

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 15 July, 1986.

Time — 8:00 p.m.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - BUSINESS DEVELOPMENT AND TOURISM

MR. CHAIRMAN, M. Dolin: Committee will come to order. We resume on Page 24, Resolution 24, Item 3.(a), Tourism, Travel Manitoba.

The Member for Portage.

MR. E. CONNERY: Your travel information — we'll get back into these groups again so we can go through them — and industry relations, do you have the total amount for that series of expenses?

HON. M. HEMPHILL: The total amount is 815,000.

MR. E. CONNERY: Okay. Just give us an indication of what that component is of travel information. Is that highway signage and that sort of thing?

HON. M. HEMPHILL: These are the travel reception centres. We operate 12 centres, have 2 permanent staff and 5.21 term staff years. We have two STEP students. We operate the currency exchange at our Emerson Travel Information Centre. It started in May 1985 and it goes daily, March through October, inclusive. Registration was up 70 percent in 1985, and further expansion is being considered at the Whiteshell location.

We have mobile travel reception centres. We have two trailers; one operating in Manitoba, the other one in the northern U.S. at various county and state fairs. It provides travel information to visitors at fairs and festivals throughout Manitoba and the States.

We have computer technology at the centres. This is fairly recent. We are developing a laser disk data base of travel-related information. It's being tested at Expo. We have one laser disk module at 155 Carlton Street and the remaining four units will be located at the Legislative Building.

MR. E. CONNERY: Could the Minister describe what entrances to Manitoba from east, west and south, where they have them and what they have?

HON. M. HEMPHILL: We have the 12 centres. The Legislative Building, of course, is one. We have one in Emerson, at the Whiteshell, Winnipeg West at Headingley, Winnipeg East at Deacon's Corner, one at the Manitoba-Saskatchewan border, one at Shilo, one at the Peace Gardens, one at Assiniboine Park, two at the Museum of Man and Nature, and then we have the two mobiles.

MR. E. CONNERY: Why would there be two at Man and Nature?

HON. M. HEMPHILL: It's two people, sorry.

MR. E. CONNERY: I guess the concern that some of us have with Expo 86 on what has been done different this year, because as I've watched people here and I've talked to a lot of people and asked where are you from; and as you walk down the halls, we see a lot of travellers from the east and from the northeastern United States, Illinois and all through that area.

What are we doing to say to them, as they come into Manitoba, well, you're on your way to Expo but we have a lot of things to show you on your way or if you can't on your way, on your way back, these are some of the things that we can show you like Hecla Island, Riding Mountain.

So instead of having them zip right through, are we having anything special or extraordinary?

HON. M. HEMPHILL: Mr. Chairman, we've had a number of activities. First of all, the Information Centres are one of the first contacts and they've been especially briefed. They have been providing special information to the increasingly large numbers of people who have been calling for information to all the centres this year.

We have focused some of our advertising programs. The TIAM organizations are also geared to directing people and getting that information out. We had a cooperative advertising program with Saskatchewan and Alberta where the three provinces joined together and had a cooperative advertising program relating to Expo. We had a special show in Toronto.

MR. E. CONNERY: Driving into Manitoba from the east or the south, because that's where we're going to attract people looping, are there signs, something very prominent, that are going to say we have these other attractions?

So often people go through and they don't even know what's in an area. I think we're a little delinquent in this area not making sure people are aware of what we have to offer. A lot of places, when I travel, and I've travelled 48 out of the 50 American states, we see a lot of signage in airy places where there's quite a large sign where you can stop and kind of take a look at what there might be ahead and what you might detour to.

HON. M. HEMPHILL: Yes, Mr. Chairman, we quite agree on the importance of signage and increasing the signage and upgrading the ones that we already have. We have good signs on Highways 59 and 12.

We have an agreement with the Federal Government, in fact it was one of the things that we pressed for under the Tourism Agreement that we have a program to upgrade signage and they have agreed.

So I suppose at this point, it's a matter of a new Minister confirming that the agreement we had come to three days prior to the Cabinet shuffle is still intact.

MR. E. CONNERY: What has our government done this year to lure that traffic going through Manitoba to encourage them to stay one, two or three days longer?

What have we done, this year specifically, under the knowledge that there's going to be tremendous Expo traffic and this is going to be our chance to catch people?

HON. M. HEMPHILL: Those are the things that I mentioned. We had a major promotion in Toronto and had targeted I think what they call the "Toronto Triangle," a particular geographical area of Toronto. The Co-op Advertising Program was specifically designed to catch the Expo traffic with the other two provinces.

MR. E. CONNERY: So then really Manitoba didn't do any additional signage on their major highways into Manitoba?

