities that are obviously smaller, it makes absolutely no sense for anybody to reinvent the wheel twice.

You know, we do not want to see the regional health authority setting up a health centre. I guess Norway House, which I believe is in the constituency of the member for The Pas (Mr. Lathlin), and I know the member is familiar with Mrs. Isbister and the Northern Affairs community there. There are a lot of issues and they are complicated, but it makes no sense for the provincial regional health authority to set up a parallel system of delivering health care when you are next door to a First Nation who is building their health care service, which is the larger community. It just makes eminently good sense for us to be contracting for those services, and vice versa, in cases where you may have a small First Nation next to a much larger provincial community.

I think we want common sense to apply, so in this particular case I gather what is happening is the First Nation here is negotiating transfer of health care services. They are going to be building a clinic. There are a certain amount of services that the province provides there now. I gather the plan is to transfer those health dollars with the regional health authority. Why replicate the wheel?

With that is also a capital requirement for that, so this would be the budget for our share of the capital to that project when the First Nation and federal government get it going, but it is committed in this year's budget. Whenever it is spent is out of our control, but it is committed and should not be a reason for the project not proceeding.

Ms. Wowchuk: Can the minister indicate what amount is committed to the project in this year's capital project?

Mr. Praznik: I gather it is a percentage of the tendered cost. The only reason we are a little reluctant to put out a number with that is, my staff continually make the point with me, if you put out numbers before

projects are tendered, they tend to affect the tender price. So we probably worked out a contribution agreement on a percentage based on space or use. I am not sure if that is the case or not, but Ms. Bakken may want to comment further.

Ms. Bakken: We have a number in the capital program that we think would adequately provide space for the number of operating dollars that the province would be transferring, but like the minister says, the exact number is generally not made public at this time. I can just assure that the province has provided for an appropriate amount to support the transfer of provincial responsibility to that community.

Ms. Wowchuk: I am not trying to pin the minister down for an exact number, but I guess I am trying to see—you talk about percentages. How do you work out what your percentage share is? Do you take into consideration the nonaboriginal, the Metis people that will be served, or is the government responsible for certain services on the reserve? How do you work out what percentage is the province's responsibility?

Mr. Praznik: I am going to ask Ms. Hicks, in whose area of responsibility this lies. She is much more familiar with the specific negotiations than I am. I will have her answer this question.

Ms. Sue Hicks (Associate Deputy Minister, External Programs & Operations Division): The formula that we use, or what we are actually doing here is that in the transfer of dollars, where the 64 agreement is still in place, we are looking at transferring to the Swampy Cree First Nations and the adjoining communities the amount of service that we currently provide, and so the actual amount that we provide right now.

Ms. Wowchuk: Given that the Swan River Hospital now provides the services to this area, and the Swan River Hospital is part of the Parkland Regional Health Authority—and I know there are lots of layers in here—will there be an impact on the dollars available to the Parkland Regional Health Authority or to the Swan River Hospital for services that they provide when this new facility is established, or is the department going to have to find new dollars to provide these services?

Ms. Hicks: The Swan River Hospital will still be providing the hospital care and the community health centre is essentially picking up the community-based care. We currently provide service on the community, out of the Parklands area, and it is that community-based service that we will be transferring to them. Now, presumably, there could be some reduction in the utilization of the Swan River Hospital if people are getting their community-type care closer in the community, but the service would still then be available to them, and I do not see that it would be all that significant. It is a different kind of care, the comparison.

Ms. Wowchuk: Would the department play any role in the designing of what the community wants or doing an assessment of the services that are required within Sapotawayak Cree Nation, or are they responsible to do all their own assessment and planning of what they need, and then going to the federal government?

What is the role of the department in ensuring that the services that are being requested are the ones that are actually needed there and assurances there are not oversights in some places, that there may be other services that can be provided, or maybe there are some that are being suggested that do not necessarily have to be there. What is the role of the department?

Mr. Praznik: Just by way of a general principle, and I am being somewhat cautious in this area because we are developing some relationships now, I know we have had discussions with MKO, and I know the member for The Pas (Mr. Lathlin) is probably far more familiar with the details of this than I am, so I look for his correction should I be off track.

My understanding is that MKO and First Nations generally are in the process of negotiating or planning how they want to deliver or to take over the delivery of health care services. I have recognized very fully in this that there is a different jurisdiction for delivery of health care, and I respect that. There are overlaps in delivery of service. Obviously, hospital care is paid for by the province, and most of it is delivered other than the—I guess the hospital at Norway House would be one hospital in a First Nation.

* (1510)

In the discussions I have had with MKO—and we want to get into some formal agreement with them shortly. We want to make sure that as they set up—and it is their decision how they do it—their health authority or authorities, we want to make sure that we are dovetailing with them with our provincial regional health authorities so that we want to build the co-operation and co-ordination in this process, and we are not tripping over each other or at odds.

How we are going to do that, we still have some work to do, and I know in principle there was an agreement that we would even look at doing some joint appointments to each other's boards so that regional health authorities in the North, Burntwood and Norman would, say, have two individuals who would sit as ex officio members of whatever health authority the First Nations structure, and two of their members on each board would sit on those regional health authorities.

So people are talking, and we have always said we are prepared to work, provide assistance and planning, and that is what we are sort of dealing on this agreement that we want to put in place now, but we respect there are two jurisdictions.

I know initially some of the people at our regional health authorities took the view that we were delivering all health care everywhere. Well, you cannot deliver where you do not have the jurisdiction. You have to respect other people's jurisdiction and work co-operatively. So that is what we are attempting to do.

Ms. Hicks may want to talk specifically about this planning, but I would imagine that the initiative for this is coming from either the tribal council or that community. We certainly want to work with them. We have some obligation for the provincial communities around the First Nation that are serviced out of that, as does the regional health authority, but it is a matter of sorting this out. If there is expertise we can bring to the process that they would like, we are more than prepared to do it, but I do respect that by and large this is an initiative of the First Nations within their jurisdiction, and we are the tag-along to this by

and large because the majority of service is in their jurisdiction.

So we will work with people. We want to make sure everyone's interests are there, but the lead on this is and has to be the First Nation because the majority of the services there is within their jurisdiction.

Ms. Wowchuk: I also recognize that, and I know that the people at Sapotaweyak Cree Nation have been working for a long time wanting a nursing station there, and I recognize their concern. If the minister has ever been out there, it is a pretty isolated area and a long ways from a hospital if you get in trouble, and lots of people have gotten in trouble. So I recognize their need, and I support them fully on their endeavour to bring a nursing station to their community.

What I am hearing then, it is in the hands of the First Nations to move it along. The money, the provincial share, when the agreement is come to, then the provincial money is there, but we do not know exactly how much money that is. Roughly, you know how much it is.

I guess the question is, of the project, what percentage—you must have worked that out—of this project do you feel is an obligation on the part of the province for the capital project? Is it 10 percent; is it 20 percent; is it 50 percent? What percentage of the project?

Mr. Praznik: My staff advise me—they do not have the exact percentage—the bulk of the service here and provision is outside of our jurisdiction. I am advised that less than 10 percent is our contribution respective of our share of what we are contributing. So I do not want to leave any impression we are the major player. That is for the capital. It would be somewhere under that, which would be representative of our share of what we are buying and what is an essentially federal First Nations initiative.

So that is why we have been asked to contribute, I gather, to make this work on the basis of our usage. We are prepared to be there. I imagine one could always argue whether it is 8 percent or 9 percent or 10 percent, but I leave that to others to work on the basis

of fact, how they work it out, but we are there with those dollars. If some circumstances change that it is a little more here than others, we have the ability to adjust that, but we are really the minor players in that project.

Ms. Wowchuk: I heard your staff saying this is on capital. I want to ask, and I know we are talking about capital, but once the project is done, what responsibility will there be on the part of the Department of Health to ensure that services are provided there? Will there be a commitment of dollars to ensure that the facility can also operate?

Mr. Praznik: Ms. Hicks may want to comment, but our current delivery of service, I believe, is based on the 1964 agreement, which I do not for a moment pretend to fully understand. She may want to respond, but again we are relatively minor players in this.

Ms. Hicks: We are in the process of working with the Cree Nation and with Swampy Cree to look at transferring of the dollars that are assigned through the 64 agreement. Essentially, we want to dissolve the 64 agreement, and our negotiations that have been going on are that once the 64 agreement is dissolved, then we will transfer the service that we currently fund or provide. We will transfer that service most likely through dollars to the First Nations and adjoining communities. They will then use those dollars to provide the community-based service, and this relates only to community-based service, to both communities, the First Nations and the adjoining community, and the Metis community.

So those dollars have been determined based on actual dollars, and I do not have the numbers for the individual First Nations and adjoining communities, but we have gone community by community, and once we have come to some agreement, we will transfer those dollars over. Then if there is additional dollars that are needed for community-based services, then that takes on a different negotiation.

Mr. Praznik: If I may just add, I know this will be of interest to the member for The Pas (Mr. Lathlin) as well. As the members may know, Mr. Rock and the federal Liberal government made several hundreds of

million dollars available for pilot development in home care and Pharmacare, and I think they are now walking away from Pharmacare and are looking at home care. I have had occasion to meet with Mr. Rock, and I said to him very bluntly, you want to develop a national home care program. I hope you recognize what Manitoba has already done in terms of development of home care.

I give credit to previous governments, because our two parties in particular have developed the home care program over 20, 30 years in Manitoba. I know we have more than tripled or quadrupled the funding on it, and the initiative to begin it goes back to the Schreyer years, so both parties can claim credit to developing what has become one of the best home care programs in Manitoba. That home care program is not provided in any way by the federal government in its health care support on First Nations.

When I met with Mr. Rock, I said to him, I asked him: if you want to develop a national home care program, are you prepared to give us dollars today for what we are doing if we are already meeting or exceeding the standards you want to raise the country to? And he said, no, his dollars, which are very limited—in fact, I think his total budget would buy only three or four days of health care in the province of Ontario, just to put it in perspective. He said no, this is for innovative programming or new things.

He then said to me, what would be your priority in Manitoba? I said, well, you are not giving me any new money for my Home Care program. That is right, he said, no, I am not going to do that. What would be your priority? Well, I said, we need an information system, that is one thing. But, I said, even greater, Mr. Rock, the area where we really have a gap in home care is in your department, in your jurisdiction, that there is not home care or anything near adequate home care provided in First Nations communities. The delivery of those community services is through his department, Health and Welfare Canada, Medical Services branch.

He has indicated to me, he said, will that be your priority. I said, you know, Mr. Rock, I obviously have to go to cabinet on this, but my view is that if you were to, through your department, you do not have to funnel

any money to the province, if you, through your department with the First Nations, were to use your resources to set up through your funding of First Nations health care, home care programs on First Nations in Manitoba, the Manitoba government, I believe, would consider that our share of that program nationally. The benefit to Manitobans, of course, all Manitobans, is we would have—aboriginal citizens in those First Nations have home care. That has an effect on hospitalization use in the North and others because one of the problems, I guess, in early release is you cannot take people out of The Pas hospital to take them to a distant community. There is not the home care supports.

So he said that is where you would get your savings as a province, which you would free up dollars for other things, and we said, great. So the latest word I have on this is that this is on his agenda over this year to be talking about it, and I think he would like to get to the point a year from now to be able to make a commitment in this area.

I wanted to put on the record today that that would be our priority. If the federal government is asking, how do you want us to spend your share of those dollars in Manitoba, we have identified that as a priority.

* (1520)

So the reason I raise it in this context is if that develops, that obviously has the potential to see some additional services provided out of this centre and would make the thing work very well. But I wanted to put that on the record. I have said that privately to Mr. Rock. We have had some discussions internally about it, and I say that publicly today. I have also shared that information with MKO and others in the leadership of First Nations.

Mr. Oscar Lathlin (The Pas): Mr. Chairperson, I just wanted to ask this. I have several questions, but I wanted to—for the benefit of my colleague for Swan River. See, the federal government contracted with the provincial government in 1964 for the provision of health services to adjacent Indian reserves, I guess, such as what exists in Moose Lake, Easterville, Shoal River and Grand Rapids.

Now, since around about 1980-81, I guess, and even before that, when the tribal council movement really got going in Manitoba, I was an employee of SCTC in the fall of '79 as their executive director, and we had already started talks with the federal and provincial governments about terminating the 1964 agreement and having an agreement with the federal government for the provision of all services to Indian reserves. As a matter of fact, we had negotiated a dental agreement with the province where we looked after everybody, Indian and non-Indian, but the province paid for the non-Indian clients. There was a contract between Swampy Cree and the province.

So this agreement has been in existence since 1964, and the past 10, 15 years, there has been a movement to get away from that so that there is one jurisdiction operating in those communities. I think the problem has been in the past is that while negotiations have gone on, governments have been slowly chipping away at what was there originally, for example, on the federal side. Now that we have had health reform happening for five years now, I think the First Nations are a bit leery and—how shall we put it?—are being transferred an empty basket or almost empty basket. I think that is what has been the problem in those negotiations.

So when the member for Swan River (Ms. Wowchuk) is asking, well, how much and what is the percentage, Ms. Hicks, I think said, insofar as capital is concerned, that they would transfer the existing dollars that are included in the agreement. So I do not think it would be that difficult to determine the dollar amount, because all you have to do is go to your current agreement and say the current agreement calls for a million dollars, so that is what the transfer will be, if indeed, as Ms. Hicks says, we will transfer what is there now.

Mr. Praznik: Mr. Chair, I just want to clarify. The operating dollars, we know what we are spending on operating, and Ms. Hicks will provide that number or endeavour to provide it for the member or the member for Swan River. The question was on the capital, and that is working out a percentage share of the services and space, and we have that number—she does not recall it, does not have it at her fingertips. We do not

give out the total cost of the capital of the project until it has been tendered, and that is why in doing that—I am going to let Ms. Hicks just clarify and provide that additional information.

Ms. Hicks: Mr. Chairperson, you are correct in that there are two issues here. There is the transfer of the community based services which, in essence, are the public health nursing services and those kinds of services through the 64 agreement, and that is what we have been negotiating for some time, as you are well aware, and have not completed those negotiations. Then there is the capital project that does not really link into that process. We have not been negotiating the capital through the 64 agreement. That has been a separate process through our capital program in conjunction with the federal government.

Mr. Lathlin: Mr. Chairperson, I think maybe I will ask the minister. There were in those 64 agreement communities—for example, in Grand Rapids there is a provincial nursing station there. Moose Lake, there is one there, and I am not sure about Indian Birch and Shoal rivers. There was never any station at Shoal River, right? [interjection] Okay.

What about in Easterville? Can the minister maybe tell us, because there was a new nursing station built in Easterville. I understand that nursing station was built on reserve land by the province, and I am not sure if it was literally transferred, the ownership which was transferred to the band. I am really not sure. Could I ask the minister to clarify that?

Mr. Praznik: Mr. Chair, I do not have that detail. I am going to ask Ms. Hicks to answer on some of this to the best of her knowledge. Some of these details we may not have with us.

I just want by way of a policy comment to make. I think we are recognizing as the First Nations take over—and I am very encouraging of it—more and more responsibility for health care, and I know what we want to do is we want common sense to apply. Obviously, I do not want to be replicating, having RHAs replicate health services for non-First Nation citizens who live around a First Nation, particularly in an isolated area. It makes no sense to reinvent the wheel.

So we want to ensure that we are working to deliver to community areas, and, obviously, in many of these areas it is the First Nations, who is the larger community, who are going to be building the health care. We want to make sure that we are contracting to provide services outside of that by way of principle.

Mr. Mervin Tweed, Acting Chairperson, in the Chair

So there is obviously a lot of revision to the 64 agreement and change, and I do not know where it is all going to go, but that general principle is where we want to be. I am sure there are First Nations in the province, for example, who are small enough and close enough to other centres who are not going to want to reinvent the wheel either locally. I think, for example, the Brokenhead First Nation in my constituency is relatively close to Selkirk, relatively small community. You are not going to build a hospital. In that particular field, you may have a health clinic.

So we want common sense to apply to make sure we are delivering adequately, and that works both ways. Most communities in the North will probably mean the First Nation will be the deliverer, and through the RHA we will provide a financial contribution to cover the services in their jurisdiction. That is the way I see things heading, bit by bit. I do not think that there is much disagreement on that issue, but I am going to have Ms. Hicks answer some of these specifics, if she has the information available.

* (1530)

Ms. Hicks: Mr. Chairperson, the community health buildings are the health centres that are on the First Nations land. At the moment, in the 64 agreement, what we have been negotiating as step No. 1 has been the staff and the services. At this point in time, Government Services of the government owns those nursing stations, owns one of them. [interjection]

Mr. Lathlin: Well, I am not going to argue with Ms. Hicks. Maybe, as far as I know, what I know of the Indian Act, any building, whether it is federal or provincial, property that is situated on reserve land, unless there is a specific agreement between the band council and a property owner, but even then when the

use and purpose for that particular project is no longer there, automatically, whether there is a reversionary clause in the agreement or in the resolution, the BCR, the building automatically reverts to the band.

For example, if you had a medical services building, federal, once the federal government has no use of that building anymore for that purpose then it automatically becomes an asset of the band.

Ms. Hicks: Mr. Chairperson, we can certainly double-check the actual ownership. It was my understanding that Government Services owns the nursing station and that the intention was that we would do some negotiation as far as the transfer of that, but so far the transfer process has only dealt with the transfer of services and people, and we have not looked at the property aspect. We can double-check for you the ownership, but to date, the 64 agreement discussions have only been relevant to staff and programs.

Mr. Praznik: Mr. Chair, I think just as a matter of common sense, I am sure the member for The Pas would agree, obviously the land underneath the building is trust land. The most one would have is a lease on it or a right to be there, if you are building a building, or you get the right to put the building up and you own the building. You never can own the land. I just want to correct a comment. Unless it is taken out of the First Nation territory, you cannot own it as a provincial government without going through all the legal formality of taking it out of the reserve.

The practical matter is, I am sure, if the province has built buildings on First Nations they are intended for health care purposes. If the structure by which health care is delivered in the First Nation changes, buildings are transferred, they are still meeting the purpose for which they were intended. I guess the only time it becomes a matter of issue is if the province has invested in a building, it is no longer being used and it is being sold or converted to other purpose, if there is any equity we would still have in that building.

I would doubt in practical terms that there is any equity left in most cases, so, you know, I say this just as a matter of public policy. We want to have common sense apply in these cases. If the delivery mechanism

has changed, we own a building, it is part of a transfer, of course it is going to be transferred as part of our contribution to making this work, particularly if it is certainly still being used to meet health purposes.

Certainly, if there is no equity or value in the building and new buildings are built there is nothing to argue over at all. I would suspect if a building is not going to continue to be used for health purposes then it has probably reached the point there is not much value in it anyway.

Ms. Wowchuk: I, again, want to just ask about the Sapotaweyak Cree Nation and this capital project. If they anticipate that the project is going to be somewhere in the range of \$1 million, then you are saying they could anticipate somewhere in the range of 10 percent of the project would be provincial share. Is that what you are saying, somewhere in the 10 percent range is what we are looking for that we would anticipate would be the provincial contribution?

Ms. Bakken: Mr. Chair, the policy concept behind this is that the province, who has been responsible for the delivery of a certain set of services, I think it is public health, if when you transfer those services to the community, say there are two public health nurses and two public health nurses require each an office and an examining room and share a clinic room, then we would contribute to the capital costs associated with supporting their function in the building.

So since the scope of the building is really in negotiation with the federal government in the Sapotaweyak Cree Nation, it is very difficult for us to determine percentage, because we do not really know how big it is, but what we have done is made a commitment to ensure that the space that is required to support the transfer of program responsibility will be sufficient, and the province will pay 100 percent of that cost.

Mr. Praznik: Mr. Chair, I guess just to put it—in listening to Ms. Bakken's explanation, I guess an example would be if we required 1,000 square feet to support the function that we are providing, that we will pay for 1,000 square feet. If the community negotiates a 2,000 square foot building, we are paying for half. If

it is a 3,000 square foot building, we are paying for a third, and so on.

The idea is to pay for the space that would support the staff providing the services we have traditionally provided.

Ms. Wowchuk: I do not want to drag this on, but I have to clarify this for myself and what would be the province's responsibility. As I look at what is being proposed, they are proposing to have X-ray services and they are proposing to have, for example, X-ray services and dental services. The province now provides those services through another facility. Does it mean the province would have a responsibility to provide some of the equipment for those facilities? What do you negotiate on? What kinds of services do you consider to be part of what the province will provide?

