



First Session - Thirty-Fifth Legislature  
of the  
**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS  
(HANSARD)**

39 Elizabeth II

*Published under the  
authority of  
The Honourable Denis C. Rocan  
Speaker*



**VOL. XXXIX No. 35B - 7 p.m., THURSDAY, NOVEMBER 29, 1990**



**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Fifth Legislature**

**Members, Constituencies and Political Affiliation**

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

## LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, November 29, 1990

The House met at 7 p.m.

### CONCURRENT COMMITTEES OF SUPPLY

#### SUPPLY—HEALTH

**Mr. Deputy Chairman (Marcel Laurendeau):** Will the Committee of Supply please come to order? This evening this section of the Committee of Supply meeting in Room 255 will be considering the Estimates of the Department of Health. Does the Honourable Minister of Health have an opening statement?

**Hon. Donald Orchard (Minister of Health):** Mr. Deputy Chairman, I do.

Mr. Deputy Chairman, I am pleased to present today the working Estimates of the Manitoba Ministry of Health for the fiscal year ending March 31, 1991.

I will be asking this committee to support Government's request of \$1,671,448,300, an increase of \$108,581,000, or 7 percent over the Adjusted Vote of \$1,562,867,300 for the year previous.

As in previous years, I want to pay tribute to the literally thousands of dedicated workers throughout the health care system. A time of change is always difficult and the health system is certainly undergoing changes.

The many people of the system and the staff of both the ministry and the Manitoba Health Services Commission can be commended for their willingness to embrace new challenges and to put, always, foremost the well-being of Manitobans whom they serve.

Also, Mr. Deputy Chairman, I would again like to thank the community groups, professional associations, universities, voluntary agencies and individuals with an interest in the health system whose counsel continues to make contributions to decision making as we continue to build on the partnerships that are a feature of the ministry's activities.

Mr. Deputy Chairman, there has been a renewed mandate for this ministry since the last time I rose in

the House to present my Estimates. I spoke at that time of the way we have stabilized the health care system and begun the process of changing the system. Our goal was not just to change, but to manage the system change to meet current challenges and demands by applying principles of innovation, sound management, affordability and quality care as criteria for evaluating and changing services and programs.

When I first became Minister of Health in 1988 I was faced with a health system which was in need of repair, which lacked direction. Mr. Deputy Chairman, the first order of business was to take care of those many outstanding urgent matters. We have spent two years correcting the major problems and inequities in the system, and I would just like to share with my honourable friends a couple of examples of what I mean.

When first we came to Government in 1988, ambulance funding for the Province of Manitoba was \$2.2 million, it was the lowest funding level of any province in Canada, lower than Newfoundland. That was not satisfactory and today you will be asked to approve spending of \$6.4 million in ambulance funding in the Province of Manitoba, a very, very substantial increase and I dare say an increase of larger proportion than any other single line of funding in any other ministry of Government. We took the problem very seriously and we resolved it in this case with additional resources.

\* (2005)

The Standing Committee on Medical Manpower, very essential to the recruitment, retention of physicians in rural and remote Manitoba, their funding was doubled.

Into research, a very needed component for not only economic activity in the Province of Manitoba, but to provide researchers who also in many cases serve as clinicians, an additional \$800,000 per year on a \$1.1 million budget, a significant increase representing a significant commitment by this Government to the research activities in the medical field.

That did not include the \$1 million annual contribution to the Strategic Health Research Fund,

a total of \$4 million that will be committed to health research with a focus on a development of industrial initiatives in the Province of Manitoba from the health research field, nor does it include \$260,000 annualized for four years at the St. Boniface Collaborative World Health Organization Research project into quality of care for cancer patients.

With those few examples, and there are many more that we will get into as we proceed through the Estimates, we have made a solid commitment to very needed areas of reform that we inherited. I say that without pointing any fingers to anybody here because when I leave this office, the next Minister of Health will inherit difficulties that he will prioritize and resolve as he sees fit.

We are now halfway through the fiscal year, and I would like to talk for a moment about some of the actions taken. We undertook a vigorous AIDS outreach program called Street LINKS. It has been launched to get health information, health services and health promotion messages to those most at risk.

In addition, the Immigrant and Newcomer AIDS Awareness project, the post-secondary peer-assisted AIDS education program, and additional physician education has strengthened the delivery of AIDS education.

We are continuing to expand the number of operating room hours at the Health Sciences Centre.

The second phase of the innovative approach towards improving mental health services begun in the previous Session will continue with the implementation of a strategic long-range plan for the care and treatment of the mentally ill.

We are continuing to improve our management information systems, and let me give just one example. This year, the Manitoba Immunization Monitoring System was implemented to track and monitor Manitoba's immunization rates. This is the best immunization-tracking system in Canada and will allow us to better protect the health of Manitoba's children.

In response to the increase in cultural diversity of Manitoba's society and increasing numbers of immigrants and refugees, there will be additional initiatives to address the special needs and barriers to health services of the multicultural community and to aid us in providing guidance and direction and

that, of course, will be advice from our recently formed Multicultural Health Advisory Committee.

We will initiate a strategy to deal with substance abuse. We will be consulting widely and will focus on youth as our first priority. Work is proceeding immediately towards the construction and establishment of a 12-bed treatment centre to provide treatment for adolescent women—first in Manitoba.

Major health promotion programs have been expanded and implemented in 1991 and include a health promotion task force to solicit public input for development of health promotion strategy and healthy public policy. Workplace health promotion projects currently being evaluated have resulted in a fourfold private-industry contribution towards health promotion.

The completion of the first phase of a major heart health survey, in the beginning of development of a strategy to deal with heart disease, the No.1 preventable killer—this is well underway.

The project Class 2000 or anti-smoking project in school—very, successful, very, very innovative, and we intend to continue that involvement of students in the anti-smoking campaign.

The establishment of the Women's Health Directorate to improve community health prevention and health promotion services to women.

We are continuing to support the World Health Organization Collaborative Centre on the quality of life and cancer care with the Manitoba Cancer Treatment and Research Foundation. The centre is researching ways of including a quality-of-life factor into cancer treatment, and at the same time, we are committed to a new linear accelerator, which will improve our radiotherapy services at St. Boniface Hospital.

The Health Services Development Fund has approved 13 projects for funding. They were among 122 proposals submitted to the fund, were assessed by a steering committee and were selected on their merit, on the basis of their ability to meet the funding criteria and the long-term health benefits they will provide for the people of Manitoba. I will detail these projects later in the Estimates.

\* (2010)

Mr. Deputy Chairman, these actions have not been taken in isolation. We realize that a businesslike approach was needed. If health can be

thought of as Canada's fastest growing business, then the business lacked three fundamental elements. First, a strategic plan, business plan if you will, including the development of realistic goals in the Manitoba context; secondly, appropriate information and data on which to base sound decision making; thirdly, systems management.

The actions we have taken, in addition to correcting some long-standing problems and inequities, have been the first steps in moving the health system to a sound businesslike footing. Fortunately, there are opportunities for change. For example, Manitoba has the best data base in the country in the form of nearly two decades of validated detailed claim data. We have recognized this opportunity and begun the process of using this data base to assist us in sound decision making and in formulating a long-range strategic plan. It is possible to link this data with census information and other socioeconomic data which will allow us to link service delivery with health outcomes for the first time in Canada. We are working with Statistics Canada and the Canadian Institute for Advanced Research to bring this about. This proposal is known as the Manitoba population health data base and will help us to assess Manitoba's health care needs, and to develop realistic and effective policy options.

That is also why I announced this summer the establishment of the Manitoba Centre for Health Policy and Evaluation. The Manitoba Centre for Health Policy and Evaluation will, for the first time in Canada, establish a research centre which will give us the ability to evaluate the level of health among Manitobans, monitor the use of resources within the health care system, provide specific measurements appropriate to various sectors of the health care system to monitor quality of care, forecast the impact of new programs or technology before implementation, and lastly, provide sound information for peer review standards.

The centre was established with a grant of \$3.5 million out of the Health Services Development Fund to the University of Manitoba. This centre is expected to be economically self-sufficient within three years by securing contracts in the health industry for technical trials, and clinical and policy research. We have high expectations for the centre. In the first three years, some of the deliverables will include the Manitoba population health data bank restructured as a basis for research on the determinants of health to support healthy public

policy, a review of health service utilization to improve efficiency and quality of service, identification and policy options of health problems of those at highest risk of ill health such as Natives, refugees and immigrants, health care facility funding criteria. Most of all we expect to obtain the information we need to make sound and creative strategic decisions to improve the health status of Manitobans.

The centre is one component, but of equal importance is the development of health goals and a strategic plan. That is the consultation and partnership building which we have carried out, and are continuing to carry out among Manitobans, be they users of service, health professionals, volunteers, or businesses. That is why we have established the Health Advisory Network and its task forces. That is why we held a major consultation at Portage la Prairie to which we invited the major health care stake holders of the province to begin the process of developing realistic health goals. That is why we have carefully examined the health studies from other provinces and asked for wide ranging feedback and comments from Manitobans.

There is growing recognition that the determinants of health go beyond the health care system and include socio-economic factors such as unemployment, housing, geographic isolation, and lack of social supports. Therefore, strategic planning must also go beyond the health care system as formerly structured and include other aspects of Government. That is why the Human Services Committee of Cabinet was mandated to consider the development of policies, programs, and legislative initiatives across departmental lines. That is why an interdepartmental steering committee on healthy public policy was established to identify and develop priorities and opportunities for improving health status through interdepartmental co-operation on policies and cost effective service delivery, and to develop policy and program recommendations for Government.

\* (2015)

Prevention of substance abuse, impaired driving, suicide prevention, food and nutrition policy are just a few areas where interdepartmental co-operation and healthy public policy are required.

I digress for a moment to share with my honourable friends the kickoff breakfast this morning of the first conference of its type in Canada,

or in-service is the proper terminology, on ritual abuse and Satanism in Canada. We have brought together experts, international and national, to advise 85 departmental personnel and staff from four ministries of Government, Health, Education, Family Services and Justice, to provide the very best knowledge available on ritual abuse and Satanism, in Canada and in North America, so that our professionals can recognize and identify early any evidence of participation in cult activity, et cetera. That is a very pro-active healthy public policy initiative based on early intervention, education, knowledge and prevention. It is the first in Canada, and already, even though the conference just started this morning, we have had in the past several weeks a number of inquiries from across Canada wanting to know if they can emulate that initiative in prevention and education.

Mr. Deputy Chairman, our strategic plan will not just be a listing of desirable health goals, it will be linked to sound management practices. For example, prioritization and resource allocation for programs and services will incorporate outcome and effectiveness criteria.

That is why we established the Health Services Development Fund, in part, to provide the opportunity to test the effectiveness of new innovative ideas and technologies; that is why we reorganized the Policy and Planning Secretariat to include the Program Evaluation Directorate; that is why we are considering other ministry and system organizational changes and management techniques, such as envelope accountability systems and facility system audits.

Mr. Deputy Chairman, we are building strong foundations and we are taking a long-range perspective. Each year will see a new phase in the development of our long-range strategic plan. Over the next number of years you will see actions and initiatives aimed at implementing the long-range strategic plan. We are managing very complex and very necessary changes and nothing less than the future health and well-being of Manitobans is at stake.

Mr. Deputy Chairman, the challenges we face are immense and they are not unique to Manitoba. Now let me digress from my remarks formally. I have had the opportunity to represent other portfolios in Government at provincial territorial ministerial meetings, transportation, communications, and at those each ministry in each province brought a

unique perspective and there was seldom unanimous co-operation and focus on the issues.

Such, I share with you, is not the case with the Ministers of Health, provincially and territorially, across this country. It does not matter whether you are a Liberal Minister of Health from the Maritimes, or Quebec, or Ontario, or now a New Democratic from Ontario, or Conservative, or Social Credit, the issues are the same in each and every province and territory. The challenges are the same, the resources are limited and demands are unlimited.

We have had the ability, as Ministers of Health provincially and territorially, to come around the issues in a unanimous and apolitical fashion, and when we meet we leave our political hats outside the door, and that makes for policy planning and sharing of information and initiatives that is valuable to the health care system because all of us, regardless of who governs, face the same kind of challenges.

It is a unique group of Ministers, I can assure you, and one of the initiatives that emanated from that co-operation around common difficulties and problems was my suggestion, at the Victoria meeting of Ministers, provincial and territorial, the suggestion that all of us are challenged with the issue of problems and specific policy areas around the issue of nursing. My colleagues, provincially and territorially, agreed in Victoria this year, that Manitoba would host and they would participate in a national symposium on nursing that commenced Sunday of this week, in the evening. We went through two and a half days of probably the most focused, and the most innovative, and most rewarding symposium on the issues facing and challenging nursing today and into the future that has ever been held.

It was unanimously agreed to by Liberal, New Democrat, Social Credit and Conservative Health Ministers, because all of us face challenges in finding the worth, the value, and recognizing the worth and the value of nursing in the health care system—a very successful symposium at Manitoba's suggestion.

Although the Manitoba economy is among the strongest in the country, reduced federal commitments have led to a reduction in transfer payments to Manitoba of \$1.07 billion less than expected. At the same time, service cost and demands continue to escalate.

Over the last 20 years, the number of physicians has more than doubled as a proportion of the population. Professional wage and salary demands have also gone up. The public sector wages and salaries have lead the way in terms of increases. Between 1974-75 and 1989-90, Manitoba health expenditures increased by 178 percent. Clearly we cannot and will not continue in that direction.

The strategic planning process which we have begun has already shown results. The partnerships we are building in promoting health and fostering healthy public policy and health promotion at work and in redirecting mental health, community health and continuing care are all beginning to bear results.

\* (2020)

Let me give you just one example. In coming to grips with the spectrum of caring for cancer, we called on a range of stakeholders and experts to meet and advise. Representatives came from the entire continuum of care consisting of research, prevention, screening, primary care treatment, rehabilitation, continuing care, coping and palliation.

This consortium crossed many jurisdictions and involved stakeholders with very different perspectives on orientations. I am pleased to report that there was unanimity about the need to work together to refocus more on prevention and outcome and to make the cancer envelope part of a larger strategic plan to manage system change.

Mr. Deputy Chairman, that is the kind of co-operation and partnership building that is needed.

From time to time, the Members opposite will seize on problems and issues that arise in this complex health care system and will take the opportunity to castigate my ministry. There may even be times when Members opposite are correct in their identification of a particular problem or concern. We will do our best to respond to those problems.

There is something we will not do. We do not intend to build policy on the issue of the day. That kind of approach does not serve the patient, the taxpayer, health professionals, the Government or anyone. What we will be doing is to continue to build our long-range strategic plan to take the health care system into the future.

I close by saying to my honourable friends, the Opposition Critics, that I enjoy their contribution. I simply indicate to them that the challenges are

larger than the political Parties of this province or of this nation.

We have enabled over the past two and a half years that I have had the opportunity to serve with my confreres and colleagues in health across Canada to approach the issues of health in an apolitical fashion to resolve the problems with one goal and one goal only in mind. That is to continue having in Canada a health care system that is universally accessible that is most effective and most quality assured in terms of its services that it provides to all of its citizens.

We cannot solve the problems and meet the challenges of the future unless all of us approach health care from the standpoint of developing a better health care system, and utilizing resources that are currently being focused across this nation on health. Anything less will be irresponsible on our part.

I thank you, Mr. Deputy Chairman, for the opportunity to introduce the spending Estimates of the Ministry of Health.

**Mr. Deputy Chairman:** We thank the Honourable Minister of Health for those comments.

Does the critic for the official Opposition Party, the Honourable Member for St. Johns, have any opening comments?

**Ms. Judy Wasylciak-Lels (St. Johns):** Yes, Mr. Deputy Chairperson. I am pleased to make some opening comments at the start of our review of the spending plans for the Department of Health.

I want to start by saying I am new to this area as critic for the New Democratic Party. I am not going to pretend I have yet acquired full knowledge and understanding of all the issues in this very complex area. I am not here to be only critical. I will give credit where credit is due. I will start by commenting on the Minister's opening remarks and indicating that he has listed many initiatives that we are supportive of and will continue to offer our congratulations on such initiatives.

I also want to say I do not have a prepared opening text outlining all of our concerns, but I have many thoughts that I have acquired over the last number of days and weeks in the Legislature that I have been dealing with, with the Department of Health as critic for the New Democratic Party.

This Estimates process, this review of spending plans by the Department of Health, allows the

Opposition really the first opportunity to go into this area in some detail and to hold the Minister and, indeed, the whole Government accountable for its actions, for its inactions, for what we would identify as cutbacks, for its increased fees in some areas, and for what we feel is still a general lack of direction.

\* (2025)

Mr. Deputy Chairperson, the Minister has presented us with a long detailed overview of his department. As I said, many of the initiatives he has outlined I support and will continue to support, but I get little assurances out of those opening remarks by the Minister in terms of the difficult troubled times we are facing with respect to health care. In fact, the most troublesome issue for me is what I still sense as a lack of vision for the future of our health care system.

I am pleased that the Minister has indicated that the issues before us, the crisis at our doorsteps, is something that must be addressed, not on a political basis only but on a cross-political Party basis. I would add to that on a broad community consultative basis, because I do believe that we are at the most serious critical juncture in the history of our health care system in Manitoba and in all of Canada. What is clearly required is a strong vision, is a clear plan for dealing with these troublesome times.

I think we all agree that Manitoba has one of the best health care systems anywhere. We are interested in ensuring that we can maintain our health care system as the best anywhere, but as has been noted by others and, I think, specifically in reading over the opening remarks of the speech delivered in 1988 by one of my predecessors, Jay Cowan, he said this is a fragile system. This is a tenuous system, and its future and our ability to ensure that we can continue a strong position for Manitoba in health care, our ability to continue a position of excellence in health care, is dependent upon a strong continued vision from the Government of the Day.

As I said, I think we are at a very serious juncture. I think what has brought that home for me, in no uncertain terms, are the developments of the last few weeks pertaining to the whole area of financing of our health care system. We all know, we have all talked about the declining revenue from the federal Government, the plans by the Conservative Government in Ottawa to slowly reduce its share of

dollars for our health care system to the point where direct federal spending in health care disappears. We may disagree on the exact date when that may happen, and I hope we have a chance in this Estimates debate to pursue that, but I think the reality is clear. The federal Government is intent on getting right out of the field entirely and that on its own is a most troublesome development made very clear by the federal Minister of Finance's own statistics.

Our concerns have grown enormously by the reaction of this provincial Government, the Conservative Government here in Manitoba, to those trends, to those statistics, to those developments. The knowledge that we have gained over the last few days about this Government's intentions with respect to the federal Government policy and spending patterns is frightening, is very, very disconcerting for not just me and Members in the New Democratic Party, but I dare say for the vast majority of Manitobans.

Keep in mind, we know that well over 80 percent of Manitobans believe that we have a fine health care system, and they believe that, because it has always upheld the principles of universality, accessibility and quality. They know full well, without even having an economics degree or a statistician's ability to analyze these results, that we are headed on a disastrous course, that we are in serious trouble without a very, very strong position on the part of the provincial Government, without a vision for the future that will deal with some of those issues that have brought about this whole set of circumstances, the growing expectations among Manitobans and Canadians for maintaining a quality, accessible, affordable health care system.

Shock is too mild a word to express my feelings and those of others around the kinds of statements that have been made this week, over the last several weeks by the Minister of Finance (Mr. Manness), by the Premier (Mr. Filmon), and even by the Minister of Health (Mr. Orchard) himself. The suggestion that this Government, in looking at its options to deal with that kind of federal Conservative policy, including the option of withdrawing entirely out of a federal national health care system, is absolutely incredible to all of us. More than that it is scary and it is frightening, because pursuing that kind of searching for options can only put us on a devastating disastrous course of action.

\* (2030)



(Mrs. Linda McIntosh, Acting Chairman, in the Chair)

Our concerns about the present Government's response to the federal Conservative Government's policies and actions rest with our perception of no concerted strategy to oppose the federal Government's decisions around spending. They are followed now by the comments made by the Minister of Finance and the Premier, this week suggesting, not ruling out, that the option of withdrawing entirely out of a national health care system is a very real possibility. Those concerns are not as a result of a particular ideology; they do not flow out of a need to make political points. They are founded on a belief and a philosophy accepted by most people in this country that we must maintain a national system of health care with the standards of accessibility, affordability, universality, and portability.

The concern and outrage of the people of Manitoba to those statements is not only a result of a deep desire to keep in place the best possible health care system, but also out of a recognition that we have a cost-effective efficient health care system now.

It is an affront to people everywhere to hear that options must be developed in response to this federal policy because of the national debt, when in fact people know that health care spending has been flat over the last number of years. It has not contributed to the increase in the national debt.

Furthermore, all of the statistics and all of the data suggest that Canada and all of the provinces have managed to keep the costs of health care under control since the universal health care system was introduced.

So the concern, and the arguments, and the feelings, are about deep-felt belief and interest in maintaining a quality universal accessible health care system, but also out of very good economic sense, because they know, and we know, and I believe the Minister of Health (Mr. Orchard) knows, that moving in any other direction will only lead to a more costly system.

One only has to look at the countries, the two countries, among all industrialized nations that do not provide access to health care for all citizens, and see that spending by those countries is much higher from all other nations who are engaged and involved in some sort of universal accessible health care system.

(Mr. Deputy Chairman in the Chair)

I hope that through this review of the spending plans for the Department of Health that we can clarify some of these issues and in fact come to some agreement about how we can work together to solve this critical issue. I agree with the Minister of Health (Mr. Orchard) that the issues are complex, and they require all of our input and all of our ideas.

I want to urge the Minister of Health to take a message back to his Premier (Mr. Filmon) and all of his colleagues that we need more than the input of people in the Department of Health, the Department of Finance, all of the MLAs around this table and in the Manitoba Legislative Assembly. We need the input, advice, and feelings, of the people of Manitoba.

It is absolutely unacceptable to us, and I believe to all the people of Manitoba, that decisions are being made, options are being considered, without the input of Manitobans on such a critical issue.

I cannot think of another example in recent times when a major issue was before a province, this province, that some sort of public consultation and massive review involving the people of Manitoba was not undertaken.

I think it is most regrettable that the Minister of Finance (Mr. Manness) is about to sit down at a very important meeting with other Ministers of Finance from across the country, without having had the benefit of the input, feedback, and feelings, of the people of Manitoba.

Our concerns about the vision of this Government and a long-term strategic plan of this Government do not just remain with this Government's response to federal Conservative policies and plans. They also emerge out of the actions taken by this Government on its own. How can we have faith in a Government, that it will be fighting Ottawa for a fair share of national wealth to maintain our health care system, if it has already, in two budgets, underspent its own health care budget? How can we feel confident that the priorities of the people of Manitoba are being addressed in the face of reduced federal spending, when this Government has time and time again taken actions which have cut back on the delivery of health care services for the people of Manitoba?

There are many examples, Mr. Deputy Chairperson. Just to cite a few, and these have been cited time and time again. I think we have to look at

the fact, for this Minister of Health (Mr. Orchard) in the short time—three years—that he has been Minister, we have had many situations of confrontation and conflict with people in the health care field. As one example, I cite the unprecedented demonstration of nurses demanding input into decisions affecting them and their patients.

We have cited in the past the fact that hospitals in Dauphin, in Portage la Prairie, in Thompson, in Carman, have all been forced to close beds due to shortages of nurses. We have mentioned the fact that the intensive care unit in Thompson closed last March when 15 nursing positions were vacated.

We have talked about how nearly half of the emergency doctors in Winnipeg's community hospitals left their jobs last year in search of better working conditions. We have referred to the situation when Misericordia Hospital suspended emergency services indefinitely last July when six out of 10 doctors left after months of treating patients who had been kept waiting in corridors for more than a day.

We have mentioned to the Minister that in Brandon, patients are paying upwards of \$800 per eye to have cataract surgery performed in private clinics because hospital waiting lists stretched to two months. We have also mentioned that over the past year the waiting list for open-heart surgery at the Health Sciences Centre went from four to eight months, and the patient load doubled. The list goes on and on, Mr. Deputy Chairperson.

There are too many examples of regressive cutback actions on the part of the Minister and his colleagues in the provincial Government of Manitoba for us to believe that this Government is serious about health care being available on a quality basis for all Manitobans regardless of location, regardless of region, regardless of situation in life.

\* (2040)

Mr. Deputy Chairperson, the Minister has had three years to begin to show some evidence of his stated commitment to turn around our costly institutional-based health care system into a community-based preventative wellness model.

When I look back at his statements made in 1988, in 1989, and now tonight, it seems to me we are hearing the same thing over and over again. A lot of talk about studying the issues, a lot of reviews being undertaken, a lot of consideration being given to

alternative models, but no evidence, no sign that we are moving one step in that direction. This budget, Mr. Deputy Chairperson, I think says it all. There is absolutely no indication in this budget that we are moving our health care system towards a community-based preventative model. In fact, the opposite appears to be the case.

Our review of the material provided to date, and we hope that this will become clear in this Estimates debate, is that in fact the resources continue to be put in the direction of institutional based care. All of the increases appear to be on that side of the equation.

Well, Mr. Deputy Chairman, you do not demonstrate a commitment by shoring up our institutional side of the health care system. If you are committed, if the Minister is committed, to turning that model around and looking at different options and looking at a model that over a long period of time will actually help us deal with the cost factors, deal with people's expectations, then there must be evidence, there must be some sign, there must be a signal, there must be some examples, there must be some real concrete initiatives taken that move us solidly in that direction.

Many experts have commented and given advice to the Minister of Health (Mr. Orchard), to the Province of Manitoba, to the Government of Canada, about what direction we should be moving in. Yet, to this date, there appears to be little evidence that our Minister of Health, and the Conservative Government of Manitoba are serious about such endeavours and initiatives. We will pursue that later, Mr. Deputy Chairman.

I do not want to take up too much more time except I want to conclude by putting on record what I see as the model of this Government and putting on record an alternative vision for the people of Manitoba, if I can just find it. It was right here.

**An Honourable Member:** Pass.

**Ms. Wasylycia-Lels:** No, no wait a minute. I will find it, and I will come back to it later. Let me paraphrase the sentiments that I wanted to put on record, and the Minister will know the author and know his research and his studies, and that is the work done by John McKnight, who has presented, and shown to all of us, the different models and different options that one can look at in terms of health care, education, and social services.

He has listed, and he describes what I think is the

model of this Government and that is a therapeutic vision and model for health care for the people of Manitoba, one that puts a great deal of emphasis and attention on treatment and on therapeutic services provided one is able to afford the fee for those services. He shows how that model and that vision is in sharp contrast to a community vision for health care or education or social services, a model that helps the community to help themselves.

Mr. Deputy Chairman, I hope that through the course of the next few days and who knows, maybe weeks, that we will be able to explore some of these options and get a clearer sense of where the Minister of Health (Mr. Orchard) and his Government are headed. I hope that we can work together to deal with the crisis at hand to preserve universal, accessible, quality health care that is designed to meet the challenges of the '90s and beyond. Thank you.

**Mr. Deputy Chairman:** I would like to thank the Honourable Member for St. Johns for those comments. Does the critic from the Second Opposition Party, the Honourable Member for The Maples have any opening comments? Go ahead. -(interjection)- Thirty minutes.

**Mr. Gulzar Cheema (The Maples):** Mr. Deputy Chairman, thank you for letting me speak, even as a third Party, 30 minutes.

First off, I just want to express my thanks to the Minister of Health (Mr. Orchard), whom I have worked with for the last almost three years. Even though we had some bad times, most of the time we have achieved a lot of things, and I think that is positive.

I want to express my same feelings with the Member for Thompson (Mr. Ashton), who is not here today, but he was very helpful in the last Session, and before that the Member for Churchill.

I want to express thanks to the Minister's staff, who have been very helpful on a non-political basis, who never put any hurdles in my work during the past two and a half years. It was very positive.

Above all, I want to express thanks to my caucus who has given me this opportunity again to participate in what I think is my role. I think it is a very wide role I could play during these four years. Let me just -(interjection)- I am coming there. You know, you are obstructing my thoughts. If I go back to my speech, you will be in trouble.

I wanted to express thanks to all the volunteer groups, all the organizations who have worked on the various health care committees and all the organizations who have helped not only us, but the Minister of Health and the Opposition Party. I think it has been very positive. As the Minister of Health (Mr. Orchard) said, this is the one area where at least the three Parties can work together, and he has outlined, the Ministers are working. I want to reassure him that we will continue to work on a positive basis, and of course from time to time it is our job to bring some of the negative impacts, but that is the role of the Opposition. As long as we have some positive suggestions, I think it is a positive move.

Mr. Deputy Chairperson, I want to go back to some of the opening statements the Minister has made. He has made it very clear that our health care costs have continued to rise, and it is about \$1.7 billion now. It has gone up about 178 percent for the last 10 years, and the population was almost stagnant by the rate of 6 percent.

Everyone knows that we have a problem, but I think the answers are not easy. It will not come with any special political Party, and it will not be any specific model for any province. There has to be a model of common sense, that is the only approach. If you go through all the research everyone is doing, I think that is the inference that is drawn from most of the studies.

The greater responsibility is on the present administration, because if we look in 10 years time it is going to be the—if we do something right now the impact will be felt in 10 years. Otherwise, in four years we will go through problems here and there, but as the Minister of Health said, people will come and go but these issues will stay. Only those people will remember who will do their contribution, a positive contribution, and I think it is very crucial. I think the Minister had the opportunity to do that.

First of all, I am disappointed in one aspect. The Minister did not touch the financial aspect of the health care system, as for the last one week that has been a matter of a major public debate. It is unfortunate the Minister has not given a single word in his whole paragraph, has given any explanation, because I think it does not matter what the Minister says or we say. If we do not have money we will not be able to fund any programs.

\* (2050)

I think as long as you have funding coming from the federal Government, especially in Manitoba, where we do not have many resources in terms of the—our social programs depend upon the equalization and the EPF payments, and if we give up on those payments, the poor, the underprivileged will suffer. I think the Minister must address this issue. So far, he has been very quiet, even in the House. Maybe he was not given the opportunity, but I think it is very important for him to make a clear statement.

The Minister has held many press conferences for other reasons. I think he could have one for this reason, which is very important, and just make it very clear just where you stand and what is the policy of this administration.

If the Minister would take the positive words he should be able to grasp some of the negative words also.

If you would just go through some of the articles we have seen recently in regard to Bill C-69. If you look at the statistics by the year 2004 we will not be able to fund any programs, any medical program if the funding is being cut by the federal Government. I would encourage him to talk to his Minister of Finance who has made very vague statements, and I think in a way what they have done they have laid down the foundation for their ideological philosophy or have some kind of user fees in the future.

I think that is the message most of the public is getting and that needs to be made very clear which direction, which way this administration is going to take the health care system and how they are going to fund—(interjection)—hold the comment. Can he just let me speak? I let your Minister speak.

**Mr. Deputy Chairman:** Order, please.

**Mr. Cheema:** Mr. Deputy Chairperson, that is a very important issue and I think an issue, not only for this Minister, for the whole Government. I just want him to take it very seriously, not from a negative aspect for his personal approach, but at the whole approach of the present Government.

The next issue I think the Minister has outlined some of the positive achievements they have made. I want to outline a couple of them which I feel very strongly they are going in the right direction. One of them is the area of Manitoba Health Services. I think that is one example that at least three political Parties worked very hard, even though we did not get any credit, but still I think the people who are

getting services they appreciate the fact that the progress has been made in that area.