HON. M. HEMPHILL: I'm informed that we've just completed or have come to an agreement with Government Services where we are upgrading our signage on highways, both related to information and to activities that are undertaken, and our laser disk has updated information.

MR. E. CONNERY: But have any of these new signs been put into place this year or within the last six months, or will some be put in within the next six months?

HON. M. HEMPHILL: Some have been put in in the last six months and the rest will be put in in the next six months.

MR. E. CONNERY: Have you any indication of what has been put in?

HON. M. HEMPHILL: The ones on Highways 12 and 59 have been put in.

MR. E. CONNERY: But our main highways into Manitoba to me would be No. 1 from the east, 75 from the south — I don't know why people would want to travel that highway — and maybe No. 10 coming in from south of Brandon would be our main entry points into Manitoba.

HON. M. HEMPHILL: The signage was already there on Highway 1. As I was saying, the signage is already there on Highway 1. On Highway 10, we have the Peace Gardens, which is the Information Centre. So there are two Information Centres on 10, our own and the Peace Gardens Information Centre on Highway 10.

MR. E. CONNERY: I guess an instance, Highway 1, west of Portage, where the Yellowhead branches off, which would take people to Riding Mountain, which I have to consider, between that and Hecla, that Riding Mountain is probably our premium resort area. Winnipeg Beach is also. There really is nothing of any real significant signage to indicate to people that there on this road is a major attraction that you would probably want to see.

HON. M. HEMPHILL: Mr. Chairman, there is signage on Russell in the Yellowhead, but there isn't at the Portage turnoff.

MR. E. CONNERY: But you're got to get them over to Russell before you're going to get them, and that's the thing that I'm saying, that marketing is letting people know we have something.

Having done an awful lot of driving as a tourist, going to the States and to Eastern Canada, I have often been detoured because we saw something that drew our attention to it, and if the sign wasn't there, you just carried onto the next thing.

This should be the highest tourist traffic that we're going to see in the next five years with Expo and people going through. If we don't do a super job this year, then of course we will get no hope, and it's making people aware of what Manitoba has. I am somewhat disappointed that we didn't take advantage. A sign will last for an awful long time. A co-op advertisement goes into the paper and people see it but it's not enough.

HON. M. HEMPHILL: Mr. Chairman, I think we have been working on this for a number of years and that it's in the responsibility of Government Services and Highways. They have recently announced a major signage program that is going to identify with signage major attractions. So we have that program and we'll be looking at areas like he suggested.

MR. E. CONNERY: Mr. Chairman, would the turkeys south of me, or I mean west of me, be quiet so we can hear what's going on?

They're having a good conversation, but I'm having a hard time hearing.

MR. CHAIRMAN: Good point. Can I have a little order please.

HON. M. HEMPHILL: I'm glad you used the name, not me.

MR. E. CONNERY: Okay, under Industry Relations then, I've gotten a handle on some of the travel information, and the industry relations, again that's dealing with people within the industry that travel, the people that have the facilities and the hotel people. Is that the sort of industry relations?

HON. M. HEMPHILL: Yes, and we're working with the associations.

MR. E. CONNERY: That includes TIAM and the regional directors?

HON. M. HEMPHILL: Yes.

MR. E. CONNERY: Okay.

MR. CHAIRMAN: The Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, the department at one time was looking at tourist information buildings on Highway No. 1. There was at one time a project, according to the Minister, two years ago or three years ago and even as far back as five years ago, to work with Saskatchewan to have a Tourist Information Centre on No. 1 Highway at the Ontario and Saskatchewan borders. The one in Saskatchewan, they were

considering working together to have an information bureau. Is that still being worked on or thought of or negotiated?

HON. M. HEMPHILL: I am informed that Saskatchewan pulled out of those negotiations. They built their own and we're proceeding on our own. We're proposing to build a new centre at the Manitoba-Saskatchewan border under the new agreement. I mentioned that earlier.

MR. F. JOHNSTON: Did the Minister say under the agreement?

HON. M. HEMPHILL: Under the agreement, yes.

MR. F. JOHNSTON: That would be under the program . . .

HON. M. HEMPHILL: Program 1, Marketing.

MR. F. JOHNSTON: Has there been any thought to put the Tourist Information Centre at Elkhorn, Manitoba, the first town that comes into the Province of Manitoba? There was some thought of it once before.

HON. M. HEMPHILL: Mr. Chairman, our strategy has been to get the signage as close as we can to the border and not to have it in the communities.

MR. F. JOHNSTON: Has the department thought of having signage at the border saying . . .

HON. M. HEMPHILL: I meant a centre, I'm sorry.

MR. F. JOHNSTON: . . . at the border saying so many miles to Elkhorn — I believe it's eight or nine or something in that nature — for the reason that Elkhorn has not got any industry, it's not likely to have any industry, and it's a rural Manitoba district, the first town you come to in Manitoba. A tourist centre could be placed at Elkhorn which would be a benefit to their restaurants, shopping etc. Has there been any thought of supporting Elkhorn from that point of view?