Mr. Praznik: Mr. Chair, I believe the principle on which my staff have negotiated this agreement is on the basis of the space that is required to support the services we are now providing in the community, in the community. So if that is 1,000 square feet, then that is what we are paying for.

The additional are being funded as part of the negotiations with the federal government, which is somewhat consistent because northern nursing stations and others that may provide a level of care are paid for by the national government now.

Mr. Lathlin: Mr. Chairperson, I have a hard time understanding that very sudden change of mode of operation. Up until now, you have been under contract with the federal government to provide services for everybody, including non-Indians in that community, right?—treaty. You have been under contract to provide those services, as well as nontreaty people. If the bands had not insisted on taking over control of their health services or if there was no health transfer policy from the federal government, in all probability the agreement would probably go on and on and the provincial government would continue to provide those services under contract.

Now, all of a sudden because the roles are going to be reversed, all of a sudden the province is saying, oh,

oh, you know, we have two staff people there so all we are responsible for is space for two staff people. Anyway, that is one observation.

Mr. Chairperson in the Chair

I guess the other, before we leave that area, is I keep hearing people say, well, we do not really know until we tender it out. We do not want to give the number out till we tender it out, because we do not want people to know what to bid for and all that. I appreciate that. I used to do the same thing when I was a chief.

But there is such a thing as, after you have your architectural drawings, you begin to narrow the picture down, you begin to firm up numbers. By the time you get to a class B estimate—this is what we used to call ours—you can have a pretty good cost estimation. When you have a class B estimate based on your drawings, you cost out your drawings, your architectural drawings. As a matter of fact, I think the normal variance allowed would be around 4 to 6 percent in those class B estimates.

So unless you do not have any architectural drawings of any kind today, yes, you would not be able to give out numbers, but as soon as you have class B estimates, drawings, based on the drawings you would be able to give a pretty firm number. As a last resort, when one puts numbers in a budget, you do not just pick numbers off the air. So there are three ways to get the numbers.

* (1540)

Mr. Praznik: Mr. Chair, just to clarify, the point of not providing the numbers is not because one does not have them or base their estimates on them, and I appreciate what the member is saying. As you get closer and closer in finalizing your plans, you know what they are. The reason you do not want to have them out publicly is because obviously that may affect what people bid. You may end up paying more for the project than you have to because if people anticipate you are going to spend a certain amount of dollars, the tenders tend to come in around that amount even if they do not need to come in around that amount.

I am going to ask my staff to answer the first part of your question, I think, on the delivery of service. Ms.

Hicks points out to me today that we have no staff in that area. She will give you the detail of that.

Ms. Hicks: Mr. Chairperson, the 64 agreement which we in partnership with the First Nations are wanting to dissolve, the 64 agreement basically was an agreement where we provided some services to First Nations and to the adjoining communities, and in other areas the federal government provided services to First Nations and the adjoining community. It was in agreement that was developed, which by dissolving it, we would basically transfer what we have been providing to the adjoining community and the First Nations to the two communities jointly. That is the intent of the dissolution of the 64 agreement.

The way we have been looking at the contribution there is looking at the actual staff now in the Parkland Region that currently go to the First Nations and the adjoining community, and it is the dollars attached to those staff positions and/or the staff—there is the option of both through negotiation—that will then go under the jurisdiction of the First Nations and the adjoining community to manage their care. We would hand the money over for the management of those particular services.

Mr. Praznik: Mr. Chair, the member for Swan River (Ms. Wowchuk) and I have had a chance just to chat privately, and there are some issues that I think—she is obviously getting her constituents speaking to her, and there is a negotiation process going on. I would say to her on the record that I think perhaps we may want to have a discussion with her privately with respect to numbers. Our concern about numbers being public is it affects the tendering process. I think she is prepared to acknowledge on the record she agrees with that.

She has a constituency matter that she would like to deal with, and I think it is in everyone's interest that she have as much information as possible, and she appreciates and acknowledges that we do not want to put that on a public record today. But I say to her, as a private constituency matter, as a constituency matter, I have no problem with her dealing with my staff and Ms. Hicks on this and sharing that information, her knowing, of course, and acknowledging that it is not for public consumption at this point.

Ms. Wowchuk: That would be helpful, rather than us continuing to go around and trying to get a number. If we could have a discussion at a later date, that would be very helpful.

Ms. Bakken: I would just like to say that this is not a provincial project, okay. What we have here is a commitment by the province to pay its share when the project is negotiated between the First Nations and the federal government. I actually do not have a status report on where that is at on a daily basis, and maybe you could provide me with that information.

Mr. Lathlin: By the way, Mr. Chair, I do not completely buy the position that, oh, we do not want to give our numbers up because we do not want companies to, you know—because I see press releases all the time—well, we are going to spend \$6 million there, or we are going to spend a million dollars for Cormorant and Dawson Bay. [interjection] The only thing he never gives out—well, they even give out their phone number in the press releases.

What I wanted to go on to next, Mr. Chairperson, is maybe ask the minister to give us an update on issues concerning my constituency, and it has to do with capital. Now I know The Pas, the town of The Pas and areas have been promised a personal care home for the third time this year—well, yes, the third time been promised.

I know the minister was in The Pas some two or three weeks ago to, I understand, have a look at the facility and talk to people. I would like to ask him to give an update. First of all, what did he think of the facility, and No. 2, again, does he have any plans right now—and when I say plans, I guess I mean even project development plans or architectural plans or whatever. Does he have any plans of that kind? Again, I would like to ask him what is approximately the cost of the building. What is going to be the size? Maybe I will stop there now and give the minister a chance to answer.

Mr. Praznik: Mr. Chair, the member did me the privilege of asking what I thought of the facility. I can tell him that I thought it was on a very nice piece of property. I think its relationship to the hospital is a

very convenient one. I think the staff are very dedicated and work very hard. The residents were very nice to meet with. I met with one of his other constituents, I believe, from Cross Lake, who was there visiting her mother who is in that facility, who lobbied very hard for the new one, and it sounds as if there are a lot of people in the community who are supporters of that facility and help out.

But with respect to the capital structure, it was probably a good facility when it was built for its day, given the standards of the day, but it is certainly time warranted and it needs replacement. There is no doubt about that. Many of the issues around it were pointed out to me, and it became very evident when I had a chance to spend time there. One of the great benefits of that facility is its relationship to The Pas hospital and being so close and being able to fit it in, and that is a good thing. There is plenty of room on site for the redevelopment, et cetera. So those are my observations on the facility.

* (1550)

I know the member—we are running three committees today, and members have other issues in other committees, and so not everyone can be in here at the same time. This morning I had the opportunity to discuss the changes in the capital program or in the community contribution program with his colleague the member for Kildonan (Mr. Chomiak). Some of the changes that we have since made are a direct result of the visit I did make to The Pas and discussions I had with Mr. Percy Pielak who is on the regional health authority, and I believe he is reeve of the LGD of Consol or still on—

An Honourable Member: Who, Percy?

Mr. Praznik: Yes.

An Honourable Member: No, the former mayor of the town.

Mr. Praznik: Former mayor of the town of The Pas, that is right—and with some of the other people that I was there with and some issues that have been raised. So I should tell him today—and I have no problem

going over these issues because they are very timely and very important to his community, and I know he will want to convey that to them. We still have an 80-20 split, but what we have now done is we are including within the total project cost the land and servicing of that land, as well as change orders during construction, where, of course, we have all agreed that they are required, which means that there is an 80-20 split on all of those things. Even before the community contribution policy, communities were required to provide serviced land and pay for their change work orders, so they did have a cost.

Now, in the case of The Pas, the land is available there. It would not have had to have been purchased, but under our policy, because that land was never paid for by the province, they will get an 80 percent credit for the value of that land. The land and servicing costs will be added to the costs of that project, and they will only be responsible for 20 percent. So in reality, they will get a credit for 80 percent of the value of that property. Another change that we have made that actually comes out of my visit to The Pas was the point that was made with me that that facility services a number of First Nations and a number of unorganized territories, Northern Affairs communities, and that it would be unfair to the ratepayers in The Pas and the LGD of Consol and the surrounding municipalities to have to pay 20 percent of the cost when it was servicing a larger population than their own.

As the member is probably more aware than I, for First Nations residents of that facility, the fees that are paid on their behalf for their costs of being there include a capital portion. So we said okay, we should then look at the usage of that facility and give a credit or deduct from the community contribution the usage by First Nations communities because they are already paying for the capital in the fee.

How we work that out in terms of if the RHA is the financier of the project, then they, of course, will get that capital portion. If the province is financing it, we will, in fact, get it to recoup, but we will take it out of the community contribution. With respect to unorganized territories, particularly Northern Affairs communities, the percentage of usage of the facility by people in those communities will also be taken out, and

now we will have to deal with the Department of Northern Affairs and how that is accounted for, but that becomes an internal accounting within the provincial government.

So that will reduce considerably, I think, the community contribution in The Pas. We have also done a number of other things. We recognize that financing a community contribution has become a bit of an issue and a problem. How do we do this? So the province is now prepared, and I have announced that we have approved that, and I have indicated to the committee this morning that the province is now prepared to finance the community contribution.

Now, this becomes a little bit interesting because we are prepared to finance it over a 10-year period, interest free. Now, if we just did that, even if a community raised dollars, and it is much easier, of course, to raise your community contribution at the start of a project, because there is interest and excitement and we need this, than it is five years out. So what we have said is, if we did not provide some incentive at the beginning, even if a community had a million or half a million dollars in their foundation, there would be no incentive to put that money in if the province were financing it over a 10-year period with no interest.

So we have said, for every dollar that the community contributes to their share of the contribution or contributes in the community contribution up front at the time we need the money, in essence we will double its value. So, in other words, just by way of an example, if the project were a \$1-million project, and the community contribution after we calculated for the land and did all those credits was \$200,000, if the community had \$50,000 raised and put that in at the beginning, they would get double value. So they would get the value of \$100,000, and they would only then owe \$100,000, and we would finance that over 10 years, interest free. So then they would have to commit to raising \$10,000 a year for 10 years.

Now, in the case of The Pas project, I do not know if we have some estimates. We are still working on what the community contribution is likely to be, but I think these factors: credit for the land at the site and servicing of it, the different financing with respect to

First Nations contribution for usage, which is paid for through the fee, the Northern Affairs communities on organized territories, those credits, plus the ability to get double value for money put up front, plus the interest-free financing that the province is prepared to contribute, I think will meet the needs of The Pas community in meeting their community contribution.

Now, I am going to suggest that once Ms. Bakken's people are able to work out these numbers on this particular project, I would encourage her to share them with the member for The Pas, and I would invite the member to go over them with Ms. Bakken to make sure we have not missed anything from his perspective, but I think he will find that it is a much more palatable and a much more achievable contribution, and again these changes, several of them come out of my visit to The Pas and discussions I had with the regional health authority. They made some very good cases as to some of the difficulties, and we have since corrected them.

Mr. Lathlin: Mr. Chairperson, I would like to ask the minister if—I know the numbers have to be worked out and everything. That was my concern too when I first heard about this 20 percent contribution. Well, I should say, I go back a little bit even further than that, and that is those days when there would not have been any need for a contribution had this project gone ahead as it was announced before the last election. If it had gone ahead, there would not have been the need for that 20 percent contribution. Okay, but if it is there now, the government said there would have to be a 20 percent contribution by the community.

So my concern at that time was I know and I recognize that there are—first of all, in the hospital, the majority of the patients that you have in a hospital, and again this is what I have been telling the Minister of Health and whoever I can latch on to from the government side to tell my stories to, is the surrounding aboriginal communities. I keep telling the minister that, while I agree with prevention, education, awareness and all of those wonderful things that will prevent or cut down on health care costs down the road, after having said that though, the minister has to realize that in the aboriginal community we are not even at that stage yet. Yes, we are talking about prevention and awareness, but you know what, for the next 15 years,

maybe even more, we are going to be in the treatment mode yet because it takes a long, long time for us to get there.

So I have been telling the minister, when you cut back on the hospitals, where are our people going to come. The hospitals are cut back. Our people come there and they are told to go home after one day, to communities. Like he earlier admitted, there is no home care. Home care is nonexistent. There are not even handicapped places. A lot of our communities do not even have care homes. The Pas is lucky; OCN is lucky. They have one care home there, and there too we have people from Moose Lake, Grand Rapids, Easterville, Pukatawagan, Oxford House, all over northern Manitoba coming to our care home on the reserve because you know facilities like that do not exist on Indian reserves, or at least very few of them.

So, yes, we have a problem. You know, as I said to the government, if we just ram through with all these changes, you know what? There are going to be people in very serious difficulty. So I come back to the personal care home in The Pas. I do not think it would be fair for the townspeople, the taxpayers in the town who pay taxes to the town to be saddled with an expense, because there are quite a few aboriginal people in the care home. So I agree that there should be another source of funding.

* (1600)

I was going to, at one time, suggest to the mayor that he contact the federal government and see if there could be any offsetting of costs from that source, but in consultation with the surrounding aboriginal communities there, because they have their own capital allocation process—the federal government to the Indian bands—and if there is to be any allocation of capital from the federal side to this project, we want to be very sure that it does not impact on their current levels of capital funding from the federal government.

But I would go so far as to suggest that to the minister and say, you know, why do we not look for funding from the federal government to help the town, because inevitably our people are going to end up—you know, those we cannot house on the reserve, on our

reserve at OCN, a lot of other aboriginal people from Easterville or Grand Rapids, Moose Lake will eventually end up in St. Paul's anyway. So that is one suggestion that I have to help alleviate the financial burden that the townspeople are going to be faced with.

Mr. Praznik: Mr. Chair, if I may just comment on that. I know when we looked at the funding arrangements currently for St. Paul's, for those First Nations citizens that the federal government provides the per diem rate for within that—it was pointed out to me—was build in a contribution to the capital side of the building. So we felt that that mechanism exists today. It is there in the rates that are paid by the federal government, so they pay for the day-to-day costs and make a contribution towards the capital, which I gather in the case of St. Paul's has sort of been well amortized, so that it was felt that that would be the best way to deal with the First Nation issue, then it did not interfere with capital allocation, it was built into the per diem fee, and we felt it would be unfair to saddle the RHA with having to work that out necessarily. That is something we would have to ensure was in our provincial rates and would finance. So we have a few issues to work out there, but it should not interfere with either.

When the member was speaking, it occurred to me that there will probably be some capital requirements at The Pas hospital at some point in the future which the member has flagged with me, and that is a point in time as we address that. We have put a limit on the 20 percent over it. It is a rolling total over a 10-year period. So we would require 20 percent capped at \$6 million for any community over a 10-year period in practical terms, and that would include all of the credits and things we would do in doing that.

So at some point when The Pas hospital project, which I guess is moving up the ladder or will likely be moving up the ladder, I would be delighted to have some of those discussions with him and some strategy around how we do this, because obviously the First Nations health care is developing. It is in a state of development. If a contribution is made towards operating a hospital, I expect we do not want to repeat having two hospitals in, in essence, one community, but there is a lot of room to discuss ways of managing

this, of meeting both needs and dealing with those issues.

The member for The Pas has a long history of being involved in these types of issues, and I say this very sincerely to him today. When we get to that point, I would like to invite him to have discussions with us about how we could manage this with the First Nations in his community and with the federal government and with aboriginal health in whatever form it develops in its own governance. It is new ground for everyone, and the more minds we have at the table—and that could be coming up in the relatively near future—I would say, the more minds we have at the table to kind of steer our course the better it is. I certainly do not come here being all knowing or all seeing, and the more we can involve people who have experience in this area, the better.

So I make that invitation to him today, and I appreciate his suggestions, and at some point over the next year we should be talking more specifically about it.

Mr. Lathlin: I would like to ask the minister—I think my initial question I asked him what he thought of the facility, and then I think I asked him to what degree this project has been planned out, you know, whether there is a project development plan in place. I know he stated at one time, I believe during his visit, that he would even assign a project manager to this project to ensure that things are fast-tracked. So what about the plans?

Mr. Praznik: I thank the member for reminding me. We have had quite an exchange on issues, and that is a very, very important one in the detail. I am going to ask Ms. Bakken, who manages our capital projects, to update the member. I can tell him that right now, in order to fast track many of these projects, I have asked Ms. Bakken to gear up her Capital Branch. If we have to bring in some contract project managers to be able to drive these projects at as fast a pace as possible, we will, and I think we have enough projects going on in that region that justify us having someone doing that. So that is part of her plans, and we have given her the approval to figure out how we are going to do this. So

I am going to ask her to update the member and the committee.

Ms. Bakken: Mr. Chairman, I have a number of things to report. What we call the site feasibility study, which confirms that we can, in fact, fit 60 beds on the site, has been completed. So we have sort of a schematic sketch of how this is going to be approached. The CEO of the Norman Regional Health Authority called me yesterday. He was just, you know, sort of a day or two away from hiring a project manager. That project manager will take responsibility for managing all of the projects in the Norman region. [interjection] We are paying for it. Well, it will be cost-shared.

They were also very close to hiring somebody to assist the project manager in the actual drafting of what we call the functional program and the architectural space program. We have been directed by Mr. Praznik to have the project go to tender this September, and we are working very hard on trying to achieve that directive. There are many players here, so we may be successful. We may not be successful, but that has been the publicly stated goal, and that is what we are working towards.

Mr. Lathlin: The tender is out by September '98. We are in the middle of April–May, June, July, August.

Could I ask, then, Mr. Chairperson, whether any architects have been asked to start the project or begin drawings anyway?

Ms. Bakken: The CEO of the health authority has told me about the process that he is going to use to select an architect. So he is very close to coming, again, to that final decision. There are three appointments that are just about to be made: one is for the project manager for the region as a whole for all of the projects; second is the appointment of an architect; and the third is the sort of staff support to actually write the functional and architectural space program.

* (1610)

Mr. Chairperson: The minister asked for a—

Mr. Praznik: Yes, do you want to take five or 10 minutes and come back, Oscar?

Mr. Chairperson: Is that agreed, a 10-minute break? [agreed] Thank you.

The committee recessed at 4:10 p.m.

After Recess

The committee resumed at 4:26 p.m.

Mr. Chairperson: Order, please. We will resume the questions in the Ministry of Health Estimates.

Mr. Lathlin: The other question that I had, but I think it has been sort of partially answered, and that was the size of the facility. I was going to ask what the size would be, but—and also the site. Would it be on the same site? I think it will be a 60-bed facility, and it will be built on the same site.

Ms. Bakken: It will be built on the hospital site, and we have figured out how we can build it on the hospital site and still keep the hospital and the existing personal care home running, so nothing needs to be knocked down. We have been able to squeeze it in between the two buildings.

Mr. Praznik: On this particular point, because these are some of the questions I had when I visited. It is a good thing we can squeeze it on the site, because personal care homes, particularly in rural points, where they can be attached to or linked to hospitals are just much more convenient care for all involved and easier to administer.

I did ask what the intention is with the existing facility, and I gather that it is going to be converted. It will not be demolished. It will be converted to other use and Ms. Bakken may just want to update the member on that plan.

Ms. Bakken: Mr. Chairman, the regional health authority has asked that we look at the existing St. Paul's Residence as a facility to house ambulatory care and the Department of Health and Family Services staff that have been assigned to the region. That work will be done. Assessing the capacity to do that, the cost and

the timing will be done closer to the opening of the new St. Paul's Residence.

Mr. Lathlin: The reason that I was asking what the size would be if it was going to be built on the same site was because I was sort of thinking that it would be torn down. It does not matter which way, whatever, it is going to go, if the current existing facility is going to be used for other purposes within safety codes, I guess that would be all right for the people in The Pas.

But the main reason why I asked that question was because I think if I hear the minister when he gets up in the House answering questions related to people who have had to spend three or four days in the hallways and, Mr. Chairperson, he says if only we had personal care home beds, that is where we would free up a lot of beds in the hospital so nobody would be lying around in the hallways. So I am just wondering: what would be the net gain in personal care home beds then on opening day, for example, in The Pas?