The other area where progress has been made is in the area of the research and establishing a centre at the Health Sciences Centre which is going to be self-sufficient in three years. I think that is very positive to use the data, not only for Manitoba, for the rest of the country, because it is going to be very hotly debated in the future. It is going to be one of the major discussions among the groups in the years to come.

Mr. Deputy Chairperson, I want to turn to some of the negative things now. If you look at the Minister's statement, some of the statements are very vague. He has said they were going to have long-term planning, but so far except for one long-term planning in the mental health care system nothing has been released, at least to us. We are not aware of anything that happened for the last two years. I think if the Minister is hiding something or the Minister knows more than we know or he does not want to tell us, I think it will be well appreciated if he would outline some of his policies during this Estimate process.

I am hopeful that he has said that the Health Advisory Network has been functioning and contributing and he said from the beginning we do not need to study and we want to have made-in-Manitoba policies. I want to see how many policies they have developed and how many policies the Minister has implemented. I think that clearly leaves the impression that either the Minister is just going to release slowly one by one over a period of two or three weeks or he is not going to tell us what they have achieved so far in some of the immediate areas.

We have not heard anything in terms of the alternate ways of community-based health care as the Member for St. Johns (Ms. Wasylycia-Leis) has outlined some of the things that should be done, but nothing has been said and even during the election campaign no promises were even made for the community-based health care system. I think that is unfortunate.

I do understand that it is difficult with \$1.7 billion, where are you going to bring the money, but with a four-year plan, I think we will understand, the public will understand if you are going to have a buffer zone for a year or two to shift some of the programs and have those programs implemented, but we have not

seen anything. I would like to see some positive move in that direction.

The other area where the Minister promised last year, and I am just going back on his words. I could read his speeches and read all the press clippings. He was telling us that he is going to reorganize the whole hospital system in Manitoba. He was going to reorganize the teaching hospital. They were going to produce some hospitals of excellence. I do not dispute that. I think that is one of the ways to go about this. Nothing has been done so far.

If the Minister, today, when he has an opportunity for four years—they do not have a minority Government, they do not have to be afraid, they should make a decision now. We will support any positive decisions, because you cannot have all the services, specialist services, at each and every hospital. It is not economical, and does not make much sense.

There is an example that some of the major sub-specializations you do not have to have even in each province. Some of the things can be done in Ontario, some in Alberta, some in B.C. Like, you do not need a heart transplant centre, you do not need a major liver transplant. They are being done in Ontario.

So some of those things that the Minister has said, I am hopeful that there are discussions going on among the provincial Health Ministers and make sure some of the suggestions are there so that the money can be saved. That is a very valuable way to save money, because if you are going to do one or two major things in a year and have so many resources allocated, and the Minister has not said anything about that. I think it is very unfortunate.

The second aspect is about the reorganization of health services in the rural communities. I mean, we have seen the building of hospitals and some of them for rational reasons. I am not afraid of saying it, some of them probably, maybe, due to political reasons. There has to be a centre of excellence. There has to be a centre of excellence, not in each and every community, but in the concentrated area, so that they can save money.

The Minister knows that. His staff will tell him, the statistics are very clear that in some of the rural hospitals, the vacancy rate is very high. Some of those patients are coming to Winnipeg and occupying beds here. They could be using in those communities, but only on one condition, if they have

the resources in terms of the staff, nurses, doctors, and other staff we do not have.

The Minister has even increased the budget, but no progress has been made in real terms. Still those hospitals are empty. It is a very expensive way of dealing with the health care system. Even when his own Advisory Network was going around on the province and some suggestions were made, why not use it at Swan River Hospital for gallbladder surgery and move them so that first of all people do not have to travel? Secondly, when you come to Winnipeg you spend money here, too. Some of the economy is coming through some of the communities.

I will give one credit here, that the Thompson hospital at least has started a dialysis unit. It is going to save a lot of money in the long run, a very practical way of dealing with things. They have to move in those directions. If the Minister would move in those directions, he will not face criticism from us. Very positive money will be saved in the long run.

That is why, as the Member for St. Johns (Ms. Wasylycia-Leis) has said very clearly, we will support him, but we need to see something on paper. I want to have a look at what plans are there from the Minister, and we are not going to run away with them, and have a political gain. If you look at the election result, anything can happen. So rather we do something positive for the people, rather than looking after our own political colours.

\* (2100)

The other important area—I am disappointed in terms of the hospital situation in the City of Winnipeg. The Minister knows and it is very clear that if you have a hospital bed, it is going to be occupied. I do not mean that we have to create extra beds in each and every hospital. If you have alternate ways of providing outpatient surgical clinics, as they have done at Seven Oaks Hospital—Victoria, I guess, is in the process of going through that same state—I think the further expansion of day hospitals will help in the long run.

The Minister is going to ask from where the funds are going to come. I think some of the funds over a period of four years, some of the reorganization can be done. He does not have to be afraid of criticism, because I think he will do a better service as he has said, rather than a four-year plan, rather than act on a daily basis. We have not seen any progress in that respect. I think the Minister should move in that area.

The other area of concern has been the total lack of plan in terms of the recruitment of physicians, nurses, physiotherapists, and all the health care professionals in the rural communities. Even though the funding has been increased—there has been about \$400,000 that was increased last year in the standing committee on medical manpower—but still there are a lot of vacancies. What is happening in Europe, the things have changed. There may not be many people coming here to practise medicine, because when you have freedom in your own country you may not come in a 44 minus. I think you have to start looking at other ways of providing the health care delivery in those areas.

There are a lot of physicians in this country. I do not know why the Minister is hesitant to use those physicians. Probably he could take a lead in that direction. Qualified people would rather work in a hospital than in a hamburger store. We have a list—he knows that—of a number of people in Winnipeg who are waiting to get basic training. I think it is very unfortunate that some of the money is not being used for them. They are being told that they have to raise their own funds. You have to get the community support to have internship positions. Recently, there are one or two places in Manitoba who raised money through the rural communities.

I think the Government should change some of the rules and make sure some of the funds are made available for those students, who have come to this country for various reasons, either for economical or political reasons. No progress has been made. Even though the Minister has said that there are positions, nobody is applying. When you are creating systemic barriers of various exams, various things, you are never going to get there. It is very difficult even in normal circumstances to progress in a new country. When you put up a lot of hurdles, you will not achieve those things.

The number of difficulties we are facing, I can go with a long list of difficulties, but we are going through the Estimates process line by line. I just want to request of the Minister of Health that let us take a non-political, rational approach during these four years. I have said to him a number of times, achieve, at least if not for this year or next year but for the next generation, a good health care system. Without the proper planning, it does not matter whether Mr. A or Miss B is the Health Minister, it will not function. I think the Minister is in a fortunate situation. You have two Opposition Parties trying to

help you rather than scream at you, even though from time to time we may have to do that. It is the right opportunity. We sincerely hope that next year, even with the change of the Cabinet, he will still be Health Minister. I do not know what is going to happen.

**An Honourable Member:** Oh, I thought you were my friend.

**Mr. Cheema:** I am. That is why I am saying that we hope to have the continuity of the health care system, the Minister of Health should be there.

The other area where we will go into more detail is the mental health area. I do not want to take up their time right now. I would like to thank the Members of the committee for letting me speak as a third Party.

**Mr. Deputy Chairman:** We thank the Honourable Member for those remarks.

Under Manitoba practice, debate of the Minister's salary is traditionally the last item considered for the Estimates of the department. Accordingly, we shall defer the consideration of this line and now proceed with consideration of the next line. At this time we invite the Minister's staff to join us at the table and we ask the Minister to introduce the staff members present, please.

**Mr. Orchard:** Mr. Deputy Chairman, my Deputy Minister Frank Maynard; Tammy Mattern is coming from Admin and Finance, and Ulrich Wendt.

**Mr. Deputy Chairman:** Item 1.(b) Executive Support: (1) Salaries \$417,000.00.

**Ms. Wasylycia-Leis:** Mr. Deputy Chairperson, I would like to start with what I think is the most critical issue of the day, an issue that really impacts upon everything else that is before us in the area of health care. I see that this area does involve itself in policy initiatives, addressing emerging health care issues and program strategies, and efficient management of health care resources, so I think it is only appropriate that under this line we begin the discussion of the critical situation at hand for Manitoba and Canada.

I want to start by asking the Minister for some information on the actual situation for Manitoba right now, vis-a-vis federal finances, vis-a-vis federal direct financial involvement in health care.

The Minister will have seen the information that we tabled in the House. I would like to ask him, first of all, if he is in agreement with, and has information

to back up, that provided by his Conservative counterpart or colleague in Ottawa, Mr. Wilson, in his statistics that he tabled in the House last July? Is the Minister familiar with those statistics now, and does he agree with that trend line?

**Mr. Orchard:** Mr. Deputy Chairman, I think that we owe it to Manitobans to get right down to the issue of the financing of our universal health care system. For a number of years, as my colleague the Minister of Finance (Mr. Manness) has pointed out over the last three days, there has been concern expressed by the provinces that the federal Government, over successive administrations, has chosen to reduce their continuing contributions and support of health and secondary education in the provinces.

That is a problem. That is enough of a problem—and I cannot give you the month because I simply do not remember but it was a problem identified by the provinces roughly 17, 18 months ago—that we had the only meeting that has happened between provincial Health and Finance Ministers to discuss exactly the issue that my honourable friend is talking about.

One of the easiest things that we can do is to centre around this issue and harness it in a partisan political fashion. I am not defending my Conservative cousins in Ottawa. I would not defend Audrey McLaughlin if she was doing the same thing, and she would be, and I would not defend Mr. Chretien if he was doing the same thing.

The one thing that we cannot have is—my honourable friend in her opening remarks, and I made a little note on one of my sticky pads here, left the impression very willingly, after I have listened carefully in the House, as she has done, that we are considering an option of withdrawing from the federal health care system. That is simply not an accurate statement, but that is the kind of narrow partisan approach to this issue that gets us nowhere.

When we talked about this issue from Opposition, as early as 1984 and '85, we were in Opposition and my honourable friend was in Government, we attempted to put a level of intellectual honesty in the province's approach and concerns to the federal Government because you cannot go down there crying wolf with information that can be circumvented with facts. You have to go down there with legitimate cases and you have to go down there and you have got to fight with reasoned and

principled approach, which I believe we have been doing, and I believe all provinces have been doing.

\* (2110)

The issue is larger than the current federal Government, and that is where I want to get around tonight with my two honourable critics, particularly my honourable friend, the official Critic of Health.

I want to explore the issue of financing of health care, and I want to explore it along the lines—and I want us all, as has been offered by both Opposition Parties, to approach this issue on a non-partisan basis, on the basis of trying to focus collective wisdom. Leave our political hats outside the door and let us come to some common solutions.

(Mrs. Linda McIntosh, Acting Chairman, in the Chair)

Now, the issue is federal participation in funding of Health and post-secondary education, the issue is also the level of transfer payments from Ottawa. Now it is money, cold and simple, it is money.

There are ways that you can resolve the money problem, and I want to ask my honourable friend, the official Opposition Critic, does the New Democratic Party of Manitoba still for instance adhere to the philosophy they used from 1981 until their defeat in 1988, of the creation of \$500 million plus deficits to finance ongoing program costs in the Province of Manitoba?

That is an answer that is needed by Manitobans in making decisions as to who has the ability to govern, and who has genuinely the vision of repair for provincial programs, because that is one source of money. The issue is money, that is one source of money.

I want to ask my honourable friend, the official Opposition Critic, does her Party, the New Democratic Party, still adhere to the policy that they lived by during the Pawley administration, of which she was a part, that Manitoba is an artesian well of new taxes, that there is no limit to it; it will keep on flowing in; that there is no limit to the taxation that we can impose on Manitobans.

Does the New Democratic Party after the '88 election, after the '90 election, still adhere to that philosophy that they can go to the people of Manitoba with demands for increasing taxation? Because that is a source of money.

I guess I would like to know, also from my New Democratic Party Critic, does the official Opposition

adhere to approximately a one-third dedication of the provincial budget to health spending as they did in the past, as we did when we were last Government? Or does my honourable friend now see the ability to take more resources and maybe move up to 35 percent, 40 percent, 45 percent, 50 percent of the provincial budget dedicated to Health? Because that is another source of money.

If my honourable friend has changed in that fundamental policy to inject more money into health care, then there are a lot of people very anxious in the Ministry of Education. You know, schools and universities throughout the province will want to know if the money is going to come from them.

It certainly would not come from Family Services, because every day in Question Period the Members of the official Opposition ask for more money there, so I know they will not be asking for a reduction in spending there, a dedication to health.

Will it be from the departments which support our infrastructure, Industry, Trade, Highways, Natural Resources, Rural Development? Is that where the money will come from? Because that is penny-wise and pound-foolish. I mean you cannot stop the engines of economic growth. Even Bob Rae, Premier Bob is saying that we need an economy that generates wealth so that we can spend it. So I do not think maybe my honourable friends would want to move money from there so I do not think they have got that option.

What I am coming down to with my honourable friend is, money is the issue. You have a federal Government that is reducing it and it is apolitical federally because it started under the Liberals; it has continued under the Conservatives; it would continue under the New Democrats. The issue is money. Where does the money come from?

Before we can continue with any discussion, fundamental questions have to be asked and I would genuinely appreciate an answer from my honourable friend, the NDP Health Critic. Would the NDP raise the deficit again? Would they go to Manitobans for more taxation? Or would they take money for Health from other departments?

I am also anxious to know what the Liberal Party position might be on that because those are pretty fundamental questions. There was an election fought around those very issues, a scant four or five months ago. So the issue is money. The challenge

and the question is, where does it come from? Let us have that debate right here tonight.

**Ms. Wasylycia-Lels:** Madam Acting Chairperson, well, that was a most interesting defence of the Mulroney Government agenda, if I have ever heard one. I think the Minister of Health (Mr. Orchard) has conveniently chosen to ignore the question that I posed because he does not have the answer and I will be asking that question time and time again until we start getting some answers.

If he wants to keep it on a non-partisan basis so we can work together in terms of the crisis at hand, then we should be sharing that information and talking about solutions to the situation because for him to deflect this serious issue now and talk about, just as his colleague, the Minister of Finance (Mr. Manness), did in the House yesterday and start talking about the national debt and the deficit and how we must be looking at health care in that context, only leaving the impression that cutbacks to health care, restraint in this area is all right if we have this bigger problem to deal with, conveniently ignoring the fact that health care has not—and he knows the statistics, and if he does not, I will be glad to read them into the record—health care costs have not risen over the last number of years. They have remained flat. Health care as a proportion of our gross national product has remained flat. National debt that has been growing over the last number of years is no way at all related to health care. He knows all of the statistics which show how our system in Canada, and in Manitoba, has been most cost effective.

We are not talking about additional money going into health care. We are talking about a fixed share of wealth in this country going to health care. He started his speech today by suggesting that Manitoba's economy was in fine shape, by talking about the growth in Manitoba's economy, just as his colleague in Ottawa, Mr. Wilson, has done in his propaganda, suggesting that growth and investment in Canadian businesses has been averaging about ten percent a year, more than twice the rate of the United States. He goes on and on with statistics suggesting and talking about the growth in the economy.

Juxtapose that against the health care situation. Not a growth, a fixed proportion based on growth in the economy. Have we seen a ten percent growth from the federal Government in spending for health care in line with the ten percent growth we have



seen in businesses' growth in the economy? No, we have not even seen, not even in increases according to inflation. We are now seeing declining spending to the point where federal spending will disappear by the turn of the century.

\* (2120)

I do not need to sit here and take that kind of nonsense from the Minister of Health (Mr. Orchard). He knows the statistics; they speak for themselves. I want to get right to those figures and ask him once more: Has he looked at Michael Wilson's statistics, tabled in the House of Commons on June 26, 1990? Does he accept those statistics? Does he have a plan of attack dealing with that kind of situation? Has he forecasted these statistics provided by his Tory cousin in Ottawa, to let the people of Manitoba know by what date the federal Government will be out of direct spending in health care altogether?

**Mr. Orchard:** Madam Acting Chairman, my honourable friend at least contributed something to the debate in her last answer, where she said that the New Democratic Party is not asking for additional monies to finance health care. If she did not say that, or did not mean to say that, I will give her the chance to correct that. -(interjection)- That is interesting. I am pleased that my honourable friend, the New Democratic Party Critic, has at least clarified one aspect.

My honourable friend has showed—I presume they are statistics that come from the federal Government attached to the last federal budget, which project their contributions towards health care in Canada in terms of their contributions towards the provinces. I also am assuming from my honourable friend's discussion that she is concerned that there is not enough money going to be coming from Ottawa. If that is what she is concerned about, if that is wrong, I will give her the opportunity—I do not want to get off on the wrong argument with my honourable friend. Is that one of the concerns you have, that there is not going to be enough money from Ottawa? Is that what you are concerned about? You go ahead.

**Ms. Wasylycia-Lois:** Madam Acting Chairperson, at least with his colleagues, the Minister of Finance (Mr. Manness) and the Premier (Mr. Filmon), there was some acknowledgement of the serious situation facing Manitoba with respect to transfer payments from Ottawa. Finally, we have got a public recognition from those two individuals that federal

transfer payments are declining, that they are declining rapidly, and that we are facing a serious situation in Manitoba. They are accepting and acknowledging that trend line because of, I am sure, information provided by Mr. Wilson in Ottawa, and I am sure because of dozens of other presentations and analyses of the situation at hand.

I am asking the Minister of Health (Mr. Orchard), because this is a health matter, what his information shows. Has he done research, has his department done research to show what the trend line is for Manitoba, what it means for Manitoba? Can he tell us, based on that information—can he project for us what is the date of the last direct payment for health care from Ottawa?

**Mr. Orchard:** Madam Acting Chairman, as has been the case, even when my honourable friend had a role in Government, the Department of Finance makes those projections, has the staff with the knowledge, the role, the mandate. That is what they are paid to do, and the Department of Finance provides those analyses, those projections. My honourable friend may, or may not, have had the opportunity to participate in the Department of Finance Estimates, but the Minister of Finance (Mr. Manness) has been answering those questions over the last number of days in the House, and answering them with a great deal of clarity. I do not propose to answer them with greater clarity; I would not attempt to.

Now, let me get back to where I was coming from with my honourable friend. Two statements: first, no more money needs to be put into health care, but the concern is that there is going to be a decrease in federal contribution toward the funding of health care, a concern I told my honourable friend about. Some 17 months ago Ministers of Finance provincial and Ministers of Health met in Moncton to discuss those issues, long before this current set of statistics came out, to develop a national Health-Finance Ministers' position to present to Ottawa, and that was done.

Now this is why we have to have this discussion tonight, and my honourable friend has to be a part of this discussion, whether she likes to or not. My honourable friend makes the case that there is a levelled percent of monies that have gone to support health care as a percentage of the gross national product. She is almost correct. It has been growing, but it has not been growing at a greatly enhanced

rate over the last number of years. To say it is flat is not accurate; it has been growing.

The one thing that my honourable friend has to acknowledge—and I know that this is difficult for possibly a New Democrat to acknowledge—is that over the last two decades in this nation of Canada, and it was started in 1974 with a budget put down by John Turner, as a Liberal Finance Minister—'74, I believe it was; well, we will not argue about a year or two—and the greatest growth of expenditure in the federal budget has been in interest costs. Surely my honourable friend must acknowledge that that has been the greatest drain on resources, the greatest threat to cash transfers to the provinces for support of health, post-secondary education and any other program that the provinces might finance through equalization payments or EPF funding, or direct development agreements, or any other source of money from Ottawa. All have grown at a flat or lowering rate, because the resources of the federal Government have been gobbled successively in increasing amounts and percentage of budget by interest payments.

Now that is the exact same circumstance that we have in Manitoba, and that is why I placed my fundamental question to my honourable friend about two or three questions or answers ago. I do not need to remind my honourable friend, but I will. When we were last in Government in 1981, the annual bill that the Province of Manitoba, the taxpayers of Manitoba, you and I, paid totalled slightly less than \$90 million based on the accumulated debt in 1981 of 111 years of Government of all political stripes, two World Wars, a depression, need I say more.

Six and a half short years later of Howard Pawley and the NDP and my honourable friend, the New Democratic Party Health Critic, that interest bill had grown to where today with some modification downwards because of better management under Clayton Manness' leadership in Finance, it is only a mere \$550 million.

(Mr. Deputy Chairman in the Chair)

That is the fastest growing line of expenditure in any department of Government, \$460 million which could go to finance health care in Manitoba or any other number of programs.

That is why if we are going to talk about the issue of financing our universally accessible health care system, my honourable friend has got to come clean

on behalf of her Party and answer to Manitobans whether she and her New Democratic Party colleagues adhere to the \$500 million plus deficit annual that drove this province into bankruptcy and interest payments that went from \$90 million to \$550 million on an annualized basis today, cutting the very underpinnings of expenditures into health that all Manitobans wanted.

\* (2130)

My honourable friend has to answer the second question. If you are not going to continue deficit financing as practised by Howard Pawley and herself in Government, then do you believe you can go to the taxpayers for more and more tax dollars, because you did that, too? Or will you take more money from all departments? That is the fundamental question that has to be answered, because only when you are honest enough and open enough with the people of Manitoba will they understand what your vision is for solving health care and other funding challenges in Government. If you duck around and skip around and waffle and will not answer that question, then Manitobans will judge you as they have in the last two elections. They will judge you.

I again say to my honourable friend, she makes the issue that your concern is no money from the federal Government. That is a legitimate concern that all of us share. When you have a third of your taxes federally going to pay an interest debt, you know that one is paid first. We all could require hospitalization tomorrow. The interest bill would be paid first, because it is called statutory debt. By law we pay it. That is why we can borrow it.

So let us talk financing and let us talk about the issue of where the money comes from, because my honourable friend has said it does not need any more; we just need to maintain it the same way. Well, where is it going to come from? Interesting question. I have my answers. I have laid them out in my opening remarks tonight. Our path is clear. Our direction is concise over the next four years. Ours is achievable. I want to see what your vision is. Manitobans want to see it, too. You can share it with us tonight without fear of retribution. I will just tell them what you say, if you say it.

**Ms. Wasylcia-Lels:** I know that the Minister is very anxious to avoid answering any of these questions, because it has become a very hot controversial matter in the recent week. He will do everything he

can to do so. He knows the vision I bring to this table. He knows that it is a vision similar to the majority of Manitobans, that health care is a priority, must be treated as a priority by Governments whether provincial or federal.

He knows that I and the majority of Manitobans believe that you do not deal with the national debt on the backs of quality health care and patients in need.

I would believe, if he was not working so hard to try to avoid the questions, that he might even concede the point that health care deserves to receive a fixed share of growth in the economy, something that is not happening now.

I would believe that if he was not such an apologist for the Mulroney Government around this table he would concede that health care has not contributed to the national debt over the last number of years, that health care spending has remained relatively stable over the last number of years, and that in fact, as the pie grows, the share to health care is getting smaller and smaller. That is not an appropriate Government policy, not an appropriate policy response to a very serious, important issue, that of quality health care, something that is a right for all individuals in our society today, access to quality health care.

I want to try to get the Minister to have a positive dialogue here and just ask him again if he recognizes the declining pattern or the declining share from federal sources for health care. If he is saying that his department does not do any analysis of this and that it is all done by the Department of Finance, I am not asking him to give me detailed figures. I would assume that the Minister of Health (Mr. Orchard) is a key player in all of these discussions, and I would assume that his staff are key advisors to the strategy of this Government in trying to devise the best plan of attack out of such a critical situation.

What are this Government's projections in terms of federal spending? When do they think we will be receiving the last direct payment from the federal Government, and what is the strategy to deal with that situation?

**Mr. Orchard:** My honourable friend has asked the same question three times now. I have indicated to her on three occasions, now the fourth occasion, that yes, federal Government is reducing their commitment to health care through EPF funding.

They are—even more dangerous—probably going to reduce their transfer payments, their equalization payments, which will affect all programming in the Province of Manitoba. That is right. That is exactly the dilemma that, contrary to my honourable friend, who tries to say that health care is the priority as if only New Democrats care about health care, we all care about the system. We all work very hard to maintain the system and maintain its ability to deliver quality and accessible care, so do not try to monopolize the "I care more" monopoly. It does not work.

What Manitobans will not agree with my honourable friend, even though she would like to say it, is her solution. First of all, I do not know whether they know what her solution or her Party's solution is; I have not heard it yet. I have not heard it yet. I put my solution on the table. I am willing to go into it and expand on every detail that is in my opening remarks, because the Province—and I will tell my honourable friend unequivocally—cannot afford the Howard Pawley, NDP Critic of Health, 500-plus million dollar deficits today or tomorrow or the next year. They cannot afford that. I have not heard my honourable friend indicate whether she has learned that lesson or whether the New Democratic Party has learned that lesson. Manitobans understand that.

Now, the other thing that my honourable friend has not yet talked about—and we have made an election commitment twice on taxation levels in the Province of Manitoba, where we have made commitments to maintain current levels and reduce where possible. We are the only political Party (a) that has committed to do it, and (b) has delivered it—the only political Party in Canada. I have not heard my honourable friend say whether the tax orgy of Howard Pawley and the NDP would be continued under Gary Doer and the NDP. Why not? Do you not want Manitobans to know whether you are going to raise taxes or float the deficit through the roof? Do you not think Manitobans have to know that, because they know where we come from?

What I am trying to get my honourable friend down to—and she is part way there. She is part way there in that she admitted for the first time that I have ever heard admitted by anybody in the New Democratic Party, that there is—and I wrote it down—not a need for additional monies into Health, the first time I have ever heard a New Democrat say that we ought to

spend—I am going to read words into her mind, and she can change it. She can change it if it is right.

I am assuming that what she is saying is that the New Democratic Party believe that we spend our health care dollars smarter. Rather than trying to put additional resources that we do not have in the system, try to reform the system into a smarter spending system, I think that is what she said. I am not sure, because I want to tell my honourable friend that is where we are coming from.

If you want me to walk you through the opening remarks, I will point out to you the strategies, the processes that are already in place, the demonstration projects which reform the health care system and move it away from the institutional system into the community-based system, as both honourable friends have suggested. The strategies are here, and they are working in many ways. We have brought in reform policies.

Now, I want to just deal very, very briefly with my honourable friend's, the New Democratic Party Health Critic's, commitment to health care reform. One of the criticisms she put is that we are not changing the health care system to a community-based system, and we will not change it by shoring up institutional care, were her words because I wrote them down.

Just prior to that, she laid out five problems, four of which were extra funding to the institutional system that she believed we should pour more money in and then turned around on her heels and spun around and did a 180 in 14 words or less and said, you do not change it by shoring up the institutional care system. I mean, you cannot have it both ways.

If you want more open-heart surgery, if you want more cataract surgery, if you want more emergency doctors at the Misericordia as you said, if you want open beds because you said beds were closed, then how can you square that with criticizing us for putting our monies in the institutional side of the department? Make up your mind and be consistent, because I want to tell you that the issue of temporary closures of beds because of staff shortage was not a funding issue. It was a supply issue, temporary in some cases.

Misericordia emergency doctors was more than money. It was organizational, management and other factors. Cataract surgery—you do not like the clinic in Brandon that started up under Howard

Pawley and the NDP, why the hell did you not stop it then? Let us at least be a little honest in our criticism. Open-heart surgery—how many more procedures would you like to fund, because each and every year we presented a budget, including this one, that there would be more open-heart procedures.

\* (2140)

We put a \$3.5 million expansion into St. Boniface Hospital for diagnostic equipment to do the safest procedure possible in angioplasty to avoid open-heart surgery and the expense of practice of open-heart surgery.

When my honourable friend says that open-heart surgery line-ups are too long and the waiting list is too long, and says we should go to community-based care, are you suggesting that we have an open-heart surgery unit on the corner of Portage and Main in an out-patient clinic? Give me a break. Give me a break.

What we are going to do tonight, if we stay at it long enough, and if my honourable friend gradually lets herself tell the public where they are coming from, we are going to find out whether the deficit is the route that the NDP are going to take or that the taxes are the route, or whether they are going to follow and agree with the policy we have set in motion of reforming the health care system and spending smarter within the existing budget, because that is where we are coming from as Government. That is the kind of work and commitment and understanding that we have built out in the community amongst professional groups, institutions, clinics, administrators and many groups involved in health care, that we have had an opportunity to work with, either my senior staff or myself, directly.

We are going to win that. We are going to win that battle better than any other provincial Government, because I tell you right now that we have a higher degree of understanding and co-operation from those managing institutions, professional groups, both nursing and physician and other professional groups in health care. We have a greater degree of understanding of the problem and what the solutions can be. There is not unanimous agreement with the approach, but I will tell you we are a light year ahead of any other province in Canada in terms of having that kind of co-operation

to making the health care system work better for all Manitobans.

That is why this debate is so critically important to understand what the vision of the future is of each political Party. I have laid my vision out in black and white, and I have handed it to my honourable friend for tearing apart, for criticism, for analysis. All I heard was the words "we have a vision" from my honourable friend, the official critic. I do not know what that vision is. I want to find out tonight. I want to find out how it is going to be financed, because I think Manitobans want to have those answers.

**Ms. Wasylycia-Lels:** The Minister can stall all he wants and read whatever he wants into anything I say. He is very good at doing both and not representing my comments or the feelings of Manitobans accurately at all. He knows full well that I, along with many others, in fact the majority of people, I believe, feel that health care deserves to be treated as a priority issue and concern in our society today and deserves to receive its fair share of growth in the economy. As the economy grows, health care should not be falling behind but receiving its share of that growth—not more, not big increases beyond that, simply a fixed share of growth in our economy.

I want to know, does the Minister believe that the current formula is fair or not under the federal Government? Is he in favour of a formula which is devised to provide declining revenues to the Province of Manitoba to the point where, by the year 2004, there will be no direct federal payments to health care for the Province of Manitoba? Is that the formula he is satisfied with? If not—and I assume he is not because his colleagues, the Minister of Finance (Mr. Manness) and the Premier (Mr. Filmon), have said they are not—what is the strategy of the Minister of Health (Mr. Orchard) and the Department of Health for trying to turn that situation around and get the Conservative Government in Ottawa to put in place, reinstate a formula that is meaningful, that recognizes health care as a priority and assures that health care in this country receives a fixed share of growth in our economy?

**Mr. Orchard:** Mr. Deputy Chairman, I am intrigued with my honourable friend's proposition. She knows the answer to the question. The Premier stated it; the Finance Minister stated it; I have stated it tonight. My honourable friend says we need a fixed share of the economy.

**Ms. Wasylycia-Lels:** Growth.

**Mr. Orchard:** Now she has added growth. That is an interesting proposition. That means that under my honourable friend's formula, this year in a recession with declining growth potential in the economy of Canada, she would accept gladly and willingly a cutback in the amount of funding from Ottawa, and say, well, that is good because it is a fixed share of the growth.

You know, that is maybe something my honourable friend would not want to talk about in too many circles. Now that we have the Leader of the New Democratic Party (Mr. Doer) in here, maybe he would like to answer the questions, because why not really get it right from the top?

I have been trying to find out from his Health Critic whether they, as a Party, would continue the practice of Howard Pawley and the NDP, of \$500 million plus deficits in the Province of Manitoba, and whether they would continue with the policy of Howard Pawley and the NDP of substantially increasing income taxes and all other taxes in the Province of Manitoba? Are those their two policies.