HON. M. HEMPHILL: I'm sorry, I'm in the same position as the Member for Portage la Prairie. I had your conversation coming in one ear and the other one in the other. Could you move up your microphone?

MR. CHAIRMAN: If the member could correct me, the question was, Elkhorn has no industry. Would the Minister consider having signs saying, 8 or 9 miles to Elkhorn or whatever? Was that the essence of the question?

MR. F. JOHNSTON: Yes. It was considered at one time. It was being looked at, because Elkhorn is not likely to have any large industry open up there. A tourist centre with parking, information, etc., would be a benefit to Elkhorn's shopping and also to their restaurant business. It would be a help to a Manitoba town, and I wondered if the consideration is still being given to assist a small town in Manitoba only eight miles from the border.

HON. M. HEMPHILL: Mr. Chairman, the decisions aren't finalized. Although it appears that it is not only low down on the list of priorities, but it doesn't even sit on the list because it doesn't fit the existing criteria, I'm prepared to take what he said into consideration and give it some further thought.

MR. F. JOHNSTON: Are they planning to build a tourist information centre with restrooms or a place to relax, an information centre that is capable of having communication to, let's say, a central that would be able to make accommodation reservations for tourists, etc.? I'm thinking along the lines of the Nova Scotia program that I've seen.

HON. M. HEMPHILL: Yes, Mr. Chairman.

MR. F. JOHNSTON: Will the Ontario border one be structured in that way for the benefit of tourists?

HON. M. HEMPHILL: Yes, Mr. Chairman.

MR. F. JOHNSTON: Well that leads to the question. We now have a Tourist Information Centre on Highway No. 75. Are there plans to have any on Highway No. 10 — (Interjection) — Well my colleague says No. 16, and also I would say No. 10 at the Peace Gardens, those type of information centres when you enter Manitoba?

HON. M. HEMPHILL: Mr. Chairman, we have two centres on Highway No. 10. As I mentioned, we have our own, and we have the one at the Peace Gardens. We're in the process of discussing the matter with North Dakota to talk about the possibility of a cooperative centre.

MR. F. JOHNSTON: Mr. Chairman, I used the example of Nova Scotia. I believe there are something like 10 throughout the province that people can call into, park. There are rest areas, sitting areas, information areas, information material, restrooms, and the capability of making reservations throughout the province for tourists as they travel the province. It has been nothing but a benefit to Nova Scotia. Are there any thoughts of having key areas of information centres with extensively good accommodations for tourists under this program?

I note this program has a budget of \$500,000.00. Has the department thought it could be the beginning of excellent information centres for the benefit of tourists in Manitoba? Rest areas, information centres, good accommodation, in that respect, always make tourists very comfortable when they're travelling, because they have assurance that somebody is there taking care of them. They have assurance that somebody can be there to help them with accommodations.

HON. M. HEMPHILL: Mr. Chairman, I think that we're interested, as the Member for Sturgeon Creek is, in having the capacity, and quite agree with the importance of that kind of information and the ability to make reservations and have those amenities. We want to do it, but without the cost.

Ours won't be patterned after Nova Scotia, because the cost of running theirs is upwards of \$1 million. What

we're doing is trying to develop a system — and we are — where they can make reservations through automatic dial system, and where we're using the laser discs that we're developing for the updated information. So we hope to have a fair amount of the information distribution and the reservation capacity without having the big cost that we presently aren't capable of handling in our budget.

MR. F. JOHNSTON: Mr. Chairman, I'm well aware of the program that they have as far as communications and reservations are concerned, and I might say I turned it down, too. It's very costly. I was really referring to the buildings that people can go into, and I know that we can make reservations by telephone or have our own system. I mean, the buildings that people can be accommodated at or given service at while they're travelling in the Province of Manitoba.

HON. M. HEMPHILL: Mr. Chairman, we're in the process of upgrading our centres, and I think the Manitoba-Saskatchewan border was going to be a model for the other centres that we will try to bring up to that standard. So it is our intention to improve them along the lines that he suggested.

MR. F. JOHNSTON: I must say, I take a look at the corner of the highway at Winkler, between Winkler and Morden, and it was us that put the trailer there because of finances at the time. Small trailers or use of a service station or something of that nature are not the best thing for tourists. If we want to have people going back saying, when you travel in Manitoba, you have good communication with the people working in the tourist industry for your benefit. It's a very attractive type of advertising. You can't buy that kind of advertising.

The computer service that you're speaking of or the communication service that you're speaking of, is it a take-off from the one in Nova Scotia, which I know is very expensive? Are you using computers, or will you just be using telephone-type of communications?