* (1630)

Mr. Praznik: An excellent set of questions, because the answer varies considerably in different places across the province. I am prepared to share with him these occupancy figures, but in The Pas hospital, for example, as of I guess, what is the date—this is the usage numbers for the last fiscal year—I believe there are 58 acute care beds in The Pas hospital, and that accounts for a total of 10,900 patient days. I will provide the member with a copy of this, which means the occupancy rate in The Pas facility is 51.5 percent.

The number of patients on the waiting list for the facility, for the Paul residence, I do not know what that number is, but Ms. Bakken will elaborate a little further, but in assessing the need for bed space in The Pas, I gather that based on the hospital occupancy rate capacity there and expected need, that adding additional beds to the system was not required. I have no objection to adding them if they are needed, and if they are, we would, but I am going to let Ms. Bakken get into those numbers a little bit more.

Ms. Bakken: Mr. Chairman, The Pas health facility does not have a history of having a large number of

panelled patients that impact negatively on the ability of people to be admitted for acute care into the hospital, and the number of beds that we are building in The Pas is consistent with the provincial bed planning guideline and is a number that has been fully accepted by the people of The Pas and by the Norman Regional Health Authority.

An Honourable Member: As what is required.

Ms. Bakken: As what is required, yes.

Mr. Lathlin: Mr. Chairperson, Ms. Bakken is absolutely right. In The Pas, it is not like Winnipeg where people are lying in the hallways and so on, but The Pas is different from Winnipeg too in that I believe we have one, two, three, four nursing stations within the area who will bring patients to The Pas hospital. We have aboriginal communities in the surrounding area who will come to The Pas.

As a matter of fact, the minister will recall the letter that I wrote to him regarding a Mr. Percy Jensen [phonetic] who had to live in the Kikiwak Inn for six weeks, I am told, because there was no room anywhere in the town or even in our own facility on the reserve. So this individual had to get by by staying at the Kikiwak Inn, an individual who is confined to a wheelchair, has to receive dialysis three times a week and here he was living in a hotel room for six weeks. So that is the kind of volume that I am thinking about more or less. It is not the same as Winnipeg.

Mr. Praznik: Mr. Chair, I am very glad the member has raised that with me, because one of the observations that I have made, and he and I have had a chance to discuss this privately, is there is a great difference in the provision of care when you have people from more isolated remote facilities or communities using a facility, because for obvious reasons they may be able to be discharged from a facility by all regular standards, but if you send them back to their community and something goes wrong, it is much more riskier.

I have come to appreciate that I think what we probably need to do collectively is invest some dollars and energy in communities like The Pas, perhaps

Thompson and others, where we have some sort of transitional beds or—I would not even call them beds, really, facility of some sort, almost like a mini—the term that I think my staff say is subacute where really you have a home-like bed, I gather, not a hospital bed but a mini-apartment or something of that nature, a hospice-type thing where someone who maybe has to come in for a period of dialysis or a medical review does not need to be in a hospital bed, they do not have a place to stay, there is not home care back home, and I think that would fill a need that is there.

The member has identified that, yes, there is a big need here. What comes to mind in this discussion is I would like my staff when we get into the planning—and the member may want to be part of that locally—but when we get into the planning portion of what we do with the old St. Paul's Residence, there is a lot of square footage of space there. I would certainly be willing to entertain as minister—and I make this commitment today to look at it—what would be the logistics of—and dealing with the First Nations, obviously many of these are their citizens—being able to put in some acute hostel-type units where that person who needs to be close to the hospital in The Pas, but really if they had their own suite or their own home in The Pas, they would be there, with some home care assistance. Realistically, it is impossible, given the distance.

So we certainly would be willing to look at the development of some of the space in the existing St. Paul's Residence. I am talking about a major refurbishment, because obviously if we are putting offices and ambulatory care into that facility, it needs a fair bit of internal reworking because it is an old facility. But that is a possibility, and I undertake with our staff when we get to that point in the planning to consider and raise that with the regional health authority as an option of a service that is much needed in that area.

Mr. Lathlin: Yes, as the minister was talking, an individual comes to mind from Pukatawagan who was in the hospital, sent to The Pas hospital and confined to a wheelchair. I believe he was in a car accident and he has no movement, I think, from the waist down. So he is confined to a wheelchair. But, anyway, he was

brought into The Pas hospital, and the people in the hospital were really adamant and bound and determined to send this individual back home to Pukatawagan. The nurses in Pukatawagan are saying, no, no, please do not send him back here because what are we going to do with him. There is no pavement even in Pukatawagan for wheelchairs. There is absolutely no facility whatsoever. So when he approached me, what I did was got together Swampy Cree and Cree Nation Health and I said call for a meeting with the doctor and tell him that there is no way this individual can go back to Pukatawagan. So I do not know what has happened to the individual since then, but every now and then I see him go along the sidewalk in his wheelchair, so he is probably living somewhere. So that is why we have needed the care home for a long time.

I want to ask the minister, as well, you know, if he were to approach the feds for the aboriginal portion of the cost of building the care home, I have no doubt whatsoever that he would have absolutely 100 percent co-operation from our chief, William George, and I know the mayor would be more than willing, along with the minister, to approach the federal government, the federal minister, and the three of them lobby the feds so that the town is not left there holding the bag for everybody, because it just seems totally unfair to me.

Mr. Praznik: Mr. Chair, I fully appreciate the member's point. It did not seem fair to me either. That is one of the reasons we have agreed to sort of take over that issue as a provincial issue as opposed to leaving it up to the town. But I think we are prepared. My staff want to do a little homework on this, but I would like to make the invitation to the member today, including we may even want to involve Ms. Bev Desjarlais who is the member of Parliament for that area, and I think perhaps if the member would undertake to work with us and with Sue Hicks, my associate deputy minister, maybe we should do a plan to do a joint effort with the community and the First Nations because there are some issues where the federal government has walked away with Level 4 care, where they are not so interested in funding, and it is to the great detriment of First Nations people.

* (1640)

So if the member is prepared to do that today, I know Ms. Hicks is going to be away for three weeks, but when she comes back, she will make a note to speak to the member. Let us work together to bring those parties and let us make a joint effort. I think it carries a much greater amount of weight if the New Democrats and Conservatives in Manitoba are making this point in a united front. It just politically, I think, speaks, where we are all speaking together for Manitobans. I thank him for raising that, and Ms. Hicks will take the note and when she returns—she is here for this week and then she is away for three—she will be speaking upon her return to the member for The Pas, and we can do some strategizing around this issue.

Mr. Lathlin: Yes, I would be willing to co-operate in that way.

Mr. Chairperson, I thought I heard the minister earlier say that the ceiling, as far as the costs are concerned—did he say the ceiling would be \$6 million for any project?

Mr. Praznik: Mr. Chair, the \$6-million cap or ceiling is the total community contribution for all projects within the community on a 10-year rolling period. So, for example, when doing the St. Paul's Residence, there will be a community contribution. When we do the hospital project, there will be a community contribution. The total contribution of any community—and in the case of The Pas, out of that \$6 million would be deducted the First Nations issues which we deal with separately and the Northern Affairs. So obviously the \$6 million, I do not know what the population divide would be between First Nations and non-First Nations in that area. I do not know whether it is 50-50 or what the ratio would be, but whatever that is, it will bring that \$6-million total over 10 years down to that number. That is all we would expect from the community in a 10-year rolling period towards capital contribution. Once they have hit that cap, it is 100 percent provincial funding thereafter. We recognize there are only so many dollars available in communities over a long period of time.

Mr. Lathlin: So the honourable minister was obviously not referring to the total project cost.

Mr. Praznik: No. If I may, it is 20 percent of total project costs to a maximum of \$6 million on a 10-year basis, all projects totalled up within the community.

Mr. Lathlin: I am just about finished here, but I would like to ask the minister—he has been up to The Pas; he has talked to the people there; he has talked to the RHA obviously—does he have any idea of what kind of money we are talking about in terms of what the project would cost?

Mr. Praznik: Mr. Chair, the member, the last time we discussed tendering issues, did make the comment—I guess we are guilty. We throw out numbers when it appears to be to our advantage and we get to specifics. Around tendering, we are more reluctant. The member's point is well noted.

Mr. Chair, I am advised that our experience has shown that the approximate cost range for a personal care home bed is \$100,000 to \$110,000 per bed, so a 60-bed facility would normally be between \$6 million and \$6.6 million. In northern construction, depending on a variety of factors, there can be an additional cost of between 10 percent and 25 percent on top of that. So there is a fairly large range. A project could be anywhere from \$6 million to \$10 million as it gets refined in this particular area.

Mr. Lathlin: Mr. Chairperson, I was wondering if the minister, when he went to The Pas to tour the St. Paul's Residence, did he consult with any other community member other than the tour guide, the people at St. Paul's, the RHA? For example, did he consult with the mayor or the chief or the reeve?

Mr. Praznik: Mr. Chair, my visit to The Pas was with the regional health authority. I think virtually all the members were in attendance at my meeting. They invited me to come to meet with them. We had a host of issues to discuss. The capital contribution was very high on their list. They obviously had been speaking with the mayor and with the reeve of council and with others in the community, and the concerns about raising the dollars was expressed through them. I was in The Pas for a number of hours. When I toured the St. Paul's Residence, the administration was with me as we went through the tour. I had the chance to speak to

a number of staff as I went through the tour and then I had to move on for other meetings at Swan River.

So I also had an opportunity to say a few words to the residents when I was there. I can tell the member that I did meet his constituent from Cross Lake and her daughter, and they were very effective lobbyists. I think she happened to be in town that day and made an effort to make the point they needed a new facility, and it was certainly acknowledged, but I spent a fair bit of time with the RHA board. We had a very lengthy agenda of issues to discuss and I believe—I am not sure if some of the RHA board members are sitting on council in that area as well. I am not sure if they were, but the concerns of the council obviously were expressed through them and my purpose was to meet with the RHA board.

Mr. Lathlin: Mr. Chairperson, I would like to thank the minister and his staff for putting up with me for the last little while. That is all the questions I have, and I believe the member for Dauphin has a couple.

Mr. Praznik: I know that we have multicommittees and members try to be in numerous committees to deal with specific constituency issues. I want to thank the member for The Pas. I have enjoyed the discussion very much, and he certainly brought some interesting information and suggestions to the table. I would just like to reiterate my invitation to him. Ms. Hicks will be in touch.

If for some reason it gets mixed up, Ms. Hicks, give her a call in about a month because she will be away for three weeks and we can work together on that issue. I would like to invite the member formally that, as the project manager is appointed and we start working through the issues, I would invite him to be touching base from time to time with the CEO of the RHA and the project manager to keep himself informed as to the project. There may be the odd local issue that comes up that will require his assistance to speed it up and I know he would be willing to do that in the interest in his constituents. I have enjoyed the afternoon with him immensely.

Mr. Stan Struthers (Dauphin): Mr. Chairperson, I want to talk about something and get some dialogue

going on something that I have been pretty keen on for several years now, ever since my teaching experience in the North taught me the value of nursing stations in the overall range of health care services.

In particular, I want to talk about a part of my riding, Waterhen. When I use the term Waterhen, there is a reserve, the Skownan First Nation, Waterhen First Nation, the northern community of Mallard and Waterhen itself. Also, the area would include Meadow Portage, which lies within my constituency.

Mr. Chairperson, some things I think that need to happen through regionalization is that there has to be a move towards local decision making. There has to be I think an improvement in co-ordination within the region. I think that by doing that we can get better services and have our programs be much more cost-effective.

I give the local Parkland Regional Health Authority good credit for the needs assessment that they did. I think they have done a good job in consulting the people in our area about what their needs are, and I think they got a lot of good information back in terms of capital.

* (1650)

I know that the local folks in Waterhen, some of the community councils there have been talking in terms of a nursing station. They have a trailer there now that houses some public health people. The trailer is not on the First Nation, but it is on the Waterhen side, the Northern Affairs community.

It is my belief that a little bit of capital spent in the Waterhen area on a nursing station would provide not only a better service, but I think would reduce the cost on the Parkland health system as a whole. What we are seeing right now is cases where people have some kind of an illness, some kind of an ailment, maybe they have been involved in an accident that would not require the attention of the emergency room at Dauphin or being moved to Ste. Rose or anywhere, Winnipegosis, another hospital close by. I think that it would be valuable to have a nursing station in that area to act as a bit of a screen for those ailments that do not need to

be rushed into the most expensive door at the Dauphin Regional Health Centre.

This is something that I know the local council at Waterhen is very much interested in. They have passed resolutions and have lobbied the Parkland Regional Health Authority. I have put my two bits in with the Parkland Regional Health Authority, as well, and I would like to do that again today.

My questions are in terms of are there federal dollars that can be accessed to help in this case since there is a reserve involved, and how would the 80-20 split on capitalization apply in the case of a nursing station in this part of our province?

Mr. Praznik: Mr. Chair, I thank the member for his results and comments. I do not want to pretend to know the Waterhen community well, but in my other days as Minister of Labour, and my former Labour deputy, Roberta Ellis, now joins us in the Health department as associate deputy, we did spend some time in Waterhen. In fact, I was there for the opening of the new fire hall that was built under the Northern Affairs budget in my capacity as Minister of Northern Affairs.

In fact, I even remember coming in as the Minister of Labour, and we looked at where we had offices. It always amazed me, we had offices in Brandon, we had offices in Portage, we had offices in Winnipeg, in Thompson and we had an office in Waterhen. It was somewhat odd that of all the communities in Manitoba that had Fire Commissioner's offices, Waterhen, given its size, there were no comparable communities that had a Fire Commissioner's office.

Of course, the reason was our then deputy fire commissioner, Doug Popowich, lived in Waterhen. He spent a good deal of his time on the road, and it just made eminently good sense to accommodate his family and his needs, because he was on the road all the time, to have a small office available—I think it was in the Northern Affairs offices—for a fax machine and those kinds of things, to service his work when he worked out of his home base.

So I have a soft spot in my heart, I must admit, for Waterhen, and have had many good hours there on a

variety of my visits and certainly have been the guest at the Popowich ranch and always been treated wonderfully by the people in that community. So when the member speaks about some of their health care needs I am in full concurrence with that. The member is, I would say, dead-on in his assessment of that need. I am advised by Ms. Hicks that we have not yet had a proposal on the capital side for that kind of facility. I can tell him now that we would be very interested in entertaining that. I think part of the issue for the regional health authority in fairness to him, and I know the member recognizes the great amount of effort it takes to take over a health system and to build up your own ability to manage it, and I appreciate his compliments on the work that the RHA has done in the needs assessment.

I believe in the last year they have been spending a great deal of time just getting their own structures in place. They had a host of issues around hospitals that they had to deal with, and as that board gets a greater comfort level and gets some of the bigger issues for its region handled, I am very sure that their attention will turn to meeting those needs. I want to assure him today that, should we receive a capital proposal for such a facility, it would be one that in principle would be very much welcomed, because it is the kind of service delivery change that I think leads to better health and better utilization of service, so we are very, very supportive of that particular concept. In fact, I have often used the example that if one has that facility and properly staffs it—I mean, it even gives the ability, particularly as RHAs look at bringing doctors on contract in primary health care, to be able to have itinerant doctor services.

I do not know what the volume need would be in a Waterhen but if it is one day a week or one day every two or et cetera, where it would save a great deal of travel time for the people in that area who are not wealthy people, to be able to have a community doctor come in on a regular basis just for their regular health checkups and needs. These kinds of steps are where we envision the system moving, and I would encourage him—in fact, I would invite him to meet with his RHA and convey my message as we will through our channels that some work should be done in this area, and it should be identified in their planning and

continually pushed forward. It is a project I would love to be with the member to see sod turned or opened in the near future.

With respect to federal contribution, wherever there is a First Nation community and the federal government and the First Nations have responsibility for delivery of community health in those areas, we obviously do not want to reinvent the wheel in having a First Nations health centre and a provincial one in two communities next door. I mean, it just defeats the purpose. So, obviously, if a facility is servicing and providing a variety of community services to a First Nation, we would look to the federal government and that First Nation to take the lead in ensuring that there was a fair contribution split.

I know the member was not able to join us for all of the issues we discussed with the member for Swan River (Ms. Wowchuk) and the member for The Pas (Mr. Lathlin), but we discussed earlier this afternoon the opposite situation where we have, in a community in the member for Swan River's riding, a health care centre being built by the First Nation, and we are contributing part of the capital for the services that are being provided to the non-First Nations people. In essence, it would be reversed here, so yes, we are very interested putting this together, and I think certainly the RHA would probably appreciate the active support and involvement of the local MLA in helping to put this project together, and we would certainly want to work with him on it.

Mr. Struthers: Mr. Chair, the one part of the question that I did not hear an answer for, and I appreciate the rest, is an explanation of how the 80-20 split would work, whether there would still be that need for that contribution of the 20 percent locally.

This will be just my last question before time runs out, but the other thing is that there are a lot more areas, other than Waterhen, in the Parkland who I think could really benefit. I am thinking of Ebb and Flow and Crane River and other areas that would need to be taken into consideration.

Mr. Praznik: Very briefly, again, we have discussed this throughout the afternoon, and I appreciate

members are moving to different committees. We have made changes to the community contribution policy which I have indicated to the committee earlier in the day. One of them, of course, is where there is a Northern Affairs community or an organized territory, that we give credit to the RHA. We work out those arrangements with the Department of Northern Affairs who has responsibility for that, because in most cases, outside of the city, the community contribution is being raised by municipalities, and we recognize the same taxing authority and things do not exist.

In the case of First Nations, we as a province would give a credit for the usage and then we would have to work out the arrangements with the neighbouring First Nation. I know in The Pas personal care home, we discussed this with the member for The Pas (Mr. Lathlin), the federal government currently pays a per diem fee for its residents or citizens that are in personal care homes, and there is a capital portion attached to that, so we do recoup in that way. We did not think it was fair to require the municipal community to have to raise the whole contribution for areas that it had no ability to share in the taxing area.

We have also made a couple of other changes where we will for dollars raised up front give a two-for-one credit, so if a community had to raise a hundred thousand as their share, if they had 20,000, we would give them \$40,000 credit. We have announced today that we will be financing the remainder of the community contribution on a 10-year basis interest free, so there are lots of ways to make this work. I imagine if you looked, that in Waterhen, given all of those factors, it would become a rather minor local contribution that could probably be handled through a variety of means that would not be onerous.

Mr. Chairperson: The time being five o'clock, it is time for private members' hour. Committee rise.

RURAL DEVELOPMENT

Mr. Chairperson (Marcel Laurendeau): Would the Committee of Supply please come to order. This section of Committee of Supply has been dealing with the Estimates of the Department of Rural Development.

Would the minister's staff enter the Chamber at this time, please.

We are on Resolution 13.5. Rural Economic Development (a) Executive Administration (1) Salaries and Employee Benefits.

Hon. Leonard Derkach (Minister of Rural Development): Mr. Chairman, I would like to introduce two staff who have joined us at the table: Mr. Dick Menon, who is the general manager of the Manitoba Water Services Board, and Mr. Larry Martin, who is the assistant deputy minister for the Economic Development side of the department.

Mr. Clif Evans (Interlake): Pass.

Mr. Chairperson: The item is accordingly passed.

13.5.(a)(2) Other Expenditures \$30,700—pass; (b) Infrastructure Services (1) Salaries and Employee Benefits \$1,443,100.

Mr. Clif Evans: Mr. Chairman, if the minister could enhance us on this what I believe is a very important part of our rural development and our infrastructure. It includes, of course, water, the Manitoba Water Services Board and deals with providing good drinking water, water that is necessary throughout. Can the minister indicate—it says under Expected Results, of the 26 water treatment plants for municipalities which—are all of these 26 water treatment plants in operation, and what work is in the future for water treatment plants in Manitoba?

Mr. Derkach: Yes, Mr. Chair.

Mr. Clif Evans: No, I asked, of the 26, are these all ongoing facilities or are they also part of some new facilities coming into play, of the 26 that he has listed here?

Mr. Derkach: Yes, they are all operating.

Mr. Clif Evans: Can the minister indicate what plans there are for water treatment plants in the department in the very near future that are being developed?

Mr. Derkach: Mr. Chairman, throughout this year and every year, we enter into new projects. We upgrade existing facilities. We have a capital program that we administer on an annual basis in terms of providing clean, potable water for communities and for residents of Manitoba, and those communities are both rural and urban. We have an allocation every year for capital works within the province, so if there are specific ones the member would like to speak about or talk about or ask questions about, I would be happy to enter into that kind of question and answer.