**Mr. Gary Doer (Leader of the Opposition):** You want me to answer the question?

**Mr. Orchard:** Yes, I do want you to answer the question.

\* (2150)

**Mr. Doer:** I would gladly answer the question, because I cannot understand how, with the political honesty that we took in giving and providing a balanced budget of some \$40 million surplus two years ago, a so-called Conservative Government, who used to preach to us day in and day out, could do two things, remarkably, three things at the same time. One is, they are not creating any wealth. We have a stagnant, flat economy that is going from full-time jobs to part-time jobs, and obviously, they have no engines of economic development to provide for the needed social services in this province.

Two is, they have taken a \$40 million surplus that they received—\$4 million a month were coming in more than they were spending when they came into office—and turned it into—if you take a look at the flimflammy of the fiscal stabilization fund. I support the concept of the fiscal stabilization fund, but they have taken that to close to a \$384 million deficit, in other words, a \$400 million swing in less than 24

months. No Government in the history of this province has ever ratcheted up a deficit so much, because they have no financial stability, no planning.

Thirdly, the only breaks really—there is a marginal break for people, which we supported in the budget of '89. In fact, it was our election promise in '89—about \$70 million in corporate tax breaks since they have come into office. I think they have a problem, because they have a promise on the books, a couple of promises on the books. Remember where the old term "flip-flop" came from? Flip-flop Filmon, I think, is the term. It was not our headline; it was the media, the objective, unbiased media, that produced this term.

They analyzed the fact that they had promised to get rid of the payroll tax, the health and post-secondary tax immediately, and the Premier (Mr. Filmon) then went to a position, then the Leader of the Opposition, oh, we will get rid of it in three years. I might say that the Liberals did the same thing, Gulzar. I think you have changed your position on that again though, have you not? Have you not? You cannot tell me? Okay. Typical, but they—you moved to the left then, so you have probably changed your position.

In answer to the question, you first of all—I would say to the Minister of Health (Mr. Orchard), you cannot sustain, in the long run, a health care system the way you are going, because you have no financial vision. You have no understanding of the role of the private and public sector working together, and—

**Mr. Deputy Chairman:** Order, please.

**Mr. Doer:** You are creating part-time jobs—

**Mr. Deputy Chairman:** Order, please.

**Mr. Doer:**—not full-time jobs in our economy.

**Mr. Deputy Chairman:** Order, please.

**Mr. Doer:** He asked me a question.

**Mr. Deputy Chairman:** The Honourable Member for Concordia (Mr. Doer) has the floor right now, and I would really like to hear what he has to say. So if the other Honourable Members want to carry on a conversation, please take it outside. Thank you.

**Mr. Doer:** Secondly, the deficit is a problem, but it is a problem that the Member should recognize. They were getting \$4 million a month surplus. We paid a political price for it. We had the political

courage. This Government, because it has no idea of where it is going—its only goal in the last 28 months was to get re-elected—has not been able to build upon the financial successes of their predecessors.

Thirdly, now we have a health care system where the Minister of Finance (Mr. Manness)—I do not know whether he got approval from his partner from Pembina, the Minister of Health (Mr. Orchard)—muses about the provinces taking over the medicare system in this country, verified in a Brandon Sun article and questioned repeatedly by the Member for St. Johns (Ms. Wasylycia-Leis), repeatedly and pointedly.

Mr. Deputy Chairperson, it is our great belief that the Lloydminster manifesto that was agreed to by his boss, the Premier (Mr. Filmon), is a recipe for disaster for Manitoba, because we are not the same as Alberta and British Columbia. The sooner this Government realizes that, the better off we will be, in terms of our dialogue and consultation, going to the table.

The Member for St. Johns has been asking a very legitimate question all week. The Minister of Health tables a statement, an opening statement. The Minister of Health will table press releases, et cetera, et cetera. The Premier said after Meech Lake there will never again be closed-door meetings of the First Ministers or Premiers and major Ministers, and maintain any credibility with the people of this country. I believed him.

It is time that the Minister of Health (Mr. Orchard) leans on his colleague, the Minister of Finance (Mr. Manness), to table and make public the document and position we are taking to the Finance Ministers' meeting next week. It is the most important issue we may deal with in the Session. It is the most important issue Manitobans may have to address in the '90s. The Minister of Health knows that, and I think it is worthy of a good intelligent debate, rather than just going back and forth blaming the reporter and blaming each other. I think we should know what the know position is, and we should debate it in the benefit of all Manitobans.

That is the answer to the question the Minister of Health posed to me. I thank him for the question.

**Mr. Orchard:** I really appreciate my honourable friend's explanation, but he did not reject \$500 million plus deficits of Howard Pawley. I just want to give my honourable friend—I was slightly out in my

figures with his Health Critic, so I want to make sure that my honourable friend has them right, because this is the legacy of the Party he was part of under Howard Pawley's leadership legacy.

**An Honourable Member:** Judy and I left you a surplus. We were in Cabinet two years—

**Mr. Deputy Chairman:** The Honourable Minister.

**Mr. Orchard:** Mr. Deputy Chairman, in 1981, when Howard Pawley and the NDP came into office, the annual interest bill of the entire debt of the Province of Manitoba was \$90 million, give or take a million. Today, and I just did the calculations—I just did the calculations today—it is \$537 million projected debt today. That is down from two years ago when we took over Government from the current Leader of the Opposition (Mr. Doer), of the New Democratic Party, as Leader and could-have-been Premier of the New Democrats.

From \$90 million in 1981, and I believe the figure was to \$560 million in 1988, an increase in anybody's money of \$470 million fuelled by Howard Pawley deficits of \$500-plus million a year. That \$470 million, should we not be paying it today, would mean a surplus budget today, a mega surplus budget last year, a surplus budget even in the year my honourable friend was defeated at the polls, in 1988.

If it was not for Howard Pawley and the NDP, Mr. Doer, Ms. Wasylycia-Leis and all of the other people who believed they could spend their way to prosperity, we would not be having an argument today over where the resources come from for Health, Education, for any other department of Government. That is why—although my honourable friend, the Leader of the New Democratic Party, has not said they will reject \$500 million deficits and massive increases to taxation levels in Manitoba, I think he said they do not really like them, but maybe they would have to do them. I do not know where he comes from.

Can my honourable friend, in answering the question, at least acknowledge, because of Howard Pawley Government deficit financing 1981 to 1988, a sixfold increase in interest which must be paid first and takes \$447 million additional tax revenues from Manitobans to pay interest costs, not program costs.

Will my honourable friend at least admit that is the legacy of the Government he was part of when they left office in 1988?

**Mr. Deputy Chairman:** Order, please. I would like to caution all the Honourable Members to keep their remarks relevant to the item under consideration, 1.(b) Executive Support: (1) Salaries. I have allowed considerable latitude in this area, however, we are getting off topic. I would appreciate it if we brought it back, and I will be calling you out of order from this point on.

**Mr. Doer:** Dealing with the issue at hand, it is an important issue in health care, because there is no question, the ability of Governments—there are two issues here. There are about three issues, one is the way we reform our health care system, the ability to support it financially, and the vision and principles we have in health care. These are the fundamental issues, obviously.

That is where some of the questions and points are being raised by the Member for St. Johns (Ms. Wasylycia-Leis), in the vision and the position the Government is taking into the Finance Ministers' meeting next week.

There is no question, all provincial governments ran debt in the recession period, the '80s. There is also no question that debt is increasing in the early '90s under the Minister's same Cabinet. In fact, I was in a Cabinet that lowered the deficit to a surplus. I was only in two years. We took it down from \$500 million to under \$300 million, and we took it down from there into a surplus which we left you. It was painful. There is no question about it. Nobody can tell me that it is easy to do.

\* (2200)

The Minister, interestingly enough, was in a Cabinet with Sterling Lyon, who was only in Cabinet for a couple of years, and the deficit went up. In the last year, '81-82 fiscal year, that he was responsible for, his last budget was in the 180 range, if I recall correctly. I do not have any papers in front of me. There is no question that debt is a problem for all of us, and a challenge for all of us. I think the fact that it is around 10 cents on the dollar is a manageable problem in our province, but it is something all of us should be aware of, because it is important.

I hope the Minister of Health (Mr. Orchard) can provide us with his advice to the Minister of Finance (Mr. Manness), and the position the Minister of Finance will take to the meeting next week, because that comes to an issue that is very relevant to Executive Support. It comes to the essence of

Manitoba's vision and the message at the Finance Minister's table.

You know, we are only temporary stewards of departments we receive, or temporary stewards of jobs we may have, Opposition, Third Party, Government. We are only temporary, and the position that Ministers may take are maybe long term in its ramifications for the Province, the people, the patients and the health care workers.

I am hoping the Minister of Health (Mr. Orchard) can tell us and table the position that his colleague, the Minister of Finance (Mr. Manness), will take to that Finance Ministers' meeting next week, so we can end discussions and debates of health care through clippings, start to know exactly what we are talking about and what it means for our province.

We have tabled numbers in the Chamber and studies from western Canada, not eastern Canada, about who puts into Confederation and who takes out. We also recognize this is not just a slot machine argument, when you put a nickel in, you put a nickel out, because we think health care is a fundamental principle of the country, that the same kind of health care system should be available to somebody in Corner Brook as somebody in Dauphin or Neepawa, and the same as in Whitehorse.

It goes beyond just the finances, although that is one aspect of it. I am hoping the Minister of Health in his—he can sometimes be very frank, and he can sometimes be very clever in his debating style. I would hope that through these Estimates we can be very frank on this issue, and we can find out exactly what we are dealing with next week, because it is very important for us.

**Mr. Orchard:** Mr. Deputy Chairman, I really appreciate my honourable friend's observation that decisions of Governments affect future Governments. That is why I wanted him to at least acknowledge his role in Government, 1981—

**Mr. Doer:** I was not in Government then.

**Mr. Orchard:** Your Party. Will you accept responsibility from Howard Pawley, or do you cut and run from Howard Pawley? I mean let us get it right on the table. -(interjection)-

**Mr. Deputy Chairman:** Order, please. I would like to remind the Honourable Minister that we are dealing with No. 1 Administration and Finance (b) Executive Support: (1) Salaries \$417,000.00.

**Mr. Orchard:** You see, my honourable friend, the

current Leader of the Opposition (Mr. Doer), has stated very clearly and very correctly that decisions of Governments can affect a long time into the future. That is why I asked him if he acknowledge—because you know he is a great one at cleansing his soul on television, you know, we did make mistakes and we openly admit it.

**Mr. Doer:** Something you have never done.

**Mr. Orchard:** Oh, yes; oh, yes. I have admitted to mistakes, Mr. Deputy Chairman

**Mr. Doer:** When was that, Don?

**Mr. Orchard:** It was only once.

But, Mr. Deputy Chairman, fundamental to any discussion of program financing, whether it is this ministry or any other ministry, is an admission, just a simple admission. My honourable friend did not do it, that from 1981 when we left Government and Howard Pawley and the NDP took over, the annualized interest bill that Manitoba taxpayers paid increased by \$450 million a year, because that is more resource on an annualized basis than we are talking about in this discussion with federal financing.

My honourable friend does not want to acknowledge annualized increases in interest from Howard Pawley and the NDP. It starves programs, starved them under him.

**Mr. Doer:** Why are you running a deficit?

**Mr. Orchard:** Because our interest bill is \$537 million, and we pay that first. That is a statutory obligation, and you know it. You drove it through the roof.

If my honourable friend wants to do a little further confession—there is not even a television camera here for you—but you can do it anyway. Just admit that is a problem, a major problem, and it is not one that this current Government created or the Sterling Lyon Government created, or even the Ed Schreyer Government created. It is solely, exclusively, the creation of Howard Pawley's Government.

The numbers are there in clear, unequivocal, black and white, with clarity that anyone who can add and subtract simple numbers will tell. That \$450 million, as I have said and I will say again, has a greater impact—that extra \$450 million of interest annually, because of debt of Howard Pawley and six and a half years of Government under the NDP—than the issues we are talking about now. -(interjection)-



**Mr. Deputy Chairman:** Order, please.

**Mr. Orchard:** My honourable friend, the Leader of the Opposition Party (Mr. Doer), wishes to discuss with my colleague, the Finance Minister (Mr. Manness), his discussions that he will have with Finance colleagues across Canada next week. He is welcome to do that with my colleague, the Finance Minister (Mr. Manness). Tonight, my honourable friend wants to debate Health Estimates, and I am prepared to put the vision of this ministry, of this Government, on the direction of health care into the future against any vision my honourable friend or his critic might be able to put forward.

We can do that tonight, tomorrow, on into next week, as long as my honourable friend wants, because I am pleased with the direction we are taking, the results we have attained already and the benefits that we will be able to clearly show to Manitobans as we see our health care system change and evolve into the 1990s.

My honourable friend, if he wants to, can just do that one last good thing for his soul and fess up to 450 million bucks of extra interest per year, compliments of Howard Pawley and the NDP.

**Mr. Deputy Chairman:** Order, please.

**Mr. Cheema:** Mr. Deputy Chairperson, finally I have my turn now. Can the Minister tell us—there are three basic issues here in this area. Number one is the total financing of health care system. Out of that, the federal part and the provincial part, and how these two parts are having an impact on the rate of escalating health costs. Those issues have to be discussed.

Can the Minister just tell us what is his policy, the policy of his administration, first, on the issue of federal transfer payments? Does he agree with the Finance Minister (Mr. Manness) or the Premier (Mr. Filmon) on the so-called policy they have recently announced that they are going to take to the national Ministers of Finance? He has said very clearly it does not matter what program we are going to ask, money is going to come, money is going to be needed. Where is the money going to come from, there are only two sources?

If the first source, or major source, of income which has been in the past—and he has pointed that as of 1976 there has been a slight—and with the present, even the Government of Canada has kept the money only at the rate of 2 percent. By the year

2004, it is going to run out. Basically, even if they do not do anything, we will be in trouble.

If you are going to take a major responsibility of \$1.7 billion of health care today, how are you going to fund those programs? Can you tell us simply in yes or no terms? I mean, we have gone through this for the last one hour, and I am sure we will continue with this. The basic question is: How would you secure your funding from the federal Government?

**Mr. Orchard:** I think with obvious difficulty, and that is why the Finance Ministers are meeting. That is why Finance Ministers and Health Ministers met 16, 17 months ago in Moncton, to come around this issue, because it does not seem to matter who the federal Government is. That is the difficulty.

\* (2210)

**Mr. Cheema:** Can the Minister then tell us? I mean, he recognized the problem. You do not have to be a genius or the Minister of Health or a Member of the Legislative Assembly to understand that it is a basic, fundamental structure of our health care system that part of the funding comes through the federal Government, because of our province, the resources, the economy and so many factors that are dependent. We get our major funding of post-secondary education and health from the federal Government.

If you are going to take over the major programs in health care, and you are going to fund that program by yourself in Manitoba, how are you going to fund those programs then? That means you have to either raise taxes, or you have to cut the program, or you have to take, as you have said, money from the existing other programs. What are your options then if you are going to take over the national program?

**Mr. Orchard:** My honourable friend is doing the same kind of word in mouth aspect that the official Opposition Critic was attempting, leaving the statement that we are going to take over the national program. That is not the case.

**Mr. Cheema:** Mr. Deputy Chairperson, I will make it clear if, due to my language problem, the Minister is taking advantage. The basic question here is, if the federal part of the programs, if you are not going to accept and you are going to take the different directions because of the difficulties you are going to face in the future and, depending upon all those factors, if you are going to take the responsibility of

the medicare program by the provincial Government, how are you going to fund those programs?

It is a simple question. It is not something written in another language.

**Mr. Orchard:** The simple answer, Mr. Deputy Chairman, is, with difficulty. That is why the Minister of Finance (Mr. Manness) has convened a meeting next month of Finance Ministers, to try to come to a provincial united approach to the federal Minister of Finance. We have tried that once before. I mentioned that to you already. We tried that once before in Moncton and still there is declining participation by the federal Government.

You see, why this debate is important is that, you know, my honourable friend I think recognizes, and I think even my honourable friend the New Democratic Party Critic recognizes, the reason why the federal Government is undertaking these reductions in transfer payments to the provinces, all across Canada. Their argument simply is, we spend one cent out of three, one dollar out of three, 33 percent of our tax revenues, on interest, and our deficit keeps on growing.

My honourable friend the NDP Opposition Critic may or may not agree with it, but they make the argument that they have essentially lowered the spending of federal Government programs in Ottawa over the last six years, that they have taken and decreased the amount of money, but the interest costs keep burgeoning up. I do not know how they are going to solve that problem under the current economic structures that are in place.

That is why the key and fundamental issue we are coming to grips with in the Province of Manitoba, and this is not health related, is economic development. One of the most understanding individuals whom I have ever heard address the issue of how does Canada get out of its current dilemma is Dr. Fraser Mustard with the Canadian Institute for Advanced Research.

I am going to have transcribed his presentation on Monday morning to the National Nursing Symposium. I am going to have it transcribed for one very good reason, so that all Members of the Legislature can have that presentation. I hope I can emulate the slides.

You know what his point is? You know what the point he makes is? This individual is one who has a medical background. He was the Dean of the

Faculty of Medicine at McMaster. He identified eight years ago, 10 years ago, that Canada was on the wrong track in terms of our economic development policy. I do not know all of the answers, but I recognize the sanity in what he is saying.

He said clearly and unequivocally to the 300-plus nurses gathered in Winnipeg from all across Canada on Monday morning that Governments that do not create wealth cannot afford health care systems or any other system for that matter. He said the challenge to Canada is going to be able to get an economic system working that creates the wealth that allows us to afford our continued social services and other funded institutions that we have come to desire and respect, including health.

You see the answer is no longer trying to figure out how you slice up a decreasing pie. We have been doing that now for how many years, nationally? It does not work. It is not working now, and it will not work. As smug as my honourable friends might want to be in the New Democratic Party with their current Leader federally, it will not change if they were in Government. You watch Ontario if you want an object lesson in how you cannot spend and deficit finance yourself to prosperity.

(Mrs. Shirley Render, Acting Chairman, in the Chair)

I do not have a simple solution to the federal Government's dilemma other than trying to get basic policies in place that encourage investment, economic development, and not simply in the resource extraction field, because that is where we got absolutely banner revenues a year and a half ago—was from nickel prices at \$9.00. Now they are down to \$4 and \$5.00. Our revenues are down again to more normal levels. You cannot predict stability on that. Economies like Japan and West Germany have moved to the innovative technology production. They are successful—very, very successful—and they are not having these same arguments about resource allocation that we are having in Canada.

I do not have a simple answer for the federal Government on where they carve more money out of a decreasing pie, but I do know that we have to get our economic house in order so that we create new wealth so that all of us can benefit from that.

We are taking two strategies in Manitoba. One of them I shared in general terms with my opening

remarks, and when we go through other lines of the Estimates and one begins to appreciate some of the directions in reform of health care where we are hoping that we can provide the same or higher quality service in a different forum at at least evened cost, if not lowered cost, that is reform of the health care system. That is where we are going to make better use of the current dollars we have, because we recognize there is not going to be any new dollars. That apparently was even recognized tonight by the official Opposition. I was pleased to see that.

I do not have -(interjection)- I will get your exact words so that you do not cause me a problem. No, it is important. Anyway, you said that there was not additional money into health—I just found it. That is what you said tonight, that there was not additional money to go to health.

\* (2220)

**An Honourable Member:** Oh, I did, did I?

**Mr. Orchard:** You mean you did not mean to say that?

**An Honourable Member:** You check the record, Don.

**Mr. Orchard:** Yes, we will. I do not have an easy answer, but I recognize the problems, and we are reacting in Manitoba twofold, with management and system changes in the way we deliver health care in the Province of Manitoba, and secondly, a very pro-active approach to economic development in the Province of Manitoba that we hope over this next four years will yield increasing tax revenues.

**Mr. Cheema:** Madam Acting Chairperson, my next question is: Can the Minister tell us—he may have the statistics—this year, how much less money have we received from the federal Government, and how much are we going to receive next year and the year after that?

**Mr. Orchard:** I cannot give you the numbers, because I do not even think they are printed in the Estimates book. They are part of the supplements. I think there are still more dollars available from the federal Government to finance EPF in terms of transfer payments. I do not have that. I will have to get that from my colleague the Finance Minister (Mr. Manness).

**Mr. Cheema:** Madam Acting Chairperson, if the Minister could provide those numbers sometime early next week, we will appreciate that, and over a

period of five years, how much less money will be coming to Manitoba?

My next question is that, as the Minister has recognized, and the Member for St. Johns (Ms. Wasylycia-Leis) has recognized, the two major factors—and everyone knows the health care costs are escalating. This year the budget was given about 6.7 percent, I believe, the total for the provincial budget was raised in the area of health. For the next year, with the economic conditions right now we have in Manitoba, how is the Minister going to have all those programs? Even with the present rate of inflation, how are they going to fund all those programs next year?

**Mr. Orchard:** Madam Acting Chairman, that is exactly why we are approaching—and you know I recommend a revisiting of my opening remarks in terms of what we are attempting to do to put system responsibility in place so that we do outcome analyses. Just let me give you one small example: One of the advantages of the centre for health policy and evaluation, where I think we are going to be guided and guided very effectively. You might be familiar with the Roos' in terms of their expertise, their international renown and analysis of our health care statistics. Approximately five years ago—and you see we have always judged, or the public perception of how well a program works, and if it is a surgical program, how long the waiting list is? If it is long, it is not working. If it is short, well, maybe it is working all right.

The key question is: What is the medical efficacy of the procedure? Is it increasing, or adding to, or advancing the health status of the individual in which the procedure is performed?

The example I want to give you is that about five years ago the Roos' analysis of Manitoba's statistics indicated that we were taking out tonsils in Manitoba of children at a rate significantly above the national average. A couple of obvious questions have to be asked. Are Manitoba children's tonsils more medically unsound than children's tonsils in Ontario or Saskatchewan? I think the answer to that is no. Was there some unique condition in Manitoba which would have led to more of our children's tonsils being removed five years ago? Again the answer, no. The reason why they were being removed is because there was an incentive to remove them within the fee schedule system. That is as bluntly as you can put it.

When that information was provided to the College of Physicians and Surgeons, and widely circulated in Manitoba within a year and a half, our rate was approaching the national rate. Now did all of a sudden in that year and a half our children miraculously become children with healthier tonsils? No, I do not think that happened. It is just that no one asked, is what we are doing the right thing to do?

A centre on health policy and evaluation can give us that window on program planning which will value the undertakings we fund for 1.7 billion, or 1.65 billion, in the Province of Manitoba because our challenge over the next number of years—and this is independent of how great or small the federal contribution is. Our obligation to the patients and to the taxpayers of Manitoba is to make sure that what we are spending money on is achieving greater health status.

I have taken a long time to answer my honourable friend, but I think my honourable friend understands the need to have that kind of information underpinning your decisions and those kinds of strategic plans one might create for the delivery of health care in Manitoba.

We are putting those processes in place. I think a couple of years from now my honourable friend will see that it was visionary and it was very progressive and it is a role of quite significant leadership in Canada that will be emerging from some of these initiatives that are starting today and will be fully operational probably by the end of this fiscal year.

**Mr. Cheema:** Madam Acting Chairperson, can the Minister tell us or maybe outline just in point form rather than—I think we are probably consuming too much time on some of the issues.

What areas specifically are they looking at in the health care system where they are evaluating the system in terms of—like he has given one example, in tonsillectomies—but what other areas, for example in home care or long term care, for rehabilitation or the use of the resource in terms of the medical practitioner or the use of nurses at the hospitals. Can he outline some of these programs?

I think it is worthwhile for us to know at least which programs are being evaluated so we can have some input or we can all be able to anticipate some of the issues coming in the future.

Before I finish I just want to add something, and I think it is one suggestion we could take either

negative or positive. I think the most important issue in terms of the general public is the public education of the health care resources.

I have sometimes been overly critical of the Minister and the previous Government, but once you go through the whole process you realize that some of the things are so confusing to the public and they think it is all free. You just go and press the button and you are on the machine, but they are paying for it.

That perception is still there. I think educating the public is going to be very important to let them know how the money is being spent, where the money is being spent. Some people have perceptions that doctors are taking the money away or the labs are stealing the money or our resources are being wasted or there is a lot of bureaucracy, the money is being spent or the Minister of Health is spending here and there.

I think it is very, very important for the success of any ministry of Health in any part of this country to explain to the public how the money is being spent, what the money is being spent on and, most specifically, medicare is not free; they are paying it or their ancestors have paid it or their kids are going to pay for it.

That point has not gone very well. The public, on debates we have seen they say, why is this not being done? Why can you not do it tomorrow or the day after tomorrow? I think that creates a lot of problems.

I think it will be worthwhile to do a project or start in any area wherever the Minister would like to, but I think public education must start and could be done through many resources.

They are doing it in terms of the prevention of so many diseases and sending pamphlets. It could be done through TV ads or whatever. I think the public has to know, because they are very cynical. They are not going to believe what you were telling during the campaign. They say, well, it is very clear you are on the campaign, so you are going to tell what is right for your Party.

If you tell them from the beginning that this is yellow or brown or you are going to get it, I think they will really appreciate it, because I think that will be the best service than having a quick response sometime. That is just one suggestion.

\* (2230)

I hope the Minister can answer some of my questions in point form so that we can proceed one by one on those.

**Mr. Orchard:** Madam Acting Chairman, let me share some of my concepts and frustrations about public education. My honourable friend is right, that is where the key is. The observation was made that if people understood what the system cost, et cetera, et cetera, so I have tried every public speaking opportunity to use—I thank my honourable friend for using my chart that came out of the health promotion. I mean, he used that all the time because it showed the tremendous growth in health care expenditures, and the expenditure per man, woman and child in the province.

One of the things we tried to do—and the results of this kind of surprised me. We, I believe, doubled the number of random mail-out of the commission billings to individuals so that there would be a greater number of—I think we increased it to 5 percent, was it? It is normally a 2.5 percent random mail-out. We increased it to 5 percent for a period of time to see what the response would be, because the concept I had was that if people knew what their last year's expending was on their—only narrow, that my honourable friend understands—physician office visits and major procedures. Because they are the only ones—we have no way of providing them the institutional costs, say they were admitted to hospital.

We got a number of responses back: Why are you wasting money sending us the billings we had last year? Surely you have got better use for the money? I have to admit, I was surprised, but that was the reaction. The other side of the coin, people have said, well, by doing that you are going to maybe uncover some inappropriate billings. I guess we found three, or four, or five, and that was all. If you were doing it under cost effectiveness, you would never do it again because the cost of mailing was I think about \$18,000—I do not know the numbers—and the recoveries were less than 10 percent of what our mailing costs were. So that is one of the things we tried to do in education.

On the other side of the education, we have undertaken last year the heart health survey. We have had the first results. You might recall a very good story in the Winnipeg Free Press outlining that the majority of Manitobans suffer from at least one cardiovascular health risk factor. We have undertaken, and I think it is one of the smartest ideas

that has come out of health promotion in the department for years, the Smoke Free Grads: 2000 with the Grade 2 students—the enthusiasm of those children. That is an education and prevention program, and it was tied with our anti-smoking week where professionals from across Canada did a really excellent job trying to point out to school-aged children that they should never smoke. It is a risk factor that they do not need to expose themselves to.

(Mr. Deputy Chairman in the Chair)

We are doing a lot of work on the nutrition side. Very important, probably the best nutrition manual currently in Canada with substantial distribution of that. We are taking the workplace health promotion program where employees, employers get together and we levered something slightly less than \$140,000 into a half million program.

I read to my honourable friend, when we were debating Interim Supply back about a month ago, the numbers of categories of programs that were involved in that, all of them on the prevention side, the education side. We are taking and trying to develop, for instance, technology use as a method of education, guidelines for use of, particularly high-tech, like CAT scan. Now MRI is on the market. Protocols for patient utilization of such expensive procedures. We have changed the way physicians order lab tests, and that has resulted in a saving. We have taken a number of initiatives to try and bring focus, understanding, and more individual involvement in health care decisions. I think it is working, but it is not an instant overnight success, I think my honourable friend can see.

Now, as we go through different parts of the department, I would like to share with my friend, with greater detail, some of the programs in the Health Services Development Fund, because there are some very innovative projects there, and I will as my honourable friend goes through the Estimates.

**Mr. Cheema:** Mr. Deputy Chairperson, can the Minister tell us out of this, is the executive support staff supposed to develop a plan for the future, which is extremely important, considering so many difficulties we are going to face, what are the major areas of concern? The Minister has outlined some of them in his speech. What are the other major areas of concern? What alternate ways of health care delivery are they going to look over a period of four years?

**Mr. Orchard:** Well, I can give you, over a two-to-three year period, some of the things we are trying to put in place, and we think will change the way we deliver health care.

Let me deal more generally on the issue of where our cost centres are. We are undertaking two independent studies with a high degree of involvement from the institutions and from Manitobans. That is a teaching hospital cost review, and that is under the Health Advisory Network and emulates from the 1984 report, Evans Report, '84 or '85.

The previous administration had commissioned a report on our -(interjection)- no, it was not only long-term care, it was on acute care. It demonstrated in the period from, if my memory serves me correct, 1974 or '75 to about '82, '83, where at our teaching hospitals, we were below the national indicators in terms of costs and paid hours per patient day in '73, '74. We exceeded them in the analysis period.

Now you know, on the surface, the easy conclusion—and I made this point with the former Minister of Health, Mr. Desjardins, that if you just were able to manage your costs down to the national average, there was, correct me if I am wrong, something like \$40 million that would have been in two hospital's budgets. That is a significant amount of money, so we are trying to quantify.

We have an independent consultant working with the Health Advisory Network and the Health Advisory Network experts to try to quantify why or whether they are comparing apples and apples, or whether it is an apples and orange comparison. We have to have that information, because that is very important in terms of planning your funding. Second is the role study of the Winnipeg hospitals, because we have a number of opportunities, I think, to make individual community hospitals expert in given areas. Hopefully, we will be guided by findings of the Winnipeg hospital role study.

One of the areas that has been mentioned by my honourable friend a number of times is the day hospital concept. Well, maybe I do not call it day hospital, but we have been doing what my honourable friend suggests. More and more procedures are moving in all hospitals across the province, whether they be in the City of Winnipeg or rural Manitoba, to more not-for-admission procedures, where you will go in and have a minor,

or even sometimes fairly significant procedure, done without being admitted as a patient.

The ambulatory care project at Health Sciences Centre is now probably half or a third constructed. That is very much Health Sciences Centre as a teaching facility. They are a window on ambulatory care and not-for-admission surgery. We hope that will help to move more procedures out of the admission category and into the not-for-admission category.

Similarly, we are funding a feasibility study at St. Boniface and we will have the conclusions probably by the end of next year. They are undertaking a feasibility study on a freestanding outpatient centre. That could guide us pretty well. The criteria which are set for that freestanding outpatient centre, or the study at St. Boniface, is that they have to demonstrate that they are able to lower the cost and maintain quality. They think that is achievable; that is why they are participating in that.

We are taking a number of initiatives and moving them to more outpatient services. As I say, that is throughout most hospitals in rural Manitoba, but I simply tell my honourable friend it is an evolution of the system that is happening without Government making significant announcements. The St. Boniface one, the ambulatory care at HSC are ones which require capital commitment, but Concordia, Victoria, practically every other community hospital in Winnipeg and many rural hospitals are doing that within their existing facilities and using their existing surgical theatres to move procedures to an outpatient basis. That is happening and will continue to happen.

Those studies are going to guide us in terms of our funding formulas for teaching hospitals, community hospitals and give us direction in terms of the creation of more outpatient services as those studies come in and provide guidance to Government.