HON. M. HEMPHILL: No, Mr. Chairman, it isn't the same. It's a new kind of technology. It's a laser disk data base. It gives both visual and moving images.

MR. F. JOHNSTON: How's that? Visual and moving images? You said, visual and moving images? I know I'm getting too old to try to understand computers, in fact, I don't even intend to try. Is this something new and different?

HON. M. HEMPHILL: I'm going to issue an invitation to the Member for Sturgeon Creek to come and see it at 155 Carlton — oh it's in the Legislative Building — (Interjection) — you can come too, if you can walk.

MR. CHAIRMAN: The Member for Roblin-Russell.

MR. L. DERKACH: Thank you, Mr. Chairman.

I'd like to know what the Minister has in terms of plans for the entry from Saskatchewan into Manitoba at the Yellowhead route near Russell?

HON. M. HEMPHILL: Mr. Chairman, we're presently cooperating with the Town of Russell, with the one that

is in Russell, and it's one of the areas that we're definitely looking at in the future for future programs.

MR. L. DERKACH: How far into the future?

HON. M. HEMPHILL: The next year or so.

MR. L. DERKACH: Or so?

HON. M. HEMPHILL: I worded that carefully.

MR. L. DERKACH: I'd like an explanation of the "or so."

HON. M. HEMPHILL: I worded that very carefully, Mr. Chairman. At least within the life of the agreement.

MR. L. DERKACH: Mr. Chairman, I think if the Minister were to sometimes drive the Yellowhead and stop at Russell, I think she'd probably be appalled at the kind of Tourist Information Centre that is in existence in the area, especially when that Tourist Information Centre is one that is at the junction of at least three major routes into the northern part of Manitoba, if you like, into the Parkland area. Anybody who has stopped at that information booth, per se, cannot really give you too many compliments about it. As a matter of fact, the sign isn't even decently placed at that particular site.

I don't think that's really promoting Manitoba or promoting the area. It doesn't really take that much effort to improve, not only the location, but in terms of the facility itself. That can be done within a short space of time where tourists could feel as though they were invited in, rather than a building that's sort of over to the side that you just pass by. I'm wondering whether there can be some attention paid to that in the near future so that tourists travelling through the area — and there are many — would feel welcome into that centre.

HON. M. HEMPHILL: Mr. Chairman, I had indicated that we are undertaking a major program where we intend to upgrade the signage. It's also my intention to tour all the information centres which I haven't had a chance to do yet but, if we finish soon, I'll be able to. It's my intention to go and see them myself so that I have a better feeling about what it is that you're saying and what the needs are.

MR. L. DERKACH: Mr. Chairman, I know that the Minister was not responsible for this department when she visited my area during the election campaign, but she could not miss the location of the tourist information site because it was right beside the Russell Inn in kind of a depression and out-of-the-way place, and that's where it still is today.

I would encourage the Minister to give a directive to her staff that be changed, even for this year, because there are many people who are stopping, even at service stations, and asking what's available in the area. I don't think it's acceptable to present that kind of an image for that area and for Manitoba.

HON. M. HEMPHILL: Mr. Chairman, I have to admit that when I made the previous tour, that the tourist

information booths weren't high on the list of things that I was paying attention to. But it's my understanding that the placement of the information booth is done by the Chamber of Commerce there, and if you have real concerns about that — in fact, I believe that we preferred that it not be placed there and that's where they wanted it — I think that at least in terms of location you better start at home to make your point.

He's going to tell us he's on the Chamber of Commerce now.

MR. L. DERKACH: No, Madam, and Mr. Chairman, I'm not going to tell you that. I'm going to tell you that location is only one of the problems. A more serious problem, I think, is the facility itself, and that's the area that I'm trying to zero in on. Let's improve the facility and I'll work on location from my end.

HON. M. HEMPHILL: Okay. I recognize that the major point that he was making was on the facility but he did make a number of comments about the site and said that's a big problem and the least you can do is move the location immediately, you know, or do something about the location, which is why I responded to that, but let's try and work on both of them.

MR. E. CONNERY: I guess when we're talking about signages and so forth, Mr. Chairman, the new Minister seems to have lots of ideas.

Does this mean that the previous Minister was lacking in imagination and didn't have signs in place when we knew that Expo was coming up some two or three years before it happened? Really, while I'm saying that slightly facetiously, I'm still saying with seriousness that we have lost an opportunity.

Where in this whole tourism panel does the Convention Centre come in? Does it just fit in between the lines here? What area?

HON. M. HEMPHILL: The service there is provided by the Winnipeg Visitor's Bureau, the Winnipeg Convention Visitor's Bureau.

MR. E. CONNERY: It's not listed in this grouping here?