* (1440)

Ms. Becky Barrett (Wellington): Mr. Chair, I have one or two questions to ask the minister relating generally to the water services in the province of Manitoba but more particularly dealing with the whole issue of water services and rural development as it relates to the City of Winnipeg and the rural municipality of Headingley and the Cartier water. So I hope that this is the appropriate place to ask those questions, and I know there may have been other areas, but I would like to ask some questions on the status of the process, et cetera.

First, can the minister tell me what the costs, now that the City of Winnipeg has—I am not sure if they chose to or through a technicality, the City of Winnipeg is not at this point going to sell water to the rural municipality of Headingley. Can the minister tell me what the cost now will be for the St. Eustache project?

Mr. Derkach: Mr. Chairman, to be fair to the member, I take her back from, I guess, the beginning of this entire project and just to explain the process that we have undertaken to get to where we are today. This is not a new project in terms of the discussions. It has gone on seriously for two years, but much longer than that before, and even when Headingley was part of the urban centre. As a matter of fact, it was at that time that there was a local improvement district that was approved under TransPlan Winnipeg I believe, which was to be the serviced area for water and sewer.

When Headingley seceded of course, as a municipality, then independent of the City of Winnipeg they continued to pursue their desire for potable water

and for sewage services. When they approached the department and the Water Services Board, we were given several options that we could look at in terms of providing water to the community of Headingley.

At the same time, I would have to say that the Cartier water development co-op was formed, and once again, that is a project that had been worked on for a long time, and they as well, were looking for sources of where they would get their water from. So there were sources of water identified; one was the Assiniboine River, another was the Portage la Prairie Water Treatment Plant and another was the City of Winnipeg water source.

Discussions went on between—at the municipal level for some time, and there were no agreements that were being reached by municipalities, so at that time we were approached as the department to assist in the process of sourcing the water and making sure that we would start to proceed with construction of infrastructure that would provide those services to those areas. As with all projects in Water Services, there is a priority list, and as communities come forward, they are placed on this list, and as their municipality is able to raise the necessary funds through debenture, or whichever method, then their projects come forward.

The Cartier water development project and the Headingley project were coming together for this year, and that was known about a year or two ago. We started to look seriously at where we could get water for Headingley from and what would be the least expensive route to go. It was at that time we approached the city, or not we, but the municipalities approached the City of Winnipeg and the City of Portage to see whether or not we could get water from those two sources.

The City of Portage, after some time and some debate internally, and after some meetings that went back and forth—and our role at that time was one where we facilitated the discussions between the two groups and tried to lay out what the options and the benefits would be under them joining the water co-op and extending water—Portage did decide to agree to deliver

a finite amount of water to the Cartier water development project.

At the same time, we approached the City of Winnipeg, and once again I have to say that there were discussions going on between Headingley and Winnipeg in the interim. It was not something that we initiated for the first time from the department. Winnipeg was not certain whether they could or could not provide water. They did not know whether it would be to their advantage to provide water and so they were attempting to get some kind of agreement from the community of Headingley that the water service delivery to them would not end up in an explosion of development outside of their boundaries, specifically residential development, but Headingley was not going to sign any document that said they could not allow their community to grow. I do not think any municipality in Manitoba would do that at this point in time that I know of.

So the discussions continued. Again, our department and the Water Services Board came together with the two municipalities. What was happening at the meetings was that all kinds of issues were—we were diverting our attention from the issue at hand. We were talking about all kinds of things, so finally we did get down to the issue at hand and that was whether or not Winnipeg would agree. It was a straightforward question: would Winnipeg agree to extend its water services to the municipality of Headingley or not and also their sewage services, because one way or the other Headingley was in a position where they could afford to pay their share of water? They were the largest urban community in rural Manitoba without water service and sewage service, and they were facing an environmental problem with their sewage, especially at this time of the year.

In the end, there were some, I think, public meetings held in the city of Winnipeg. I know of at least one. I do not know if there were more than that. Just one. I think that the meeting was—or the initiative was being undertaken by one City Councillor, but there were others at the meeting as well. The city, after going through that and after a debate internally, decided not to participate and not to extend water services to the municipality of Headingley, and that was fine. I mean

that is a decision that is within the realm of that municipality to make, and their decision has to be respected.

Mr. Peter Dyck, Acting Chairperson, in the Chair

So, therefore, the next step was to proceed with water service to the Cartier water development region and to Headingley under a different program. Now in conjunction with the partners, there was a costing done for water service delivered from the city and from Headingley to meet the needs of the entire region, and that cost I believe was in the neighbourhood—and there was an approximate cost of around \$10 million. There was also a costing done of building a freestanding water treatment plant at St. Eustache that would draw water from the Assiniboine, and I think that cost was around \$12 million.

After further analysis and after realizing that the City of Winnipeg and Portage could not deliver all of the water to the whole Cartier water development co-op, we would still need to build a water treatment plant. It became obvious that the water treatment plant would still have to be built. However, because Portage was now contributing some water to it, we could afford to build the plant in such a way that it would be designed in modules where we would build just the modules that were required to service whatever area we needed.

Now, the cost of this was targeted at about \$12 million, and we entered into a contract with the consulting company to search out consortiums or partners who would be interested in developing this project on a public-private partnership. After that process was completed, we have further, because we have only one way to go, been able to pare down the costs of the water development project to \$10.8 million.

* (1450)

So, Mr. Chair, I have to say that the project now is coming in at \$10.8 million and that is for the water development part, and it is for the Cartier regional water system. In that is included Headingley, but we are talking about Headingley being the local improvement district that was identified even back when Headingley was still part of the city. This does

not include extending water to undeveloped lands that are not currently being developed. It does, however, include one area because a water main is going to go through to service other homes, 47 lots I believe it is, in the community of Headingley, plus the infill lots that are available inside the community.

The cost of the distribution lines is another project, because the Cartier water development project, which is the \$10.8 million does not include the distribution lines within the local improvement district of Headingley. That project is \$7.2 million. So there is a process where every resident who is going to be receiving water is going to be contributing to the cost of the project. In addition to that, the municipality is going to be levying a mill rate to ensure that there is an ability for them to be able to pay out their debenture or their loan.

In terms of the sewage system, again, different options were looked at. One option, of course, was the sewage treatment plant in the southeast corner of the city. However, after the city said no, they were not going to participate, we had to look at other options. The municipality of Headingley had identified a property on the northwest side of the city and the Environment department had started to do their analysis on that location. So we said there have to be other options that we should look at, and so other options are being pursued with regard to sewage treatment for the community of Headingley. I might say that the \$7.2 million includes not just the water for Headingley, but it is the water and sewer for the community of Headingley.

So that is basically where we are at presently. The project is to move ahead this year, but until we finalize where and what the method of disposal of sewage is going to be we cannot proceed with the sewage part of it.

Ms. Barrett: I do not have a lot of time, so I am going to try and be as tight with my questions, so I get some information. The minister said that Headingley could afford to pay their share of the water. I am wondering: if the minister can quantify their share, what is their share globally and how is that figure determined?

Mr. Derkach: Mr. Chairman, there is a formula which applies to all communities across rural Manitoba with regard to this type of infrastructure, and there are two components to that. One is for the water development side, which would in this case be the Cartier water development co-op, which is the St. Eustache water treatment plant and the main lines that run from there. The other would be the participation in the distribution system right in the community of Headingley.

Our portion inside the community is \$2.4 million and the municipality's portion is \$4.8 million. On the water development side—I am sorry. The municipality is going to finance their portion of the cost through a mill rate of 9.65 mills plus a \$425 annual frontage levy which is going to be used to calculate taxes after the services are in place. Okay. Now for the water development side, on that larger project which is the \$10.8 million, that project is done through our regular water development program which is on a 50-50 basis. The way that the revenue is going to accrue to that is through water rates that are going to be established. So there will be a water rate for the usage, whatever it might be.

Ms. Barrett: So for the Cartier part of the project, the modules, the \$10.8-million part of that, Headingley and the province split that cost 50-50, but the Headingley part of that—

Mr. Chairperson in the Chair

Mr. Derkach: Mr. Chairman, the municipalities all belong to the Cartier water development co-op. The cost of the water development project, the water treatment plant and the main water distribution lines, the large lines, that cost is \$10.8 million. That is shared on a 50-50 basis between the province and the water development co-op.

Ms. Barrett: I am assuming that the co-op figures out within their 50 percent how they determine the cost distribution.

Mr. Derkach: It is based on usage, Mr. Chairman, and it is done through water rates. They develop a water rate, and then they charge it in accordance to the amount that is used.

Ms. Barrett: And the distribution project, the water and sewer that is \$7.2 million, Headingley will be responsible for 2.2 of that and the province 4.—

Mr. Derkach: I am sorry, Mr. Chairman, the municipality, Headingley, will be responsible for \$4.8 million, and the province will be responsible for 2.4.

Ms. Barrett: Going back to your first answer to the question where you said that was a formula, these numbers are just, particularly the distribution, the 7.2 split—is just plugging into the formula that is the same throughout the province.

Mr. Derkach: Mr. Chairman, within the community, the distribution within the community to each of the homes, the formula for that is a 70 percent municipal portion, 30 percent provincial portion. The other part is 50-50.

Ms. Barrett: I think I understand this now. My arrows, you should see my arrows.

Mr. Derkach: I should also indicate that this is not any different than is used across the province. So it is the same formula, the same application that is used anywhere else in the province.

* (1500)

Ms. Barrett: Mr. Chair, the minister then said that this whole project—the water treatment plant part of it and the distribution and the water and sewage—is not designed to service any land that is not now under development with the exception of 47 lots that I think are probably right in the direct line or something.

Mr. Derkach: Mr. Chairman, there is a local improvement district that has been identified within the development plan. That is the area that is going to be serviced. Within that area, there are infill lots that are right in the community of Headingley. I do not know how many there are of those. Then there is a small development, and I think it is the Harris property, if I am not mistaken, that has 47 lots. There is a present development going on. It is not a new development. Well, it is new, but it is ongoing, along Breezy Bend, but that is already started, so that is part of the plan as well. So there is some housing—I do not know if you

call it infill, or development—that will be ongoing in that area, but that is not new because that has already been started. I do not know how many there are in that area, but it is not a big development.

Ms. Barrett: And the public-private partnership, the PPP, has that gone through the Water Services Board, or is it all finished and everything is in place, or did you say you were in ongoing discussions with other parts of the partnership? I am assuming that would be the private parts, because the public would be the province and the municipalities, so the private would be still under discussion.

Mr. Derkach: Mr. Chairman, we have not finalized all of the final points or the details of the project. As I indicated, I think the largest outstanding one right now is on the sewage side, but as soon as all of these are completed, we will be in a position to make an announcement regarding the project. But it goes through the normal process through the consultant. The costs are analysed, then there is a tender call for proposals, then there is a process in which the work, the quality of work and the cost are analysed and then the tenders are awarded.

I guess I should also indicate, Mr. Chairman, that the water rates are going to be used to pay for the system over a 20-year period under this private-public partnership arrangement. At the end of the 20 years, the system will be turned over to the water development Co-op.

Ms. Barrett: I am wondering if the tender call or the request for proposals, if I could have access to those, or kind of, what are the parameters of the private part of the public-private partnership?

Mr. Derkach: Mr. Chairman, I can get the proposal, call proposal to the member. I do not have it with me right now, but certainly we can get that for her.

Ms. Barrett: Thank you. My understanding is there have been two proposals on this. I would imagine that there would have been maybe one for the plant.

Mr. Derkach: Mr. Chairman, yes, there are two calls. One is for qualification, and one is based on cost. So, yes, she is correct.

Ms. Barrett: To whom do these calls go out, or tenders, or whatever the appropriate word is?

Mr. Derkach: Mr. Chair, these are all public tenders, and anyone who feels their company is qualified to meet the test of qualification can apply.

Ms. Barrett: I am wondering if the minister is aware of the York region in Ontario, which just recently completed a very extensive survey and study of the cost-benefit analysis, I guess in a phrase, between public infrastructure as we traditionally have had in Manitoba versus the PPP process which is just now starting, Charleswood Bridge and now the Cartier project, and I am sure there will be others under Bill 12.

If the minister would like, I can—I am assuming it is too late for this proposal, but it is a very good, very extensive study, and I am more than happy to loan it to the minister if he would like to take a look at it. Basically they say that for the sake of rate regulation, reliability of service, public accountability and cost control, they could find no justification for going into a PPP process for water supply in the York region.

So I will make that study available to the minister because there, as he well knows, have been some major concerns about not only the particular process of water to Headingley but the larger issue of public-private partnerships. Everyone wants the most effective, efficient use of government dollars, whether that is municipal, provincial or federal for that matter. I think it is incumbent upon us all to take a look and have access to information that is available from other parts of the country and see if there is something that could be done that is not quite as extensive as this.

Mr. Derkach: Mr. Chairman, I welcome the opportunity to look at the report that the member speaks of. I do not have a copy of it, so I would certainly be more than happy to receive it and to have staff of the department review it. We are not going into a private-public partnership on every project across the province. As the member knows, we have several projects in the works right now—one at Dauphin, as an example. Each project is, I guess, analyzed on its own merits, and this particular project could be considered

a pilot. We will certainly be doing everything we can to look at the costs and compare them to the traditional way of supplying service.

When we did work before, we went into the triple P. We had our consultants do an analysis of the traditional way of doing this particular project and then looking at it under the triple P. It looks like, at this stage, we will be saving the project about \$1.2 million by doing it this way. However, this is not the end of the pilot, so we are going to have to fairly stringently scrutinize what happens with the project from this point.

We do not want to reinvent the wheel, and if there is information that is available that could help us in other projects, I would be more than happy to look at that. I think what we want to do in the end is to ensure that however we supply the service it is done in a very cost-effective way, because it is the taxpayer and the consumer who pay the costs of these projects, and we have to be mindful of that.

If there are systems, and I am not just saying approaches—but if there are not only approaches but systems out there in the world that are more effective, more efficient and we do not have to reinvent them, then we are more than happy to look at them to see whether or not they fit our circumstances. I can tell the member we are looking at different sewage treatment processes. We have looked at a couple now, and we will be attempting to do one that is probably less costly as a pilot again, to see whether or not it works in our climate, to see whether it is effective and if it works, and if it is a less expensive way of doing the job, I think we want to approach it in that way.

I have to tell the member that, in all of these projects, we always have a partner, at least one partner which is the municipality, but when we were doing the infrastructure component of the federal-provincial program, the federal partner was involved as well. So some of our projects have the PFRA involved directly as well; it is not just the province and the municipality doing it.

* (1510)

Ms. Barrett: You stated earlier that Breezy Bend development that is already underway on 47 lots within

the LID of Headingley will be part of this new system and will be hooked up, if I can use that technical phrase. I know there are a whole lot of lots in Headingley, or not lots, they are not lots but land that has been bought up by developers and currently is not—[interjection] Yes, I know the minister knows our concern. We raised that clearly in the House and in other venues that at some point there will be pressure to extend services such as water to areas such as that, rezoning and then access to water. Let us just for the sake of argument say that there was some rezoning done and 100 lots became rezoned for the large-lot residential, I do not know what the exact term is, but what would the process then be for the Municipality of Headingley to access water for those lots?

Mr. Derkach: Mr. Chairman, I think the land that the member is referring to is on the north side of No. 1, and at the present time the LID where the water services are going to be extended to include, if the member is familiar with the Husky station in Headingley, it would include water extension to the Husky station on the north side of the highway and then it would move across to the south side and service the community of Headingley itself.

If in the future there was a will to rezone any land within that municipality, the municipality would have to go through a public process to rezone the land because there is a process that every municipality has to go through in order to rezone land. If they were successful in doing that, they would then have to approach the province to assist them with water to that area. In doing that they would also have to have the ability to be able to raise their own share of money for extending services to that area. So it is not as simple as just running another line out to the area. It is going to mean some consultation with the public, with the province and so forth.

Having said that, I want to also indicate to the member that, with regard to the Capital Region, there has been some fairly extensive discussion over the course of the last six years that I have been in this department with regard to the Capital Region, and I think we have made some excellent progress in a number of areas. I have to say that when I came to the scene there was no agreement on anything, and let me

assure the member that not only was there not agreement on anything, it was difficult to get members to a meeting to talk about a specific or specific issues. But members did start coming to meetings because there were issues that were starting to arise that affected the entire Capital Region.

I refer the member to the solid waste management discussion that went on for some time. We were not getting anywhere on that discussion. Finally it was our recommendation that we had better do an inventory of what there is in the Capital Region regarding solid waste disposal sites. Why would we be entering into development of more disposal sites if we did not have an inventory. So that was probably the first signal of agreement on a specific project where the Capital Region said, yes, that is a good idea, let us do an inventory.

From that they have now been able to get enough data to understand where we have suitable sites for waste disposal grounds, how many we have in the Capital Region, and what we should be doing in terms of consolidating and effectively managing the waste disposal sites. So there is good discussion going on in that regard.

When the sustainable development concept was introduced to the Capital Region, it took a long time to get any meaningful discussion and to get an understanding of what the Capital Region Strategy was all about. But let me say that over the course of the last five years we have been able to accomplish an agreement on a Capital Region Strategy. That was accomplished more than a year ago.

A document was published in March of 1996, I believe, which outlined the Capital Region Strategy as it was approved by the membership of the Capital Region. Now, our role in that was of facilitator. We were leading the discussions of course, but we were not imposing the provincial will on anyone. There was a framework document that had been developed, and the discussions were based on that document and on the issues that were important to the Capital Region.

At that time the Capital Region said to itself, how are we going to implement this? So they decided to select

a task force that would guide them in how to implement the strategy. The task force met late winter and at that meeting my department prepared a document on an implementation with the participation of Urban Affairs as well. A document was prepared to present to the task force, because one of the elements of the task force was that the provincial government assumed a leadership role in terms of guiding the task force through the process.

So when the document was adopted at the task force level, it was then taken back to the Capital Region. The Capital Region endorsed the approach, and we are now in the process of implementing a strategy whereby we can start implementing the elements that are identified in the Capital Region Strategy.

So when we talk about development in the Capital Region, this will all start to make some sense now in relation to the Capital Region Strategy and the implementation process. When the member asks the question about the undeveloped lands, those lands will also be part of the discussion and part of the implementation plan as we move to implementation of the Capital Region Strategy.

Ms. Barrett: Yes, that was going to be my next brief area of questioning. If I had more time I would enter into discussion with the minister about his summary of the Capital Region Strategy and some of the value, you know, the statements. I do not think the process has been nearly as efficacious as the minister would have us believe. There have been a lot of problems with it, and I know the task force has been put in place.

Is that document that was prepared by your department, has that been made public? If not, is it—[interjection] Well, I will ask for it. You can tell me no, but I will ask for it.

Mr. Derkach: Mr. Chairman, that was an internal document which outlined a process to the task force which the task force then amended, adopted, and took to the Capital Region. It was an internal document.

But the member makes a statement about the effectiveness of the approach that was taken. The Capital Region is not a new region. We had the

additional zone prior to that, and I know the member has been around for some time and understands the difficulties and problems that have existed for 20-30 years in this area.

* (1520)

The approach that I have taken with both—and I would say my colleague the Minister of Urban Affairs (Mr. Reimer) has taken with the city and with the municipalities surrounding the city is that we have indicated to them what we want to do. Our goal in the end is to try and ensure that the entire region becomes a stronger region, and that as a Capital Region of this province, we are seen to be a strong, viable, healthy, energetic, economically prosperous area. That is a motherhood statement, but I think that indeed that is also the wish and the goal of the reeves and the mayors who represent the various municipalities in this Capital Region. It is just a matter of how we get there.

I can tell the member that both the Minister of Urban Affairs and I have attended many, many meetings over the course of the last five or six years, and finally I think we are getting to the point where there is a good understanding of why there is a need to co-operate and to try and accomplish agreement on a lot of issues. The Winnport issue is just another example of that. Right now, we have the R.M. of Rosser and the City of Winnipeg who own land within that area, and there has to be some understanding and some give-and-take as to how we both win out of a situation like that, and there is a way. So our role in that is to try and accomplish some understanding and some meaningful discussion in trying to get a solution that will benefit the Capital Region as a whole and benefit this province.

Ms. Barrett: I had some discussion with the Minister of Urban Affairs about the task force and the implementation process in Urban Affairs Estimates, so I am aware of most of what is happening I think.