\* (2240)

**Mr. Cheema:** Mr. Deputy Chairperson, some of these studies we will go through the Health Advisory Network in more detail, but I just wanted to clarify something. The Minister has said that the day hospital and the outpatient concepts are two very different ones, and I did not mean to confuse them both in the same category. The outpatient surgical clinics, as I pointed out very clearly, Seven Oaks space has been used, which was for the obstetrical

floor for the same reason. The Victoria Hospital is in the process of doing the same thing.

The question here is that if you have these outpatient clinics and you are going to use those services, at the same time it is going to be very difficult for any Government to fund the major hospitals, not reduce any funding to them and continue with all these programs. There is going to be a gap in between to—it is going to be a difficult time because you have to fund both programs.

That is why I said the public education in some areas is very crucial. If they know that you are in a transition period—because I think it will be unwise to have all these extra spaces and at the same time have beds. When you have beds, they are going to be occupied. It does not matter which Government is there. That is whole trend in this country, and in the most part of Europe. I think that factor, probably before the year ends, they will have time to do that. It will save money in the long run. It will be a very, very positive step.

What the St. Boniface Hospital is doing, I think they could learn from Ontario. Ontario was very successful in establishing some of the clinics, but those are mostly private clinics. Initially it was very successful but then there were some problems because you start billing to the Government in a different fashion and the costs went up. That is why the clear direction has to be from the Minister of Health, that these clinics will be attached to a hospital. It is not for a profit-making business as such. They are funded for the particular procedures so we do not create a two-way system so that somebody who has extra money, can give, and get this surgery done. Others who do not have, they will wait.

That seems to be the one area I have a concern, but maybe when we go through the Health Advisory Network we will ask the Minister. I just want him to be very clear, or if he has a different philosophy, that those clinics should be just based on the same mechanism or the same philosophy that should be followed by the provincial Government rather than a direct fee for service or for the other sources where there should never be an extra fee attached.

Ultimately, people who cannot pay, who have to wait, will suffer. That is one caution, because I think you can get caught in the transition period and then within four years time, by the time you realize, it is already over. Just a word of caution there.

**Mr. Orchard:** Mr. Deputy Chairman, let me tell my honourable friend that he has identified the problem for which we have proposed the Health Services Development Fund, because as you are testing innovative approaches in the reform of the health care system, you simply cannot, without basis or proof, abandon a segment of service delivery in an institution. To prove the worth of an out-patient or a not-for-admission program, community based program, you have to fund both of them at once.

That is why we have provided the \$10 million annualized through the casino revenues to the Health Services Development Fund, and that is where a number of projects are going to be tested. We are very stringent on our criteria in there. I mean we had 122 applications, we approved 13, because most of them were pure add-ons to the system. We did not fund any, but the ones that we believed in terms of the proposal, the identification of costs in the proposal, where they could replace cost elsewhere in the health care system or the institution, and the method of tracking proving that and obtaining the cost savings on the other side or elsewhere in the system. That is why I have some confidence that these will only go ahead if they are more economic.

Now let me tell my honourable friend that with the St. Boniface free standing out-patient centre, he has identified as a problem, that we could end up funding it and still funding the hospital, et cetera. We are funding this on the basis of a separate cost centre, which we believe will be much more effective and economic to operate than any service provided within the teaching hospital environment. We will replace budget within the hospital. That is part of the condition of study. We are not going to get ourselves into that classic trap of funding both and simply having it as an add-on to the system.

I recognize my honourable friend's understanding of the challenge. We have tried to build in the checks and balances to make sure that the circumstances he alludes to do not materialize.

**Mr. Cheema:** The reason I am asking that, I think it is crucial, because with the limited resources, ultimately when you are going to fund different programs, I think money has to come from somewhere. It is very difficult to cut the hospital fundings so you have to probably rechannel from somewhere else. I just wanted the Minister to be aware that I think it will be a difficult period, but with the understanding of the different partners in the

health care system, the Minister used that word, I think the understanding can be achieved.

My main concern, the other one area, is that when you have a lot of patients waiting for surgical procedures, and I will give him an example, for cataract surgery, and when you have line-ups, and those line-ups have come over a period of two years because of various reasons, the demography variation, the aging population and some of the issues, Governments have no control. When you have a waiting list, some people cannot wait for a long time so they really give up. Others who have like \$800 extra can go to a private clinic and get the surgery done, so it is creating in a way, a two-way system. The Minister may not agree with that line but this is true.

That is why if we can provide the out-patient surgical clinic within the hospital system, or funded by the Government, I think we can avoid all those problems. There are not many people who can afford \$800 extra to go to have a surgery done, for example for cataract surgery. Eventually the criticism will come if we do not address that problem now. For the time being the people are laid back. They are saying well, Government does not have funding, but the list is continuing to grow. I just want the Minister to be aware of that so they will proceed in a very cautious manner, but at the same time expand those clinics to make sure that where the demand is, those clinics can be expanded.

\* (2250)

**Ms. Wasylycia-Lels:** I have to return to the matter we started off with since I have not received any answers yet. Let me start by asking, since the Minister tends to divert away from the topic, if we dare to reference any of the comments made by the Minister of Finance (Mr. Manness) this past week about the agenda item on the Minister of Finance's meeting next Wednesday and Thursday, and ask him given that Alberta and B.C. have clearly gone on record as stating they favour looking very seriously at the option of provincial take-over of funding of medicare, and the dismantling of a national system, disentanglement in their words, what is Manitoba's position vis-a-vis that position being taken by Alberta and British Columbia?

**Mr. Orchard:** I do not know whether Alberta and British Columbia have wanted to take over medicare as my honourable friend alleges. This is the Manitoba Legislature. My honourable friend had the

position of the Province of Manitoba clearly stated to her, not once, not twice, not three times, not four times, but five times yesterday. Not only yesterday, but the day before, and not only the day before, but the day before that, and not only that, but on Monday by the Finance Minister (Mr. Manness).

So you know, at some point in time my honourable friend has got to accept the answers that she has been given. They may not fit the answers she wants, but we cannot create the answers she wants. We can only create the answers we can give. If they do not satisfy her political needs, I am sorry, but I am not here to satisfy your political needs where you can put out your brochure saying that Manitoba wants a lot of national standards in medicare, because that was the argument you had started out making.

So I cannot provide any more clarity to my honourable friend than what the Premier (Mr. Filmon) and the Finance Minister provided to her on four successive days this week. I cannot confirm or deny my honourable friend's stated position of her view of British Columbia and Alberta's position vis-a-vis medicare. I do not know whether she is right, half right or wrong, and quite frankly I am not interested in what Alberta or British Columbia are doing, but I am interested in what we are able to do for the people of Manitoba. That is what I am trying to bring to my honourable friend's attention.

**Ms. Wasylycia-Lels:** I would be quite happy to leave this matter if I had received an answer, either in the course of this evening or over the past week, in response to our questioning in terms of Manitoba's strategy and position, vis-a-vis the difficulties we are all facing as a result of the federal formula, policy, and plans. I would like to ask the Minister of Health if there is a position.

He has talked tonight about the difficulties being imposed on Manitoba. He has agreed there is a problem. He has said tonight that the federal problems are very great. He has talked about the debt problems. He has talked about the fact that it will be very difficult to find a solution if these problems continue. I have not heard him tell me if he is defending the federal Government, or if he has a policy to oppose the current formula under the federal Government, or if he has some other options he is considering or his Government is considering.

I am simply asking a straightforward question and not playing a political game, not beating around the



bush, I am asking a straightforward question. What is Manitoba's position? What is being developed in response to the critical situation that the Minister himself described tonight? Straightforward.

**Mr. Orchard:** Straightforward is in responses by the Premier (Mr. Filmon) and the Minister of Finance (Mr. Manness) Thursday, October 29, 1990; Wednesday, October 28, 1990; Tuesday, October 27, 1990 and Monday, October 26, 1990. Not only was my honourable friend there and I hope listening—because she posed the questions. Now my honourable friend did not understand those answers. I cannot add any more clarity than what the Premier added and what the Finance Minister added. If the answers were beyond the capacity to comprehend of my honourable friend, then I simply do not know what I can do to help her out.

**Ms. Wasylycia-Lels:** I will try to ask a series of more straightforward questions then, since the Minister knows full well that we did not get any clear message from the Premier and the Minister of Finance about what position Manitoba was developing or taking into the Ministers of Finance meeting.

Is this Minister and this Government initiating, involved in a lobby to convince the federal Government to reinstate a fair formula for funding of health care to all provinces?

**Mr. Orchard:** Mr. Deputy Chairman, my honourable friend did not get the answer that she wanted, but my honourable friend had that question answered by the Premier (Mr. Filmon) and by the Finance Minister (Mr. Manness). Now we can play this game all night. We can play it Friday. My honourable friend can go to Question Period Friday morning, pose the question again, and get the same answers again.

If they are not the answers you want, I cannot help you. I cannot help you, if we cannot give you the answer you want. If it presents you with the difficult choice of going out and creating an answer, which would not exactly be accurate, I guess you are down to that now. Because you have had the answer from the Premier and the Finance Minister Thursday, Wednesday, Tuesday and Monday.

**Ms. Wasylycia-Lels:** Perhaps the Minister of Health (Mr. Orchard) would like to peruse Hansard for November 26, 27, and 28, and tell me where the answer is, because it certainly is not apparent from a reading of that Hansard. I ask the question again, is the Minister and his Government involved in any

effort to oppose the current funding formula of the federal Government vis-a-vis health care?

**Mr. Orchard:** I cannot change my answer from my answer, of my answer, of my answer, of my answer, of my answer.

**An Honourable Member:** Which is what? Could you tell me what that was again, please?

**Mr. Orchard:** To read Hansard. I realize the answer is not what you would like to hear, but I am sorry. The Speaker will remind you, as he does from time to time in Question Period, that you cannot force a person to give you the answer that you want for your narrowed political purposes. I am sorry. I have been in Opposition, and I would have loved to have had Howard Pawley admit to the deficit and all those things that he did in the Province of Manitoba, but he would not do it.

Read Hansard, get your questions answered. If it does not happen to suit what you want for an answer, I do not know what you are going to do, throw up your hands in frustration, create your own answer, your choice.

**Ms. Wasylycia-Lels:** Well, it is clear, the only thing I can draw from all of this is that the Government of Manitoba, the Minister of Health (Mr. Orchard), has decided to simply accept the line of the federal Conservative Government about national debt and the problems it is facing, accept that so-called reality, and cave in. They have been suckered in by the federal Government's deliberate strategy to find a way to get out of health care without creating a big fuss and making big news about it.

There is not a single answer in Hansard for the days that the Minister of Health mentions. There has not been a single answer tonight. He suggests that I am looking for a certain answer, I am looking simply for an answer. Just an answer about what strategy, as Minister of Health, he has been developing, knowing these statistics, and knowing the trendline for the past three years. What research has been done? What can he tell us about that research, that analysis? Can he enlighten us at all, what kind of situation we are facing?

\* (2300)

I am not trying to play any games here. I am simply asking for his interpretation of the data presented by Finance Minister Wilson, the projections done by the Canadian Health Coalition, and the information provided by numerous other organizations and

individuals in our country today and in this province today. I do not think that is being so unreasonable. I know that this Government perhaps would like to keep it all behind closed doors, keep it all a secret, go into this meeting next week without having any kind of public consultation, go into that meeting without sharing any information with Members of the Legislative Assembly.

The Minister agrees, we all agree, that this is a major issue. The problem is we do not seem to be able to find a way to have the dialogue around the issue, because there is no sharing of information. Would the Minister tell this committee if he has consulted with all the major health organizations in Manitoba about this particular dilemma that Manitoba is facing, about the particular crisis that is at hand? Has he consulted, has he talked to the MMA, to MNU, to MARN, to the Manitoba Coalition of Health Care Unions, to MHO, to the numbers of other organizations involved in policy development, in program development in Manitoba in the health care field about this particular issue, this dilemma, to seek advice, to propose some options, and to bring that back to the process that he is involved in leading up to the Finance Ministers' meeting next week?

**Mr. Orchard:** Mr. Deputy Chairman, finally my honourable friend put the answer that she was seeking on the table from us, and I now understand her frustration because the Premier (Mr. Filmon) unequivocally gave her the answer, which would deny her the ability to go out and state as she stated first of her question that we were just prepared to roll over and knuckle under. That is what she wants for an answer, because that is what she stated tonight. That is not the answer she got from the Premier on two, if not three, of the three days that she questioned him.

Second answer. I have had in discussions over two years and six months with all organizations that I have dealt with, from the MMA to all of the organizations, every discussion that I have had with those organizations has indicated to them that the challenges in health care are such that we do not have the answer of the last two decades to solve problems by throwing money at them. That we are going to be on constrained financial budgets. I have made no bones about that.

As a matter of fact, when I met with the MMA about this time of the year—you might recall that meeting—to attempt to complete a contract with

them well in advance of the expiry of their contract, I pointed out exactly that information to them. As a matter of fact, my honourable friend even had a copy of—oh, no. She did not. Her soul mate to her left, who was the Health Critic at the time, had the information I presented to them and clearly in there I pointed out to them that we have financial problems. I have never made any bones about that.

It is not something that popped out of the ground like a mushroom in the last week. We have always acknowledged to health care institutions, professional organization groups, we do not have a big bankroll in the Province of Manitoba or in this nation. That is not being an apologist for anybody. That is simply being honest.

At the National Nursing Symposium this week, many questions and many observations were placed with the recognition, whether the individual was from Ontario, whether the individual was from British Columbia, the Yukon, the Territories, Prince Edward Island, Newfoundland, the observation was made that we recognize we do not have any more money. Everybody recognizes that. I have made no attempt to say anything different because that is the honest reality.

So if my honourable friend wants to know, have I had those kinds of discussions. Well, in the last four days, no. No, I have not. I have not met with the MMA in the last four days. I have had discussions with other groups in the last four days, but for two and a half years I have had those kinds of discussions at, I would say, if not every opportunity, certainly 95 percent of the opportunities that I have had in meeting with the associations, the groups, the organizations my honourable friend has mentioned. In each and every case I have indicated, and asked them for their suggestions on how we can spend smarter, reform the health care system, be partners in health for the people of Manitoba. You know what, I have had a lot of good co-operation and a lot of good suggestions, and I have appreciated them. They formed the basis for some of the things we have been able to do already and will continue to do, so the answer to my honourable friend's question is: No, I have not talked to those people that she mentioned in the last four days. Yes, I have talked to them for two and one-half years.

**Ms. Wasylycia-Lels:** I will bet, Mr. Deputy Chairperson, that each and every one of those organizations has suggested to the Minister and to this Government that they take a strong position

vis-a-vis the federal Government, and call and have a strategy to demand from the federal Government a fair formula based on growth in our economy. I do not think the Minister is accurately representing the concerns of health care professional organizations in the province today and the people of Manitoba, by simply focusing on the fact that we have to adjust to this reality imposed upon us by the Conservative Government in Ottawa.

(Mr. Sveinson, Acting Chairman, in the Chair)

We are asking from this Government for a strategy, a lobby, an effort to try and change the mind of the federal Government, and I guess all we can conclude since the Minister refuses to outline any such strategy, to even put on record once that he is working hard, working with his federal counterpart in Ottawa, working with his colleagues here to put together a concerted strategy dealing with that situation—all we can conclude is that this Government is refusing to take on the federal Government on this issue.

Would the Minister consider, since he has agreed this is a major issue, the whole question of funding and reduced federal support—he said that is a major issue—would he consider putting together a document outlining the concerns that we have all talked about here tonight with the research and documentation and the statistics of either his department or the Department of Finance, and go to the people of Manitoba on a broad consultation process, to inform them about the situation we are in because of the federal Government, and seek advice about options that can be pursued?

**Mr. Orchard:** I just want to correct my honourable friend—and I am only going by memory, but I hate to disappoint my honourable friend—but do you know that I do not recall one professional organization or group of people involved in health care that I have had those discussions with that I mentioned, tell me, oh, you have got to fight the federal Government? Not one, not one.

I do not know why my honourable friend would automatically come to that conclusion that they would all make that automatic suggestion. They have not. I may stand corrected; there may have been one organization that might have mentioned it, but I do not recall it. More importantly, the discussion by those individuals and organizations focused around—well, you know my honourable friend across the table says, well, they, this

unidentified phantom they that the NDP always come up, have talked to them, they have told us. These phantom theys are never identified; they are just somewhere out there; and they become the automatic gospel that the NDP sees. They said to us, we must do this, but they never identify them. I have identified the groups I have talked to. I can tell you right now that not one of them suggested that the solution was to go and fight the federal Government for more money. Maybe one of them did, I am not sure, but I do not recall a single one making that the focus or even part of their presentation on how we come to grips with issues of providing service to Manitobans in health care. These "theys" that my honourable friend refers to, I do not know who they are. Only she knows who they are or if they exist at all.

\* (2310)

I just want to tell my honourable friend that there is a maturity of understanding out there that there is a little bit more to the answer. This troubles me, because now my honourable friend, in the course of three hours and ten minutes, has changed her position. Now she is saying that there has to be more money in health care, when a scant two hours ago she said, well, not additional monies into health. I know my honourable friend is frustrated with the clarity of the position that has been laid out four days in a row for her by the Minister of Finance (Mr. Manness), the Premier (Mr. Filmon) of this province, in terms of our approach to not only the Finance Ministers' meeting next week, but indeed to what I propose to my honourable friend, as direction of this Government in health care.

I have to admit that I am now getting a little confused as to the consistency of my honourable friend in her argument. We now have phantom "theys" and a change in the position already, a fundamental change in position tonight, from not additional monies into health to now the issue being we need more money into health. Which is it? Same or more money, or is there a third position going to come out? I do not know, I am curious to know where you are coming from.

**Ms. Wasylycia-Lels:** It is no wonder the Minister is confused, because he has simply decided to misinterpret what I have said consistently all evening, and has refused to recognize something that has been said by many organizations across the country. That is, and let me say this very slowly for the Minister of Health so he does not have any

other opportunity to misread or misinterpret what I am saying, that we are not talking about increases in health care beyond a fair formula which is based on growth in the economy that is in line with economic growth. Have I made that clear?

Let me perhaps actually quote from a document so that the Minister also has no chance for misinterpreting what any of us are saying. By the way, this is from the Canadian Health Care Coalition, made up of 34 national organizations across the country, which are concerned about the future of our country, and about quality health care, education, and social services. That organization, along with many others, and I am sure the Minister has heard from them, has been asking for, and asking for this Government to support them in this call, for the federal Government to provide current actual dollar transfer to provinces increasing annually at the basic formula rate, that is, increases at the three year floating average per capita GNP increase. That is what we are talking about. That is what committed individuals, and concerned health care organizations have been raising for months, and years. That is why we are asking this Government and this Minister to indicate what their policy is with respect to that basic request.

(Mr. Deputy Chairman, in the Chair)

**Mr. Orchard:** Mr. Deputy Chairman, I simply refer my honourable friend to the answer she has received over the last four days.

**Ms. Wasylycia-Lels:** Earlier, the Minister referred to comments by Dr., is it Laurie Mustard?

**Mr. Orchard:** Fraser Mustard.

**Ms. Wasylycia-Lels:** Sorry, Fraser Mustard, who has suggested that we need to produce more wealth in this country in order to be able to fund health care. I think there is no one around who would argue with that fact if we had a history and a record in this country for funding health care according to growth in our economy and according to wealth produced.

The problem we are all facing, and the problem confronting this provincial Government, is that the funding formula has not been based on wealth produced in our country or growth in our economy, so what we are really looking for is a commitment from this provincial Government to seek, from the federal Government, such a formula.

I am sure the Minister will agree that such a formula, in conjunction with a very serious effort to

move towards community-based preventative health care, will not mean continually looking for increases in health care, and will not mean major increases in health care funding, if we had a formula that is based on economic growth, based on wealth, in conjunction with a serious effort to move toward community-based health care.

I am wondering if the Minister does not believe that such a formula would go considerable distance toward dealing with the serious funding problems he is facing as a Minister of Health in the Province of Manitoba?

**Mr. Orchard:** In theory, any formula which would give the Province of Manitoba more money, would assist in funding health care. Any formula that would give us more dollars would help. We are getting more dollars right now than we got last year, but that is not quite enough dollars. It was not the year before, it was not the year before that. It was not the year before that, but the point that my honourable friend misses from Dr. Mustard, and others who analyze the economic circumstances of the country, is you cannot have a formula that means anything unless you have real increasing creation of wealth in this country. Your formula would give you negative dollars this year, if it was based on growth in the nation of Canada.

Do you want a cutback in dollars, because that is what would happen under your formula? I know it is difficult for us to debate the nation's health economically in the Estimates of the Ministry of Health in the Province of Manitoba, but we can. We might even have some pretty good ideas to offer to the federal Government. We could send them the Hansard and they could read them, but until my honourable friend comes to the recognition that there is no magic formula anywhere to divide non-existent creation of wealth—I mean, you have to have an economy that is able to function, continues to function, provide new opportunities and new and increasing tax revenues. We do not have that right now in Canada.

We have the second problem which is killing us and that is the extensive and growing commitment of the limited tax revenues we have from growth to pay interest on the deficit. That is the monkey on all our backs, to put it in an old vernacular. That is where there has to be some reasoned thought at the national Government level—on how they extricate themselves from that and build a policy platform that will encourage the kind of innovative growth in the

economy that takes us into that world economy we are in now. So we can continue to provide the level of funding, with or without this formula my honourable friend touts; so we can afford the kind of basic infrastructure and social program support we have come to expect in the last two decades, first you have to have an economy that is functioning and will continue to function. That is the point that Fraser Mustard made.

**Ms. Wasylycia-Lels:** Maybe the Minister of Health would like to read the federal Minister of Finance's own information on growth and wealth in Canada, in a flier that I am sure the Minister of Health saw. It came to all of us in the last three weeks.

He talks about the good news, first-rate growth. Canada has the fastest rate of job creation among the major industrialized countries, he says, more than 1 million, 500 jobs over the past five years.

\* (2320)

Our economy's growth rate during that time has been second only to Japan's, and the growth of investment in Canadian businesses has been averaging about 10 percent a year, more than twice the rate of the United States, and on and on.

Now I do not see, Mr. Deputy Chairperson, where health care is getting its fair share of that growth in our economy. How is it that the federal dollars, direct payments for health care to the provinces, is declining, while growth is occurring in the Canadian economy according to federal Finance Minister Wilson?

We are getting nowhere on this line of questioning. It is clear the Minister of Health is just not going to answer any of these questions. Let me try to ask him more generally, in terms of this line that we are on, Executive Support, which does deal with—"Provide direction on policy development in key areas of the health care system."

Could he tell us if it is an opinion of him and his staff if it is possible to ensure national standards of health care right across this country without the federal Government being involved?

**Mr. Orchard:** The federal Government has a very key role.

**Ms. Wasylycia-Lels:** Mr. Deputy Chairperson, could the Minister tell us what standards are not being attained now in Manitoba, and what standards we fall short of as stated directly by the Minister of

Finance? This is not reports, now. This is a direct quote.

**Mr. Orchard:** I think my honourable friend, the Finance Minister, was concerned about the decreasing contribution of the federal Government, and how that shortfall in dollars that would be available to the province to put to the Ministry of Health would cause us difficulties in the future.

As I sit here tonight—and my deputy will have to correct me if I am wrong—I am not aware of us being short of any standard that exists nationally.

I can tell my honourable friend where we exceed national standards in the Pharmacare program. We exceed national standards in the Home Care Program. We exceed national standards in the Personal Care, Long Term Care Program. We exceed the national standards in terms of our Air Ambulance Program. We exceed the national standards in our provision of certain dental procedures. We exceed national standards in terms of provision of prosthetic devices for certain illnesses that have afflicted people. We exceed national standards, in terms of our ability to assist Manitobans to live in their own homes other than those who are seniors. I will stand corrected, but I do not think we are under any national standard. We are significantly above in many areas.

My honourable friend, the Finance Minister (Mr. Manness) was indicating that should the federal Government not maintain its commitment financially to the national provision of health care by funding the provinces that we would encounter some difficulties. That is the same thing that my Premier (Mr. Filmon) has said in answer to my honourable friends. That is why we—and I will repeat again for my honourable friend. That is why my colleague the Finance Minister and myself met in Moncton in 1989 with other provincial and territorial Finance and Health Ministers to discuss those very issues.

I will say again, for my honourable friend, that was the first time that Finance and Health Ministers, and their respective deputies, had ever met in Canada. They did not meet during the time that there was an NDP Government in Manitoba. They did not meet at the time when there was a Conservative Government that I was part of in Manitoba. That is reflective of the concern that we have with the federal Government's ability to provide financial commitment to funding the health care system in our province and nine others and two territories. We

exceed national standards in many, many areas in the Province of Manitoba right now.

**Ms. Wasylycia-Lels:** Could the Minister give us his assurances that he will fight very hard to maintain the Canada Health care Act as it is and oppose any changes that will reduce standards or allow provinces to move in the direction of user fees or extra billing; something which is specifically prohibited under the Canada Health care Act?

**Mr. Orchard:** My honourable friend asked that question of me in the House about a week and a half ago. I think I was pretty clear to my honourable friend. If I was not, I will repeat my answer for her.

The answer is built into my opening statement. I have indicated that I will not recommend to my Treasury Board and to my colleagues the additional collection of revenues from Manitobans until I am assured that the dollars we provide, \$1.641 billion, are being effectively used throughout the length and breadth of this province by the institutions, the individuals, and the groups that receive that funding.

**Ms. Wasylycia-Lels:** Thank you for that answer, Mr. Deputy Chairperson, but in fact, that was not my question. My question was, will this Minister give us his assurances that he will fight, oppose, lobby against any changes to the Canada Health care Act?

**Mr. Orchard:** You know, I cannot fight something that is not happening. I mean, I cannot fight shadows. My honourable friend came to the Question Period with the—it came out of a small pamphlet that she had.

**Ms. Wasylycia-Lels:** No, newspaper.

**Mr. Orchard:** Newspaper she had, that there was this plot in Ottawa to change the Canada Health Act. I answered her then, as I will answer her now. I am not privy or aware or have been informed of any changes to the Canada Health Act being contemplated by the federal Government. Should I be so informed, I would tell them the same thing I told my honourable friend in Question Period 10 days ago, this evening, and that I have told Manitobans at every opportunity that the question has been put to me. Is that a good enough answer for my honourable friend tonight?

**Ms. Wasylycia-Lels:** Mr. Deputy Chairperson, let me ask the Minister, since his colleagues, the Minister of Finance (Mr. Manness) and the Premier (Mr. Filmon) both very clearly in Question Period this

past week have said that we may have to look at ensuring high standards through equalization, not the Canada Health care Act.

\* (2330)

Could the Minister tell us what is the opinion of himself and his department about whether or not one can ensure—if it is possible to maintain those same high standards through equalization?

**Mr. Orchard:** Mr. Deputy Chairman, I have gone full circle. The issue is money. That is the point that the Minister of Finance made to my honourable friend on Monday of this week, that the issue is not solely the declining participation through EPF. It is also equalization payments.

My honourable friend has to be reminded that she, her Leader (Mr. Doer), and Party, wanted us to become part of the court challenge which would dramatically affect Ottawa's ability to provide us equalization payments. She wanted us to jump in bed with Alberta and B.C. That is the New Democratic Party position in this Legislature, to get in bed with Alberta and B.C. who want to fight the federal Government and their ability to provide provinces like Manitoba equalization payment. Alberta and B.C. want to do that with the sole and exclusive purpose of reducing the amount of money that Ottawa takes from them and gives to provinces like Manitoba.

My honourable friend, the New Democratic Health Critic and her Leader, wanted us to join a court battle to do that. We said no, thank you. That may be the New Democratic Party policy in this province, but it is not a Progressive Conservative Party policy. Does that answer your question adequately? -(Interjection)-

**Mr. Deputy Chairman:** Order, please.

**Ms. Wasylycia-Lels:** No, Mr. Deputy Chairperson, the Minister has not answered my question.

I asked him specifically, and I ask him again, if he can tell us, on the basis of research and work done by him and his department, if it is possible through equalization to guarantee the same standards as delineated in the Canada Health care Act right across this country?

**Mr. Orchard:** Not if Alberta and B.C., joined by the New Democrats in Manitoba, succeed in their court challenge, no.

**Ms. Wasylycia-Lels:** Mr. Deputy Chairperson, would the Minister consider a similar process to the

one undertaken by the former NDP administration in the year of 1985 by compiling all of the documentation available on this very difficult issue and circulating it to Manitobans everywhere and seeking their input and advice?

**Mr. Orchard:** Mr. Deputy Chairman, I would really have to examine that seriously, because if I recall, since 1985 with that tremendous effort by Howard Pawley and the NDP, we have been getting less and less money from Ottawa. I do not know whether I would want to participate in a process that would get us less money from Ottawa, as was the obvious result of that exercise by Howard Pawley and the NDP.

Is that a clear enough answer?

**Ms. Wasylycia-Lels:** Let the record be clear, Mr. Deputy Chairperson, that the Conservatives then did not want to participate in any exercise that lobbied the federal Government, and it is clear that they have no intentions now of doing anything to lobby the federal Government to ensure that Manitoba receives a fair share of funding for health care and post-secondary education in the Province of Manitoba.

**Mr. Orchard:** Mr. Deputy Chairman, I just want to refresh my honourable friend's memory before she gets too enthralled with revisionist history.

When that effort was made and there was direct communication with the federal Finance Minister, and I believe it was in the year of 1985, that letter, which was signed by the then New Democratic Party Finance Minister, was written by the Progressive Conservative Finance Critic, one Brian Ransom, because there was not sufficient intelligence in the Ministry of Finance under the NDP to create a letter of logic, of reason and of purpose to the federal Government.

If my honourable friend wants to try and distort what our participation was in that effort she ought not to do it with someone who was part of the process and knows that the letter was written by the Finance Critic of the Opposition Party Progressive Conservatives, not by her colleague, the Finance Minister of the Day.

**Ms. Wasylycia-Lels:** The fact of the matter is, Mr. Deputy Chairperson, the Minister, then a Member of the Conservative Opposition in 1985, decided not to participate in any effort to try to get the situation corrected at the federal level. That is the fact of the matter.

It does not matter what silly little details he wants to bring up now and what diversionary tactics he wants to raise. The fact of the matter is there was no evidence then and there is no evidence now that Conservatives in Manitoba are prepared to take on the incredible negligent, incredible insensitive, policies of the federal Government in terms of health and post-secondary education.

All I was hoping to do this evening was to get some sense of how it is possible for all of us to work together to take on this incredibly important issue and this huge battle ahead of us. It is clear that the Government is providing no leadership and has no plans, no intentions, no strategies, to work to ensure fair funding from the federal Government to maintain our health care system.

That can only lead in one direction and one direction only. Without the support of the federal Government, without a funding formula that is based on growth in our economy, this Government will be embarked upon taking us down a path of user fees and premiums, deterrence fees and extra billing, means tests, you name it. The scenario is being staked out now, and I think some day the Minister of Health will have regretted not taking a leadership position at this critical juncture in our history.

**Mr. Deputy Chairman:** The Honourable Member for the Maples.

**Mr. Orchard:** Mr. Deputy Chairman, before my honourable friend, and then I want to hear—

**Mr. Deputy Chairman:** The Honourable Minister.

**Mr. Orchard:** —from my honourable friend, the Member for The Maples. What some of my new colleagues have heard who may not have been exposed to New Democratic Party scare 'em rhetoric, you have heard some classic. I mean there is no other solution, then there is going to be dire consequences, cutbacks, et cetera, et cetera. Of course, what my honourable friend, the New Democratic Party Critic has not fully come to grips with is the fundamental issue of where the money comes from. You know, I can say to you tonight, I would love the federal Government to triple their contributions to the Province of Manitoba. Then I would be able to put some money elsewhere, into extra programs and have a little more for highways, a little more for education, et cetera, et cetera—ideal.