HON. M. HEMPHILL: It's not one of ours.

MR. E. CONNERY: But it would be partially federal or provincially funded, and in block funding?

HON. M. HEMPHILL: No, through City of Winnipeg grants.

MR. E. CONNERY: Do you not have anything to do with the Convention Centre at all?

HON. M. HEMPHILL: We work closely with them, but it's funded by the city.

MR. E. CONNERY: In what way do you work with the Convention Centre?

HON. M. HEMPHILL: Through the TIAM association. We give them a small operating grant of \$36,000.00. Remember I indicated before when I went through the

regional funding for TIAM and there were a couple of things there that weren't regions. That was one of them; they get \$36,000.00.

MR. E. CONNERY: What is happening with the Convention Centre as far as attracting large conventions? Are we making progress or do you have the statistics vis-a-vis the Convention Centre?

HON. M. HEMPHILL: Yes, I believe that there's very active promotion of the Convention Centre and that it is paying off. Their marketing activities included, and it's largely for the Convention Centre, 12 travel trade marketplaces, 6 travel trade familiarization tours, 9 meeting convention marketplaces, 2 meeting and convention planner sites inspection, 9 sport and travel shows, 21,000 inquiries with a 19.5 percent conversion, and 9 mall promotion with 48,000 pieces of literature distributed.

Also, I attended Rendezvous Canada in Montreal, which is the major prime travel market, and we're going to be hosting it next year. The people who came with me were representatives of the Convention Centre and we have Rendezvous Canada coming next year. We're going to be hosting that which is going to bring in something like 1,000 people from all over the world and about 600 of them are prime travel market people from the various countries.

We're also planning to host Meeting Planners International, and that's a major international planners meeting. We're hosting both of those and the Convention Centre will be the recipient. There will be about 1,400 people attending that.

So it seems as though there are some major, major packages out there, conventions and conferences, and we are grabbing some of the really good ones.

MR. E. CONNERY: Do you have some of the figures for last year and comparative figures as to whether the use of the Convention Centre is going up in numbers of people and conventions?

HON. M. HEMPHILL: I don't think we have those. Perhaps your colleague might have them in his head. I don't think we have those figures here with us although we could try to get them for you.

There was a project to upgrade and convert the second floor for meeting room space and to convert the kitchen to better serve the upper levels. They think they will be able to better attract and service more meetings and conventions. The second floor space is also going to provide a permanent location for casinos held at various times through the years.

MR. CHAIRMAN: Just for clarification, to the Member for Portage, I think the figures he's asking for are the number of visitors to the Convention Centre. This would be information that the city would have available because it's under city jurisdiction. I don't know whether the Minister's staff can get you those figures.

HON. M. HEMPHILL: We could get them if he was interested. We have two members sitting on the board, so we have that level of participation and, certainly, whether they were sitting on the board or not, we have

access to information. If the member is interested, we can find out for him.

MR. E. CONNERY: Okay, thanks.

MR. F. JOHNSTON: You mentioned the board. Who are the members that you appointed to that board?

HON. M. HEMPHILL: Susan Pradinuk and Bob Yuel, the Assistant Deputy Minister.

MR. F. JOHNSTON: And who else?

HON. M. HEMPHILL: Susan Pradinuk.

MR. F. JOHNSTON: Is she an employee of the department?

HON. M. HEMPHILL: No, she's a travel agent.

MR. F. JOHNSTON: I would suggest to the Minister that if her department couldn't get her the figures on the Convention Centre within about an hour-and-a-half, knowing them, I think they can, and I'd sure let them know if they couldn't, because those figures were always readily available.

I listened on the news the other day and there was a mention of a person that works with the Tourism Department who was working with the Convention Centre to get a convention in the Province of Manitoba. The announcement was made that it was coming to Manitoba.

We had worked, I believe, with the Junior Chamber of Commerce, and I believe the present government took over with that promotion, with that project. The mayor even travelled to Europe with people of the department to try and get the World Junior Chamber of Commerce, the Jaycee International Convention, in Manitoba. We came very close. Obviously, because of the news announcement a couple of weeks ago, we are doing it.

Do we have a budget whereby somebody in the department works with the Winnipeg Convention Centre to the City of Winnipeg and/or Manitoba.

HON. M. HEMPHILL: Mr. Chairman, we do have staff that do work with the Convention Centre, No. 1. No. 2, we're not clear, any of us, which article in the paper you were talking about, or which convention or activity. Was it Meeting Planners International?

MR. F. JOHNSTON: Staff can probably help you. It's the gentleman that went to Germany — what's his name? — from the department, the gentleman that went from the Tourism Department to Germany.

HON. M. HEMPHILL: That was Hubert Mesman with the MPI?