One other area that is I think under the control—well, maybe not the control, but is dealt with by the Ministry of Rural Development is something called the Urban Centres Peripheral Development group. Is the minister aware this is a group of municipalities that include Portage, Dauphin, Brandon, Virden, Steinbach, Selkirk,

Thompson, Flin Flon, Dauphin, Winnipeg and The Pas, a group that has met several times in the last year and a half, two years? They were to have presented a submission to the government. I believe they did in November of '96 or they had one prepared, where there are a bunch of issues raised by each of these municipalities, some of which were related only to their own particular issue, but one of the themes that came out of this group was that the province has shown a lack of continuity in regard to the enforcement of provincial legislation, lack of control and inconsistent application of provincial land use policies around urban centres, and the need to develop a model that would result in an equitable, financial solution to the relationship between those who benefit from local government services and those taxpayers who pay for them, which is another way of saying: what is the real cost of providing services to people, no matter where they live, and who should be responsible for paying those real costs?

That is a big issue. We used to think all of these issues were issues that related to the city and its relationship with its surrounding municipalities. Now we are finding that other urban centres like Steinbach, Dauphin, even Portage, are having the same kinds of challenges with their outlying communities or regions. Not at the same level, but many of the same things—enough so that they felt they had to get together and talk about it, and make a presentation to government.

I am wondering if the minister can update me on what is happening, either officially or unofficially, to deal with these issues that have been raised by 10 or 11 municipalities throughout the province.

Mr. Derkach: I am aware of the group. The group did meet with the Premier (Mr. Filmon) and ministers in November, as the member indicates. But our dealings have been with UMM and with MAUM. These are the two major organizations that represent all municipalities across the province. Now there are other groups. There is a rural municipalities group, where some municipalities get together and talk about issues. Then there is this periphery group. We have instructed them fairly clearly about the fact that if they have issues, why do they not deal with them through their

organizations like MAUM and UMM, where those issues can come as resolutions before the floor of their assembly, and then be brought to government as resolutions endorsed by the entire body.

Having said that though, we did listen to their concerns. I take issue with the fact that they say that there is inconsistency in how the policies are applied, because there is not inconsistency. If you look at how policies are applied across the province, as a matter of fact there is a complete consistency in the way that staff administer the policies. I think there was a letter that was sent from the Premier (Mr. Filmon) to these organizations indicating to them that if they could come forward with a plan that was endorsed by both their parent organizations, being the UMM and MAUM, and if they developed a plan that was endorsed by these groups, certainly we would move ahead.

I should also say that there is a study currently being done by the Rural Development—or maybe it has been done already—by the Rural Development Institute out of Brandon by Dr. Rounds on this issue as well on this periphery development issue. There is work that is being done at the present time, and it was undertaken by an independent institute at Brandon.

Once this panel, the task force, this process that the task force has agreed to in the Capital Region, the committee has agreed to, is implemented, then the report that comes back, I guess, would also have some implication to those types of communities.

I might say though, that if you look at Portage as an example, we have come a long way in Portage. I recall very well, and vividly, that there was not a lot of harmony between the City of Portage and the R.M. a few years ago. Today, there is an agreement between the R.M. and the city on how they are going to revenue share on development that occurs in and around the city. The city has agreed to sell water to the Cartier regional water co-op.

There are other examples across the province as well. I could cite The Pas, where there was a desire for the LGD at that time of council, R.M. now, to build its own lagoon. Yet there was a lagoon that was actually in the municipality that the town of The Pas was using. We

worked with both jurisdictions and in the end what happened was there was an agreement between the two jurisdictions that they would not build another lagoon. Rather they would use and expand the existing one.

The process seems to be working, and I think that is what we are endeavouring to do in all of our communities around the province. There is a need for communities to start looking at their region rather than simply looking at their municipality and what can be extracted in terms of taxes and services for a small municipality. You have to look at this in a broader way. Municipalities have to come together to look at how they can strengthen their entire region, no different than what we are trying to do with the Capital Region of the province. It is the same on a smaller scale in communities across the province.

* (1530)

Ms. Barrett: Just to check that I have what I think are the two major parts of your response correct, I will just recap. One, you are saying that the issues that are raised by the Urban Centres Peripheral group, the process that the Premier has said to them, and I do not know what the process would be for me to ask for a copy of that letter. I guess I could ask MAUM or UMM for a copy of that letter, which I will do. Okay. Those issues or that group, the process has been suggested by the Premier that resolutions go to UMM and MAUM dealing with issues that are raised, and then the government would respond to them. I am sure that is what you said.

Mr. Derkach: On this particular issue, Mr. Chairman, there was an indication that if there could be agreement between this peripheral group, UMM and MAUM on a process that they wanted to embark on that they should agree to it and send that in to me as minister, I guess, and then we would certainly not just sit on it but take action on it. But there had to be some agreement from the two parent bodies that in fact this was going to take place. It does not mean that they have to go to their next annual meeting with a resolution. If they could agree beforehand on a process and send that in to us, we would not wait until their next annual meeting to hear from them.

Ms. Barrett: I appreciate the clarification, but the process is the Urban Centres Peripheral group or members thereof go with concerns or issues or process requirements to MAUM and UMM. MAUM and UMM agree that this is a concern or an issue or this is a suggested process to deal with it in the form of, if not a resolution at their annual meeting, in the form of something saying, we agree, and then that would go through to you rather than the Urban Centres Peripheral group itself or components of it, go straight to you. You are asking them to go through MAUM and UMM.

The second thing is you are talking about the Capital Region task force report. When this panel and all of this process is completed, that could be used sort of as kind of a template for other groups to deal with their own urban sprawl or urban peripheral concerns, is that what you are saying generally?

Mr. Derkach: Mr. Chairman, if the panel comes back to government with recommendations that lay out a process on how you can resolve issues of settlement and development in a region surrounding an urban centre, and if that is applicable to Steinbach or to Portage, Dauphin or The Pas, wherever it might be, then, yes, I would say that that is what we would propose and that is the solution we would propose if it fits, because instead of trying to reinvent the wheel for every community, we should be using a common approach if in fact it is one that is acceptable and seems practical.

Mr. Clif Evans: Just a few short questions in this line relating to my constituency, can the minister indicate if final negotiations for funding have been satisfied for everybody with the Ashern water system? Have all the negotiations between the Water Services Board and Siglunes and Ashern been completed?

Mr. Derkach: Mr. Chairman, yes, the project is under construction.

Mr. Clif Evans: Can the minister indicate how much resources were finally settled on between the province and the community?

Mr. Derkach: The total cost of the project is \$1.49 million. The Manitoba Water Services Board will be

contributing \$560,000 to the project. The local community is at \$100,000. The rest of the money, whatever that is, will be—and I do not have the breakdown by participant, but the rest of the money will come from Manitoba Environment, PFRA, Canada-Manitoba Infrastructure and the oil companies.

Mr. Clif Evans: The Fisher Branch water system is also a very important project that occurred for the community. What was the involvement of Water Services with the Fisher Branch community?

Mr. Derkach: I do not have the details for that project here, because that project was completed last year. I would have to get that information for the member.

Mr. Clif Evans: It is my understanding that in Water Services there still are meetings with the Water Services Board and the community leaders about the project. Is that a fact or is Water Services Board totally finished with being involved with the Fisher Branch system?

Mr. Derkach: There are some minor things that have to be completed, Mr. Chairman, but by and large the project is done.

Mr. Clif Evans: I understand that there will be a meeting very shortly, I guess, to resolve whatever concerns there are, and I would certainly appreciate being informed. I know I will be informed by the community and kept up to date from the department. If the minister wants, I will write to him and request it, or if he wants I will raise it here in House.

Well, I am sure that the minister and the department will be—well, the department and the staff will be receiving proper thank-you letters from the areas once everything is completed and done. I must say that I am pleased to see that Ashern and Arborg and Fisher Branch have received the funding and the projects have gone through. It was very important to the communities. I certainly hope that the Water Services Board will be co-operative and the minister will be co-operative if any of my other communities approach them for the future of their community development and their water system. So I appreciate that and the involvement.

* (1540)

I know that the staff has been diligent in some of the communities to make sure that things have worked out, worked out to the satisfaction of everyone. So I would like to ask the minister a final question on that. Have the criteria changed for application at all in the Water Services from past years?

Mr. Derkach: No, the guidelines and the criteria have not changed.

Mr. Clif Evans: Before I pass this line, I do not want the minister to feel slighted whatsoever that he thinks that I might not appreciate what he is doing in my communities. If he is sensitive to that, I will make sure that the local community gives the minister an extra pat on the back for his support.

Mr. Chairperson: Shall the item pass? The item is accordingly passed.

13.5.(b)(2) Other Expenditures \$423,500.

Mr. Clif Evans: Just one quick question on transportation. I notice that the transportation costs for that have gone up by \$45,000. Are there any particular reasons for that expenditure to go up that amount?

Mr. Derkach: Because of the increased activity in the Water Services Board and because of the fact that they now have responsibility for all the conservation districts in the province, this has increased the amount of travel that is done by the Water Services Board staff to all regions of the province. That is really what has caused the increase on the transportation side.

Mr. Clif Evans: In a footnote at the bottom of that page it says: increase of two staff positions. That relates to the Conservation District Program, these two positions. This minister, I believe, indicated that these two positions deal strictly and specifically with conservation districts, and in working with them and only with them, an enhancement of their programs?

Mr. Derkach: Yes, Mr. Chairman, to the member, these two staff positions are specifically designated for the conservation district. As the member knows, we

have a lot of activity taking place in the conservation districts. We have had four new conservation districts over the last four years. We have also had additions to conservation districts. We were looking at more additions to conservation districts and the establishment of at least another one or two over the next short while, so there is a requirement for an additional staff component to this area.

Mr. Chairperson: Shall the item pass? The item is accordingly passed.

Item 13.5.(c) Community Economic Development Services (1) Salaries and Employee Benefits \$2,800,600—pass; (2) Other Expenditures \$695,000—pass; (3) Grants \$545,000.

Mr. Clif Evans: This is a part of Rural Development that I am an advocate of and a supporter of and that is regional development corporations and the work that they do. I notice that expenditures, resources for this department, have stayed the same for the past few years. Can the minister indicate whether the regional development corporations themselves, and of course the executives who are local reeves, mayors and councillors who form the executive as part of the regional development corporations, is there a need—well, I am sure there is a need, there is a need for everything for more money—but have the development corporations and the executives of these corporations approached the government, the minister, the deputy minister to be looking at expanding their roles within the communities? They do wonderful work, I know, throughout the different regions.

I believe that there are seven rural development corporations, if I am correct on seven, throughout the province, and of course, being a part of one, was a tremendous—oh, of course, IDC, the Interlake Development Corporation which is, I know, one of the finest development corporations in the province. They are right now working in co-operation with the municipalities around the area on the gasification. I know that they have support from other areas for this. Can the minister indicate whether, in fact—and I think I made comment at a function involving the Interlake Development Corporation and I referred to all development corporations on the work that they were

doing. I did indicate that through the efforts of the different communities, different regional boards that were involved some years ago when it was undertaken by them to make sure that their mandates for what they were doing in their communities was not overlapping with the Community Futures people.

I do strongly believe that the RDCs could in fact be of tremendous more help for the communities and in their areas with, I hope, better resources. It was mentioned in my comments; it was agreed. Of course, it is easy to be on this side and say we need more for this and more for that. I understand the situations, but for something like this, it is on record in front of my reeves, mayors, and the RDC staff, the executive that were at this meeting. It was stated that they are in place now, they are doing a much better job than previous years. The opportunities are there to do even more and that resources themselves would be part of expanding the support of the regional boards and, of course, for the communities that are involved with them. I would ask the minister whether there is ongoing conversation or discussion at all to enhance the role of our regional development corporations.

Mr. Derkach: Mr. Chairman, with regard to the amount of funding to the regional development corporations, that has not increased, but we had asked our regional development corporations to submit business plans on a three- to five-year basis to the department. These have started coming in. Most are in. The department staff will be meeting with the RDCs to review their business plans in order to be able to strengthen the partnership and the accountability of the RDCs to the department and to the people that they are supposed to serve.

* (1550)

But I would also like to add, Mr. Chairman, that in addition to the RDCs the member knows that some years ago we started the community round table process which was an offshoot of the round table on the economy and sustainable development. We started the community round tables throughout the province. We have 88 community round tables now in the province, and they are certainly serving to bring the community together, to look at its strengths, to determine the

direction that community should go, in terms of developing its economic programs, and also the community as a whole. They, in turn, are working with RDCs, or RDCs are working with them. So there is a lot of grassroots volunteer time that is now being dedicated to strengthening the community. I think that is the key to the success and the boom that is going on in rural Manitoba today.

I was just reading a clipping out of the Free Press which suggests that there is an economic boom out there in Manitoba, but we do not really know what triggered the change. I think the member would agree with me, that there is, first of all, a significant change in attitude on the part of rural Manitobans, and what should happen with their community, and that if anything positive will happen, it is up to them to drive it.

Our role in that is to provide such tools as support to RDCs, support to the community round tables, and some programs that have been developed with the goal in mind of strengthening the community and the community's involvement. I think, by and large, that communities have matured somewhat today, and are in fact seizing opportunities that are coming their way. I think we are finding that communities are not only building from within, but many are becoming very attractive places for companies and manufacturing to locate. I would have to point again to the southern part of our province, and specifically the Winkler area, where there has been an extensive amount of development taking place. It is done because of the approach that has been taken by the community, and the positive attitude that has been adopted by the community.

Mr. Clif Evans: I agree with the minister with what he is saying, a lot of it is our grassroots people. Those were my comments at the meeting. We have to have support of the grassroots people, in making sure that we can work with the community, and how to develop future economic benefits to any particular community, as such. I believe and I support some of the initiative that has been undertaken. Being involved in some of it myself, and having people close to me who were also involved with the process, is supportive. I believe though, and my comment was I believe that the Rural

Development corporations, in conjunction with the community futures and the round tables, can do a much more—for lack of proper wording—greater job, a better job to be able to enhance all the opportunities and enhance all the ideas that the grassroots people are implementing or trying to implement within their own communities.

The regional boards, I am a very strong believer in that, they are the hub for these community places that we have. They have a role, they have been playing a role that has become I think greater in the past five years. I believe very strongly that for everyone to be able to work together on whatever project it may be and whatever community it may be that resources, not only people resources, but financial resources, to enhance that program and to enhance those regional development corporations into a successful operation that is going to benefit everyone.

Mr. Derkach: About four years ago I tried to initiate the bringing together of Community Futures groups with RDCs in the hope that we could, together, work on economic development without trying to sometimes duplicate what the other group was doing. Unfortunately, that did not work out, and we have not been able to attract the Community Futures groups to undertake a unified approach to development in a region. I have spoken to federal ministers about that and federal M.P.s about that as well. It is still my hope that somewhere down the road we will be able to do that.

But having said that, the round tables have really been the key in establishing the priorities that are sometimes undertaken in a region, because those mission statements, those vision statements, those objectives that are outlined at the community round tables do go to the RDCs and the Community Futures groups. They use that as a basis for their business plans on a three- to five-year period of time. In addition to that, the membership overlaps. There are people who sit on a regional development corporation, who sit on the Community Futures who also sit on the round table. So there is some co-ordination going on.

I will not say that it is as effective as it could be, but that is certainly our goal as we continue down the path

to make communities understand the value of working together, looking more broadly at the global issues and looking at a regional approach to developing a region within the province. So we are working towards that, but we are not there yet. I certainly encourage the member, when he is talking to these organizations to also be giving the message that together we can accomplish a great deal, far more than we can separately.

Mr. Clif Evans: Mr. Chairman, I thank the minister for those comments and will support his comments, the comments that he has just made. I do talk to my Community Futures people. I have two in my area: one on one side and one on the other. I meet with them fairly regularly to discuss rural development, the federal input, local input and, of course, provincial input. I get the sense that perhaps the local Community Futures groups—without putting words in their mouths—do want to be more co-operative in working with the local rural development corporation—[interjection] Yes, wherever the powers to be and who are perhaps holding him back to be more of an integral part of our local district, our local regional board district. I would support the minister on that and say, let us try and get them going together.

On a final note though, I still would like to see the minister relook the rural development or development corporations as far as resources go and, perhaps, make them a stronger entity in rural Manitoba.

Mr. Chairperson: Shall the item pass? The item is accordingly passed.

Item 13.5.(d) Food Development Centre \$912,400.
Shall the item pass?

Mr. Clif Evans: Just one comment on this line, and I must say that I am going to put on record that I apologize. I believe that my colleague and I were supposed to have gone and visited, we were supposed to go to Portage to visit this.

I would just like to ask the minister, the \$912,000 is funded through Rural Development, but it also says—obviously, there is other funding made available to the centre. Can the minister indicate from what

department or departments? And is \$912,000 the full amount?

Mr. Derkach: Mr. Chairman, joining us at the table—I am sorry, I did not introduce Peter Mah, who was here and left, and I think the member knows Peter Mah. Joining us now is Mr. Gerry Offet, who is general manager of the Food Development Centre. As the member knows the Food Development Centre is an agency, a special operating agency. Our contribution to the special operating agency is \$912,400. There are other sources of revenue that the Food Development Centre has. Some of that comes from the services that are provided on a fee-for-service basis. Some of that money comes from the National Research Council, who they do some work with, and also there is some consulting and some training that goes on by the Food Development Centre where they receive some revenue. So their total operating as a special operating agency is \$1,690,900. Of that, our province contributes \$912,400—912,000—1.690.9.

* (1600)

Mr. Chairperson: Shall the item pass? The item is accordingly passed.

Resolution 13.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,967,100 for Rural Development for the fiscal year ending the 31st day of March, 1999—pass.

Item 13.6: Rural Economic Programs (a) Grow Bonds Program (1) Salaries and Employee Benefits \$436,500.

Mr. Clif Evans: Mr. Chairman, a few questions on the Grow Bonds program. I know that there is an annual report on the Grow Bonds department and on the programs, so can the minister just advise in this past fiscal year how many new applications have come to the department under the Grow Bonds, and what might they be?

Mr. Jack Penner, Acting Chairperson, in the Chair

Mr. Derkach: Joining us at the table is Mr. John Melymick, who is the director of the Rural Economic

Development Initiatives, REDI programs, and also involved in the Grow Bonds area.

To the member's question: there are ongoing inquiries about the Grow Bonds Program, but we have had over the past year four formal applications for Grow Bonds. I would have to say that the staff within the Grow Bonds area are getting constant inquiries, not of a formal nature, but certainly there are discussions taking place between a variety of companies in rural Manitoba, and they vary throughout the province.

Mr. Clif Evans: Can the minister just enlighten me on—and I admit I did not look at the book before I did come up—the growth since '91? I believe there have been 21-some-odd Grow Bond issues; of those 21 that have been in place since '91, are all 21 still running under the Grow Bond system, and how many have, hopefully not failed, but if “fail” is the word for it, how many have?

Mr. Derkach: Mr. Chairman, 21 Grow Bonds were issued since the beginning of the program; two of the bonds have failed, where the companies are not operating at the present time.

Mr. Clif Evans: First of all, the two that you say are not operating whatsoever now, two have totally failed, and are there others that have failed under the Grow Bond system but are still operating as a business? I believe Gilbert International is one of them. Are there others?

Mr. Derkach: Yes, Mr. Chairman, six Grow Bonds have been paid out over the life of the program, but two are not operating at all. The others are operating under a different configuration or different management.

Mr. Clif Evans: Does the department get involved when in the transaction of the four—and I know that the minister had indicated previously, and we discussed the Grow Bond issue quite a bit last Estimates last year and the year before—let us say for these four that are still operating, how much does the Grow Bond department or the Department of Rural Development get involved to have these companies continue in whatever fashion or financial situation that has made arrangements?

Mr. Derkach: Over the past two years, the department has become—well, I should not say just the past two years, but certainly in the past two years there has been a very active role by the department in helping these companies to either restructure or to find a way in which to survive. As the member knows, these are very important jobs in these communities, and our responsibility is not just simply to issue a Grow Bond; it is to work with the companies to make sure that they are successful for the long term so that the jobs in those communities can be sustained where at all possible. I am happy to say that the staff within the department, under the direction of Mr. Melymick, have done a fabulous job in terms of working with these companies and restructuring them, finding equity partners, finding a way in which we can continue to have these companies survive.