It is also a little bit in fantasy land, that kind of a wish. So I simply tell my honourable friend that in

this nation there is no other solution than creation of new wealth and better management of the resources we have now; policy development based on knowledge and fact; analytical data which we are putting in place which did not exist in May of 1988 when we came into Government. That is the basis on which we will be making decisions in health care that will benefit the people of Manitoba, and make a better health care system. We will do that regardless of the financial circumstances that we are faced with, because that is policy that makes sense. That is policy that is long overdue. Those are initiatives that are needed and activity that will benefit Manitobans to a far greater degree than the harum-scarum rhetoric of my honourable friend from St. Johns.

\* (2340)

**Mr. Cheema:** Mr. Deputy Chairperson, can the Minister of Health tell us, in their campaign of 1988—but this campaign they did not confirm, that was a possibility of combining the Manitoba Health with the MHSC. Now we have executive support staff here who look after some of the policy development at AFM and MHSC and the Manitoba Health. Can he tell us what is their time frame and are they really moving towards combining both those departments?

**Mr. Orchard:** Mr. Deputy Chairman, there are steps being gradually taken to move. For instance, Mr. Fred Anderson is the Assistant Deputy Minister of Finance for both the commission and the ministry. That is a new step, and we have joined planning functions with AFM and the ministry, et cetera, so we are making those kinds of moves in a gradual fashion. I think he can appreciate that there was a lot of consternation over how quickly we might make those kinds of moves, because obviously people who had been in the positions were concerned about what the direction was. We have embarked upon a very open process of moving, and amalgamating functions where it makes sense, where there is obvious commonality of purpose. There are not going to be any surprises, it is going to be a steady progress of bringing the two ministries together.

Let me tell my honourable friend that there is benefit to doing that. It is not solely the ability to save some dollars in terms of the direct line costs, but the more important outcome is that, by having more functions jointly pursued by the ministry, the

department, and the commission, you end up with a better interface between the institution-based programs in the department, and the commission and the community-based programs in the department.

The more we can bring my respective staffs together to work towards better programs for delivery of an interface with home care in the institutions, as an example, et cetera, the more effective our service delivery will be. That is just a given that you will, in the long run, make more effective use of your dollars.

**Mr. Cheema:** I just want to confirm our support for that particular step. I think it is very important for the reasons the Minister has mentioned.

If we can pass this, and go to the next section?

**Mr. Deputy Chairman:** Item 1.(b)(1) Salaries \$417,000—pass; (2) Other Expenditures \$100,200—pass; (c) Health Advisory Network \$500,000.00.

**Mr. Cheema:** I think this is the one area, probably, where we will spend some time.

Can the Minister of Health first let us know how much money has been spent during the last year? From 1989, generally, when the network was established, and during this year?

**Mr. Orchard:** For fiscal year '89-90, our actual expenditures were \$193,300, and the figure of expenditure until October 31—this is a month shy of the actual—is \$284,300.00.

**Mr. Cheema:** Can the Minister tell us, out of all this expenditure, is there any amount that has been paid to the outside consultant?

**Mr. Orchard:** Mr. Deputy Chairman, \$106,000, I am told. That is in the Teaching Hospitals' Cost Review.

**Mr. Cheema:** Can the Minister tell us, that \$106,000 for teaching hospital review, does that include the cardiac by-pass surgery evaluation study, too?

**Mr. Orchard:** No, that is only to try and—how would I explain this—put clarity to what is ostensibly called the Evans Report, so that we know whether the numbers that were developed in the Evans Report are accurate in terms of the national comparisons made. The open heart surgery investigation was done separate and within the budgets of the respective hospitals.

**Mr. Cheema:** I think probably this is where we can



progress a little faster in having answers short, and the questions will be short, too.

Out of \$106,000 can the Minister give us a breakdown? Was that money paid to a special company or a consultant, and whether tender was done?

**Mr. Orchard:** Michael Lloyd and Associates, a Winnipeg firm.

**Mr. Cheema:** Mr. Deputy Chairperson, it is a Winnipeg firm and the Minister has confirmed it. Can he tell us when that report will be made available?

**Mr. Orchard:** I am going to give you what the book says, and then I am going to give you what I think it will be, based on experience with the Extended Treatment Bed Review. They are hoping to have that done by June of '91; an interim report by March '91, which would be circulated; a final report projected to be to me by June of '91.

**Mr. Cheema:** Can the Minister tell when that evaluation study was commenced? When was that started?

**Mr. Orchard:** In January.

**Mr. Cheema:** Mr. Deputy Chairman, the Minister is saying in January of this year? January of this year, January of 1990?

**Mr. Orchard:** Yes.

**Mr. Cheema:** Mr. Deputy Chairperson, the reason I am asking those questions is that the Minister should review his 1989—some of the answers. Even some of the studies were being done at that time also, and some of the answers he gave us in the Question Periods, it was 1988. I just want him to clarify that. I think that probably I will give him a chance to clarify some of the questions we asked, and I will probably give him some of the dates also. The Minister offered that we would go into a teaching hospital review study even in 1988 Estimates, so can he clarify that?

**Mr. Orchard:** Like in terms of the Health Advisory Network, they commenced meeting on the Teaching Hospitals' Cost Review in March of 1989, but the consultant phase commenced January of 1990 and will become part of the Health Advisory Network's report which, as I have said, we are hoping to have a phase one or an interim report by March of next year and the final report by June of 1991. There can be things to delay that for a few months, as happened with the Extended Treatment

Bed Review, but I think that clarifies the 1990 versus the 1989 answer my honourable friend is referring to.

**Mr. Cheema:** Mr. Deputy Chairperson, I think that did clarify the answer, because there were some questions answered by the Minister during the Estimates, and in the Question Period, that particularly referred to that teaching hospital review committee. So, if those committees too are combined for the work, maybe that seems to be the case. Now can he tell us if this company was given an open tender or the decision was made solely by the Minister of Health?

**Mr. Orchard:** The contract was tendered and I did not even see the number of people who had bid. It was the Health Advisory Network that made the choice of the consultant.

**Mr. Cheema:** Is there a possibility that we could have the information on the particular company that was doing the consultant work, if that does not interfere with confidentiality. I mean the name is there, but just to find out what is the expert opinion and how the decision was made. Also, if the Minister could instruct his staff to get the information from the Health Advisory Network how the decision was made to give a contract to this company? I would like to know some time next week, if it is possible.

\* (2350)

**Mr. Orchard:** I will undertake to get to my honourable friend the process of selection and also I suppose the business description of Michael Lloyd and Associates. They are Manitoba health economists. They are not an abundant individual, there are not a great number of them. There are only several in the Province of Manitoba. I will provide that information to my honourable friend.

**Mr. Cheema:** Mr. Deputy Chairperson, is there extra monies being spent by both hospitals in this particular study or that is the total amount?

**Mr. Orchard:** No, Mr. Deputy Chairman.

**Mr. Cheema:** Can the Minister tell us, out of the other amount, what other studies are being undertaken, and if there are any other outside consultants on any of the work that is being done right now?

**Mr. Orchard:** There are no other outside consultants and the monies that are expended to date will be to support travel efforts et cetera, in the establishment because a number of these

organizations have had public meetings where there are rentals of halls involved et cetera. So that makes up the balance of the expenditures to date.

**Mr. Cheema:** Mr. Deputy Chairperson, my reasons for asking all these questions are very particular, because once we go through the process, and I have a couple of major concerns I wanted to bring out, whether this is a perception or a reality in some of the public's mind that some of the work is being done outside Manitoba, I wanted to confirm before we could go further.

Can the Minister tell us now, within these two years, the total budget was \$500,000 last year and \$500,000 this year, the money which was saved, to which department have they rechannelled that amount?

**Mr. Orchard:** Mr. Deputy Chairman, this was part of the \$67 million of lapsed funding. There was probably \$490,000-plus out of the Health Advisory Network in our first year that was not expended and it was simply part of the unexpended budget. Last year, in excess of \$300,000 simply became part of the lapsed funding.

**Mr. Cheema:** Mr. Chairperson, can the Minister give us an approximate deadline for all of these studies because, as I asked him a question in Question Period, I think there is a concern that even though the amount is not spent to that great extent, there is a two-year period that has been given to the Advisory Network and has been given a lot of publicity and the Minister has depended upon some of the issues to solely be solved by this network. So I would like to have an approximate date for when the report will be completed.

**Mr. Orchard:** I will give my honourable friend some projected dates for each of the studies, and based on experience with extended treatment, I will give my honourable friend the caution that the process was followed here.

The Health Advisory Network received the interim report from the task force on extended treatment bed review in January of '90. It went back twice to the community and to those who were involved in this development and the institutions that were involved in the recommendations and arrived on my desk from the Health Advisory Network in June of 1990. We, subsequent to that, made an announcement, which my honourable friend is aware of.

The Winnipeg Hospitals Role Definition, I am

expecting a final report in May of 1991. Health Services for the Elderly, the health promotion portion, I am expecting in the very near future; and within about two months, I am expecting the second report from them on health prevention, and housing and home care by April of '91. Rural Health Services, I am expecting by April of '91; the Northern Health Task Force by May of '91; the Health Information Systems by May of '91; Alternate Health Services, June of '91; Health Promotion, June of '91. We have yet to initiate the Extended Treatment Bed Review for rural.

**Mr. Cheema:** There are only five minutes left, so I just want to go away from this present topic. I will continue. I just wanted to ask him a special question. I did ask him twice, two days in a row, in the House. I gave him the opportunity to tell us whether the Cardiac Care Evaluation Report has been ready or not, and it is my understanding that the report has been ready for more than a few months. I would like the Minister to clarify that. The second question is, for that report, was there any outside consultant hired to do the review on cardiac care?

**Mr. Orchard:** I received, and I am going back in memory, an interim outline of the progress of the committee, I believe, in June of this past year. I was just talking to one of the hospitals this week, the indication being that I may well receive an action plan created by the two hospitals next month, December. There have been some significant developments already in that both St. Boniface and Health Sciences Centre boards have agreed, by resolution of the board, to work towards a provincial cardiac program. There has been some progress made already.

I did not retain the consultant, and the committee did not either, I think that the Faculty of Medicine retained two individuals from two Ontario institutions to come up and provide an overview on the way the program operates between the two teaching hospitals. Presumably on the basis, the analysis and the overview those individuals made, recommendations will be built in, and I expect to receive them, as I say, in December.

I tell my honourable friend also that we are very actively trying to recruit a head of the cardiac program for the province, because we have not had a permanent head of program, which could provide the kind of leadership that program needs in the two institutions.

**Mr. Cheema:** I am disappointed because the Minister should read his answers. He never admitted that he had the report. It was a simple thing just to say that we have the report and the hospitals are discussing that report. If you look at the St. Boniface list, the St. Boniface list has grown by 30 percent over a two-year period. There are approximately 130 to 135 patients waiting on a waiting list, and they would like to know the answers. Why did the Minister not tell in the House that he has the knowledge of the report? A simple thing to say, yes or no.

I cannot understand why such a thing has to be hidden away.

**Mr. Orchard:** Mr. Deputy Chairman, I do not have the report of the Cardiac Care Committee because it has not been completed.

I received an interim report outlining the progress to date, in June of this year. I expect and hope to receive their report and recommendations next month as to how they are going to receive it.

I do not have the Cardiac Care Committee's report.

I just want to tell my honourable friend I was Health Critic too, and I had all kinds of people feeding me all the doggonedest, wildest things, how the Minister did this, that and the other. The odd time I would lunge right in there and take my old friend Larry Desjardins on. About five minutes later I would be half the height I was ordinarily, because not always when you get rumours and information from people is it accurate information.

I do not fault my honourable friend for trying his best. I simply tell you the Cardiac Care Committee has not given me their report. I am expecting it in December.

I also want to tell my honourable friend, when I get the report I want to act on it, because I am sick and bloody tired of having people bug me about cardiac care in the Province of Manitoba when it is beyond my control.

**Mr. Cheema:** Mr. Deputy Chairperson, can the Minister then tell us how much it cost to hire those two consultants?

**Mr. Orchard:** I do not know. I will make the inquiry and find out what it cost because we did not hire him, as I indicated.

**Mr. Cheema:** Mr. Deputy Chairperson, I think we have a Health Advisory Network which is supposed

to advise on major issues. I think it is unfortunate that you have the budget with the \$500,000 and that you were to make a decision based on the report. Why do you have to go outside your own budget and get—or get these people from outside of Manitoba? Why could you not—

**Mr. Orchard:** Hold it. I did not, Mr. Deputy Chairman, and I—

**Mr. Deputy Chairman:** The Honourable Member for The Maples has the floor. Finish the question.

**Mr. Cheema:** Mr. Deputy Chairperson, I was just about to finish the question as to why these people were hired. The Minister said he did not hire them, it was the hospital who hired them.

**Mr. Orchard:** No, it was not even the hospital. It was, as I understand it, the Faculty of Medicine. The University of Manitoba hired them. I did not hire them.

**Mr. Cheema:** Okay, that clears the air.

**Mr. Orchard:** Thank you.

**Mr. Deputy Chairman:** The hour now being 12 midnight, committee rise.

## SUPPLY—RURAL DEVELOPMENT

**The Acting Chairman (Mr. Ben Sveinson):** Would the Committee of Supply come to order, please. This section of the Committee of Supply has been dealing with the Estimates of the Department of Rural Development. We are on item 7. Provincial Planning (a) Salaries \$447,900.00.

**Ms. Rosann Wowchuk (Swan River):** Just getting back to what we were talking about before the supper hour on the PLUC and the changing of land use, as we look back in the provincial land use policy, as I look back in the years before Estimates, the same comment was there about a major review and changes to this policy. I want to ask the Minister, how soon do you intend to be making changes? Is there anything in the near future, or is this just in the review stage?

**Hon. Jack Penner (Minister of Rural Development):** I am sorry I did not hear the first part of the question, but I think I got enough of the last part of the question to answer. The land use policy review is currently in its initial stages. It is being done internally and, as I said before, once the internal review has taken place, we will take the draft policy or discussion paper to the public to discuss with

municipalities, other organizations that have an interest, and then come back and make a decision based on the response that we have had.

I am a great believer in allowing the public into the decision-making process. I think some of you saw me head up the Land and Water Strategy. It was a very similar type of a process and, although this might not take the same tack, it would involve the public to make some final analysis of the policies required.

(Madam Chairman, Louise Dacquay, in the Chair)

**Madam Chairman:** Item 7. Provincial Planning (a) Salaries \$447,900—(pass); (b) Other Expenditures \$41,400—(pass).

Resolution 132: RESOLVED that there be granted to Her Majesty a sum not exceeding \$489,300 for Rural Development, Provincial Planning \$489,300 for the fiscal year ending the 31st day of March, 1991—(pass).

Item 8. Surface Rights Board (a) Salaries \$95,000—(pass); (b) Other Expenditures \$29,000—(pass).

Resolution 133: RESOLVED that there be granted to Her Majesty a sum not exceeding \$124,000 for Rural Development, Surface Rights Board \$124,000 for the fiscal year ending the 31st day of March, 1991—(pass).

Item 9. Manitoba Water Services Board (a) Salaries \$1,559,500.00.

\* (1910)

**Ms. Wowchuk:** I would like to ask the Minister about the agreement that was signed for southern Manitoba and whether any of that money is allocated to a particular project at this time, or do you have any specific ideas where that money will be spent?

**Mr. Penner:** Madam Chair, I think the Honourable Member for Swan River (Ms. Wowchuk) is referring to the so-called SDI agreement that was signed between the federal Government and the province a month or so ago, and I want to indicate to her that, in regard to her question, there has not been any of the money allocated to any given project at this time.

However, it is not entirely just a southern development initiative. The town of Dauphin is also going to be included in the agreement, and there might in fact be some room for consideration of some of the other areas in the province that are not

currently named in the agreement. The list of names attached to the agreement, I should say, is simply that of towns that qualify under the criteria established by the agreement. In order for the agreement to come into being, there has to be a management board appointed, two of whom shall be federal representatives, two of whom shall be provincial representatives. This federal-provincial board will sit down and negotiate with the various communities an agreement for the delivery of the program within those various communities.

We have no way of knowing what the actual monetary requirements will be in the various communities that qualify right now under the criteria established by the agreement. So the answer is, no, there have not been any dollars allocated under the terms of the agreement.

**Ms. Wowchuk:** I would like to thank the Minister for that answer, because I was quite disappointed when I heard of the agreement and that it was a southern agreement to be used to encourage industry and development in those areas. Being from the northern or more central part of the province, I feel very strongly that, in the central part of the province in particular, we do need industry to come in, we do need development, and we are not going to get that industry in there unless we have the infrastructures there to support them. I am encouraged to hear that there is a possibility that other communities could qualify for this funding.

I have a particular question to ask about a particular community on water services, and that is the community of Mafeking. The people there have been trying for some time to get water into their community and I would like to ask the status of that, if the staff members or the Minister could tell me where we are with Mafeking?

**Mr. Penner:** As far as the recognition of the so-called central or northern communities in this province that the Honourable Member for Swan River (Ms. Wowchuk) identifies herself with, I would suggest that if she would travel up to Churchill, she in Swan River would be called a Southerner. I would suspect that Dauphin, not being much further south than Swan River, would also be viewed as a southern community.

I want to say to the Honourable Member that the normal program that Water Services Board and PFRA deliver in this province today can in instances deliver virtually probably as much assistance to

communities as will the new agreement. The new agreement is a larger agreement and there will be federal funding involved in it; however, the criterion that is spelled out is a one-third, one-third, one-third arrangement. That will require a given community to come up with at least thirty-three and a third cent dollars. That, of course, is sometimes the case under our current programs that are available to various communities, depending on what the criteria that are established and the formula that is used in various communities to establish funding.

So I think that a number of the communities that are not recognized under this program should not be too concerned, because I would suspect that there might, in fact, be as much or maybe more money available to them because of the establishment of this program. This program, had it not been established, would require that communities such as Portage and Brandon, and virtually all of the communities that have been identified here, would have had to expend within the next few years large amounts of money to meet the environmental requirements, spelled out by our Department of Environment.

Most of these communities are right now—I should rephrase that. There are a significant number of these communities today that are under environmental orders to take remedial action to address their effluent discharges and their effluent treatment. If this program had not come into being, the province would have had, I believe, in the next while to expend a significantly larger amount of money out of its coffers than it would now, and to the point of about \$30 million, because there might not have been any federal involvement. I would say that this should, in the long term, free up more provincial dollars to do provincial projects than would have otherwise happened.

I think the previous administration recognized similarly the need to address these problems, because they had already started negotiations toward a similar type of agreement, although the criteria have changed somewhat, but a similar type of an arrangement that would have probably been put in place had they remained in office.

So I think there is a general recognition that this was something that has been discussed for a significant number of years. It has also been recognized that the environment must be taken better care of than we have in the past.

**Ms. Wowchuk:** Madam Chairperson, my second part of the question was specifically to the community of Mafeking. Can you tell me whether anything has happened with the water supply there?

**Mr. Penner:** I am sorry. I missed that last point of your question.

I am well aware of the needs for water in the Mafeking area. Your predecessor knocked on my door quite regularly to indicate very clearly what Mafeking's needs were. We have tried to address that. There has been test drilling going on in that area. I am not sure whether an adequate supply of water has been found, but I believe they have.

The next step, I suppose, would be to allocate by Water Services Board, I should say, to allocate dollars for that project to develop a water supply in that area. I think it is needed and so, therefore, I would suspect that within the not too distant future you might see some activities in that area, depending on what the budgeting in Water Services Board will allow for.

\* (1920)

**Ms. Wowchuk:** Madam Chair, do I take it then that would have to be out of the next fiscal year, that there are no monies set aside for those kinds of projects in this year?

**Mr. Penner:** The budgeted amount of money for this year in Water Services Board has been allocated so this year, I suspect, there would not be dollars available recognizing that this year has only got another 30 or so odd days to go. Even if there was an allocation and it was put on the program, I would suspect that it would not be constructive this year.

**Ms. Wowchuk:** Madam Chair, I would just like to ask the Minister—you talked about these funds from the South Development Initiative. Are these dollars, in any way, replacing PFRA dollars, because PFRA dollars are the federal portion that is used in rural communities for developing water supply as well. Is this a replacement or additional money that is being brought in?

**Mr. Penner:** Well, Madam Chair, I am not sure whether I can answer for the federal jurisdiction. As you recognize, the PFRA program is delivered by the federal Government, but my information tells me that it is not replacing PFRA money. These are Western Diversification dollars that have been put into this program and are additional monies to what

the prairie farm assistance program would normally fund, so it is in addition to.

**Ms. Wowchuk:** Madam Chair, I appreciate that answer very much because for a minute there when you started to talk about money, I thought one was just being replaced by the other and there were not going to be any additional funds, but if that is the case, I appreciate that.

**Mrs. Sharon Carstairs (Leader of the Second Opposition):** Can the Minister tell us briefly what is the relationship between the Health Department, which certainly has some controls over quality water issues, the Department of Environment which has some very positive controls over matters of environmental concern, and the Water Services Board? How does that interrelationship take place? Where is the umbrella? Which department handles it? How do we not let things go through the cracks?

**Mr. Penner:** I will have to, Madam Chair, resort to my—and maybe put on my previous hat, although I think the Minister of Natural Resources (Mr. Enns) might—he is not here—object to that.

When I think back of how Resources and Environment and Health interacted on, for instance, the Souris River water quality testing, we established—quite a number of additional testing sites were there. I believe there were three or four additional testing sites established when Rafferty and Alameda started coming into construction stage.

It is the Department of Health that is the regulatory body for water quality testing. The Department of Environment has its regulatory mandate to set the standards. The Department of Natural Resources does some of the sample taking and that sort of thing. So all three of them are related. The Water Services Board is not included in any of that; however, the Water Services Board becomes the delivery vehicle for the water supply that has been developed.

I hope that sort of sets the stage for the procedure of ensuring that the quality of our water is usable by our communities.

**Mrs. Carstairs:** If the Minister will accept the pun, it is about as clear as mud in terms of just how that process really happens. One hopes that in the future maybe we could develop some kind of senior ministry to make sure these things do take place in a truly co-ordinated way, because I think we are going to find that as our water becomes a more and

more vital issue there is going to be turf warfare as to who gets the final jurisdictional authority on determining some of these things.

If we do not move to establish that jurisdictional authority very clearly, then there is not going to be, I think, the quick decision making which is sometimes necessary, particularly when water quality is affected.

**Mr. Penner:** I think, Madam Chair, that is in place. I think the Department of Health takes a great deal of care in ensuring that the testing procedures are such that they in fact ensure the quality is there. The Environment Department has taken a great deal of care that the standards are set high enough, as I said before, that the quality will be maintained. When you need somebody out there, out in the field, to take the samples and send them into Winnipeg to make sure that Health can test them properly and ensure that those—the system is in place.

Sometimes one wonders whether it need be housed in three or four different departments, but it works relatively well. It is fairly efficient in delivering this service.

**Mrs. Carstairs:** Well, I would love to be a spider on the wall when the Deputy Ministers go at it, as to which one is in real jurisdictional problems here.

Can the Minister explain why in Professional Services there has been an increase of some 170 percent? I assume that this must be outside contracts. What types of contracts are they looking for in that '90-91 year?

**Mr. Penner:** Madam Chair, these are largely feasibility studies on projects that are pending.

**Mrs. Carstairs:** The notation indicates 200,000 in the '90-91 Enabling Vote for the partnership agreement, which does not indicate to me that a lot of money will be spent in '90-91 as part of SDI.

What is the commitment for '91-92, because presumably those contracts have been drawn? Will that commitment be maintained for a number of years?

**Mr. Penner:** Madam Chair, the agreements have not been drawn between the two jurisdictional bodies—the federal and provincial Governments—and the communities so what will happen in the ensuing year will be that the management board will meet with the various communities and start negotiations on an agreement between the various communities that

are the qualifying communities. That will, I would suspect, take some time.

The total agreement is a \$90 million agreement, which will span over a period of seven years. That was done on the large part to recognize that first of all in the initial stages there would have to be considerable discussions and that the first year would in all likelihood not see too much of a—in other words, too much dirt flying. A large part of that would be spent in negotiations. Once you started the construction stage you would have a five-year period of construction and then another year to wind down. That would see the seven-year delivery of the program.

\* (1930)

I would suspect that over the next year the budgetary requirements need not necessarily be that great, but they will in the second year be significantly higher. The second, third, fourth and fifth year, I would suspect, would require some significant amount of dollars to flow. It is a matter of determining exactly when and what projects come on stream, recognizing that the significance of the various programs required in different communities are vastly different.

Portage la Prairie, for instance, is going to require maybe in the neighbourhood of \$30 million out of the agreement to satisfy their needs. Brandon, I believe, has some \$15 million, that is the cost of their project, and similarly, other communities with varying degrees of amounts of money required depending on what agreement is struck, when, where and how the delivery process or the budgeting process is established for the community or within the community, because these communities will also have to raise fairly significant amounts of money during a given period of time. Whether they can in fact afford to flow those kinds of dollars will be a factor.

**Madam Chairman:** Item 9. Manitoba Water Services Board \$1,998,000, (a) Salaries \$1,559,500—(pass); 9.(b) Other Expenditures \$438,500—(pass).

Resolution 134: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,998,000 for Rural Development, Manitoba Water Services Board \$1,998,000, for the fiscal year ending the 31st day of March, 1991.

Item 10. Rural Economic Development \$1,350,800, (a) Salaries \$427,900.00.

**Ms. Wowchuk:** Madam Chairperson, I would just like to ask the Minister what the role of this department is. I understand, it says in here that they provide assistance to businesses, and communities, and organizations, municipalities to attract business and expand and create employment and to oversee the Rural Economic Development corporations. What does that really mean? Do they really carry out projects that will end up creating jobs and diversification in certain communities? Something that I have said earlier, many times, I think this is something that has to happen. I guess, what I am asking is, what are the success stories of this department?

**Mr. Penner:** We have, Madam Chair, for the first time a budgeted amount of monies that will be directed toward a program called sustainable community which we will be announcing in the very near future. We had a budgeted amount of money for the development of the program this year, and I would suspect that toward the end of the fiscal year, it should be in operation. It is, when we talk about the assistance to the business community, organizations, and municipal Government, we talk about a rather global approach to identifying what the needs of a given community are.

What I have indicated at a number of public forums is that it was our desire as a Government to try and bring together the various organizations that function in communities and form a partnership and have those partnerships identify the needs and then indicate to themselves, for themselves, which direction they want to head. It would be our department's job to assist those communities in finally reaching their goals. Now if for instance—and some of the thoughts and ideas for this program had been used quite extensively in some communities that I am very close to. I could identify the town of Winkler for instance. They very successfully used this concept over the years for development, and the growth in that community has been rather phenomenal even during adverse times.

We are trying to put in place a process that will bring all those players together to identify the growth areas and then to target initiatives in those areas, recognizing full well that true sustainable communities must grow from within. It is seldom ever that a community survives over the long period of time when you drop a large industry in a community. They will only stay as long as the economic benefits are there, then they will pack up

and leave. I think we can look at the bus plant in Morris and others. They walk in and walk out and say goodbye. They have no ties there. It is our desire to try and assist these communities to build these kinds of industries, these local industries that will have growth potential.

I think that is where the community development program will be of great benefit to many of our communities in rural Manitoba, to help them identify those potentials in their community and build on them.

**Ms. Wowchuk:** Has the department been approached, and I am not sure how this goes—would they approach the Regional Economic Development Corporation or can they come directly to the department? If they can come directly to the department, has any consideration been given to tree-planting operations in the Parkland area, nurseries, starting up nursery stock for hardwoods and softwoods, particularly in the Duck Mountains now that there could be a lot of harvesting going on?

**Mr. Penner:** I think it is important to note that the Rural Economic Development branch of our department will also continue its responsibility to the regional development corporations. I would suspect that regional development corporations, chambers of commerce, business associations, the likes, will be quite involved in the kinds of projects that you describe, and they should be. They should be the deliverer. We do not want to be seen as a department that will deliver for you a greenhouse operation or a tree planting operation or for that matter a steel mill in Swan River, or whatever.

I think in large part it will have to be that local initiative, whether it be the development corporations or some other vehicle that is formed that is receptive to the community that they can all work with. Then I think we will probably build. When I say we, I talk about the community at large. We will probably look at building whatever.

When Joe Who has invented a widget and the community can come together and put together the bricks and mortar to do the basic investment and manufacture the widgets and market them, then you are going to have a sustainable industry. I think we can point to many industries across this province that have grown tremendously. I look at my own community and look at DW Friesen, a printing firm that grew from nothing to employing better than 400 people today, the Triple E's of the world, or Loewen

Windows of Steinbach. These are home-grown type industries that invented their own widgets and marketed them very successfully. The bricks and mortar—I believe that type of investment, the initial capital investment, needs to be done internally. I think the vehicle that we are looking at will help us encourage the local community to put together those kinds of bricks-and-mortar type dollars to start those kinds of industries.

**Ms. Wowchuk:** Yes, I would like to ask a couple of questions on grants. The grant to the Lynn Lake Development Fund, has it been successful in initiating any employment in the area?

**Mr. Penner:** Madam Chair, the Lynn Lake Development Fund has only very recently been finalized. The agreement with the town has only very recently been finalized.

\* (1940)

We had approached the LGD of Lynn Lake, oh, some five months ago, I suppose, and offered them to set up a fund that they should look after—in other words, administer. The fund would be housed at the LGD, and they would administer it. They would be required to identify for our office what it was that they were investing in, because we did not want to just throw a bunch of money out there at their or anybody else's discretion, so we put some ties to it.

The LGD, initially, denied acceptance of the fund. They did not want that responsibility. Finally, after some discussions with the mayor and the council over there, they decided that they would in fact accept the fund and be the administrators. Therefore, it has only very recently come into being and usable. I am not sure whether there has been any dollars or how many of the dollars have been put out and whether there have been any jobs created yet. I would doubt whether there has been any job creation activity out of that fund yet.

**Ms. Wowchuk:** The second grant, the rural round tables, can you fill us in on how that money is spent, whether there is a committee, who is on the committee?

**Mr. Penner:** Madam Chair, I, just a few minutes ago in my remarks, identified the Sustainable Communities Initiative and that is basically what I am talking about. There would be some seed money there to assist local communities to initially start the process. That is where there is some \$55,000 that we had budgeted for this year as a start-up to try and



get the program going. However, we have not officially announced the program. Once we have the final details ironed out in the program, we will be publicizing it.

**Ms. Wowchuk:** One last question on this one. Of the positions, there are nine positions in this department. How many of those are outside the City of Winnipeg?

**Mr. Penner:** Of the nine positions in the Rural Economic Development branch, it is our intention to move eight of those positions into rural communities. In all likelihood there will be one person left in Winnipeg in this branch.

**Mrs. Carstairs:** Madam Chairperson, this is exactly where I think the decentralization initiative should be housed. I think the Minister actually agrees with me, but maybe not publicly.

The professional and technical staff have a very high salary range in this particular thing, and I would ask the Minister to check it. I have done some back checking and complaining with other professional divisions of other branches and many of them ran at 43-44 on average. This one actually runs almost at 53. Can the Minister explain why? I mean, is it because of particularly professional qualifications that are required for this branch? It actually runs even higher than Planning where I would think you would need professional planners.