MR. F. JOHNSTON: Hubert, that's right, and it came across that he had worked with the Convention Centre to just get a convention. I wasn't really asking which one it was.

I really am asking: is there a budget structured for the department to work with the Convention Centre to

supply funds to attract conventions to Winnipeg and/or Manitoba? Going after some of those conventions sometimes takes three years and very very extensive planning and promotion on the part of the Convention Centre and the province. Is there a budget set aside for that purpose?

HON. M. HEMPHILL: Yes, Mr. Chairman, there is. In the broadest sense, I suppose, of promotion, it would be in the area of \$190,000.00.

MR. F. JOHNSTON: That's fine.

MR. CHAIRMAN: The Member for Portage.

MR. E. CONNERY: Mr. Chairman, I asked what was being spent by the department on the Convention Centre, and I was told some assistance. Now, there's \$190,000.00.

HON. M. HEMPHILL: That's our budget for all conventions. In the promotion, we include the promotion of the Convention Centre, so that's why I said in the broadest sense.

MR. E. CONNERY: When we don't have all of the detailed information in front of us that the Minister has, when we ask a question somewhere along that line, I would appreciate that we are told, well we are doing other funding in this department. That would make it easier for . . .

HON. M. HEMPHILL: It's simply a misunderstanding of the question, because it isn't actually other funding. It's our total program for promotion of all conventions and hotels. In the course of doing that, we include promoting the Convention Centre. So, I suppose, taking your question literally, I didn't think of it as being extra additional money in the budget anywhere. I could have quietly added on that we also help promote the Convention Centre when we're promoting other facilities in the province.

MR. E. CONNERY: The casino in the Convention Centre, how many days a year is it running now?

HON. M. HEMPHILL: We don't have that information here. We think about 10 days a month, but we're guessing.

MR. E. CONNERY: Is the department looking, because I know, once again — I hope the Chairman doesn't rule me out of order — it's a tourist attraction. When you go down into North Dakota now or to Minnesota, they have gambling basically every day of the year almost. I don't know if they do it on Sunday's or not, but there is continuous gambling. The casino is an attraction for a lot of people. Are you looking at encouraging basically the full-time use of the casino? The facility is there.

MR. CHAIRMAN: I don't know if it's out of order, just to clarify for the member. Casinos are not under this department. Casinos, my understanding, are allocated through the Lotteries Commission, which would be

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coming up under the Estimates, the number of casinos annually and where they're located, etc. I don't know whether you can get the specific information you require here.

HON. M. HEMPHILL: I can tell him. Mr. Chairman, we have not taken a position as the Department of Tourism on having casinos open every day of the week, which is what I think he was asking, or promoting the opening of casinos every day of the week.

MR. E. CONNERY: Then I guess maybe I would suggest that the department take a look at what additional tourism dollars we'll attract, along with dollars for other functions, because we don't know how many people are going south of the border that are doing their gambling or maybe how many don't come up here because the casinos aren't running full time. I'm suggesting that the department examine it and then, in consultation with the Lotteries Commission, determine whether we shouldn't have more casino days per month or for the year.

HON. M. HEMPHILL: I'm sure that, if we looked at it and gave some thought to it and wanted to have some input or give some suggestions, the Lotteries Commission or the Minister would be quite happy to have us involved or participate in it.

I would only say that it isn't quite as easy as just, well let's get more tourism and let's get more money, and let's open up the casinos every day of the year. I mean, those are very sensitive issues. The question of how many and how much gambling and whether it's sort of wide open and every day of the year, or whether it's too little now or you increase it a bit, those are questions that would have to be considered seriously and in more lights than just opening gambling to attract tourists.

MR. E. CONNERY: Then in the other context, Mr. Chairman, who determines how many more people will come, the Lotteries Commission or the Tourism industry. So really, the two have to work hand-in-glove in an operation along that line to determine what is best in the sensitive areas as to, are we making people mad because there's too much gambling, or are we losing tourist dollars because it's not open. So they have to work in tandem.

MR. CHAIRMAN: The Member for Roblin-Russell.

MR. L. DERKACH: Thank you, Mr. Chairman.

My question to the Minister is with regard to the target areas that the Minister indicated they were going to be focusing on. Are these areas, in fact, the ones that have been designated as the four destination areas of Manitoba?

HON. M. HEMPHILL: Yes, Mr. Chairman.

MR. L. DERKACH: In the four destination areas, I notice that you mention the Riding Mountain and Duck Mountain regions. What specifically are you talking about in terms of Riding Mountain, since it is a national park that's basically inaccessible to tourists because

of some of the protective policies of the area, especially in the west end?

HON. M. HEMPHILL: It's those communities which service the park, Mr. Chairman, if we got your question correctly.

MR. L. DERKACH: Could you elaborate on that?