Mr. Clif Evans: The minister in his comments indicated that with problems being there and making sure that applications are of the sustainable type and eligible, have there been any changes within the regulations and the financing agreement within the Grow Bond issues themselves, the Grow Bond application, the mandate of the Grow Bond? Have there been any changes in the past couple of years within the act?

Mr. Derkach: Mr. Chairman, the guidelines have not changed for the program. What has changed is some of the internal procedures with regard to monitoring, with regard to, I guess, working with these companies. Also we have put together a committee whose responsibility it is to ensure that all of I guess the policies are reviewed, that the audits are done, that all of those things that are essential for good fiscal practice are implemented with these companies. At the same time, I think it is important to understand that this is a venture capital program and that under any venture capital program there is a degree to which one can expect that some companies will fail for one reason or another.

But I would have to say that so far I am quite pleased with the way that we have been able to work with companies who have been struggling to ensure their survival and to ensure that those jobs are actually preserved for those communities.

* (1610)

Mr. Tim Sale (Crescentwood): I think in the minister's last answer he was indicating that the recommendations of the Provincial Auditor in the Grow Bond reports, several now have been done, that those recommendations and procedure are now being carried out and fully implemented. Just to be clear about that, are we now in a situation where all Grow Bond holders are receiving the appropriate notices at the appropriate time, the audited statements, et cetera, so that they are in effect being treated like bondholders of a corporation under The Securities Act, which did not happen in some of the early days of the Grow Bonds Program.

Mr. Derkach: The answer to the question is yes, we have implemented the recommendations of the Auditor, and, yes, in the initial stages of the program there were areas that had shortfalls that needed to be addressed. But we acknowledged that, I think, from the very beginning that this was a new program, one that would go through growing pains and one that needed to be tightened up. In terms of the internal procedures, we did ask the Auditor to do the audit. I think that was essential for the survival of the program and indeed for the public acceptance of the program and for good fiscal management of the program.

So the recommendations of the Auditor were accepted and have been endorsed. We have communicated with all of the companies to ensure that indeed the bondholders do receive the proper notification and the proper statements that they are entitled to under the act.

Mr. Sale: I understand the minister wanting to put the best possible face on the compliance question, but I think it is important to note that at least the most critical of the reports was not done at the department's behest but was done after a great deal of work on the part of the opposition. That, of course, is the Woodstone report. If it had not been for the amount of work done by some of the employees, some of the bondholders and members of the opposition, the Auditor would not have undertaken that report with the kind of thoroughness that he did.

I can tell the minister that I supplied the Auditor with a number of inches of files, locations of product, and other information that the Auditor did not have from other sources, because a number of people were working to try and deal with that. I certainly was not going to raise that, but the notion that all of these changes came because the department was concerned about strengthening the program is putting the best possible face on a situation where there were significant failures, significant noncompliance, and significant resistance on the department's and the minister's side to the compliance issues when they were raised in the House.

I am glad they are finally being done, but I am not prepared just to allow the minister to suggest that there was no involvement of anybody else except the good work of the department in bringing this program up to snuff. I think credit is probably due on all sides, including some of the investors who raised significant questions about compliance. I can think of Mr. Reynolds, for example, in Vancouver, who was quite a thorn in the flesh of the department for some time, trying to get his status in regard to the bonds for the Care Corporation clarified and ultimately redeemed.

I want to also raise with the minister a very serious concern coming out of the Care Corporation failure. The minister will recall a number of exchanges that we had in the House in which the minister was maintaining that it was entirely proper for the company to offer to some bondholders the payment of their interest if they would renew their bonds and to refuse to pay interest to bondholders who wished to redeem their bonds. That was the position that the department initially took that that was appropriate.

I wonder whether in the light of the correspondence that I shared with the minister and the correspondence that he had from the Reynolds', whether he has had a chance to review that position and whether in fact it is still the position of the department that it is possible for a Grow Bond corporation to change the terms and conditions of the bonds for some bondholders and not others. I believe that would not be allowed under any Securities Commission approval, and it should not have been allowed in the case of Care Corporation, if indeed it was allowed in the end.

So I want to ask the minister to clarify what happened in regard to the bondholders of Care, some of whom renewed, some of whom did not. Did the ones who renewed get their interest paid and the ones who did not renew fail to have their interest paid, or were all bondholders treated equally in that situation?

Mr. Derkach: I do not want to get into a controversial debate with my honourable friend, but I have to correct him. I know he wants to take credit for some of the things that happened with regard to Woodstone, but let us put the facts on the table. First of all, a year in advance of any issues coming forward with regard to Woodstone, the Department of Rural Development asked for an audit to be done of four programs in the Grow Bonds area. One of those of course was Woodstone.

We understood that there were difficulties with Woodstone. It was not as though we were trying to sweep them under the carpet in any way, shape or form. In all fairness, the member, through sources, also did identify that there were issues with Woodstone and did bring them forward. I am not denying that, but the department was already in the process of dealing with the situation and, as minister for the Grow Bond program, I did approach the Minister of Finance (Mr. Stefanson) to ask for the audit. This was well in advance of the member for Crescentwood (Mr. Sale) highlighting the issues to our attention.

So that work was being undertaken by both the Department of Rural Development and Finance. However, those are not issues that we are going to write about, and they are not issues that we are going to publicize in the papers. They are internal workings within government and within the program. So there were corrections that were required, and they were taken as advice from the Auditor and necessary steps that needed to be implemented, and action was taken on them.

* (1620)

With regard to the Care Corporation, it was the bondholders and the local bond committee, bond corporation, who made the decision with regard to how they were going to deal with the bonds. That was not

something that required our blessing or our advice. The bond corporation took it to their bondholders; the bondholders agreed with the process that was laid out by the bond corporation.

So it was not something that we initiated, it was not something that we promoted, it was not something that we were a part of. This was certainly an action that was taken by the local bondholders in an attempt, I think, to try to save the corporation, to try and save the company, to try and save the jobs that were at that time present in the community of Teulon. So I do not think there was any underhanded approach or underhanded action that was being taken by anyone. It was simply a bond corporation that was acting on its own advice and also then I guess on the approval of the bondholders.

Now with regard to Mr. Reynolds, he did write to me. I think, if I am not mistaken, Mr. Reynolds has been paid out. Unfortunately, he wrote to the bond corporation. I remember being on the Peter Warren show and a phone call came in from Mr. Reynolds from British Columbia. At that point in time, I did not have any knowledge of his letter to the bond corporation. I had not received it at that time, and I indicated to Mr. Reynolds that I would indeed be finding out what his situation was and would be responding to him. Since that time there has been, of course, some communication with him through the staff in our department, and my understanding is that he has been paid out for his bond.

Mr. Chairperson in the Chair

I am happy also to say that through the struggles that the Care Corporation has gone through, we have been able to reach a situation where there has been a restructuring of the company, where the company is once again operating, where they are optimistically looking at increasing the number of jobs in Teulon. Yes, we did pay out the bond, but I am confident that as we progress from here, not only are we going to see a company that is going to be viable in that community, but the money that we paid out on the bond will probably come back to us in terms of the tax revenues that are going to be generated on the jobs that are created in that community. Yes, it has been a struggle,

I am not going to deny that, but I am happy to say that, so far, the resolution to that has been positive for that community and for the people who work there.

Mr. Sale: Mr. Chairperson, I want to ask the minister to put himself in the position of an investor as a Grow Bond investor, and a local company, a Grow Bond corporation comes to you and says, well, Mr. Minister, you are a wealthy farmer and you have got lots of investments in various things, and we know you have got cash that you want to invest in our community. The minister, being a good corporate citizen as well as a good local citizen, says, yes, I would like to do that. Tell me about it. The Grow Bond company says to you, well, you are going to invest in XYZ corporation and hold one of their bonds for five years at 8 percent interest. You can renew those bonds after five years, if you want, at a new interest rate or if the company makes it available to you, you can take an equity position, or you can redeem your bonds at the end of five years. You say, well, it seems like a fair deal to me, good interest rate, local jobs, I will do it.

Part way into that five years, somewhere close to the end of the five years, you are called to a meeting of other bondholders. Now, your contract, you thought, was with the company, but you are called to a meeting of the Grow Bond corporation and a proposition is put to you. Do you want to forego your interest entirely and get your capital back, or do you want to reinvest your capital? We will promise, cross our hearts, going to heaven, we will pay your interest in the future, and we will pay you back the interest we owe you already.

Now, would the minister feel that he perhaps had the deck shuffled a bit and the goal posts moved? In fact, he was being offered quite a different proposition than he had originally signed up for. Some bondholders were going to take a risk of reinvesting and, for that risk, they were going to get their interest arrears paid. But he was not, because he could not afford to reinvest. His farm had gone belly up; the Wheat Board had taken away his barn and his combine, and he was just in a terrible situation. His brother, the Minister of Agriculture (Mr. Enns) would not loan him an elk to breed and he was in a tough situation.

Now that is the situation that Mr. Reynolds was put into. I mean, in all seriousness, do we want to be

offering Manitobans the chance to invest in their local community and then have the terms and conditions of those investments changed part way through? This really goes to the credibility of the program. I do not think it helps having already had several hundred bondholders paid out and then having one situation, where the rules were attempted to be changed in the middle of the game, because I do not think we want that. I do not want it, as a person who supports this program. I do not think the minister would want it as a person who supports the program. As an investor, the last thing you want is somebody to change the rules in the middle of the game because an investor is prepared to take risk. The minister has correctly pointed out, this is a venture capital program. But venture capitalists of any size do not like the rules being changed part way through the venture. That is what was being proposed in the Care situation.

I wrote the minister about this and his response was: Well, that is the Grow Bond corporation's prerogative. I do not believe that would have been legal under the Securities Commission. I do not believe they could have changed my contract unilaterally without my consent, and that is what they did to Mr. Reynolds and others.

Now, I do not know the outcome of that because the company failed, but I put the hypothetical case to the minister. Are we prepared to tolerate companies changing the rules in the middle of a Grow Bond game, changing the interest rate, which they also did, as well as changing the question of whether interest would be paid or not? I do not believe that was proper and I would be interested in the minister's response.

Mr. Derkach: First of all, when the individual entered into the agreement with the bond corporation, because the bond corporation are the ones who sell the bonds on behalf of the company, then the agreement was such that the least the individual could expect to get out of it would be his initial principal investment. That is the portion that was guaranteed by the province.

Now, if you enter into a venture capital agreement with any corporation, that kind of a guarantee does not exist. Your principal can be decreased, you can lose it all, or, perhaps, you stand to make some money.

[interjection] Pardon me? You have been there and done that.

In this case the guarantee that the individual had and, again, it is a drawing card to have local people invest in a local enterprise that he would or she would receive the principal amount back.

As I understand it, when the bond corporation called the meeting, the first option that was offered to all of the bondholders would be that they would get their principal back, which is the guarantee under the legislation. What they were trying to do was to preserve the company, I guess, for the community so they offered an option to the bondholders, and if the bondholders agreed with it, that is the way that they would proceed. So they offered some conditions with regard to future payments of interest and that sort of thing. The department does not become involved in that process at that point in time. As a matter of fact, that was initiated by the bondholders on their own.

* (1630)

So I guess for the bondholders, once the majority of bondholders had agreed—and I think there was a percentage that had to agree to it before they would proceed—those bondholders who were not willing to participate would still be protected under the legislation in that they would receive their principal back, but they would not share any of the future growth of the company because, basically, that was still undetermined, and they were getting out of it at that time. If you got out of it at that time, you were not eligible for any interest anyway. Every bondholder could have got out of their contract at that time and received zero interest because there was nothing in the company to pay interest with.

So what some were doing, I guess what the bondholders decided was, yes, this is an important company for us in this community, so we would vote to have our shares continue with the company in the hope that we would get some interest at the end of the day. Failing that, we will get our principal back, and we will ensure that the jobs do exist in this community. I guess if you tested it in court, it could go either way, and I am not sure, because I am not a lawyer, how this could end

up. But I would simply say that the community was acting in the best interests of the jobs that were there and of retaining that company in their community. I do not believe that they were trying to purposely do something that was illegal, something that would cause a disadvantage for an investor in any way. I think they valued their investors, and as a province, our role in that was to make sure that at the end of the day, if that restructuring plan did not work, we would still live up to the commitment that was made, and that was to ensure that every bondholder would receive his or her capital investment or the principal investment back.

Mr. Sale: Mr. Chairperson, through you to the minister, I understand exactly what you have said, and I do not disagree that those are the facts of what happened. The question is: was that an appropriate thing to happen under The Grow Bond Act as it currently exists? It seems to me that one of the duties that the minister has under the act is to enforce all of the regulations which have to do with how a prospectus is issued and the terms and conditions of that prospectus. The minister may correct me, and I may well be in error in this, but I do not believe that under The Securities Commission Act, which does not—and this is one of my problems—apply to your Grow Bonds, but if this were under The Securities Commission Act I do not believe that any number of investors, it does not matter whether it is a majority or not, could vary the terms and conditions of a debenture, a bond, unilaterally without the consent of the bondholder, because the bond is a contract, and under contract law one side of a contract cannot vary the contract unilaterally.

So I think the minister needs to, at least I would hope the minister would take this seriously under advisement and recognize that whatever the good intentions of the bond corporation were—and I am not challenging that they had some good intentions here. I am suggesting that if the investors of Manitoba understood that the minister believes that it is proper for a Grow Bond corporation to unilaterally change the contract part way through, he would seriously jeopardize investors' willingness to invest.

I am sure the minister has been party to a lot of investments and a lot of contracts in his years, and he

would not make a contract that he believed could be unilaterally changed by the other contracting party. You simply would not do that because there would be unknown risk, unquantifiable risk. You would want a huge risk premium if you thought that a contract you were entering into could be unilaterally varied.

Now, I am not asking him to go back and reopen Care. I am simply saying in principle I really think he and his officials should consult someone with Securities Commission background or legal experience and make a policy decision about whether it is proper ever to go back in and change a contract against the will of even one shareholder or one bondholder.

I think the minister will know that under various Securities Commission regulations minority shareholders have rights, and they have the right not to have their contracts varied without some form of redress. I think this was a very unfortunate precedent that was allowed to be set. I do not want to go into the details of Care. I am trying to ask a serious question of principle here, and it also goes back to the issue of whether or not we would not be wiser to have all of the prospectuses issued under the Securities Commission. Now that we are complying with most of the Securities Commission-type regulations, why not remove this problem and put all of these prospectuses under the Securities Commission?

Mr. Derkach: Mr. Chairman, when the bondholders entered into the contract, the contract had only one guarantee, and that was that the bondholder would receive the principal of his or her investment back if the company failed. There was no guarantee under the terms of the contract that there would be a specific amount of interest paid, so when one enters— [interjection] No, if any investor enters into a contract under the Grow Bond Program, the only guarantee that is there is that the principal amount of money that is being invested will not be lost. There is no guarantee about interest. There is no guarantee about return to the investor from the company.

Now, Mr. Chairman, in order to make the program work, I think it is important that the local bond corporation be able to have some ability, I guess, to discuss with its bondholders whether or not there are

ways in which a company might be saved by altering not the contract but altering what might be the return on that investment down the road.

So the basic principle of the contract was never altered, and that is really what our guarantee speaks to, and that is that the investor will receive at least the principal back on his or her investment. So there is no assurance that the business that they are investing in will be able to maintain a level of return to the investor of any amount, and there is no guarantee that the company or the business will declare a dividend or an interest rate to the bond corporation at any time.

So once again, regardless of whether it is Care or whether it is another company, if the bondholders wish to get together and decide to continue an investment with the hope of getting a return down the road, that is not something that we are promoting or not something that is being, I guess, spearheaded by the department at all.

Mr. Sale: The minister, I think he is honestly trying to answer the question, but he is confusing terms and using them in a confusing manner. The contract, in my understanding, is set forth by what the bondholder signs when he buys a bond or she buys a bond. The prospectus sets out the expectations of that contract. That is the purpose of a prospectus. It tells you about the company; it sets out the interest rates; it sets out the rights of the bondholder. It is essentially the contract. The signed document that the bondholder signs then is the actual instrument.

* (1640)

The guarantee the minister speaks about has never been in question. I understand, we all understand, that the only guarantee here is the capital that is invested, but the agreement, the contract between the bondholder and the corporation, is for a specified term at a specified rate of interest. The interest is not guaranteed, but it is stated to be, intended to be, 10 percent or 4 percent or whatever the interest rate is. And there is nothing in the prospectus. I have read 15 of them. There is nothing in the prospectus that says that at some point down the road the terms and conditions of this prospectus may be changed. We cannot expect people to invest on the basis that some

time in the future there may be a meeting, and your rights under this bond that you hold may be varied by us shareholders.

So I guess, maybe, rather than ask the question in the way I have been asking it, maybe I should ask it a different way. Would the minister be prepared to insist that in every prospectus there is a warning right at the front? On the front page it already says the material in this prospectus has not been passed on or approved by the department. There is already that kind of warning that says prospectuses are a kind of buyer beware. But would he be prepared to also insert a phrase that says buyers should be aware that at any time a meeting of bondholders may, by a majority vote, vary the terms and conditions of interest and duration of the bonds?

Because that is what happened in the Care Corporation situation. They changed the interest rate, and they changed the question of whether interest would be paid to certain bondholders and not be paid to others. So would he be prepared to have investors see that warning right at the top of their prospectus? I think the answer, I suspect, is no, because who would buy the bloody things? That is the issue.

Mr. Derkach: In the prospectus there is a statement that says that no actual dividend, interest or other return is guaranteed by the bond corporation or the government of Manitoba. That is laid out fairly clearly and succinctly, so that no one who buys a bond is under any illusion that there is going to be a guarantee of return on their investment.

Having said that, the conditions that the member speaks about were ones that would not affect the guarantee of the bond. There is no guarantee threatened of the bond, so you have to allow the bondholders and bond corporation to be able to meet from time to time and by vote, depending on what the majority requirement to pass a vote is, be able to agree on a process within the parameters of the contract that was issued and the guarantee that was provided by the province.

In this case, it appeared that all of those conditions were met and that they indeed did not break the spirit of the guarantee that was provided by the Province of

Manitoba, so that when Mr. Reynolds decided that he did not want to participate, he still received his principal.

Mr. Sale: Mr. Chairperson, I think we are going to have to agree to disagree on this one. I believe that Mr. Reynolds was in a very difficult position because he was a major bondholder. He was not a small bondholder. This is an important part of his retirement income, both he and his partner, who is, by the way, a former civil servant of this government. They needed the income, and they were put in the dilemma of, do we cash in our bonds and put them some place else, or do we take the risk that maybe we will get some of our back interest if we renew the bond?

That is a situation that is an extremely difficult situation to be put into. They believed it was unfair because those who chose to take the risk of reinvesting might get the past interest paid to them when they were in the same class of bondholder as the Reynolds were, but the Reynolds would not receive that interest. They believe that was unfair, and I believe that on the face of it, at least, it is unfair. The interest was owed; there was no dispute about that. The Reynolds are creditors of the corporation. They were owed the interest. They will never get anything, but the promise was, we will pay some people if they stay with us, and we will not pay others if they redeem. I think that just on the face of it, to me at least, it is an injustice, and I am sorry the minister does not see it that way. But I will not belabour that point any further.

I do want to ask about the department's policy in regard to taking equity positions in companies that have failed. Here, I use the example of Crocus Foods in Portage. I am very pleased that Crocus is doing well, or at least that was the last report I had, which was several months ago, that Crocus was doing well, and that the government hoped to resell the company at some point back to local investors, whether it would be employees or new owners, and indeed that may have already happened. I do not know whether that is the case or not, whether it has indeed been divested from the Manitoba Development Corporation where it was held.

I want to ask the minister: when I reviewed the Manitoba Development Corporation statements, the

corporation showed its investment in Crocus Foods as, I think, in the \$600,000 region, but it did not disclose that the government had written off its Grow Bond investment in Crocus, and there did not appear to be any attempt on the part of MDC to recover out of any future sale of that corporation any or part or even all of the written-off Grow Bond. It appears that when a company fails to meet its Grow Bond, the bond is simply written off; the company's books, if the company stays in existence, are lightened by that amount. There is no attempt in future to get that money back in whole or in part either through taking an equity position or by taking a third or fourth position to other creditors. In the case of Crocus, it may well become a valuable asset, but it appears that we have written that money off and will not attempt to recover it. Is that the current policy, and does the minister feel that is appropriate?