**Mr. Penner:** It is interesting that you raised that point. We, in our department, inherited this branch. As a matter of fact we did not inherit them, we went out fishing for them and we caught a relatively significant large number of fish that we are very pleased to be able to net. We think that once these positions will be housed in areas, we will have quite a significant impact on rural communities. However, when these positions came over, the salary levels had been established and we have made some effort to make some adjustments to the salary levels and classifications, and have in fact reduced the classifications of some of these positions. That is not the easiest thing to do, but we have done it.

It is our desire to have good professional people at a reasonable salary level when they in fact move to the various communities in the province, but recognizing also that when one wants to attract good professional people one has to pay the going price for good professional people. I think we do have some expertise in this branch that is quite good and I am quite pleased at the way that our people

deal in general with the public and specifically with the communities. So I think they are, as a general concept, not overpaid.

**Mrs. Carstairs:** I was not suggesting that they were overpaid. What I really was interested in was the kinds of types of people you are looking for here. I mean, are you looking for MBAs? Are you looking for people with economics degrees? What is the kind of professional staffing that you are asking for to fill this particular set of responsibilities?

**Mr. Penner:** Very briefly, Madam Chairman, the kind of people who we would be looking for in these positions are people who are able to deal with the public well, and they would direct their efforts largely towards community development. We would be looking also for people who had a business background because they will in a large part be dealing many times with business and the development of business opportunity in the various communities, whether they deal through the RDCs or whether they deal through other community developmental type organizations, that will be one of the requirements of this branch.

We are really looking at a fairly marketable type of an individual who would have significant expertise in the business community to fill some of the vacant positions. Normally these kinds of people, I suppose, do not start at the bottom of the salary range. That is what we will be advertising for.

**Mrs. Carstairs:** In terms of the measuring of success of this particular department, it must be very difficult. One of the criteria I suppose one could measure would be how many jobs were created by direct initiative of this particular administration in a given year. Is there any of that kind of criteria applied? If there is, what would be your success in creating jobs, let us say for example, '89-90, because '90-91 is not even finished?

**Mr. Penner:** The question is a good one. I am not sure whether we would ever be able to develop a criteria under which we would be able to establish exactly how many jobs would be created by the initiatives that were taken by this branch.

\* (1950)

However, I think one wants to judge the success of the operations of, for instance, the RDCs in some of the regions and what significance they have had in establishing industries that have provided jobs. I think, in some of the areas, they have been very

significant. The assistance that our branch is able to provide to those communities would be—we would deem that part of the job development.

However, I am not sure whether I would ever want to stand in this place and say, because of our being, we have established 1,000 extra jobs in this province. I do not think we would ever be able to do that, because we would probably go to I.T. and T. and say we need your assistance. We would probably go to Agriculture at times and say we need your assistance in this area. We would probably even go to Resources and other departments, Health, Education, and say we need your assistance to accomplish what our communities are setting out to do for themselves. Therefore, it would be very difficult for our branch.

I suppose that is one of the downsides of this branch because I believe that people, when they accomplish something, need to point to the successes because that builds morale in a branch and in people. That is one of the more difficult ones in this area that I am not sure whether we will be able to point to as a success, unless the program itself becomes a success.

**Mrs. Carstairs:** My final question in this area, and the Minister alluded to it—of course, obviously there has to be some co-ordination again. This cannot function without I.T., and Agriculture you mentioned as an additional aspect. I am concerned, and I am not doing business trade Estimates at this particular point in time, but I relayed a horror story. I talked to a citizen from Holland who was given the information that he should contact somebody at Industry and Trade, he contacted somebody at Industry and Trade, was interested in establishing a cheese factory in Steinbach, and was told that once he landed at the International Airport, he should take a taxi. We are obviously not doing our job if we have horror stories like that. You know, maybe it is the only one and it is a totally isolated case and who knows, but it is one too many, quite frankly, if it in fact exists.

There would be a lot of discouragement, it seems to me, for your corporations if they are not getting lots of input from other departments whose help they desperately need, so where is the co-ordination? Is that provided by your staff? Do you make it easy for people in communities to then access the technical people that they require in other departments?

**Mr. Penner:** That is precisely, Madam Chair, what

our department will, in large part, be doing is be the co-ordinating department within Government to target its emphasis towards the needs of rural Manitoba, and hopefully when another person from Holland comes, or anywhere else in the world, who wants to look at establishing, whether it be cheese factories or anything else, that we will assist them and ensuring that if they in fact do have to take a cab that it is a good one.

I want to say to you that I think it is important that our department becomes involved in those kinds of things and ensuring that when the people come that we treat them with care and show them respect and hospitality, and to encourage them and tell them that Manitoba is a warm place to establish and a friendly place. I think there is another aspect of rural development that we have not really touched on, but I believe it is also important that our department become involved in initiating, for that matter, trade groups, or encourage communities to travel to other parts of the country to solicit business opportunities into their communities. We can become involved in helping them do that, in other words, pointing them in the right direction and maybe even sometimes taking them by the hand and leading them.

Similarly I think there are some tremendous opportunities that we can target in other countries as well, and I think the communities' leaders in much of rural Manitoba are not adept at that and have never experienced a trade mission and that sort of thing. I think it will be largely up to our department to co-ordinate those kinds of activities, and maybe give them a bit of a push and sometimes even take them by the hand and lead them.

I think through those kinds of initiatives, those kinds of co-ordinating activities, our department will be able to point to some successes in the future and recognizing full well that what we have started upon is a fairly large initiative. It will not happen overnight, and not happen maybe too quickly, although I am a very impatient person and I would like to see ourselves be much farther down the road than we already are, but I think we have made significant strides over the last year to bring the department together to reorganize and restructure the department in such a manner that it can become a very efficient delivery vehicle.

**Ms. Wowchuk:** I am pleased with the Minister's last comments, because as he started out talking about this department he said the initiative had to come from the grass roots and they had to come up with

all the ideas. I was finding myself disappointed in the department because I feel this department should show some leadership, and as you say give people ideas.

Sometimes that is all it takes is maybe a suggestion or a little bit of encouragement, and they just may not have the resources there to come up with the ideas. I am encouraged that this department is taking a leadership role, and I hope that you have more success stories in rural Manitoba.

**Mr. Penner:** I would just very briefly comment, just for clarification, it is certainly not my intention to leave the Honourable Member for Swan River (Ms. Wowchuk) with the thoughts that I wanted to divest our departments of all responsibility because I think that is the farthest thing from our mind.

However, I will become very clear, when and if a rural community or an individual in the community says, I have something that I think I can market and I need either dollars, expertise, research, or whatever, it is to put that market into the marketplace. I believe that our department can become involved in assisting that but the bricks and mortar must be done locally.

I do not think that we want Government to throw large amounts of money at communities and say, here is a bunch of money, build and then be done with it. That is what I was referring to. I want the initiatives to become local, because then they will in fact have an interest in it and they will be sustainable, but I have seen far too many initiatives where we have thrown grant money or whatnot at given industries, and they are there as long as the funding remains, but then they disappear. I do not think we want to initiate another series of that. So that is what I was referring to saying the local initiatives must be there.

**Ms. Wowchuk:** I would just like to clarify as well to the Minister that what I was saying is that sometimes the bricks and mortar are there, but people need to be stimulated a little bit to use them, and that is what I would hope that this department would do, because there are many areas that just need that little bit of help.

**Madam Chairman:** Item 10, Rural Economic Development, \$1,350,800, (a) Salaries \$427,900—(pass); 10 (b) Other Expenditures \$275,600—(pass); 10 (c) Grants \$647,300—(pass).

Resolution 135: RESOLVED that there be granted to Her Majesty a sum not exceeding

\$1,350,800 for Rural Economic Development for the fiscal year ending the 31st day of March, 1991—(pass).

Item 11, Conservation Districts Authority \$436,800 (a) Salaries \$308,800.00.

**Ms. Wowchuk:** Madam Chairperson, can we know how many conservation districts there are in the province at the present time, and how many are in the planning stages of being developed?

**Mr. Penner:** There are currently six conservation districts that have been established. The latest one being the Pembina Valley Conservation District, and I believe there are discussions ongoing from another two or three areas that have indicated an interest in also establishing conservation districts and our staff is working with those areas on an ongoing basis to ensure that the knowledge of how districts function and what their roles are is adequately described before they make that final decision.

\* (2000)

There are six now, and I think there are another two or three that are looking at establishing, at some point in time, conservation districts.

**Ms. Wowchuk:** Madam Chair, we have professional and technical services here. Are these people, the four technical people, the conservation district managers or are these people who just provide services?

**Mr. Penner:** I am not quite sure whether I entirely understood the question. You are indicating that there are technical people who are being mentioned. The technical people who I think you are asking about are normally local people who are hired by the districts to administer, if I understand you correctly. -(interjection)-

Oh, I am sorry, are you referring to the Professional/Technical, the second line in the Estimates here? Those are our planners. Those are conservation district planners that we have within our department. There are four of them. They are departmental people.

**Ms. Wowchuk:** When we were talking in the Department of Agriculture, the Minister mentioned that there were conservation positions being moved out of Agriculture into another department. Would these be those positions? Where would those positions be? Would they be in this budget?

**Mr. Penner:** I am not sure what positions in Agriculture you are referring to. I am not aware that there are any considerations being made at this time to move conservation-type people into this area. You might want to ask the Minister of Agriculture (Mr. Findlay) at some point in time for clarification of that. These people are not the people that the Minister of Agriculture was discussing.

The Conservation Districts Authority was previously housed in Natural Resources and was moved out of Natural Resources into the Department of Rural Development last year. It was done largely because the conservation districts work very closely with municipalities and are involved with the municipalities so it was seen that, through the Department of Rural Development and Municipal Affairs, we might in fact in the long term be a better delivery department than was previously done through Resources. Those were some of the reasons.

When we would look at sustainable development in the overall, we think that we have to include the economic, the conservation initiatives, and land and water planning. Our department houses the provincial and municipal planning authorities to do all that planning and to do it in such a way that all the considerations are made for developmental initiatives, whether it be water projects, whether it be soil conservation projects, whether it be industrial development, and that we have a delivery vehicle virtually under one roof that we are able to provide those services to the local Governments in rural Manitoba.

**Ms. Wowchuk:** Madam Chairperson, I guess we will have to go back to another department and find out where those jobs are, because they moved out of agriculture, somewhere into conservation. Obviously, they are not here.

The question I wanted to ask, is there funding dollars that go towards the conservation districts, or are they funded at a local level?

**Mr. Penner:** I wonder whether the Honourable Member for Swan River, when questioning the Minister of Agriculture (Mr. Findlay), might in fact have been told that the people moved out of Conservation into Soils and Crops, or out of Soils and Crops into Conservation, within the Department of Agriculture. I would suspect that would be the case, and I think that is where we lost these seven people.

As far as funding to the conservation districts are concerned, we expend as a province and provide assistance, just above the 70 percent level, to the conservation districts. It is just above 70 percent of the monies that they expend are provincial dollars and the rest of them would be municipal dollars.

There are, however, a number of other programs and one of them is delivered through the Department of Agriculture. There is another program that is delivered through the Department of Natural Resources. One of them is directed at wildlife, and the other directed at soil and water conservation initiatives. There are a significant number of, I believe, some 46 or so odd soil conservation associations that have been established over the past year or so that will deliver the soil accord dollars for water and soil conservation in the province through the Department of Agriculture.

**Ms. Wowchuk:** I would like to tell the Minister that I very much support the conservation district idea and have been involved with a group for some time that is a smaller scale of a conservation district, that being the Cowan soil and water co-op, and have worked for a long time to try to conserve the soil in that area. In fact, I believe when the Minister was in a different department in Natural Resources he made a commitment to help us with that headwater storage, or dam, or whatever it is you want to call it.

I would ask the Minister if he would continue to support that idea and perhaps lobby his colleagues and let them know that is very important, even though it is not a conservation district, if there was some way that group could get funding. It is perhaps the first step of a conservation district, because the area that is involved is too small for a conservation district and that is why a co-op was formed. There is a need for funding and it is an important issue.

**Mr. Penner:** I certainly concur with what the Honourable Member for Swan River is saying, that the project that she describes is, I believe in the long term, a viable project, and is probably one that will receive, at some point in time, consideration. However, it is also important to note that during these last two years we have hit an extremely dry cycle—I should say the last three or four years—and in many parts of our province the need to supply water has exceeded the needs of other areas. Therefore, it would be my view that we must, in those areas where there is no water, supply some

kind of storage facility to ensure the long-term viabilities of those regions.

If there is no water, there are no cattle, there is no livestock. If there is no water, there is no industry; and if there is no water, there are no people. So I think that we need to direct our efforts and ensure that many of our areas that are significant producers of agricultural goods have the ability to further process those first renewable resources that we raise so well on our farms, and that is by providing the initiative through ensuring that there will be water supplies to encourage livestock production in many of our parts of the province.

\* (2010)

I would suspect that you will receive a repriorization of some significance, and I think you have already seen that in this province, to ensure that we do those kinds of things in a sustainable manner, ensuring that our environment is not damaged while we do it. I think that is why we were so interested in ensuring that we were able to negotiate a so-called SDI agreement, a community sustainable development agreement, and that is why I am so interested in continuing my role in the Manitoba Round Table, because it has been a marvelous experience.

If we want to ensure the survival of our communities over the long term, those kinds of initiatives must be first and foremost. That means that when you have difficult times such as we face now in many areas, when economics require that we repriorize some of these areas, some of the projects that have been identified very often become delayed for a period of time, and I think we all understand that. Hopefully, the Member for Swan River will be able to bear with us for a period of time when we can actually afford to embark upon projects such as she described.

**Ms. Wowchuk:** I would just like to make one more comment on that. I want to tell the Minister that I understand the concerns with water in the southern part of the province and the need to have water in those areas. However, there is also a serious concern on the escarpment coming off the mountain. If that water comes down a couple of more times, we are going to lose the land base, and in that area of the province there will not be land, there will not be cattle, there will not be anything. So I think, although at the present time water is an urgent issue—and I know you cannot live without

water—it is not only on the Duck Mountain, it is all along that whole area that there is a serious problem as the mountain is cleared off. Just on that, as that mountain becomes more clear, the water problems are going to become more severe, so I do not think they can be neglected. I have no further comments.

**Mr. Penner:** Madam Chair, I think the point you make is an excellent one. The fairly large amount of money the province spent in the Swan River area after the flood two and a half years ago, was devastating. I believe there were Mr. Cummings, the Minister of Environment, myself and I am not sure who else was there but we were there to witness first-hand the damage that had been created by the large volumes of water coming off the mountain. It was, I suppose, one of the saddest days of my life to see 12-foot gullies at places 20 and 30 feet wide just ripped out of the earth, being a farmer and knowing what the land means to those farmers.

It is simply unacceptable that we have to expend as society those large amounts of dollars to remedy damages, to repair what the environment causes. Therefore, I believe you are correct that we need to take remedial-type actions in areas such as you describe, and ensure that the waters are retained further uphill and move down the slopes in a slower way than they have been. Maybe that means not clearing quite as quickly as we have been used to.

**Madam Chairman:** Item 11. Conservation Districts Authority (a) Salaries \$308,800—(pass).

Item (b) Other Expenditures \$128,000—(pass).

Resolution 136: RESOLVED that there be granted to Her Majesty a sum not exceeding \$436,800 for Rural Development, Conservation Districts Authority for the fiscal year ending the 31st day of March, 1991—(pass).

Item 12. Expenditures Related to Capital \$7,055,100.00.

Item 12.(a) Capital Grants: (1) Urban Transit Bus Purchases \$101,000—(pass); (2) Water Development \$1,800,000—(pass); (3) Sewer and Water \$3,000,000—(pass); (4) Conservation Districts—\$2,094,100—(pass).

Item 12.(b) Acquisition/Construction of Physical Assets: (1) Conservation District Development \$60,000—(pass).

Resolution 137: RESOLVED that there be granted to Her Majesty a sum not exceeding \$7,055,100 for Rural Development, Expenditures

Related to Capital for the fiscal year ending the 31st day of March, 1991—(pass).

At this time, I would request that the Minister's staff leave the Chamber.

**Ms. Wowchuk:** I would just like to take this opportunity to thank the Minister for the answers and being patient with our many questions, but I as a rural Member am very concerned about the rural community and what is happening out there. I would like to work along with the Minister to address those concerns, because I think that we have to work very hard to see some development in the rural area.

**Madam Chairman:** Item 1. Administration and Finance.

**Mrs. Carstairs:** I would just like to say to the Minister that this has been perhaps the most pleasant experience at Estimates that I have ever had. I would like to put on the record that if critics are chippy, Ministers get chippy, if Ministers get chippy, critics get chippy and this has been a situation which that just has not occurred, and I thank you for that.

**Mr. Penner:** Madam Chair, let me also at this time express my appreciation for the professional way that the questions have been put from both Members of the Opposition. I certainly enjoyed the Estimates experience at this time.

If there is anything that we can do to encourage a better rural economy, I would certainly be interested in hearing from both the Parties, either by suggestions or working together to achieve a better diversified economy of rural Manitoba. That I believe is all that all of us are here for. By a better diversified economy and a broader based economy in this province, the security for our children I believe will in fact be enhanced. That is the reason I am here, and I believe that is why all of us are here. Again, let me thank both of you for the way that you have allowed me to deal with the answers to the questions that you had, and I certainly enjoyed them.

**Madam Chairman:** Item 1. (a) Minister's Salary \$20,600—(pass).

Resolution 126: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,239,900 for Rural Development, Administration and Finance, for the fiscal year ending the 31st day of March, 1991—(pass).

\* (2020)

That concludes the Estimates for the Department of Rural Development.

## SUPPLY—ENERGY AND MINES

**Madam Chairman (Louise Dacquay):** Order, please. This section of the Committee of Supply will be dealing with the Estimates of the Department of Energy and Mines. We will begin with a statement from the Minister responsible.

**Hon. Harold Neufeld (Minister of Energy and Mines):** I am pleased to present my department's Estimates for the 1991 fiscal year. As my honourable colleagues are aware, Manitoba has been endowed with substantial energy and mineral resources. The development and use of these resources provides the foundation for a large portion of the provincial economy.

Developing and managing Manitoba's energy and mineral resources in a manner beneficial to Manitobans today and into the future is the responsibility of our department.

Our department is committed to attracting investment and securing the employment and business opportunity associated with it. Two operating divisions, the Energy division and the Minerals division carry out the functions of the Department of Energy and Mines. The administrative services division provides support to both operating divisions.

I am pleased to highlight the plans and objectives for our department for the 1991 fiscal year.

I will begin with the Energy division. The objectives of the Energy division are: To encourage the environmentally sustainable development of Manitoba's petroleum industry; to work in co-operation with private industry and federal Government to encourage the development of Manitoba's alternative and renewable energy sources; to encourage cost effective energy management in our homes, businesses, factories and public institutions; to work with our colleagues in Canada's federal and provincial Governments in coming to grips with the problems and opportunities presented by the greenhouse effect and other global environmental issues.

Energy is a priority issue. Manitobans spend over \$2 billion each year to fuel our transportation demands, heat our homes and businesses and power industry. The sources of energy to meet our demands are as follows: 42 percent is imported refined petroleum product; 31 percent is natural gas; 24 percent comes from hydro-electric power, and

the remaining 3 percent comes from a variety of sources.

The current Persian Gulf crisis causes all of us to pause. It reminds us of the fragile nature of the crude oil supplies and the costs associated with petroleum products we use regularly. At the present time, the supply of crude oil products is manageable, but we are vulnerable to a shortage. Our department is developing an oil shortage contingency plan for Manitoba, should it be required. Officials in our department are in close communication with their federal, provincial and territorial counterparts. Governments are working together to ensure a co-ordinated information and plan system.

Manitoba's oil patch produces the equivalent of 25 to 30 percent of the provincial petroleum demand. We believe that new investment must be encouraged if we are to maintain a viable petroleum industry.

Toward that goal, a number of initiatives have been undertaken. Number one, a temporary horizontal drilling incentive program has been implemented for all horizontal drilling prior to the end of 1991. We have undertaken an in-depth review of our royalty, taxation and incentive regimes, as well as our environmental policies and regulations.

Major legislative reforms are planned. Legislation governing the petroleum industry will be removed from The Mines Act and incorporated into new legislation specific to the petroleum industry. The new legislation will embrace sustainable development and remove the administrative complexities which discourage development.

We are undertaking a major initiative using computerized information systems to increase the department's ability to provide technical and administrative information to both the industry and the general public.

Our staff continues to work closely with the Environment Department to ensure that the environmental impacts of oil industry activity are minimized and mitigated.

The Energy Programs branch provides programs in the residential, institutional research and demonstration areas. My department chairs a task force to improve energy efficiency in the residential building sector. Increased energy efficiency in public buildings like schools, health care facilities, municipal and Government buildings, is the focus of

attention of the Energy Audit Program commonly known as Energy Bus program.

Our staff is involved in research and demonstration projects in the area of energy savings. We have created the Energy Programs branch. Its mandate is to co-ordinate the development of transportation policies and programs within the context of sustainable development, encourage the efficient use of transportation energy and promote alternative fuels and transportation modes within the public and private sectors.

Our staff is striving to work with industry to develop and promote alternative and renewable fuel options as well as modes of transportation. Our commitment to sustainable development and our concern about environmental and security of supplies issues will serve to stimulate the development of these alternatives. A balanced approach to energy, environment and economic issues is, in my view, essential.

The draft Sustainable Development Strategy for Energy was recently released to the public. Our department worked closely with the Sustainable Development Co-ordination Unit and other Government departments and agencies to produce this workbook. I am inviting input from all Manitobans. A series of public workshops will be held across the province. In addition, questionnaires have been provided and written responses are being encouraged. This initiative is part of our Government's initiative to promote sustainable development in the energy area. It will provide valuable input as we work toward the development of an energy Act for Manitoba.

Now, let us talk about mineral resources. As you know, the division has both a regulatory and promotional role. Together they ensure the responsible and active development of the province's mineral resources. A reorganization undertaken this spring saw the consolidation of all branch functions under the Geological Services branch. This reinforces the important role that this branch plays in providing the base line scientific information needed by industry to target its exploration efforts.

I am pleased to announce that we are now well advanced in negotiating a new mineral development agreement for the next five years. It is now widely recognized that there is a need to develop new

strategies to safeguard the longer-term contributions being made by provincial geological survey organizations across Canada. This is especially important in terms of sustainable development and land use management.

\* (2030)

To that end, we have signed a Memorandum of Agreement between the provincial and federal Ministries of Energy, Mines and Resources. This agreement will entrench effective co-ordination and co-operation of program delivery in the mineral sector. Within the mineral division, the Mines branch works to ensure that the provincial mineral resources are explored, developed and extracted in the manner which provides maximum benefits to Manitobans.

In 1989, there were 72 companies and 34 prospectors engaged in mineral exploration of the province. The value of mineral production in 1989 reached an all-time record of \$1.69 billion. Manitoba maintained a fairly healthy exploration level of \$37 million, compared to \$40 million in the previous year. The base metal sector showed much promise.

The Callinan copper zinc mine near Flin Flon has been brought into production at 1,500 ton per day. In addition, underground exploration is extending reserves. Reserves at Chisel Lake north discovery near Snow Lake have been increased by at least 15 percent to 3.5 million tons from drilling in early 1990. At the Ruttan Mine near Leaf Rapids, despite the recent setback by fire, underground exploration of the west anomaly has been encouraging. In Thompson, Inco's Birchtree Mine has been reopened and is producing at 2,000 tons per day and work on developing the new open pit north continues. In addition, Inco announced October 29, 1990, that it will invest \$287 million in its Thompson complex to develop a large new mine and to expand an existing one.

As well, exploration expenditures are being increased and the company is committed to ongoing, regular environmental audits. Potamine Potash Mining of Canada Inc. purchased Canamax Resources Ltd.'s interests in the Russell potash project in July 1990. Potamine Potash Mining of Canada is a subsidiary of the Enterprise Minière et Chimique Group of France. The EMC Group is one the world's leading potash trading companies with extensive experience in producing and marketing potash.

Over the last few years substantial revenues from the mineral sector have helped to moderate the economic constraints placed on the administration of the province. We are committed to encouraging the continued contributions being made by this important sector. We must provide an attractive climate for new investment and state of the art information of the province's mineral resources, an investment potential.

We will soon be releasing the sustainable development mineral workbook. It forms part of the land and water strategy for Manitoba. As with the energy workbook, which I mentioned earlier, our department worked closely with the Sustainable Development Co-ordination Unit and other governmental departments in its preparation. A series of workshops will be undertaken so that Manitobans, wherever they live in the province, will have an opportunity to be heard.

I want to say a few words about the Manitoba Energy Authority. I indicated in my opening statements to the Committee of Supply last year that the Manitoba Energy Authority had concluded a feasibility study with Dow Corning Corporation of Midland, Michigan, concerning the commercial use of plasma technology for the manufacture of silicon products. It was my pleasure to be on hand October 15, 1990, for the groundbreaking ceremonies for the construction of a \$16 million pilot plant for the manufacture of silicon metal in East Selkirk. The plant is being built by Meadow Materials, a branch of Dow Corning Silicon Energy Systems. Silicon metal is a key raw material in making silicones, and it is also used in the manufacture of aluminum and electronic products.

The Energy Authority has undertaken targeted-marketing efforts in southeast Asia with an eye to attracting increased investments. Attracting energy-intensive industry to Manitoba is part of the mandate of the Manitoba Energy Authority. It is also a component of the vision for Manitoba described in the Speech from the Throne, a strong economy with new and better jobs for our young people.

In concluding my remarks, I would like to take this opportunity to express my appreciation to all the staff of Energy and Mines for their hard work and dedication in delivering our departmental programs. I welcome the opportunity of discussing these Estimates and our programs with my honourable colleagues.



**Madam Chairman:** We will now have the customary reply by the critic from the official Opposition, the Honourable Member for Point Douglas.

**Mr. George Hickey (Point Douglas):** I am pleased to be part of this whole process. As it is a new process for me I will be listening very closely, taking time to learn, sharing ideas and going through the budget to ensure that the budget and the Estimates for Energy and Mines reflects upon Manitoba needs, especially for northern needs.

One of the issues that I will be looking at is in the mining reserve fund, which is X number of dollars put aside. I will be asking the Minister a little later to see if that could be increased and if there are any plans for doing that, and some of the resources and revenues that are extracted from northern Manitoba, how much will that be put back into the north to help alleviate some of the costs and projects that Northerners need. For example, we could look at the Snow Lake airport. It is near completion and, so far to my knowledge, there has not been a commitment to complete it. When you have a mining industry or a mining town, you never know when an accident will occur. When you need an emergency medivac to come in and it is so near completion now that the revenue that is being brought out from Snow Lake would very—even just from the interest alone, would easily pay for something like that.

Also with the previous mining work that had been done in Sherridon, which is a community which is mostly made up of aboriginal individuals. We have a lot of tailings and stuff that are sitting around, and I will be asking the Minister if there has been an environmental assessment done in the community. We know that there is an increase in snowfall in the north and when you have chemicals and stuff that are running into God knows where, it could have an impact on the people living in that community.

Another thing that I would like to be addressing is the mining operation in Leaf Rapids, which generates a lot of dollars for Manitoba and for the whole department, and yet the runway is still not paved, and that sort of stuff.

Also under the Minister's responsibility is the whole environmental impact of whatever project that goes ahead. I guess one of the things that we have been addressing briefly and that we should really look at is the whole impact of Conawapa. Hopefully we will get some answers out of that.

One of the other things that has to be addressed and hopefully the Minister will have some answers for us, is to the whole mode of transportation. In his opening remarks he briefly touched on it, and I would like to see what is in place for Manitobans and that there is an alternative transportation mode in place or if there have been negotiations for tapping into our energy resources and tying it into the whole transportation modes for the City of Winnipeg and maybe look at alternative fuel possibilities for vehicles for all Manitobans. I would like to look at that.

\* (2040)

One of the things that I was sad to see that was missing from the Minister's remarks was of not addressing the possibility of aboriginal self-government. That is going to be potentially happening in the near future, and I think as a responsible Government and a responsible province to the people of Manitoba, we need to start addressing it and looking at it and have hopefully some plans in place to meet that, whether it is through cost-shared revenues that are generated within the northern communities or whatever means. I recognize that the Minister's Government has made a very honourable step dealing with some of the communities just in the last couple of weeks. I recognize that, and I am sure all Manitobans applaud that, but for the long range impact of self-government and cost share revenues.

I look forward to getting into these Estimates. Thank you.

**Madam Chairman:** We will now hear from the critic for the Second Opposition Party, the Honourable Member for Crescentwood.

**Mr. James Carr (Crescentwood):** Madam Chair, I look forward to participating in a debate on the Estimates of the Department of Energy and Mines, particularly at such a propitious moment. We are after all on the eve of a recommendation of the Public Utilities Board, a recommendation that will likely tell us the future of hydro development in northern Manitoba.

As Members of the Chamber are well aware, we are on the verge of committing ourselves to a \$5.7 billion expenditure. We will know tomorrow whether or not the Public Utilities Board is recommending that we go as a Government or not, and it will give reasons why.

I want to take advantage of this time with the

Minister to explore at some depth the relationship between Manitoba Hydro and the Minister, the Manitoba Energy Authority, the Crown Corporations Council. It is really a tangled web of interconnected levels of authority and responsibility. I want to ask the Minister about how he feels his department fits in.

The Minister said in his opening statements—and I think I quote exactly—that the Gulf crisis causes us to pause. I hope the Minister did not mean by that, that he is putting his department on hold, because if you look at the new initiatives in energy conservation and the search for alternate sources of energy you cannot find them.

We will certainly be asking the Minister in some detail just what new initiatives he plans for the department. If you look at the numbers on their own you see that there actually is a reduced commitment this year in that area than there was last year.

We will want to know why, because, as the Minister says, this Gulf crisis, perhaps in as stark a reality as we have seen since 1973, asks us the important questions of energy conservation. The Minister is the lead politician in this province in the area of energy conservation.

We know we did not learn the lessons of 1973 during the first oil shortage and crisis. We used to talk a good line on conservation, but as we found that there was more oil than we had thought, we threw out all of those conservation measures and forgot about them completely. Here we are again on the verge of another crisis, and let us hope that we do not make the same mistake yet again.

The whole area of mineral exploration, The Mines Act, mining taxation, royalties, petroleum, industry are all within the purview of the Department of Energy and Mines.

I am not going to take up a lot of the committee's time now, Madam Chair. There will be substantial opportunity during the course of the debate to question the Minister closely and I look forward to it. Thank you.

**Madam Chairman:** I would remind Members of the committee that debate on the salary for the Minister is deferred until all other items in the Estimates have been passed.

At this time I would invite the Minister's staff to take their places in the Chamber.

Is the Honourable Minister of Energy and Mines prepared to introduce his staff?

**Mr. Neufeld:** Yes, we have Dr. Ian Haugh, Deputy Minister. We have Clare Moster. He is the Assistant Deputy. We have Garry Barnes and Craig Halwachs.

**Madam Chairman:** Page 50, 1. Administration and Finance \$1,708,400, (b) Executive Support: (1) Salaries \$325,100.00.

**Mr. Hickes:** I would just like to, from the year—March 31, we have a reduction from \$397,000 to \$325,000.00. The staff year—is that the reduction. Has there been a reduction in number of staff?

**Mr. Neufeld:** No, there has not been a reduction in the number of staff, but there was a salary settlement with the Deputy Minister who left in April of 1989.

**Mr. Hickes:** On the same line. That Executive Support of Salaries, does that cover the Minister's executive assistant and special assistant? Do they come under that, too?