HON. M. HEMPHILL: Okay, Dauphin, Swan River, Roblin-Russell, Clear Lake. Do you want me to keep listing them?

MR. L. DERKACH: Okay, in the Roblin-Russell area, what types of programs are we looking at in terms of promoting the area specifically called Lake of the Prairies and the Asessippi Park area. Now there's a bit of confusion here in terms of signing because, if you travel that area, you could go right by it and never know what existed there, because one sign says "Asessippi Park" and, if you go another few miles, you see "Lake of the Prairies." It's confusing to the tourists. But nevertheless, what types of programs are being planned for that area?

HON. M. HEMPHILL: At Lake of the Prairies, we're looking at specialty markets like lodges and marinas, things like that in the specialty market area.

MR. L. DERKACH: In looking at those, are you looking at public monies being spent on those projects, or are you looking at getting the private sector involved whereby the private sector can develop these areas around the lake itself?

HON. M. HEMPHILL: Private resources with public support through our program.

MR. L. DERKACH: Is there an overall plan that can be gotten anywhere in terms of what the department is planning for that area within the next year or two or as long as the program lasts?

HON. M. HEMPHILL: Mr. Chairman, there have been some discussions with the Interpark West Group, but there hasn't been anything laid out in terms of a development plan.

MR. L. DERKACH: In the discussions with the Interpark West Group, I think the Minister must be aware of the fact that not all the communities belong to that specific organization and in fact the people in the south end of that resort area don't belong to Interpark West. Is there going to be some kind of communication between those communities and Interpark West?

HON. M. HEMPHILL: Yes, Mr. Chairman, we're prepared to talk to the other communities, and we've tried to get them together too and ask them to contact and work with each other.

MR. L. DERKACH: What type of process is going to be in place for getting private investors involved in the development of that area?

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HON. M. HEMPHILL: Mr. Chairman, I understand that we have a number of funding proposals for that area that we are presently working on and seriously considering with private developers.

MR. L. DERKACH: Can I ask the Minister to elaborate on that particular comment? That's very vague.

HON. M. HEMPHILL: Mr. Chairman, I'm just exploring. I'm told that at the stage that they're at, they're preliminary and seem to be confidential until they are at some reasonable approval stage and agreement stage where they can be discussed publicly.

We've got 33 proposals in overall, and 18 of them are very actively under review right now. I'm informed that the combination of the approval stage and the joint public announcement that's required between the Federal and the Provincial Governments, in other words, even when we're in the process of negotiations and discussions, we can't come out and say what we're doing, even though we think we're going to, if we don't have the agreement and the support to publicly announce it by the Federal Government.

MR. L. DERKACH: The Minister indicated 33 proposals. Are you talking about 33 private proposals, or what specifically are you talking about?

HON. M. HEMPHILL: It's overall in the province, not 33 proposals in your area, 33 proposals in the province that are under consideration right now.

MR. L. DERKACH: From?

HON. M. HEMPHILL: From all over the province.

MR. L. DERKACH: The private sector?

HON. M. HEMPHILL: Primarily.

MR. L. DERKACH: Well, I was trying to be more specific in terms of my area. What have you got for proposals for that particular area?

HON. M. HEMPHILL: About three proposals from your area.

MR. L. DERKACH: Okay, in terms of making the public or the people in the area at least more aware of the potential there is for investment in the resource surrounding that area, is there anything in the planning stages now to make information available to those people who may be interested in investing in those resources from that area so that they can then submit a proposal or get involved in the development of that area?

I ask that question because right at the present time there seems to be very little information available to people in the area in terms of what the potential or the outlook might be for development in the area.

HON. M. HEMPHILL: Mr. Chairman, we've had a couple of public meetings, one in Roblin and one in Russell, where we invited community leaders to attend for that purpose. We also have a development consultant

working on that whose job is to do exactly what he described.

MR. L. DERKACH: What is the name of the development consultant?

HON. M. HEMPHILL: Jan Collins.

MR. L. DERKACH: When these meetings were held, were they publicized in the local papers or were there at least any posters or was there any media coverage about public meetings regarding the development of this area? Or were these meetings specifically geared to the Interpark West Committee and to Chamber of Commerce members?

HON. M. HEMPHILL: Mr. Chairman, I'm informed that it was the Chamber of Commerce and the secretary-treasurer of the town. They were not promoted widely publicly.

MR. L. DERKACH: Well, then, my question to the Minister is: How do you expect people to get involved and to invest in the private development of an area, especially people who surround that area, who've lived in that area, if meetings are closed to Chamber of Commerce members and if people from the community can't get involved directly?

As a matter of fact, as the representative for the area, I was never informed about the meetings and neither was my predecessor, the former MLA, Mr. Wally McKenzie.