Mr. Derkach: Mr. Chairman, with regard to Crocus, first of all, I have to say that the company was restructured in such a way—and I think this is the only company which we took through the process of the MDC taking the equity of the company and then buying the equity and running it. There are discussions ongoing at the present time to sell the company, and in the sale of the company we will certainly be attempting to recover the cost of the Grow Bond so it is not an issue which has been forgotten about or written off.

This particular one is of special interest because not only has the company continued to exist, but indeed the employment numbers have gone from the 19 that were present there when the company was shut down to 48 employees in the company at the present time. It is a good initiative for the local area, and because it has now a successful track record over the last year or so, I think there is hope that his company can be sold and that we can indeed recover the bond and the acquisition costs.

Mr. Sale: Mr. Chairperson, that is what my confusion is. I read the statement of the Manitoba Development Corporation and I did not see any liability or asset, depending I guess how you look at it, being held for the Grow Bond. It simply is not there in the statement that MDC has put forward. I asked the Provincial Auditor that question, and the Auditor seemed to think that the

Grow Bond was simply gone and had been written off against government reserves set aside for that purpose, and that there is no contingent liability on the books there that would allow recovery at this point.

If the minister is intending to recover, perhaps he could talk with his colleague the Minister of Industry, Trade and Tourism (Mr. Downey) and find out how that gets reflected into MDC's books because I do not believe right now there is any equity position being shown for the department. There is no note that I am aware of in the statement suggesting that some kind of reserve liability is being applied against the value of this company in future, or whatever the right kind of accounting term would be.

* (1650)

Mr. Derkach: Mr. Chairman, personally, I have not looked at MDC's report, so I cannot speak to that, but let me just say in our dealings with Crocus Foods, we have entered into a performance arrangement, if you like, with the proponent to recover the cost of the bond and also the acquisition costs, so that is calculated into the potential sale of the corporation. However, I cannot speak to the report that is in the MDC report; therefore, I really cannot comment on that, I am sorry. But I can get the information for the member.

Mr. Sale: A quick last question, then a request. Mr. Chairperson, we will be going into I, T and T Estimates sometime in the next few weeks. Could the minister undertake to give us a note or an explanation of how the Grow Bond amount is being reflected in the government's equity position in this company? I can assure him that what is shown as what MDC had to pay out to buy the bank's interest out—and that is all that is being shown in the MDC statement as far as I could make it out. So, if there is more equity there being held, then we would appreciate some indication of just how that is being reflected.

Mr. Clif Evans: Just a quick couple of questions on Grow Bond. If the minister could explain the footnote 1: "The decrease in Other Expenditures is due to a projected decrease in the allowance for doubtful guarantees"—can the minister explain that line?

Mr. Derkach: Annually we make a calculation on potential defaults, and so a number is included in that. This year that number is down, based on the projections that have been calculated by the department.

Mr. Clif Evans: This number, and I guess if we went back to our Estimates book, and I do not recall—last Estimates it was a million, eighty-eight. Was this number on a much higher scale as the Grow Bond issues have come into place, or was it pretty well a set amount?

Mr. Derkach: This is calculated annually, and last year it was significantly higher than it is this year.

Mr. Clif Evans: I know he says it is calculated annually. Do we see a projected decrease in that line for the next fiscal year, or is it a hit and miss every year? It is just on the projection of the Grow Bond issues?

Mr. Derkach: The department looks at every company on an annual basis, and they determine what level should be allocated for potential default for each of the companies. Then a figure is calculated out, and that is what we include in the Estimates.

Mr. Clif Evans: So, obviously, by the decrease of the allocation, the minister is confident that the Grow Bond issues that are in place right now are in a stable situation and the allocation of necessary backup funding is not necessary for this fiscal year?

Mr. Derkach: Although we cannot predict precisely what might happen, this is our best estimate of what we anticipate for the coming year.

Mr. Clif Evans: Again, could the minister just explain exactly how the department comes to this conclusion of \$1,088,000 or \$600,000 or \$2 million?

Mr. Derkach: There is a formula that is used for new companies that have just started and also another formula that is used for expanding companies. That formula is then applied to each of the companies that we know and adjustments are made to come up with a number.

Mr. Clif Evans: Can the minister just provide me with a copy or a basis on how they work it? It does not have to be right today. The minister can provide it at a later date just for my information.

Mr. Derkach: It is a fairly simple formula in that for new companies we would allocate about 16 percent and expansions are at about 3 percent. Then you look at each individual company and see whether or not an adjustment is required up or down from that.

Mr. Chairperson: Shall the item pass? Pass. (2) Other Expenditures \$688,000—pass.

Item 6. Rural Economic Programs (b) Rural Economic Development Initiatives (1) Salaries and Employee Benefits \$303,400—pass; (2) Other Expenditures \$102,100—pass; (3) Programs - Operating \$7,742,300.

Mr. Clif Evans: I know that we have discussed the REDI program over the years since its implementation. I am hoping that there are no difficulties whatsoever within the REDI program. I am sure there are not, none that I have heard, none that I have been made aware of. I must say, I have seen some positive results through the REDI program in my area itself as far as feasibility studies and whatnot and some of the programs that are made available.

I would like to ask the minister, the Community Works Loan Program was implemented, I believe, in the '95-96 year. Can the minister indicate how many communities or community works programs have been established in the province since its inception?

Mr. Derkach: There are 38 Community Works Loan Program projects, and there are several that are awaiting approval and are being worked on at the present time.

Mr. Clif Evans: Can the minister indicate out of the 38—when the program being established, is there anything that provides, comes back from the program and from the community that has a program available, comes back to the minister's department as far as any sort of a reporting system as to how it is developing and how it is working, who is getting loans, who is not?

Mr. Derkach: There are quarterly status reports that come back to the department on all of these projects, yes.

Mr. Chairperson: Order, please. The hour being five o'clock, time for private members' hour. Committee rise. Call in the Speaker.

* (1700)

IN SESSION

PRIVATE MEMBERS' BUSINESS

Madam Speaker: Order, please. The hour being 5 p.m., time for private members' resolutions.

PROPOSED RESOLUTIONS

Res. 15—Making Health Care Governance Accountable

Mr. Dave Chomiak (Kildonan): Madam Speaker, I move, seconded by the member for Wellington (Ms. Barrett), that

“WHEREAS when legislation was introduced in this Legislature establishing Regional Health Authorities across Manitoba, the Minister of Health said it was not 'anybody's intention to get away from any type of accountability for the health care system'; and

“WHEREAS since that time, the Government has refused to take responsibility for health care decision making, saying that is it the responsibility of the Boards; and

“WHEREAS the Board Chairs and Chief Executive Officers are not elected or accountable to either the people in the region, or to this Legislature; and

“WHEREAS the question of accountability has been further complicated because the Provincial Government has insisted that the Boards shouldn't be elected because they aren't financially accountable, but conversely says that when financial management issues arise, such as the food services privatization contract signed by the Urban Shared Services Corporation, it is the Regional Boards' responsibility; and

“WHEREAS given the size of the Health Budget, there must be some level of accountability for expenditures and planning; and

“WHEREAS since the Minister of Health has tried to abdicate his responsibility for health planning, financial decision making and expenditures, he must agree that the groups he has given that responsibility to should be accountable for their decisions and actions.”

“THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba consider the creation of a special Standing Committee on Health Care Reform and Governance; and

“BE IT FURTHER RESOLVED that this Assembly direct the Minister of Health to be available to that Committee to be accountable for all Provincial Government decisions affecting health programming and reform; and

“BE IT FURTHER RESOLVED that this Assembly direct the Board Chairs and Chief Executive Officers of all the Regional Health Authorities, including the Winnipeg “Superboards” and the Urban Shared Services Corporation to make themselves available to this Committee to be accountable for their decisions with regard to spending and health care services and priorities.”

Madam Speaker: Order, please. Regrettably, I must advise the House that Resolution No. 15 as presented by the honourable member for Kildonan (Mr. Chomiak) is not in order. The Speaker, pursuant to Citation 566.(3) of Beauséne has the duty “to call the attention of the mover and of the House to the irregularity of a motion; whereupon the motion is usually withdrawn or so modified as to be no longer objectionable.”

The procedural objection to the resolution arises in the final two BE IT FURTHER RESOLVED clauses, specifically the clauses that “this Assembly direct the Minister of Health” and, secondly, that “this Assembly direct the Board Chairs and Chief Executive Officers of all the Regional Health Authorities.”

The Manitoba practice, one which is expressed in Beauséne's Citation 553.(1) allows for the House to

declare its opinions and purposes by way of its resolutions. This does not include the notion of a private member's resolution being a vehicle to direct a minister or an authority to act in a certain manner or do a certain thing.

Manitoba resolutions have been reviewed, and it has been found that whenever the words “direct” or “directing” have been used with reference to the government or individual government departments or ministers, they have been qualified by words such as “urged the minister to consider directing.”

If the honourable member for Kildonan—order, please. I am trying to give the honourable member for Kildonan (Mr. Chomiak) some directive with relation to resolving the situation, and right now I have a lot of competition. If the honourable member for Kildonan wishes, he can move the resolution again after having made the necessary corrections and having given a new notice, or the member could seek unanimous consent of the House to submit and have debated in the near future a corrected resolution.

I must at this time rule Resolution No. 15, as it currently reads, out of order, and if no other options are followed it will be removed from the Order Paper.

Mr. Chomiak: I wonder if I might see if there is unanimous consent of the House to amend the resolution to allow it to come back with appropriate wording in the last two subsections, something along the lines of, urge the Assembly to direct or urge the Assembly to implement. I am seeking unanimous consent of the Assembly to change the word “direct” to “urge” in the last two paragraphs of the amendment.

Madam Speaker: Does the honourable member for Kildonan (Mr. Chomiak) have leave of the House to amend his resolution as proposed?

Point of Order

Hon. James McCrae (Government House Leader): On a point of order, I am personally disposed to allowing the changes as you have recommended and as the honourable member for Kildonan (Mr. Chomiak) has requested. I must say that the last time this

happened and this time it happened there was no assurance on my part that the ruling would go the way it has, although I suspected it having had a quick look at the resolutions myself.

Having done so, in the case of the honourable member for Crescentwood (Mr. Sale), I personally would be disposed to grant the leave to the honourable member for Kildonan (Mr. Chomiak) in return for numerous courtesies extended to me in the past by the honourable member for Kildonan (Mr. Chomiak). But I would underline that it would be on the basis of a courtesy on this occasion and perhaps ask honourable members to review their remaining resolutions, and if there is anything wrong with them, perhaps move up front to have it changed and then I think we could carry on in an orderly way with private members' hours.

On that basis I would be prepared to grant the leave.

* * *

Madam Speaker: Leave of the House has been granted. It is Resolution No. 15. It has been moved by the honourable member for Kildonan (Mr. Chomiak), seconded by the honourable member for Wellington, Resolution 15.

WHEREAS when legislation was—

An Honourable Member: Dispense.

Madam Speaker: Dispense.

I will just read for clarification for the record, with the members' indulgence, the two corrected BE IT FURTHER RESOLVED clauses.

“BE IT FURTHER RESOLVED that this Assembly urge the Minister of Health to be available to that Committee to be accountable for all Provincial Government decisions affecting health programming and reform; and

“BE IT FURTHER RESOLVED that this Assembly urge the Board Chairs and Chief Executive Officers of all the Regional Health Authorities, including the Winnipeg “Superboards” and the Urban Shared

Services Corporation to make themselves available to this Committee to be accountable for their decisions with regard to spending and health care services and priorities.”

Mr. Chomiak: I would like to thank you and I would like to thank the government House leader and all members of the House for providing you with the opportunity to amend.

Very briefly, speaking to this resolution, I just want to make several very quick points. Firstly, the regional boards and entities that we have set up in this province have expenditures somewhere probably in the vicinity of close to a billion dollars. We are not doing ourselves or the citizens of Manitoba a service by not having a direct line on those expenditures, which is one of the reasons why we need accountability in this fashion.

The second point I would like to make in this regard is that while we are going through the Estimates process, and I will give credit to the Minister of Health (Mr. Praznik). He has brought in officials from the various agencies to address questions, but on numerous occasions we have run into the stumbling block that the minister cannot answer on behalf of the organization, and the organization will not provide the information, most notably for food services, because it is proprietary or the information is not available. That is just not acceptable, when we are charged with responsibility for these expenditures and for these activities in the Legislature. Therefore, I urge all members to consider adoption of this resolution. Thank you, Madam Speaker.

* (1710)

Mr. Mervin Tweed (Turtle Mountain): Madam Speaker, it is certainly a pleasure to rise today and speak to the resolution. As I do, although we did hear from the government House leader (Mr. McCrae) and his generosity, I would like to point out that day after day I sit in this Legislature and I hear constantly from the other side about rules and regulations. As I sat here yesterday and saw the Speaker correct the resolution that was put forward, I would like to reiterate the government House leader's position that—I guess the old saying: the first time the joke's on us; the second time,

the joke will be on you. I guess I am a little disappointed that the resolution would come forward from the opposition and then the question having been asked of government to grant leave in something that could be corrected in a matter of a few short seconds, had someone spent the time to review the resolution.

But speaking to the resolution itself, I read with interest the comments brought forward by the member for Kildonan (Mr. Chomiak), and he certainly has brought forward this issue in the House several times. I think the experience that I have had in dealing with health boards and RHAs in the past—and the question today is giving them the level of accountability such as taxing. I think just to give perhaps a rural explanation as to why I see it not working real well, and why I see the appointment of these people to these boards by the minister to the advantage of rural Manitobans, in particular, and also northern Manitobans. When the regional health authorities came into being and the appointments were being considered, one of the major considerations of government was to put forward a board that represented the entire region.

When you look at some of the areas in rural and northern Manitoba, those regions extend from the Saskatchewan boundary in the west all the way to close to the middle of the province in my particular area for the southwest health region. In talking to the CEO out there—and I guess I am going to make a statement on the numbers and I am not quite sure of it—but I believe he said it was something like 17,000 square kilometres. That is a huge area. In that area, we have large communities, we have small communities, we have several communities with hospitals, but we also have several without. I think, based on the size of communities and also for the sake of fairness, the idea of going to the appointed boards seemed to be the most logical and perhaps best thing to do.

I cite my communities as an example. In my particular region, I have four or five major communities. By major in rural Manitoba, I am talking anywhere from 2,500 to 5,000 people. If these communities were to put forward a slate of people to run and contest the nominations to the RHA board, we could get a very distorted picture of health care in rural Manitoba and in northern Manitoba. If one community

came forward with half the nominations on the board—and that is possible if you go to that, and also with the taxing authority that is being suggested in this resolution—then I think we are setting ourselves up probably to fail, and if not to fail, at least to create such indifference out there that no one would be happy with the final outcome of regionalization of our health care in rural and northern Manitoba. The idea that a small group or a small group of communities could control and entire region, to me it is just unthinkable. I think the idea of the broad base that we have, and I think of my particular RHA that is part of my constituency, is the fact that we have people on these boards that do not have hospitals in their communities, they do not have health care facilities, but the important part is that they have a place at the table to sit and discuss the health care needs of the people in their communities and also the people in the communities of their size that do not have the opportunities to have the facilities that some of the larger centres do.

I think we must bear that in mind all the time, that when we go to a system of health care that we need representation from all parts of the region, from all walks of life and from all interested groups. I think it is important that we continue to work that way. This resolution, I am afraid, would change that dramatically in the sense that a large community in an RHA or in a region could actually dictate the agenda of the entire RHA. I think that would be totally unjust and totally unfair to the people within the region. I think when you have a slate put forward by a community or by a smaller region of the entire region, you open yourself up for the opportunity for facilities and management to be very centralized within a small area of the region and perhaps services not being recognized or being provided throughout the entire region, as we hope this system will evolve and we will propose.

I know that the regions in rural and northern Manitoba have just completed their needs assessments, and now the RHAs are going back to the communities to give them the tabulated results of what has been presented to them. Now, the next step is to make the plans and take the necessary steps to move forward to provide the health care that is relevant to the communities that we serve. I think that is very important that we keep that in mind when we are

talking about regionalization and when we are talking about health care. Do we have the health care that is asked for and required in the communities that it is serving? I think that is very important.

Quite often, in areas, in communities that I have been associated with over my lifetime and in business, we were often asked by communities to contribute to a fund to purchase a piece of equipment for the hospital. You know, I think everyone is generous when it comes to their own communities and their own hospitals, and anything we can do to offer to help enhance the ability of the hospital to provide the services, we participate in. The only question we did not ask, and I, unfortunately, looking back probably regret that I did not ask, was: is what we are purchasing for this particular hospital or for this particular region relevant to the service that is required?

In the business that I come from, in the past, Madam Speaker, we would not go out and buy a piece of equipment that did not meet the needs of the consumer that was using it. I think unfortunately some of our hospitals did, and as doctors changed and moved on and we brought in new doctors, we did not always bring in the same qualities and qualifications that were required to operate the machinery that was in these facilities, therefore we ended up with a lot of idle machinery at a high cost. It was not done with intention; it happened or evolved over time. Perhaps at the start the need was there, and it has changed. I think we have to be able to identify those changes and respond accordingly. I think that is the benefit of having an RHA or a regional health authority that represents the entire communities that it serves and not the elected RHA, which would have the ability to put forward a slate and perhaps solidify one power base in an RHA and dictate to the health needs of the community instead of being responsive to the health demands.

I think that as I had an opportunity last year to travel around the province and visit with all the RHAs and discuss some of their concerns and their needs—and when the member brings forward the resolution, it is something that is out there being discussed by people, and I think to have the discussion on this type of an issue is very positive. I think it is an opportunity for all

members to put their opinions on the record, but I think it also gives government an opportunity to present their position as to why they do things or why they are doing certain things in health care, particularly regionalization and the proposed benefits that come with it.

The resolution that we are debating here today is asking for the government to empower and to provide for the elected boards and also provide them with the ability to have taxing authority. I think that that is something that, if we get into, based on the information and the questions that I would have about representation, be it local or be it regional, it may create a major problem for fundraising within regions. If one centralized location is dominating the regional health authority picture, is it going to be possible to raise some of the necessary funds that are required to provide facilities or programs in the communities that are out there without representation, and will there be a will to do that?

* (1720)

I think every community—when we talk about regionalization, I think of something that is going on in my communities right now. In the constituency in Killarney and the R.M. of Turtle Mountain, we are talking about amalgamation, and it is much on the same principle. Everything has to be decided as to where our assets are going to go, where do the taxes come from, who pays what share, and all that has to be derived when you go to the model that is being proposed by the member for Kildonan (Mr. Chomiak). I think that it would probably create a lot of anxiety and in a time and the stage in the province of Manitoba when we are working very hard to get communities to co-operate, to participate in programs together, to see themselves not just as their own community, but a larger community, a larger area, a larger region, because I believe that there is strength in negotiation, and there is strength in the numbers when you can present a solid front of an area that is willing and prepared to move forward, that this may actually become divisive. It may isolate communities one against the other, it may pit community against each other.

Again, I think of a situation where we are building a new hospital in southeast Manitoba—southwest, as far as I am concerned, but south central. The idea is the

two communities have got together and decided to share a facility. They are going to share a wonderful facility, but if you had an RHA where one community had more power or more vote or more balance than the other, it may not have happened. That would be a shame because instead of having the new facility that they are looking forward to and the wonderful health care that it is going to provide to that area, not just one community or another, but to the entire area, then I think it speaks well that the direction we have gone with appointing the members of the RHA. We have a balance that has been supported by both communities in this particular case.

It has been supported by the surrounding communities because they have a place at the table. Some of those smaller communities may not give that support if they do not have that ability to sit down and discuss the issues and be at the table with the people that are making the decisions for the health care needs in their particular region. The accountability is always a question. If you ask people, if you elect people to boards or to commissions, you have to, in my mind, give them the ability to raise funds for the things that they want to do.

I think that in the regionalization of health care that is something—and, Madam Speaker, the one thing I have learned about this business is I would never say it is not ever going to happen, but I think in the initial stages, in particular the startup stages, that we need to take this approach. We need to have broad representation across the region, not based on the size of the community that you come from or how much money one community can raise against the other to receive the benefits of the region, but a well-thought-out, rounded process where people can participate, where people are kept aware of what is going on in their communities, and where the needs of their communities are being met by the entire region. I think time will tell. We have certainly seen the experience in other provinces where they went to the elected position.