**Mr. Neufeld:** The executive assistant and special assistant comes under Professional and Technical; that is the \$131,000 last year and \$113,000 this year and three staff years. The third person is a communications person.

**Mr. Hickes:** Could the Minister tell us who the executive assistant is and who is the special assistant?

**Mr. Neufeld:** The special assistant is Heather Campbell-Dewar and the executive assistant is Anna Marie Roberecki.

**Mr. Carr:** Madam Chair, this is as good a time as any to talk about some policy issues with the Minister. Let me begin by asking the Minister when the Government intends to make a decision on the Conawapa project since the recommendation from the Public Utilities Board is expected at noon tomorrow. When does he expect that the people in Manitoba will know the Government's intentions?

**Mr. Neufeld:** I expect the way things are going to proceed is that the Public Utilities Board will make its recommendation to the Manitoba Hydro-Electric Board. The Manitoba Hydro-Electric Board on the basis of that recommendation will make its recommendation to Cabinet, and Cabinet will make the end decision as to whether or not to proceed. A

great deal of the decision making will be the result of the recommendation by the Public Utilities Board, and I do not want to prejudge what that might be. We will know tomorrow, by noon, as the Member for Crescentwood has indicated. At that time, we expect the Manitoba Hydro-Electric Board to make a recommendation to Cabinet, and Cabinet will review that recommendation and come to a decision very shortly, I should think.

\* (2050)

**Mr. Carr:** When does the Minister expect a recommendation from the Crown Corporations Council, vis-a-vis the Conawapa project?

**Mr. Neufeld:** I would expect that recommendation would come forward within days, if not sooner, from the time that the recommendation from the Public Utilities Board comes down. That, of course, would depend on what the recommendation of the Public Utilities Board is going to be, and I would not like to prejudge that. If the recommendation were in favour of the preferred option that Manitoba Hydro put forward, then I think the recommendation from the Council would come through very quickly.

**Mr. Carr:** I am not sure what the Minister means. By implication, he is saying that the recommendation from the Crown Corporations Council will mirror the recommendation of the Public Utilities Board or it could only be made after the Public Utilities Board makes its recommendation known to Manitoba Hydro, and presumably through the board of Manitoba Hydro to the Government.

What is the mandate of the Crown Corporations Council, vis-a-vis the review of the Conawapa project, and how does it differ from the mandate of the Public Utilities Board?

**Mr. Neufeld:** I think that question would be better answered by the Council itself when they come to committee. I should say also that if the Public Utilities Board comes down with a recommendation against the construction of Conawapa, the alternatives would have to be looked at, an alternative would have to be found, and that would take some time and some deliberation. That would, undoubtedly, take a lot longer to come to a decision. That is what I meant by saying that the Crown Corporations Council could come down with its recommendation much quicker if the Public Utilities Board recommendation is in favour of the preferred option.

**Mr. Carr:** I am interested in the mandate of the Crown Corporations Council. Did it receive instructions, either from this Minister or the Minister of Finance (Mr. Manness) on what it was expected to do in its review of the Conawapa project? We have an Order-in-Council, which is quite explicit, about the directions to the Public Utilities Board. We have no Order-in-Council, as far as I know, unless the Minister can produce one, that instructs the Crown Corporations Council to review the capital projects of Hydro. There is a legislative mandate for it to do so.

Can the Minister let us know what communication he has had with the Crown Corporations Council about the Conawapa review, and just exactly what its mandate is in the review?

**Mr. Neufeld:** As the Member has already indicated, the Crown Corporations Council reports to the Minister of Finance (Mr. Manness), and any direction on this regard would come from the Minister. I do not want to presume to speak for the Minister of Finance.

I have had discussions with the chairman of the Council, but not to the extent of the detail he is going to go through in making his recommendation.

**Mr. Carr:** Madam Chair, I think we are now beginning to realize just how complicated the authorities are here. The Public Utilities Board was given instructions through an Order-in-Council that was signed by the Minister of Consumer and Corporate Affairs (Mr. Connery). -(interjection)- Right here in his desk, he says.

The Minister of Finance (Mr. Manness) is responsible for the review of the Crown Corporations Council. The Minister of Energy and Mines (Mr. Neufeld), presumably because it is in his Estimates, is responsible for the Manitoba Energy Authority, which I gather had some role to play in the negotiation of the export agreement with Ontario, and the Minister of Energy and Mines is responsible, politically, for the board of Manitoba Hydro.

So if members of the public are just a little confused about the reporting relationships and who has the final authority and the competing mandates, it is understandable.

Can the Minister tell us what role the Manitoba Energy Authority played in the negotiation of the export sale to Ontario Hydro?

**Mr. Neufeld:** The Manitoba Energy Authority and

the Manitoba Hydro executives as well, participated in the discussions. As the Member is well aware, the chairman of Manitoba Hydro is also the chairman of the Manitoba Energy Authority, and he participated in a big way in the discussions. If he is asking me to what extent, I would venture a guess it is a 50-50 proposition.

**Mr. Carr:** Madam Chairperson, I thank the Minister for the answer because it provokes the next question, and that is that Mr. Ransom at the same time is chair of the Manitoba Energy Authority and chair of Manitoba Hydro. By the Minister's own admission the responsibility was about 50-50 and Mr. Ransom chairs both, so presumably Mr. Ransom is 100 percent responsible for the negotiation of the export sale to Ontario Hydro. I am not sure that the Minister wants to accept or reject that mathematics. He is, after all, a chartered accountant, and I am sure his mathematics are better than mine.

I am interested in knowing whether or not the Minister believes there is any legitimate role for the Manitoba Energy Authority to play? He is, after all, responsible for the Manitoba Energy Authority. Would the Minister share with the committee his view on the appropriateness, the usefulness of the Manitoba Energy Authority, and whether perhaps he believes that the time has come for it to pass along quietly?

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

**Mr. Neufeld:** That is not a bad question from the Member for Crescentwood. Thank you. He and I have discussed this privately on occasion, and it does not come as a surprise to me that he would bring this question up at this hearing.

Every committee, Mr. Acting Chairman, every Crown corporation, especially the smaller ones, have to be reviewed on an ongoing basis in order to determine whether or not there is an ongoing need for those agencies. Such is taking place with the Manitoba Energy Authority. We are reviewing the mandate of the Manitoba Energy Authority. We are looking at what part they might play in the future of Manitoba's development of energy and energy-intensive industries, and we will come to a decision as to whether or not they are fulfilling the mandate they were set up to fulfill, and whether or not their future is indeed needed in the big picture.

At this point in time we have not come to a decision as to whether or not it should be disbanded,

and until we do, they are going to continue to operate as they are.

**Mr. Hickes:** I just wanted to ask the Minister, are we not going on to a standing committee on the Energy Authority in the future? -(interjection)- Yes, I know, but I just want to—

**Mr. Neufeld:** The Manitoba Energy Authority will be coming before the standing committee of the Legislature, but the budget comes within the Department of Energy and Mines, so I have answered the questions on the basis that we are responsible for it. I think we have come to the end of those questions anyway.

**Mr. Carr:** There is some confusion in the minds of some about who has the final say on the Conawapa project. That confusion is, I think, well founded. The Minister of Consumer and Corporate Affairs (Mr. Connery) from his seat quizzically ponders the question of final say. Yes, because during the election campaign, the Premier (Mr. Filmon) said that he would not overrule a decision or a recommendation by the Public Utilities Board.

\* (2100)

It is not a giant leap in logic, therefore, to assume that the Public Utilities Board will have de facto the final say. At the committee of Public Utilities and Natural Resources, when asked the same question, the chairman of Manitoba Hydro said, no, the Public Utilities Board only recommends. It is in fact the board of Manitoba Hydro that has the final say. Then, when questioned in the House, the Premier reversed the position in the campaign and said, no, it is not the Public Utilities Board, no, it is not Manitoba Hydro, but it is in fact the Government that has the final say.

Would the Minister just clear up the confusion and tell us who has the final say? Is it the Public Utilities Board? Is it the chairman of Manitoba Hydro, the Minister, or is it the Government?

**Mr. Neufeld:** I think it is quite clear that the Government, or the Cabinet, will have the final say on whether or not the project is to go ahead. There is no question about that. The Public Utilities Board, as the Premier has indicated, makes a recommendation to the Manitoba Hydro-Electric Board, and the Manitoba Hydro-Electric Board, before proceeding on any large projects like that, has to appear before Cabinet to convince Cabinet that this is the direction it should take. In the end,

the Manitoba Government will make the decision as to whether or not to proceed with that project.

**Mr. Hickes:** I just wanted to put on the record, the reason I asked about the MEA is because I too have a lot of questions, but I will save them for the standing committee.

**The Acting Chairman (Mr. Sveinsson):** Item 1.(b)(1) Salaries \$325,100—pass; 1.(b)(2) Other Expenditures \$151,100.00.

**Mr. Hickes:** Under Supplies and Services, we have an increase from \$24,700 to \$77,700, under Supplies and Services. Could the Minister explain the increase?

**Mr. Neufeld:** The increase of some \$53,000 is accounted for by the engagement of consulting services on the Conawapa project. We want somebody from within our department to co-ordinate the committees and the work that is going to go into the planning stages of Conawapa, if it indeed goes ahead.

**Mr. Hickes:** Could the Minister tell us who the consulting company, or firm, or individuals are?

**Mr. Neufeld:** The name of the company is 206 Impact Group Ltd. and the principal behind it is Mr. William K. Harper.

**Mr. Carr:** Mr. Acting Chairman, why is the Department of Energy hiring a consultant for the planning of Conawapa when the president of Manitoba Hydro told us at committee that literally millions of dollars had been spent by Manitoba Hydro for the planning of Conawapa? What is the consultant hired by the Minister doing that those millions of dollars could not buy for Manitoba Hydro?

**Mr. Neufeld:** As you are aware, when the Limestone Project went ahead there was a Limestone Committee of Cabinet that tried to co-ordinate. We are trying to develop a cohesive co-ordinating unit in order to make certain that jobs go to the North where jobs should go to the North, that tenders are let in such a way that as many as possible Manitoba contractors can tender on them.

We want an informational system that will make Manitobans aware of the opportunities that may be presented through the construction of Conawapa and the Bipole line and for this we need a co-ordinator. We cannot start that after the construction starts, we have to plan ahead for that kind of a co-ordinating unit and that is the purpose of the engagement of Mr. Harper.

**Mr. Carr:** Mr. Acting Chairman, can the Minister tell us if this consulting contract is a term, one-time consulting contract, or is it a staff person who will continue to co-ordinate should the project go through?

**Mr. Neufeld:** He serves at the pleasure of Cabinet. He is appointed by Order-in-Council and will serve as long as he is needed and as long as his services are deemed necessary by our department.

**Mr. Carr:** Thank you, Mr. Acting Chairman, and I thank the Minister for his answer. He mentioned, in a previous response, that he wants to prepare the letting of tenders. Have there been any tenders yet for any aspect of a construction of a road into the site for Conawapa, or any other associated facilities?

**Mr. Neufeld:** That is a question better put to the Manitoba Hydro people, but I think I can tell you that while the specs are out for tender on the road, they have not been let.

**Mr. Hickes:** Under the same contract for consulting work, the Minister mentioned that the company or individual was hired to look at tying into Manitoba firms and companies.

Could the Minister tell us if some of those firms and companies and the individual, have they contacted any aboriginal groups or companies in order to prepare for some of that contract work?

**Mr. Neufeld:** It is part of his job description to make certain that the groups in the North, whether aboriginal or not, are made aware of all the opportunities that will be available in the construction, if and when it takes place.

**Mr. Hickes:** Has the person who is doing the contract—are you aware if there have been actual negotiations or contact with aboriginal organizations or with, at all, northern companies?

**Mr. Neufeld:** He has been around to the communities in the North telling them what his job description is, advising them what he will be doing so that they are aware that something is coming up and can make themselves better acquainted with it, and indeed perhaps take the courses necessary to make themselves qualified for the jobs at Conawapa.

**Mr. Hickes:** My understanding of this contract was to deal with companies and firms, and just in your last statement you mentioned jobs in Conawapa. Are you referring to this individual travelling

throughout Manitoba and northern Manitoba discussing training opportunities and upgrading skills for employment at Conawapa?

**Mr. Neufeld:** Well, the training will be carried out by the Department of Education and Training. He has to make them aware of the jobs that will be available and then they make themselves aware of the talent that is out there. He will take inventory of the trades that are available now and then make certain that the shortfall is looked after. As well, he co-ordinates between those who may wish to tender. There are requests coming into our department right now as to the type of jobs that may be available in the tendering process. He is going to co-ordinate all those to make certain that they are available to those who wish to tender.

**Mr. Hickes:** I presume once this contract is completed, you would be getting a final report on that. Would it be possible for you to table that report when it is complete or to ensure that we get a copy of it? When I talk about training programs and stuff in line with Conawapa, I would like to discuss that when we get under Manitoba Hydro. But if there are any numbers of jobs available or what skills inventory that is taken for the North, and what training is required—I am sure that if there is a shortage of millwrights, then there will have to be a training program in line to ensure that northern people would fill it. Is that the kind of role that we are looking at here?

\* (2110)

**Mr. Neufeld:** Yes, somebody has to co-ordinate the needs of Manitoba Hydro and their contracts with their general contractors with the skills that are available there now and with the skills that have to be made available so that the Department of Education and Training can go ahead and set up these programs.

As you might well be aware, we have to have some several years notice so that the department can gear up to training the trades that are necessary for the construction and this is the kind of work, yes, or one of the jobs that the co-ordinator is going to fulfill.

**Mr. Carr:** Mr. Chairman, was this contract tendered?

**Mr. Neufeld:** No. The person was sought out because we thought he was the one most likely to fulfill the requirements we had for the job and we

were very happy when we could corner him and get him to agree to come and work with us.

**Mr. Carr:** Could the Minister tell us the value of the contract and its duration? I know that he said that it is at the pleasure of the Cabinet, but I would be interested in knowing how much the contract is for.

**Mr. Neufeld:** The contract is for the equivalent of an annual salary of \$68,711.00.

**Mr. Carr:** So presumably if the recommendation from the Public Utilities Board is a no-go, or if the Government decides in its wisdom not to proceed with the Conawapa project, this person could be given, what, two weeks or four weeks notice and the contract would be terminated? Is that correct?

**Mr. Neufeld:** The notice to be given to the co-ordinator in the event that he is no longer required is the normal notice of any employee with the Government, who has worked for that period of time, which would be approximately two weeks.

**The Acting Chairman (Mr. Sveinsson):** Item 1.(b)(2) Other Expenditures \$151,100—pass.

Item 1.(c) Administrative Services: (1) Salaries \$668,700, shall the item pass? The item is accordingly passed—I am sorry, the Honourable Member for Point Douglas.

**Mr. Hickes:** I would just like to ask the Minister, you have 18.26 SYs and it seems most of them are in Administrative Support. There are 6.2. How many of those are part of the Affirmative Action group?

**Mr. Neufeld:** If the Member for Point Douglas wishes the total from the target group, of the 18 there are 14 in the target group.

**Mr. Hickes:** Would the Minister tell us, of that 14 that are within the target group, how many are aboriginal?

**Mr. Neufeld:** Of the 14, two are visible minorities, one is disabled, but there are no aboriginal people.

**Mr. Hickes:** If there is any reduction in some of these staff positions, would the Minister target under the Affirmative Action policy hopefully some aboriginals as the vacancies occur?

**Mr. Neufeld:** In the last two and a half years that I have been in office I cannot remember a new position filled that was not targeted when it came across my desk. We do target the Affirmative Action group, and if possible, we fill them with Affirmative Action candidates.

**The Acting Chairman (Mr. Sveinson):** Item 1.(c) Administrative Services: (1) Salaries 668,700—pass; 1.(c)(2) Other Expenditures \$542,900.00.

**Mr. Carr:** Mr. Acting Chairman, I am interested in just two questions in this area. One is that the items under Other Expenditures seem to have been frozen, precisely frozen, from the expenditures of last year. What effect and impact is that going to have on the operations in this branch?

**Mr. Neufeld:** The Administrative Services and its support group for the two technical divisions that we have, we do not think that we are going to require more personnel in that service division, even though we may increase the two operating divisions.

**Mr. Carr:** I was not referring to personnel. We had already passed that item. I was talking about the Other Expenditures which have been frozen, not the staff positions which have been frozen.

\* (2120)

Let me just be a little more specific. The Supplies and Services line is to the dollar identical to what it was last year. Everybody knows that the price of things is going up. Is this creating a problem for the administration of the department? What effect is this having on the daily operations of the branch?

**Mr. Neufeld:** Yes, I could say that inasmuch as they now have a chartered accountant as Minister, they are required to live and try harder to live within the resources that have been given to them. I must say that they are working towards greater efficiency, so that we do not have to ask for increased budgets each and every year.

**Mr. Carr:** Mr. Acting Chairman, the Minister talks about his professional expertise, and I am sure it is all there which may inspire his public servants to spend wisely. The Minister did, however, make a \$50 million mistake at the House but we will not pursue that.

Mr. Acting Chairman—pardon me? -(interjection)- The Minister of Consumer and Corporate Affairs (Mr. Connery) says it was not a mistake. It was not a small mistake. He is right. It was a big mistake. -(interjection)- It was not taken out of context, but we will have another chance to pursue that line of questioning.

The Public Debt line of \$250,000 is there without explanation. Could the Minister provide the

committee with an explanation of that quarter of a million dollars in Public Debt?

**Mr. Neufeld:** That is the interest subsidy on the CHEC loan program which has now been discontinued. There are still a large number of loans outstanding, and that is the amount we expect we will have to pay in subsidy of that loan program.

**The Acting Chairman (Mr. Sveinson):** Item 1.(c)(2) Other Expenditures \$542,900—pass.

Item 2. Energy (a) Energy Administration: (1) Salaries \$227,800—pass; 2.(a)(2) Other Expenditures \$83,000.00. Shall the item pass?

**Mr. Hickes:** Under the objectives for Other Expenditures, there is a part that says, maintain Energy Information Centre on the fifth floor in Eaton Place. I am just wondering how long this location has been in place and how it was chosen?

**Mr. Neufeld:** It was originally on the main floor of Eaton Place, but the cost was considered excessive and four years ago it was changed to its present location.

**Mr. Hickes:** I am just concerned that it is supposed to be communication materials for the public. Is there any advertising or is there any way of the public knowing that it is up there for the public to gather information for their use?

**Mr. Neufeld:** There are several ways that it is advertised. It is in the telephone book. There is literature, I believe, in some hardware stores, supply centres. People phone for it. It gets quite a lot of telephone calls, requests for information.

**Mr. Hickes:** Can the Minister tell us how much it costs per year to run the Energy Information Centre when it is on the fifth floor at Eaton Place? I cannot recall ever even being up there. How many people would be able to access it and would know of it? I would just like to know what the cost of it is for the whole centre up on the fifth floor.

**Mr. Neufeld:** The annual operating costs including staff salaries, including operation maintenance or operating costs, but not including staff salaries is \$68,000 a year. I might mention that inquiries during the month of April 1990 were 2,566. Inquiries in November 1990 were 945. The average month is about somewhere between 600 and 900. There are two large months, and that is April 1990 and October 1990 when we had 1,332. We get quite a number of calls.

**Mr. Hickes:** I would just like to move into "review and develop energy policy." Could you share with us what has been reviewed and what has been developed as part of those energy policies?

**Mr. Neufeld:** I would like to remind the Member for Point Douglas that we released the energy strategy book yesterday, the workbook, and we will be going out to public hearings with this book to see what the public wishes us to do with respect to energy strategy.

As far as the programs we have, of course, you have heard of our bus check program, our Home CHEC program, our Home CHEC loan program that has been discontinued. We have a program with Inter-City Gas for the use of propane, research work going on. We have the Pro-Trucker Challenge each year in which we help to analyze the cost of fuel on long hauls with the various trucking firms. We can go on and on. We can read the Activity Identification and give you the full program that the division handles.

**Mr. Hickes:** I would just like to know or get information on alternative energy sources. Has there been some ongoing development or testing in that area?

**Mr. Neufeld:** We were talking alternative energy, and I guess we could talk about alternative fuels. I have mentioned already the feasibility study together with Inter-City Gas using natural gas as an alternative fuel. We have an evaluation study of economic spinoffs from the ethanol plant that we funded. There are two examples of alternative fuels that we are working with.

**Mr. Hickes:** Under the alternative energy program, or even generation, has there been any testing or reviews done, or will there be any studies done on alternative energies? Well, you have the wind and solar and that form of generating energies.

\* (2130)

**Mr. Neufeld:** If we are talking about generation of electricity with wind, no, we are not doing anything on that, but we are watching what other people are doing and monitoring it to see if there is something we should get into ourselves. As far as co-generation—I think you mentioned co-generation—that is something we have to discuss with the Manitoba Hydro people. They would be the ones who would have to get involved in that.

**Mr. Hickes:** I just wonder if the Minister is aware that there is a windmill up in Churchill, northern Manitoba, that has been producing and generating power for a home with a windmill system? I was just wondering if the Minister is aware of that? If he is, will there be sort of a study done, maybe with that individual, to see if we could expand it into other uses or other homes in Manitoba?

(Madam Chairman in the Chair)

**Mr. Neufeld:** I am aware of the windmill in Churchill. That is a federal Government experimental program, and we are keeping our eye on that one to see what might happen. We are aware of the wind generation in California, and we are monitoring that as well. We may report more on that one at a later date—after I come back.

**Mr. Carr:** The Minister says we will wait until a later date. I think that is because he is heading down there. The Minister is packing his bags, and I do not know what else the Minister intends to pack, but he is heading south to Sacramento I know, because of a very important mission to monitor the wind power experiments in California.

I am disappointed and even a bit shocked at the Minister's answers to the last few questions posed by the Member for Point Douglas (Mr. Hickes) that there is absolutely no commitment from this Government at all to explore alternate sources of energy, to explore the possibilities of solar power and of wind power. The Minister says he is monitoring the situation. I want to know more about what he is doing. What experiments is he monitoring? What kind of staff resource time has been allocated to the monitoring of alternate sources of energy? What kind of fund for research and development has been made by the department in this area?

Let me only remind the Minister as he prepares for the answer, that in his own opening comment he said that the Gulf crisis gives us pause. Well, we have to do more than pause. We have to act. I would like to know just precisely what the Minister's plans are.

**Mr. Neufeld:** I think I mentioned that we are doing a study on the use of natural gas as an alternative fuel for vehicles. I think I also mentioned earlier that use of energy by transportation sector is one of greatest use in Manitoba. We are conducting an experiment together with the Inter-City Gas



Company on the use of natural gas as an alternate fuel.

I think I also mentioned that ethanol—we are experimenting with that to see what spin-offs we can get from the ethanol plant in Minnedosa. We are working on it. We have to work on those areas that are, at this stage of the game at least, cost effective. We cannot look at research projects that we know will cost too much for the results that we are going to get from it. Hydrogen has been mentioned as an alternate source, but at today's cost it is not a cost-effective alternate. Natural gas is probably our best alternate source of energy today from a cost-effective point of view.

**Mr. Carr:** Surely the reason that we invest in research and development is because we do not know the answer to many of these questions. We do not know how cost effective some of these alternate sources can be. I want to press the Minister a little further. I would like to know how many staff years in his department are exclusively devoted to the search for alternate sources of energy and/or research and development in this very important area

**Mr. Neufeld:** Staff people we can identify specifically on the alternate field of research are three, and that is in the transportation area.

**Mr. Carr:** So that are three full-time members of the Minister's staff who do nothing but search for research into alternate sources of energy? Have I got the Minister correctly? Does the Minister think that is enough?

**Mr. Neufeld:** Well, Madam Chairman, I think we have to work within the constraints of the monies that are available to our department. At a time like this we would obviously like to spend more but whether or not we can afford to spend more at this time is another matter. We think that we are getting the value for our dollars spent now. By throwing more money at research, we do not think we are going to get that much more result out of it at this point in time.

**Mr. Carr:** The Minister talks about throwing more money at research on the one hand. On the other hand, he says we have to prepare ourselves for oil shortages, or the possibility of oil shortages. He references the crisis in the Gulf. Another section of his department is charged with the responsibility of determining a strategy on behalf of the Government of Manitoba in the case of oil shortages, yet the

Minister says he cannot afford it. The Minister does not want to throw more money at the problem. Well, if the Minister does not invest—he uses the expression, throwing more money; we would like to use the expression, invest in the energy future of Manitobans—then how do we ever expect to come up with answers to the problems that will not go away.

I am not going to press the Minister any further. He has given me the best answer he can within the Estimates of his department. Let me simply leave the subject for now by encouraging the Minister to fight a little harder with his Cabinet and colleagues, and to make the case for the search for alternate sources of energy in addition to energy conservation which is a subject that I gather we will be getting to very soon.

**Mr. Neufeld:** I would like to only add for the Member for Crescentwood that I think it is important that we monitor the more wealthy jurisdictions in their efforts in research. This we do, both other provinces and the federal Government, and indeed other countries, so that we are keeping abreast of what is being done within the energy field.

**Mr. Carr:** Thank you, Madam Chair, then I will question the Minister further and ask him just precisely what it is that his department is monitoring? Can he give us examples of innovative work being done in the wealthier jurisdictions so that Members of the House can be alert to some of the research and development that is going on in other jurisdictions? Can the Minister be more specific on the monitoring that has been done in his department? What is it exactly that he is monitoring?

**Mr. Neufeld:** Very briefly, we are monitoring methanol, propane, natural gas, hydrogen, electric vehicles, solar energy, wind energy, heat, and geothermal energy. That is, briefly. If he wants a more complete answer, I can give him the sheets of paper I have in front of me or I can read it for him.

\* (2140)

**Madam Chairman:** Item 2.(a)(2) Other Expenditures \$83,000—(pass); (b) Energy Planning (1) Salaries \$383,900.00. Shall the item pass?

**Mr. Carr:** Madam Chairperson, the Activity Identification says that this branch represents the department in regulatory proceedings involving Manitoba's energy interests. The Minister will

remember, and I am sure Members of his staff will remember, that we asked a question in the House about the National Energy Board's decision in regard to the rolled-in provisions of the extension of the TransCanada Pipeline.

The tradition apparently has been that whenever a pipeline is extended, customers along the existing line share in the costs of expansion of that line. However, in this case there is a substantial difference. The difference is that it is across the International Boundary into the United States. This is not an extension of the TransCanada Pipeline to other Canadian customers. It is an extension to American customers which results in the subsidy of American consumers of natural gas by the Manitoba consumer. Why did the Minister not intervene at the National Energy Board?

**Mr. Neufeld:** I do not think that this is a subsidy of the buyers of natural gas in the United States. The purchase agreement with the TransCanada Pipeline or at Western Gas Marketing, or whoever sells them the gas, is one thing totally different from the extension of the pipeline.

The tradition has been to roll in costs of incremental pipeline construction to the existing customers. We monitored the NEB hearings, not only ourselves but so did a number of industries in Manitoba, and so did ICG, and we kept on top of it.

If we were to intervene or had intervened in this one and indeed got the National Energy Board to change its methodology for the rolling in of incremental pipeline construction costs, we would be in a position in 1993 of facing much greater costs to the Manitoba consumer. In 1993 we will be required in Manitoba, because we have a 50 percent load factor, to store gas or pay approximately a third more for our gas at the wellhead or at the Alberta border.

The storage that has been identified as being the best place for Manitoba is situated in Michigan. If the methodology were to change or if the NEB were to break from tradition and not roll in the cost of the transporting the gas to and from its storage place in Michigan, our costs would again increase by about one-third, or not quite a third, by about 60 cents a gigajoule.

We think we are much better off by retaining the methodology of roll-in by the NEB in the long run for Manitoba consumers.

**Mr. Carr:** That was very complicated. I am not sure I got it all. I am not a chartered accountant.

**Mr. Neufeld:** I am not an engineer.

**Mr. Carr:** The Minister says he is not an engineer and, believe me, this Member will not hold that against him. I would like to ask the Minister what the consequences on the NEB ruling will be to the consumers of natural gas in Manitoba. The Minister says it is not a subsidy. Well, call it what you will. It is a higher cost for the consumer of natural gas in Manitoba than it otherwise would have been. What will it cost on average the Manitoba consumers of natural gas for the rolled-in provisions of the National Energy Board ruling of some two weeks ago?

**Mr. Neufeld:** I am speaking from memory, but I believe I am accurate. The cost of the roll-in to Manitoba consumers would be about 1 percent. That is far less than the cost of storage or transport to and from storage, if that incremental cost were assessed to the Manitoba users only in 1993. We are happy that the NEB has seen fit not to break with tradition in its methodology of rolling in incremental pipeline costs.

**Mr. Carr:** I am not going to ask the Minister to tutor me in the complexities of that argument, but I am going to learn them, and we will get back to the Minister on this when I can fully digest his talk of incremental costs and a 50 percent load factor and price at the wellhead and storage in Michigan in 1993. It does not exactly read like a Dickens novel, but I am going to do my best to understand it. It may take me a little longer than it would take others.

Madam Chairperson, I would like to ask the Minister another question in this section. The branch is asked to identify opportunities for improving the efficiency of energy use within Manitoba. Can the Minister tell us what opportunities he has identified?

**Mr. Neufeld:** It is a total program. We have the Home CHEC program which identifies areas where consumers might improve the energy efficiency of their homes. We have the Energy Bus which moves around the city and the province to assess the energy efficiencies of public buildings, of schools, hospitals, whoever wishes to take advantage of it. We spend some time and some money on lease cost use of energy which includes the monitoring of electric utilities that come into the province, which ones may be more energy efficient, which are less energy efficient. We have not got to the point of

bringing in legislation in that regard, but it is something that we are looking at.

\* (2150)

**Mr. Carr:** So the Minister is saying that the promotion of energy efficiency is within the mandate of his department. Have I got that right? The Minister is nodding in the affirmative. Why is it then that when questioned in the House both he and the Premier (Mr. Filmon) said that the whole matter of the conservation of electrical energy was not the business of his department, but the business of Manitoba Hydro?

**Mr. Neufeld:** I think I have always answered that question, that we are working together with Manitoba Hydro in the energy conservation area. We are trying to co-ordinate our department with that of the energy conservation department of Manitoba Hydro, so that we can get the best use for the dollars spent in Manitoba as a whole. I think that is the way I have always answered that question.

**Mr. Carr:** How does the Minister co-ordinate his energy efficiency programs with those of Manitoba Hydro?

**Mr. Neufeld:** Our department and their department are working closely together. We get together for general meetings, their department with ours, together with their executive staff to make certain that we are not duplicating and we are not overlapping, so that we are working towards the same general goal.

**Mr. Carr:** How does the Minister's department determine the energy efficiency of a given building? Does he have inspectors who go out and consult with architects, with builders? How does one access the program of evaluating the energy efficiency of a building? Just how does the system work?

**Mr. Neufeld:** If you wish an energy audit of your house, you call our department and somebody will come out to your house, make an appointment and do an energy audit of your house. I had one done on mine to see what kinds of recommendations they might make to me. What they will do is they will assess the heat loss through doors, through windows, through insulation. They will check your furnace to see whether you have an energy-efficient furnace, et cetera.

**Mr. Carr:** Is this an appropriate spot for us to discuss the CHEC loan program? Does the Minister want to

do this under this line? Can the Minister tell us why he cut out the CHEC loan program?

**Mr. Neufeld:** As I indicated earlier, every program Government has should be reviewed from time to time to see whether it is indeed delivering the benefits that were intended when it was set up. We reviewed the CHEC loan program and determined that it was not delivering the benefits that it was set up to deliver. Approximately 85 percent of the CHEC loans were taken out for the purpose of window and door retrofitting, which I am told offers the least amount of energy conservation or energy savings of any of the retrofitting that we would like to see done. Indeed, we felt that this was not the best use of the monies we had available, and we would rather direct our efforts and our limited resources in another direction.

**Mr. Carr:** How much was spent on the CHEC loan program, and how has that money been redirected into other energy conservation projects, or has that money in fact been lost to the department?

**Mr. Neufeld:** A short while back, we discussed the cost of the CHEC loan program. It costs us approximately \$250,000 in subsidized interest each and every year. That is a minimum, and if interest rates go up, of course that goes up. Over and above that, we have a cost for write-offs, and they have been substantial. Those are not within our—those would go right to the Minister of Finance. The losses are absorbed by the Minister of Finance, and I cannot remember now what those have been. There have been substantial write-offs since we took office, and there were more write-offs before we took office.

We do not have, of course, the monies that are being collected by Manitoba Hydro, the amounts outstanding on those collected by Manitoba Hydro. Manitoba Hydro gives us back the loans when they cannot collect, and then we try to collect. Of the monies that we are not trying to collect, the amounts that we have written off are \$1.1 million. The delinquencies that we are trying to collect right now total \$599,000.00. There are 776 loans outstanding.

**Mr. Carr:** Madam Chairperson, how many staff members were charged with the administration of the CHEC loan program? What are you doing with them now that the program has been cancelled?

**Mr. Neufeld:** Maybe I did not explain well enough earlier, but the CHEC loan collections were looked after by Manitoba Hydro. We take them over when

Manitoba Hydro cannot collect them. We have one person looking after the collection of delinquencies. We still have, as I indicated, \$600,000 in delinquencies that we are trying to collect. We have one person looking after that.

**Mr. Carr:** Madam Chairperson, the Minister, in a previous answer, said that 85 percent of the CHEC loan funds went for window and door refitting. I believe that is what the Minister said. That turned out not to be the expected result. It was an inefficient use of the Government's loan subsidy. What would have been a more efficient use of the Government's loan subsidy? Is the department considering a new initiative that would be more effective than the one that he had to cancel?

\* (2200)

**Mr. Neufeld:** To answer your first question first, more efficient use of Government monies and loans would be for insulation, energy-efficient furnaces, et cetera. Windows and doors, I am told by those who know more about it than I do, offered of all the types of retrofitting the least amount of energy saving. Indeed, all too often also we felt the monies were used because of interest subsidy, not because of need.

The Government has many programs that people can still access for retrofitting their homes, for fixing up their homes. We have redirected our monies in such a way that we want to emphasize more work on schools, hospitals and other public buildings. We would like to see if we could not make them more energy efficient, that we could not, by doing energy audits of those buildings, convince the operators of those buildings to make them more energy efficient and in that way save not money only for themselves, but for Government as a whole.

**Mr. Hickes:** I would just like to follow up a little on the Home CHEC program. The Minister just explained that one of the alternatives or one that would have more of an impact that would be more energy efficient would be in the insulation part of it. Is there a program being developed now, or will there be a program such as the CHEC program that only, as you stated, the windows and doors, to offer low-interest loans and stuff?

As you are probably aware, the constituency that I represent, Point Douglas, is not a rich constituency, and there are a lot of first-time homeowners and people from different countries who moved here who do not have a lot of dollars

who would benefit from such a low-interest rate loan for energy conservation. Whether you use it for home insulation, or your compact fluorescent bulbs or what have you, but is the Government or your department or you as a Minister, is there any program being planned for low-income earners or people who cannot afford?

**Mr. Neufeld:** We have no plans to reintroduce the low-interest loan to homeowners who wish to do retrofitting on their homes. I should add, though, that the Department of Housing has many programs, and some of them are quite suited for those who wish to do some retrofitting work on their houses, and it is that department that should be accessed for money by those you mention who are unable possibly to afford the cost of fixing up their houses. -(interjection)- Louder. -(interjection)- That is great, because I cannot hear you either.

We have no plans to reintroduce a low-interest loan for retrofitting houses. I should say though that the Department of Housing does have programs that could be accessed by the people that you mentioned who are unable to pay for the renovations they wish to do on their own houses.

**Mr. Hickes:** Thank you, Minister, for that part I could not hear. You just clarified that it was the Department of Housing. I thank the Minister for that, because I do receive phone calls, and I have received inquiries about some form of assistance program where you could benefit individuals. But I would like to ask the Minister, at the bottom of our paper here it says: Development of a contingency plan to deal with oil shortages. Could we have a copy of that plan if there is one developed?

**Mr. Neufeld:** I think we should explain just how this energy shortage contingency plan is going to work. In the first instance, there is the International Energy Agency which will allocate if there is a world shortage. At this point there is not, but the International Energy Agency will allocate to the various member countries—we are one of those member countries—the amount of oil that they may have at their disposal. At that point the federal Government, the Energy Supply Allocation Agency of the federal Government will allocate to the various provinces and the various high or greater-need agencies, like hospitals, schools, et cetera their allocation. At that point Manitoba comes into the picture, or any province comes into the picture. We would then have to decide whether or not we have

to go into rationing of some sort; we would have to decide whether or not we should bring in legislation to, as an example, not permit drivers with no passengers in their cars as is in other jurisdictions, or permit the drivers with passengers to use a faster lane as is the case in some jurisdictions.

We could implement reduced speeds, as we did in the early 1980s. There are many things we can do, but this is the systematic way in which the contingency plans would work. Our particular plan is being worked on. We had to wait until the others came into the process, that we would come in at the tail end. That will be public information as it is available to us, as it is finished, and that again would depend on whether or not we think we would have to put in some form of rationing. That rationing could take the form of speed limits, passengers, close up all Government parking lots, any number of things we could do as a last resort.

As I said earlier, the plan is being worked on. Once it is completed it will be public information, but as we sit here today the expectation is that there will no shortage in the first quarter of 1991.

**Mr. Hickes:** If I heard you correctly, there is no plan in place at this moment, but there will be one in the foreseeable near future. Once that is finished, like it will be open to everybody in Manitoba. There must have been some plan in place when there was a reduction in speed in 1980s. There must have been anticipation of a gas shortage or something to require that, like you mentioned the speed to be reduced. Was that initiated, the reduction in speed for the '80s? Was it in anticipation of a gas shortage?

**Mr. Neufeld:** I guess I have to go back on my memory, but as I remember it, the reduction of speed limits on highways across North America was on an ad hoc basis. It was no particular plan in place, but it was a way to reduce consumption of fossil fuels and without an overall plan. There was not the danger of the emergency we have today, I have to say that. If a conflict should erupt in Iraq, there could well be a greater shortage than there ever was in the early 1980s.

**Madam Chairman:** Item 2.(b) Energy Planning: (1) Salaries \$383,900—(pass); item 2.(b)(2) Other Expenditures \$96,700—(pass).

Item 2.(c) Energy Programs: (1) Salaries \$428,900—(pass); (2) Other Expenditures \$1,039,300—(pass).

Item 2.(d) Petroleum: (1) Salaries \$765,800.00.

**Mr. Hickes:** Under Petroleum, what source of oil base do we have in Manitoba? Is there a set number of barrels that are available to us as a resource in Manitoba?

\* (2210)

**Mr. Neufeld:** Our total production in Manitoba is approximately 12,500 barrels per day.

**Mr. Hickes:** Under the same topic, there are "two public sales of Crown oil and natural gas leases each year." Could the Minister tell us who got the leases, and who were the two sales to for the Crown?

**Mr. Neufeld:** The leases go on sale by sealed tender twice a year. The bidders or the oil companies in the Manitoba oil patch, all of them—in any one tender there may be from half a dozen to a dozen companies bidding. We have a reserve on the leases, and if we do not get a certain price, we do not let it go. Is that not right?

**Mr. Carr:** I just want to ask the Minister how we are doing and what the trends have been over the last number of years. Have there been any major finds in the province? Is there much exploration going on? Is there much private sector investment? What have the trends been over the last few years? Should we hold our breath with anticipation?

**Mr. Neufeld:** We have not had any major discoveries in Manitoba in recent years, or ever for that matter. As might be expected in the late '80s, sales were down, and revenue produced from them were down. As an example, the Crown-leased sales generated \$172,000 in this last year, compared to \$241,000 a year earlier. Exploration, as might be expected, is up by about 50 percent in the second half of this year.

I could make available to the Member for Crescentwood the Oil Activity Review for 1989 which gives all statistics that he may wish to see.

**Madam Chairman:** Item 2.(d) Petroleum: (2) Other Expenditures \$143,900—(pass).

Item 2.(e) Energy Programs (Transportation): (1) Salaries \$145,100—(pass).

**Mr. Hickes:** We are in (e) Energy Programs (Transportation)? Okay. I would just like to know if there have been any ongoing discussions or if there have been any studies done to the prospect of transferring our bus systems in the city to electric power instead of through the gas system?

**Mr. Neufeld:** The question relates to a matter that will have to be decided upon by the City of Winnipeg, of course, but I should indicate to the Member for Point Douglas that the capital costs of converting to electric buses would far outweigh the benefits that might be derived from it. I am not suggesting that should be the sole reason, but to date there has been no indication from the city that they would like to convert back to electric buses. If the Member were as old as I, then he would remember the electric streetcars and electric buses that used to travel on Winnipeg streets.

**Mr. Hickes:** The reason I asked that is, I am not talking about changes tomorrow or somewhere in the future to get away from fossil fuels and stuff like that. We have an abundance of energy in our own back yard here in Manitoba. If we look at a lot of the other cities, take, for example, Japan, a lot of their systems are by a train system which is run by electrical power compared to gasoline and stuff.

We see a crisis coming within the world of oil shortages. The price keeps going up; we pay more at the pumps. Pretty soon the people in Manitoba will have a hard time even buying gas for their cars. Like I said, we have electrical generating stations right in our own back yard that we are exporting to other countries. Even if we went to electric power somewhere in the future to probably commute from surrounding communities like Stonewall, and maybe even as far out as Gimli to commute by rail back and forth. That might be the way we would have to go in the future, because of shortage of gas or because of the whole impact the fumes and everything has on our environment.

I am just wondering if there are any discussions among the Energy Ministers across Canada towards that trend, or if the Minister could maybe look at putting a plan in place to discuss with other Ministers so that way maybe we could even sell some of our energy to other provinces, if they want to go that route?

**Mr. Neufeld:** I should indicate to the Member for Point Douglas that we are, in conjunction with Inter-City Gas, experimenting with natural gas for fleet use that could be used by the greater Winnipeg Transit or the Brandon Transit. The cost of conversion to natural gas would not be as horrendous as the cost of conversion to electricity. I think, though, that the Member has a good question when he asks about the conversion to electricity

because of the lack, if you like, of fossil fuels and of the environmental damage that it creates.

We may well in the future have to, regardless of cost, look very closely at electric generation of our fleet of buses. I have not yet heard that brought up at any Ministers' meeting. I would guess that the closest to coming into being would be the conversion to natural gas, in which case the pollution effect would be greatly reduced.

**Madam Chairman:** Item 2.(e) Energy Programs: (1) Salaries \$145,100—(pass); 2.(e)(2) Other Expenditures \$171,300—(pass).

Resolution 40: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,485,700 for Energy and Mines, Energy for the fiscal year ending the 31st day of March, 1991—(pass).

\* (2220)

Item 3. Mineral Resources \$6,025,200 (a) Mineral Development: (1) Salaries \$197,600.00.

**Mr. Hickes:** Under Mineral Development, it was my understanding, if I heard correctly in the past, that the whole department was supposed to be decentralized to Flin Flon. I have not heard of it moving yet. Did I get the wrong information, or is that being planned for the future?

**Mr. Neufeld:** The target for decentralization in our department—and we are talking only in minerals now—is 14 to Thompson, 10 to Flin Flon and two to Russell, which would be industrial minerals. The target for the decentralization to have taken place is next September.

**Mr. Hickes:** Will there be, for the cost of decentralizing the members to Thompson, Flon Flon and Russell, new monies in place to offset the cost for moving the families and stuff, or would that department have to find it within their existing budget?

**Mr. Neufeld:** Where possible, the Department of Energy and Mines would fund from within, but the Decentralization Committee has a budget for relocation of people.

**Mr. Hickes:** What about the Mineral Development Agreement that expired in 1989? I think it brought in approximately \$25 million to Manitoba from the federal Government. Is there anything that is being negotiated now, or are there plans to negotiate a new agreement with the federal Government?

**Mr. Neufeld:** The Member for Point Douglas is not

quite correct. The total five-year program was just short of \$25 million. That would be \$24,000,200, something like that. This was a five-year program of which the federal Government paid 60 percent, and the provincial Government paid 40 percent. That was the total, not from the federal Government.

The agreement that we are negotiating at this point is a five-year agreement for a total of \$10 million with \$5 million coming from the federal Government and \$5 million coming from the provincial Government.

**Mr. Hickes:** Is there anything under the agreements or correspondence that has been going on with the federal Government? Could the Minister table any correspondence to see where we are at with the negotiations?

**Mr. Neufeld:** I would expect and I would hope that the new agreement will be signed before Christmas and will be tabled in the House as soon as it is signed.

**Mr. Carr:** Madam Chairperson, I have some general questions to the Minister about the staffing of the department and this branch in particular.

Could the Minister tell us how many people have resigned in the department since May of 1989?

**Mr. Neufeld:** I do not have that information available, but we can get it for you. For clarification, I would ask the Member for Crescentwood, does he mean within the Minerals division or the total Department of Energy and Mines? If the total Department of Energy and Mines, would he mean net reduction or the total resignations for whatever reason?

**Mr. Carr:** The latter.

**Mr. Neufeld:** Total resignations for whatever reason. That information will be brought to you as soon as it is available.

**Mr. Carr:** I thank the Minister for that answer, and I look forward to the information. I realize that he does not have that specific material with him, but has there been what you would call an alarming, disturbing rate of resignation in the department, a cause for concern? Are any red lights flashing in the Minister's mind?

**Mr. Neufeld:** No, there is not the rate of resignations that would alarm me; in any event I have not been made aware of the numbers and I know we have not had difficulty. I have had no reason to show concern

over the number of resignations. They are, we believe to be normal in the kind of business that we are in.

**Mr. Carr:** Could the Minister tell us how many untendered contracts have been let by the department in the last year?

**Mr. Neufeld:** That again, Madam Chairman, is not information I have at my fingertips, nor does our staff have it with them, but we will make that information available to him before the end of the week.

**Mr. Carr:** I appreciate the Minister's willingness to provide that information. We would be interested in knowing the number of untendered contracts and their total value.

On the issue of the renegotiated mineral agreement with Ottawa, who is negotiating on behalf of Manitoba, and who is negotiating on behalf of Canada?

**Mr. Neufeld:** Negotiating on behalf of Manitoba is primarily David McRitchie, who is the director of geological services with some input from Dr. Ian Haugh, the Deputy Minister of Energy and Mines; from the federal Government Mike McMullen and Gordon Peeling are the individuals and they are from the mineral policy section of the Department of Energy, Mines and Resources of the federal Government.

\* (2230)

**Mr. Carr:** Is there no political involvement of the Ministers at the federal-provincial level? Is this agreement standing on its own or is it in the context of the renegotiation of other Canada-Manitoba agreements?

**Mr. Neufeld:** The agreement is part of an overall number of agreements; forestry, communication, tourism, I believe are the other three, and the political involvement is to get them started, but the details are worked out by the people I indicated from our perspective.

**Mr. Carr:** As I recall, this is one of the ERDA agreements, one of the Economic Regional Development Agreements, that I think totalled somewhere in the neighbourhood of \$288 million, if I am not mistaken, that were signed about five years ago between Canada and Manitoba and they have begun to expire and we are trying to renegotiate them.

What will be the loss to Manitoba? What will be

the reduced activity in the mineral development sector of our province as a result of this substantially reduced commitment?

I believe the Minister, in response to a question from the Member for Point Douglas, said that the original agreement was \$24.2 million. The replacement agreement is going to be \$10 million, \$5 million from the Government of Canada, \$5 million from the Government of Manitoba. What are the consequences for the department and for the industry as a result of this substantially reduced commitment from the Government of Canada?

**Mr. Neufeld:** The reduced amount will be that of the federal Government. Our budgets will not be reduced because of it. Our portion of the five-year agreement was approximately \$10 million over five years. Our agreement with the federal Government, with the current agreement, will be \$5 million over a period of five years, but we will have the other \$5 million in those five years available from ourselves.

The reduced activity, if there is indeed any, will be from the federal Government's reduction of some \$10 million. That will result in a reduced activity of geological surveys in all probability, but the real effect has not yet been determined, the extent of the real effect has not been determined.

**Mr. Carr:** Madam Chairperson, I will give the floor to my honourable friend in a moment. I am just interested in knowing where the political focus is on the renegotiation of the ERDA agreements. Now, the Minister has mentioned some negotiators from his department who are working with officials from Ottawa. Is there, as far as he knows, within the Government some political strategy with the Government of Canada to renegotiate these agreements, either through the Western Diversification Fund or through other pools of money? Is the Minister personally involved in whatever political strategies are in effect?

**Mr. Neufeld:** Essentially, Madam Chairman, these are technical agreements. The political negotiators, if you like, have been Mr. Epp from the federal Government, Mr. Mayer, and in one instance, Mr. McKnight.

The negotiators on the political level from Manitoba have been the Ministers responsible for the departments that benefit from these agreements, but the federal Cabinet decided the total amount which they were prepared to spend across the country on these agreements.

These are the successors to the ERDA agreements. The federal Government is changing its names. I am not quite sure what the names are going to be, but there will be a change. The old ERDA agreements will be renewed with all the provinces, but we have to share our reduced amount with all the provinces. One of the provinces, Alberta, which did not participate in the former five-year agreement has decided this time they wish to, and that of course affects the amount that is available to the other three provinces. Essentially, your question was the reason for the reduced amount, and the reason for the reduced amount is the federal Government's own restraints.

**Madam Chairman:** Item 3.(a) Mineral Development: (1) Salaries \$197,600—(pass); 3(a)(2) Other Expenditures \$44,900—(pass).

Item 3.(b) Mines: (1) Salaries.

**Mr. Hickes:** Under the Mines, there is a closure of a mine in Lynn Lake, Lynngold—I think it was last year if I remember correctly—that pretty well shut the whole community of Lynn Lake down. That community has been thriving or in place for quite a few years, and there are families who live there. There are school systems built up. It is a whole community that has residential homes available and shopping. It has everything in place that a town should have. Because of the shutdown of Lynngold, I am just wondering if this Government—is there any exploration work being done around Lynn Lake to see if there is a way of revitalizing the community?

**Mr. Neufeld:** There is some exploration work going on in that area, but not as much as we would like. The reason is, as a result of the bankruptcy and the result of the bankruptcy not having been completed, other prospectors cannot go in there because the leases are owned by the trustee for the bankrupt. A quick answer is yes, there is some exploration work going on in that area and, no, it is not as much as we would like it to be.

**Mr. Hickes:** The settlements that were given to the families and the residents, the ones who were working in the Lynn Lake gold mine, has that been completed now, or will there be new negotiations going on, or is it over?

**Mr. Neufeld:** The negotiations are over. That was completed some time ago. Whether or not all the payments have been made, I do not know because those payments are made by the Employment Standards group in the Department of Labour. I am



not aware whether they have completed their work, but the negotiation portion of your question was completed some time ago.

**Mr. Hickes:** Are there any plans of this Government, or this Department, Energy and Mines, seeing that there is a reduction of activity and of employment opportunities in Lynn Lake? Will there be any funding to ensure that the schools and the community buildings and stuff will be ongoing? Whose responsibility will that be to ensure that it does not close down and deteriorate so that they could never use it in the future, if they ever discover more ore or potential for a new mine or maybe reopen one of the existing mines there?

**Mr. Neufeld:** We are moving out of the area of my responsibility and into the responsibility of the Minister for Rural Development (Mr. Penner). A quick answer would be, yes, we are contributing as a Government towards the upkeep of the services and infrastructure in Lynn Lake to the extent of \$160,000 for this year and \$80,000 for next year. The responsibility for downsizing the budgets is that of the council at Lynn Lake. They have been told what the contribution from Government will be. The Government cannot indefinitely make up the difference between what their revenue take from taxes is and what they wish to spend. We have to put limits on it, and those limits were placed at \$160,000 for 1990, and \$80,000 for 1991, after which they will be responsible for maintaining the services through their own tax base.

\* (2240)

**Mr. Hickes:** I appreciate the Minister's answer. Maybe my question was leading into a different department, but under the mining tax, is there not such a thing as a Mining Reserve Fund that is taken out of—or X number of dollars is taken out of the mining tax revenue to be used for alternative programs that could be allocated to any means or anywhere the Government wishes? Out of that mining tax that is put into the Mining Reserve Fund, if that is a mining community that has paid into those funds, should the Government not look at least keeping the buildings that are essential to revitalization of a community, especially when the Minister has indicated that the reason that there is very little exploration or not as much as the Minister would wish? I am sure all of us in Manitoba would wish more exploration to hopefully come upon an orebody.

Would not some of that money that is put into that Mining Reserve Fund be the appropriate place for right now just to sort of help them meet their need until something is found, hopefully?

**Mr. Neufeld:** The money that has been allocated for this year and has been promised for next year, and indeed the money that was paid to the workers for relocation expenses, came out of the Mining Reserve Fund. The monies that will be paid next year will come out of the mining reserve. You are exactly right. The intent of the money is to help those areas that have been affected by mine closure.

I have to repeat for the Member for Point Douglas that Government has to set time limits. It cannot indefinitely subsidize communities even though the communities are in need. I recognize that there is a need, but eventually they must be able to operate from their own tax base, or else we will not have monies in our reserve for communities that may need it in the future.

**Mr. Hickes:** I appreciate the Minister's answer to that, but the Minister indicated himself just earlier that the reason there is limited exploration work is because the bankruptcy has not been settled. Is the bankruptcy that is in place right now, does that in any way involve the Province of Manitoba?

**Mr. Neufeld:** No more than it involved the other creditors, the Province of Manitoba lost in the neighbourhood of \$3 million to \$3.5 million in the bankruptcy, including a loan of some \$2 million—I believe, was it—\$2 million made to the company when it brought in the mine some two years earlier. So that Manitoba's involvement in the bankruptcy is only to the extent that it has lost money, but no continuing involvement.

**Mr. Hickes:** Well, it seems to me we are heading into economic hardships, not only in Manitoba, but across Canada. I would like to ask the Minister, would he consider putting 3 percent of the mining tax into a mining reserve fund to use to fund some of the needs of northern Manitoba, seeing that the revenue is generated mostly in the North. As I mentioned earlier, in response to the opening remarks, it for example could be Leaf Rapids where they do not have their runway paved yet. They have been wishing to have it paved.

Snow Lake is another example that brings in quite a bit of tax revenue. They have an airport that is near completion, but needs a few extra dollars to complete it. When we are dealing with the mine, as

I mentioned earlier in response, was that emergency could occur at any given moment in a mine. Would some of that money that is generated from mining be put back into the mining communities per se, through the mining reserve fund? Is there any anticipation of that?

**Mr. Neufeld:** Well, 3 percent of the mining taxes that the Government collects goes into the mining reserve. The mining reserve is then to be used to bridge, to carry over the needs of communities that are affected by mine closure, which was indeed done in this case. At least, I do not recall the monies were spent a year ago for relocation expenses, but this year we have paid the LGD of Lynn Lake \$350,000 and have paid another approximately \$40,000 in other costs relating not all to the mine closure, but to cover some costs for Wabowden and Flin Flon. So we do put aside 3 percent of all the mining taxes that we do collect for the purpose of using them for the disadvantaged communities.

**Madam Chairman:** Item 3.(b) Mines: (1) Salaries \$1,376,100—(pass); 3(b)(2) Other Expenditures \$603,000—(pass).

Item 3.(c)—

**Mr. Carr:** Just one question to the Minister on Hudson Bay Mining & Smelting, and the new smelter. Can the Minister bring us up to date?

**Mr. Neufeld:** The answer to that question may leave the Member as confused as the answer to the question on roll-in of pipeline extension costs.

The negotiations with Hudson Bay Mining & Smelting and the federal Government have been going on for some three years, since before we took office. Since we have taken office, we have felt that any agreement we strike with Hudson Bay Mining & Smelting will be for social reasons and not a commercial loan. The loan request from Hudson Bay is in the amount of \$55 million, and I do not think that is a secret.

The federal Government has agreed to providing \$25 million, and some \$85 million will have to be provided by the company or its bankers. The company has an arrangement with a banker to provide that kind of money. There are a lot of conditions that the banks have imposed upon the company to bring this about.

We felt that at best this was a risk, and we felt that it was incumbent upon us and our department to make certain that those risks were minimized. That

in itself probably took the better part of 18 months to make sure that the areas at least, that we could foresee as risks, were minimized. We are never going to be able to foresee every eventuality and we recognize that, but at least it was incumbent upon us that those areas of risk that we could foresee must be eliminated.

We do believe we have all the bases covered, and it is a matter now of the federal Government looking at our term sheet and deciding whether or not they are prepared to accept that.

A side issue is that because we feel that the town of Creighton, which is a neighbouring town to Hudson Bay in the Province of Saskatchewan, since Saskatchewan gets substantial benefits, they should be a contributor at least, if not a party, to the agreement. We are negotiating with Saskatchewan to bring that about, but that again has taken some time. We started with Saskatchewan. I think the first meeting I had with the Minister there was, and that was the former Minister, was January 1989.

While it has been slow, it is progressing, and we think that in a very short time we will be in a position to make an announcement. At this point, we are not.

**Madam Chairman:** Item (c) Geological Services: (1) Salaries \$3,079,100.00

\* (2250)

**Mr. Hickes:** I would just like to ask, from one year to the next we have under Other Expenditures, Supplies and Services \$942,400, and this year it is down to \$404,200.00. Could you explain that difference of, well, it looks like about 500,000.00?

**Mr. Neufeld:** The reason for the substantial decrease in Supplies and Services is that 1989-90 was a clean-up year for the Mineral Development Agreement. Inasmuch as we do not have a new mineral development agreement, this has been downsized, because we are the only ones contributing to that area of our budget this year.

**Mr. Hickes:** When the Minister mentioned clean-up year, what was cleaned up? Was it clean up the mine sites? I do not understand the answer.

**Mr. Neufeld:** I am sorry I misled the Member for Point Douglas. That was the last year of the agreement, and I think we had all our projects completed by the end of March 1990. That is what I meant by cleaning up—cleaning up all the projects that were a part of the Mineral Development Agreement.

**Mr. Carr:** Madam Chairperson, I would like to ask the Minister if he led a contract for the investigation of the geology division of his department?

**Mr. Neufeld:** We do have a contract with a firm out of Calgary called Geotech. They are geological technical consultants to do a review of our geological work. The contract is for under \$10,000 and was not tendered.

**Mr. Carr:** I understand that all 11 jurisdictions in the country paid dues to something called the Canadian Geoscience Council which apparently does this very work. Why would the Minister hire an outside consultant to do the work that an organization of which he is a member will do?

**Mr. Neufeld:** The Geoscience Council of Canada would provide a team to conduct the survey. It is not our understanding that this team would work for nothing, that we would have to pay them. The bigger reason though for not engaging them, is it is a too long and drawn out affair to get the results from the survey.

**Madam Chairman:** Item (c) Geological Services: (1) Salaries \$3,079,100—(pass); (c)(2) Other Expenditures \$724,500—(pass).

Resolution 41: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,025,200 for Energy and Mines, Mineral Resources for the fiscal year ending the 31st day of March, 1991—(pass).

Item 4. Manitoba Energy Authority \$3,400,000.00.

**Mr. Carr:** Madam Chair, I believe both the Member for Point Douglas and I have a whole series of questions to ask about the Manitoba Energy Authority, but, at least for our part, we believe it is appropriate to ask those questions at the committee when we have staff people from the Manitoba Energy Authority. So, on that understanding, our Party, at any rate, will let this pass.

**Mr. Neufeld:** I will do my level best to make certain that the authority appears before a committee at the soonest possible time.

**Madam Chairman:** Resolution 42: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,400,000 for Energy and Mines, Manitoba Energy Authority for the fiscal year ending the 31st day of March, 1991—(pass).

At this time, I would ask that the Minister's staff leave the Chamber.

Item 1.(a) Minister's Salary \$20,600—(pass).

**Mr. Hickey:** In closing the Estimates, this is my first time in Estimates and I know I gained a lot of insight into the Department of Energy and Mines. At this time I would like to thank the Minister for his answers to the questions. They were very straightforward and he had all the information there. I gained quite a knowledge out of it. I would just personally like to thank the Minister for that. I really appreciate that and also his excellent staff.

There are some concerns that I have in various different areas, but we will pursue them under Manitoba Hydro and Manitoba Energy Authority. I am sure we will get the same precise straightforward answers from the Minister, and I would just like to thank him again for that. It was a great learning experience for me.

\* (2300)

**Mr. Carr:** I will not be quite so fulsome in my praise of the Minister's performance as my colleague for Point Douglas was. I would, however, like to thank the Minister's staff for their participation in the Estimates today and for their help to the Minister to provide the answers that he was able to.

We are concerned about a number of issues. We are concerned about the handle the Minister has on the Conawapa development. We have continually questioned him in the House about the penalty clauses in the negotiated contract with Ontario Hydro, and just about as consistently, we have been given information that is confusing at best. We will have an opportunity to question Manitoba Hydro after the Public Utilities Board makes its recommendation tomorrow.

We are also concerned and worried about the entanglements in all of the levels of authority that are entrusted with a portion of energy policy for the province. I made reference to that in my opening comments, and I will not take the time of the committee now. There seem to be competing as well as complementary roles for the Manitoba Energy Authority, the Public Utilities Board, the Board of Directors of Manitoba Hydro, the Minister himself, the Cabinet and the Crown Corporations Council.

There has to be greater clarity in the responsibilities of each of these agencies and boards in the establishment of energy policy and, particularly, energy conservation policy, a subject that we debated at some length in these Estimates,

and many of the Minister's answers were not satisfactory. We do not have a sense of confidence that the Minister is looking to the future to provide alternate sources of energy and to conserve the energy we have.

As the days and the weeks and the months unfold into the winter months here in Manitoba, we will be looking increasingly for more fulsome answers from the Minister on these very important issues that face our province as we move into the 1990s, at a time when the world is looking at ways of solving an energy crisis which does not seem to be abating.

I have enjoyed the Estimates. I have enjoyed the debate with the Minister. He has kept his sense of humour as always. He can be relied upon to do that. With those closing remarks, I would like to thank the Minister and his staff for their participation in this debate.

**Madam Chairman:** Item 1.(a) Minister's Salary: \$20,600—(pass).

Resolution 39: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,708,400 for Energy and Mines, Administration and Finance \$1,708,400 for the fiscal year ending the 31st day of March 1991—(pass).

This concludes the Estimates for the Department of Energy and Mines.

The hour being past 10 p.m., committee rise. Call in the Speaker.

### IN SESSION

**Madam Deputy Speaker (Louise Dacquay):** The hour being after 10 p.m., this House is adjourned and stands adjourned until 10 a.m. tomorrow (Friday).

**Legislative Assembly of Manitoba**

Thursday, November 29, 1990

**CONTENTS**

**Concurrent Committees of Supply**

Health	2219
Rural Development	2259
Energy and Mines	2270