Madam Speaker, with that, I will close and just offer that I cannot support the resolution put forward by the member for Kildonan (Mr. Chomiak).

Ms. Becky Barrett (Wellington): I am terribly upset, but not at all surprised, that the previous speaker is not

supporting the resolution put forward by the member for Kildonan (Mr. Chomiak). I, to no one's shock or dismay, am supporting the resolution put forward by the member for Kildonan (Mr. Chomiak), as graciously allowed to be amended by unanimous consent of the Legislature.

The issue here is simple. It is an issue of accountability. This resolution says that the way the regional health authorities have been established does not provide for accountability. What we are saying is the government is saying no to accountability through its processes, and we are saying yes through the processes that we have put in place in this resolution.

We are identifying the current situation. We have talked in this House about our view of elected versus appointed boards. Our view, that is not the discussion under debate here this afternoon. The reality is the reality that is laid out in the WHEREASes in the resolution. We have appointed regional health authorities. They have virtually no accountability as far as we can see. What this resolution says is, given the fact that the government has said, no, you will not be elected, the very least you can do is to agree with our resolution and have the Legislative Assembly consider the creation of a special standing committee on health care reform and governance and, as a secondary recommendation, that the Minister of Health (Mr. Praznik) and the board chairs and chief executive officers of all the regional health authorities be required to be responsible to the standing committee of the Legislature.

The government talks about accountability, and if I have time, I can quote the Minister of Health's (Mr. Praznik) own words in Estimates two days ago where he talks about accountability. Accountability is one of those words that everybody in public life talks about today. Nobody is not in favour of accountability. You would be carried out feet first if you, as a public servant, and rightly so, said accountability does not have a place in public life. We all know it is the backbone and the basis of a democracy.

Saying it is one thing; doing it is another. I think the reason we are requesting and bringing forth this resolution on a standing committee to force a degree of

accountability on these unelected, unaccountable boards and the Minister of Health (Mr. Praznik) is that this government, by its actions this very day, has shown their contempt for the concept of accountability when it comes to health care.

For weeks, Madam Speaker, the government, the Premier (Mr. Filmon), the Minister of Health (Mr. Praznik) have known that the Free Press and the CBC were putting together a public forum on health care. For weeks they have known this.

Now, I happen to know from previous experience that ministers' and the Premier's calendars are set quite far in advance. I am sure that the Premier's next trip to Davos, Switzerland, is already in his planning book. I am sure the Minister of Culture, Heritage and Citizenship's (Mrs. Vodrey) next trip to wherever it is she is going to go, along with an unnamed number of her cabinet colleagues and staff, is probably already in the planning works.

* (1730)

Those kinds of long-term, long-range planning situations have to take place, but we are talking about a local event that is taking place within a kilometre or two of this very building, and the Premier of the Province of Manitoba and the Minister of Health of the Province of Manitoba are otherwise occupied tonight to deal with this incredibly critical issue, an issue that they, themselves, say is of the utmost importance.

The Minister of Health (Mr. Praznik) talks all the time about how over a third of the money expenditures in the departments of the government goes to the Health department, the single largest expenditure in any provincial budget. They admit that. They crow about it, but where are they, any one of the 31 members of the government? I deliberately include the 31st member of the government body because that 31st member of the government has attended cabinet committee meetings. So if that 31st member of the government benches can attend cabinet committee meetings, that member of the Legislature should be counted as part of the government benches when it comes to attending a public meeting after the Legislature has risen for the evening. Thirty-one

members of the government benches and not one of them can attend a public forum on health care, the single most important issue in this government, in this province for the people.

I think that the public of Manitoba will know exactly why they are not coming. They are ducking. They know the kinds of problems that the health care system has in this province, and not one of them has the courage or the common decency as a responsible member—not only of representing their own constituents, but in the case of 31 of them representing the government of the province of Manitoba, not one of them has the intestinal fortitude to show up tonight. That is despicable. That gets right back to the whole issue of accountability, which is the topic of discussion here with this private member's resolution. It is just too much; it is really too much.

I would like to quote briefly from the throne speech debate, I believe the member for Pembina (Mr. Dyck), who on November 28 last year in his Speech from the Throne speech, stated, and I quote here: "I firmly believe that Manitobans want access to a quality public health care system, one that is delivered with an emphasis on public service, one that is accountable to them as both consumers and taxpayers."

Now, this again is another sentence that nobody would disagree with. Where is the member for Pembina tonight when he talks about—in the Legislature where it is easy to make these statements—a public health system that should be accountable, and then he is not willing to attend a meeting tonight and most probably would not be willing to support this resolution which addresses the whole issue of accountability.

The member goes on last November in his speech to say, quote, we have allowed local community leaders to have a greater say in setting their health care priorities through the introduction of regional health authorities. Well, local community leaders, is that not democracy in action? Is that not accountability, local community leaders taking a role? Well, yes, on the surface, but if you dig just a bit deeper, you will find that the definition of local community leaders when it comes to the regional health authorities is whoever the government wants to appoint. Usually, the vast

majority of those local community leaders in the RHAs throughout the province of Manitoba are men.

You go into any local community, and you look at who the backbone of the local church is, you look at who the backbone of the local community centre, the backbone of the residents' advisory groups, the backbone of the parent councils, the backbone of the education system as staff, the backbone of the health care system as staff, the backbone of the daycare system as staff and the backbone of the boards, the original, no-longer-in-existence elected boards of those local community hospitals—at least half of the backbone of all of those local community groups that make up the essence of our communities in Manitoba are women, but they are not, clearly—

Point of Order

Madam Speaker: The honourable member for Turtle Mountain (Mr. Tweed), on a point of order.

Mr. Tweed: Just to clear for the honourable member for Wellington (Ms. Barrett) that the people that were appointed to these boards were nominated from within their community. Their names were brought forward by the communities that they represent, be they men, women or children. It was not the decision of the government to select these people; they were nominations that were brought forward.

Madam Speaker: The honourable member for Turtle Mountain (Mr. Tweed) did not have a point of order. It is a dispute over the facts.

* * *

Ms. Barrett: I think it is clear—well, I know it is clear that the principle of accountability was not followed in the decision to appoint, rather than elect, regional health authority members, no matter what the member for Pembina says in his speech. You cannot have, if you are going to say you are going to have accountability and you do not elect the regional health authorities and you do not have regional health authority boards that represent the local, active members, No. 1, or even represent in any basic way the composition of the adult population of the region, then

you have to have another way to make them accountable.

This resolution says, given the fact that the New Democratic Party is not in government yet, given the fact that the legislation has been put in place, the regional health authority boards are all in place now. Given that reality, what can we do to make a small step towards accountability, real accountability? This resolution addresses that.

The biggest step, as my colleague from Osborne has just pointed out, the best step for providing accountability in the province of Manitoba with health care and everything else would be to call an election, and I throw out the challenge to members opposite. Perhaps, if you are too busy to go to the health care forum this evening, you might want to talk to your colleagues and, most particularly, the First Minister and say, well, here is not a bad idea, we have been in power for—we will even let you wait until the Premier (Mr. Filmon) has been in power longer than Duff Roblin. We will give you that, which is another month or two. But, once he has accomplished that goal that we know he has set for himself, then why does he not say, over 10 years, the longest, I believe, serving Conservative Premier in the history of the Province of Manitoba, probably longer serving than the Premier of New Brunswick, I have set my goal, I have reached my goal, I have achieved the vision of Manitoba that I have had for 20 years, so let us call an election. I think that would show a great deal of accountability on the part of the Premier (Mr. Filmon) of the Province of Manitoba and a great deal of courage, far more than he or any other member of the government is prepared to show.

Nobody is prepared over in the government benches to stand up for their health care system. This resolution says: we know that. We want to ensure a degree of accountability on the part of the people that were appointed by this government so that we as legislators can do the job we were elected to do which is represent the best interests of not only our own constituents but the entire province of Manitoba, and we cannot do that when regional health authorities are accountable to no one but the politicians who appointed them.

Thank you, Madam Speaker.

* (1740)

Mr. Gerry McAlpine (Sturgeon Creek): Madam Speaker, I am pleased to rise and speak on this resolution only because of the fact that I feel that there are so many shortcomings with this resolution that I think that there has to be some accountability and some consideration given to this more serious than what maybe the opposition members are getting.

You know, the opposition members hold themselves out as saviours of health care, and I observe here what has taken place in this Chamber this afternoon with the introduction of this resolution. The honourable member who introduced this, and I have a certain amount of respect for the individual, and I respect his right to make these resolutions and present these resolutions although they were drafted incorrectly and not acceptable for this discussion or for this Chamber. We had to agree to do these changes in order to make the resolution acceptable. The honourable barely introduced the resolution but had very little to say about it.

Point of Order

Ms. Barrett: The reason the member for Kildonan (Mr. Chomiak) has had very few words to say on this resolution is that he is now preparing to be present at the accountability session on the public health care system in the province of Manitoba, the only member of this Legislature and certainly representing us officially. So let the member watch what he says, thank you very much.

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

* * *

Mr. McAlpine: Madam Speaker, I thank you, and this really supports my suggestion here that the honourable member—yes, he had some other things to do. He had another agenda. That is my case and point here. The honourable members across the way, when it comes to health care, they have an agenda. They do not care about the people who they are serving in terms of this

resolution. It is all show, and really as far as when it comes down to serving the people who have needs as far as health care is concerned, the honourable members over there, I do not really think they care about this issue because the honourable member—and I thank the honourable member for Wellington (Ms. Barrett) to stand up and offer an explanation for why her colleague chose not to put his comments.

He took the time to introduce the resolution, he took the time to alter the resolution so that it was acceptable, so that we could discuss it in here, and then the honourable member chose not to put any comments on. The honourable member said that he had to leave, which is unacceptable as far as—I mean, in terms of his absence from here.

Madam Speaker, I think that the honourable member for Wellington (Ms. Barrett) has basically said that he has got better things to do than to deal with this resolution. He has to go and prepare for a forum tonight that was organized by probably the opposition members and other people of those thoughts and considerations.

Point of Order

Ms. Barrett: Madam Speaker, I would urge the member to address the issues that are to be debated today, which is the resolution, the private member's resolution, that was brought forward discussing the accountability of the Regional Health Authorities and not impugn personal motive to the member for Kildonan (Mr. Chomiak), who is attending a forum that was set up by the CBC and the Free Press—

Some Honourable Members: Oh, oh.

Ms. Barrett: —which none of you have the guts to go to—

Madam Speaker: Order, please. The honourable member for Turtle Mountain on the same point of order.

Mr. Tweed: Madam Speaker, I listened intently to the point of order by the member for Wellington and when I listened to her speech, I am not too sure she was on

track on most of her comments about the resolution that was brought forward when she was talking about the number of members in the government party, so I would suggest that what is good for the goose is good for the gander.

Madam Speaker: On the point of order raised by the honourable member for Wellington (Ms. Barrett), I think she had more than one point of order, if I understand correctly what she said.

Firstly, I believe she addressed imputing motives, right? Right. I do not believe the honourable member had a point of order with imputing motives. However, on the other point of order raised by the honourable member for Wellington relative to relevance, indeed she did have a point of order, but the honourable member for Turtle Mountain (Mr. Tweed), in speaking to the point of order, did indicate that the Speaker had allowed considerable latitude to members on both sides of the house when debating this motion, but perhaps it would be most in order if all members hereinafter would be more relevant.

* * *

Mr. McAlpine: Thank you, Madam Speaker, for that direction. I can understand why the honourable members over there are a little bit sensitive about this, because I come back to this resolution with regard to the whole issue with regard to health care. They profess to be the saviours of health care, but where are they? When they have an opportunity to debate this issue on a private member's bill, a resolution that is introduced by an honourable member across the way, where are they? Where are they? They are not here to debate the issue, so I would like to address the issues with regard to the resolution, particularly with respect to the WHEREASes.

There are three WHEREAS sections in here. They basically refer to the matter of accountability. In the matter of accountability, I think their main concern is—if I can make my own interpretation of this—and certainly the actions of the honourable members across the way certainly reflect that my suspects are correct. The only reason they want accountability is because, if they cannot chastise or beat up the Health minister and

go on this issue, what are they going to go on? What is their platform going to be? They will not have a platform. They will be a party with no issues. So where will they stand? What is their future? Their future is dim and dying as it is, and basically this resolution supports that.

The honourable members, in their way of trying to give the impression to the people out there in Manitoba that they are going to be the advisers or the people who have all the answers when it comes to health care, certainly have demonstrated that they do not today. The honourable member for Wellington (Ms. Barrett) suggests that they are out preparing for this forum tonight. This is not the first time we have had forums as far as health care or any other issues that are of concern.

I have held forums in Sturgeon Creek on health care, and the minister has come out and spoken to the constituents of Sturgeon Creek with regard to that. I happen to know that the minister has gone to the constituency of Pembina and other constituencies throughout Manitoba and spoken to real Manitobans.

We are not going out to try to convince people who have an agenda, as the opposition members have and which is going to be supported by the honourable member for—[interjection]—no, I am trying to refer to the health critic—[interjection]—Kildonan, thank you, thank you honourable members, but I think that from the aspect of community forums and accountability, I think this government has definitely done an honourable job in terms of dealing with these health care issues, the health care issues that we have had to address.

* (1750)

We, as a government, have to recognize—and obviously the opposition members do not subscribe to it because they are members that do not accept change very readily. I think that what they have demonstrated with regard to this, to me, is a matter that bears serious consideration of the people of Manitoba. When the honourable member for Wellington (Ms. Barrett) talks about an election, I think the people of Manitoba have to know how serious they are about the health care

issues in this province, and that has been demonstrated here today.

The honourable member for Wellington also referenced the appointment of members, and the resolution refers to that. I think that as far as the health care issues are concerned, I think it is important that the community does take some ownership and some responsibility instead of the Health minister. We have to make some changes in how we deal with the health care issues in this province. I think that that is going to have to be done and it is being done throughout this entire country.

From that point, I think that the appointments that have come to the Minister of Health (Mr. Praznik), or the recommendations that have come from the communities by way of the regional health boards and the boards within the city of Winnipeg, definitely are people that are respected in the community with regard to their health care knowledge and experience, and have a business experience to be able to direct the people in the health care service.

The honourable member for Wellington (Ms. Barrett) referenced the fact that there were very few women appointed. I happen to know one, Ms. Jan Currie, former executive director of the Deer Lodge Centre in the constituency of Sturgeon Creek, a very, very knowledgeable individual, a person who is going to make a tremendous contribution.

The honourable members across the way, in terms of—Madam Speaker, it is too bad. I have lots to say on this issue, and you tell me already that my time is running out. But we have as a government passed The Regional Health Authorities Act in 1996 and the amendments in 1997 and created these boards to deliver health services throughout the province, and the honourable member's resolution also makes mention of the Urban Shared Services Corporation created by the nine urban hospitals, not the Manitoba government.

It is accountable to the shareholders, the nine urban hospitals that have a reporting relationship with the Manitoba government. None of the nine Winnipeg hospitals openly and democratically elected their board of directors, which they want to happen. Madam

Speaker, I would just like to say that maybe in time this will happen, but I think that we have to have people appointed to these boards who have experience, and I think it is really crucial at the initial stage that there are people there who are going to be able to do that, and, over time, maybe that will happen.

But, in closing, Madam Speaker, I must say that I cannot support this resolution. I support the honourable member for Turtle Mountain (Mr. Tweed), and in spite of what the opposition members will suggest or want to give the impression, I do not think they care as much as what they would like to think that they want to make the public in Manitoba think that they care about health care.

Thank you for the opportunity.

Mr. Peter Dyck (Pembina): Madam Speaker, due to possibly the lack of time that I may not be able to complete all the comments, I would like to put on the record, I would like to indicate at the outset that I cannot support this resolution. I must support some of the thoughts that the honourable member had from Turtle Mountain, and as he so eloquently stated before, that the members opposite indicated that there were few women on the RHA boards, I just want to indicate that there are four on the south central board. In fact, the chair is a lady and the vice-chair is a lady, so certainly they are doing an excellent job, and we appreciate the contributions that they are making.

The other point that the honourable member for Wellington (Ms. Barrett) made was regarding the accountability and the way the boards were put in place. Well, I must indicate that at least in our area, and I assume it was that way throughout the province, that in our area the community, and that means all people within the community, had the opportunity to nominate those who they would like to see represent them on the RHA. Now, to me, I think that is accountability. I am assuming that is the way it works in a democratic system, so that is exactly what took place within our RHA, and I know that it did the same in the other RHAs in the rest of the province. So if we look at that, the opportunity to nominate, and then from those nominees these were the people who were then appointed to the boards. So I think the democratic system is there. It is a very obvious approach.

Maybe, Madam Speaker, I could just with that compare the way it used to be with the boards, the hospital boards, the way they were previous to this, and that is that they were appointed by their owners, often the municipalities, or it would have been done in public meetings, but the process was one of an appointment through the other format.

So I believe that we have used a process that is democratic, that has given opportunity to all members. I know that in the south central region there were those who volunteered to let their names stand for the RHA, so, obviously, I really believe that with that in mind, accountability is taking place and it can continue to take place.

These boards, especially the rural RHA, they have been in existence now for approximately a year. I know that the WHA has been put in place and is only in place now for about a month, I believe. It certainly, as you step into a position which is as important as this, and which has the responsibilities that these boards have, it is not something that can take place overnight. Are they struggling? I would suggest, yes, they are. They are trying to find their niche, the responsibilities

that they need to look after. In many cases they are on stream. They have been moving very well. I think others maybe are struggling a little more, but the process is working.

I would urge the members opposite to allow that process to evolve, to take place. Certainly we need to give them the support that they need as they look after the health needs of the local communities. As far as accountability is concerned, certainly in our area the members are accountable to the community, are accountable to the people that they come in contact with, and this is done on an ongoing basis. I know that I was at a function last night, and community people were out there and were communicating and talking to their board members about the concerns that they had. So, Madam Speaker, I believe that we are certainly being accountable and we want to do that which is best for our communities in response to the—

Madam Speaker: Order, please. When this matter is again before the House, the honourable member for Pembina will have 10 minutes remaining. The hour being 6 p.m., this House is adjourned and stands adjourned until 1:30 p.m. Monday next.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, April 16, 1998

CONTENTS

ROUTINE PROCEEDINGS			
Presenting Petitions		Manitoba Telecom Services Sale; Stefanson	1745
Winnipeg Hospitals Food Services-Privatization		Minister Responsible for MTS Sale; Stefanson	1746
Hickes	1739	Highway Construction/Maintenance Jennissen; Findlay	1747
Maloway	1739	Royal Winnipeg Ballet McGifford; Filmon	1748
Dewar	1739	Canada-Manitoba Flood Proofing Program Wowchuk; Cummings	1750
Martindale	1739	Members' Statements	
Jennissen	1739	Mining Industry Helwer	1750
C. Evans	1739	Grain Transportation Wowchuk	1751
Reading and Receiving Petitions		Film Industry Dyck	1751
Winnipeg Hospitals Food Services-Privatization		Children's Advocate Report Martindale	1752
Maloway	1739	Interprovincial Migration Lamoureux	1752
Barrett	1740		
Hickes	1740		
Tabling of Reports			
Supplementary Information, Ministry of Agriculture; Annual Report, Prairie Agricultural Machinery Institute, 1996-97			
Enns	1741		
Oral Questions			
Norman Guimond			
Doer; Toews; Filmon	1741		
Mackintosh; Toews	1744		
Crime Prevention			
Mackintosh; Toews	1742		
Crime Rate			
Mackintosh; Toews	1743		
Home Care Program			
Chomiak; Filmon	1744		
Lamoureux; Praznik	1746		
		ORDERS OF THE DAY	
		Committee of Supply (Concurrent Sections)	
		Labour	
		Reid	1752
		Gilleshammer	1753
		Mihychuk	1756
		Energy and Mines	
		Newman	1768

Health	
Chomiak	1777
Praznik	1777
Bakken	1778
Wowchuk	1779
Hicks	1781
Lathlin	1784
Struthers	1797
Rural Development	
Derkach	1800
C. Evans	1800
Barrett	1800

Sale	1814
Private Members' Business	
Proposed Resolutions	
Res. 15, Making Health Care Governance Accountable	
Chomiak	1822
Tweed	1824
Barrett	1827
McAlpine	1830
Dyck	1832