HON. M. HEMPHILL: Mr. Chairman, it's my understanding, while I don't think it's a bad idea and I think there's some perhaps reason to consider making meetings like that open to the public, they were open to the public. I suppose the problem is the public may not have known because you didn't actively promote it, but it was largely handled by the Chamber of Commerce.

MR. L. DERKACH: Well, again, I have to impress the concern upon the Minister because we do have people in the area who are interested in getting involved in the development of that area. They have always in the past up until now, and I certainly can't blame the present Minister for that, but in the past they have come to a dead end in terms of trying to get information and in trying to get approval for projects that they may have in mind.

We have seen one or two small projects approved in the area, and we have another project which was approved without the knowledge of 99 percent of the people in the area. I think this is a very, very poor way of communicating at least the potential of the area and what the plans are for development of the area when there are people in that local area who are interested in investing.

I would like to know whether this present Minister is going to make an effort at letting people from that area know, because as you know that's a tourist industry that can be developed in that area, and I firmly believe that people from that area should also have an opportunity to invest. I would hope that this present

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Minister would consider very seriously letting the public out there know of any meetings involving or which might involve the build-up or the development of the area.

HON. M. HEMPHILL: I can already indicate that if we hold future meetings I don't think there will be any problem in both holding them as public meetings and promoting them so that anybody in the area who's interested in investing knows about them and can come out to them. I can make that commitment.

MR. L. DERKACH: Well, if you take a look at the Department of Business Development and Tourism, I think the two go hand-in-hand in this particular area. I'm a little bit concerned that you have a tourist group that could in fact be the ones who could spearhead the promotion of this kind of thing. They haven't been doing it and they aren't doing it. I'm wondering why they aren't involved. That's a real shortfall in terms of that department, because the Parkland group is there and should be involved in the promotion of it and the advertising of it.

HON. M. HEMPHILL: Mr. Chairman, one of the things that we want to do is to improve community involvement and to try and promote community responsibility to be involved in and to initiate projects, so I completely agree with what he's saying.

One of the things that we have to watch is that we're going to have limited dollars. Let's say we've got three projects from your area; there is a problem of beating the drum, you know, and setting up expectations that then you can't meet because you've generated all of this, promoted all of this. So we have to get a balance between making sure that we tap the interest and the money and the support that's out there, and that we do it within something that's manageable for us within which to make decisions.

MR. L. DERKACH: I agree with what the Minister is saying. I'm saying that over the past six years, five years, there has been nothing done out there, virtually nothing. I'm hopeful that this present Minister is going to at least — it doesn't all have to be done at once. Nobody's saying that it has to be done all at once, but as long as there is a plan and we can do it a little at a time and people can become involved a little at a time. Nobody's saying it all has to be done at once.

I have another question of the Minister with regard to the facilities, not just in that specific area but throughout. I don't know whose department they fall under, and there seems to be some confusion as to where they belong, so we're promoting tourism in Manitoba. Yet if you take a look at the campsites, at the wayside parks, the facilities in those parks are absolutely horrible. The campsites are without power. I'm wondering whether there is any kind of communication between, whether it's the Parks Branch or the Natural Resources Branch and the Tourism Branch in terms of upgrading the facilities within Manitoba, so that tourists can feel comfortable and want to come back to this province.

HON. M. HEMPHILL: Yes, Mr. Chairman, they are under Natural Resources, the parks, but there is

communication between our two branches. We promote more always than their budget is able to handle, which is not surprising.

MR. L. DERKACH: Well, I think you can go one step further, instead of just stopping at the Department of Natural Resources. Manitoba Hydro and the Minister responsible for that maybe should become involved because of the fact that right now we're producing hydro and selling it across to the United States and everywhere else, and yet our parks and tourist areas in Manitoba in many instances are without that essential amenity, without power. I think that's ridiculous, if you're trying to promote tourism in Manitoba when tourists come into a campsite and there is no power in the area, there is no telephone in the area, because of the fact it seems our province can't afford to put it in.

HON. M. HEMPHILL: He's right, I said — under my breath.

MR. L. DERKACH: Thank you.

MR. F. JOHNSTON: We have brought this up before. In fact, I have in three different years, and I've brought it up in Parks and Recreation. I'm aware that Parks and Recreation do handle the roadside parks within this province. We are losing them, rather than gaining them.

If the Minister would take a drive down to Grand Forks and take a look at the roadside parks where they have lovely benches and they have washroom facilities; they're made out of concrete block. They've got wall-hung washroom facilities. They're easy to clean with a power hose, etc. They are through the state.

Versus that, if on the way to Portage la Prairie or close to Portage la Prairie, between the highway where the bridge is there, on Sundays or on the weekends, I would defy anybody to want to go near those washroom facilities because they are not structured in such a way that they're sanitary and people want to go to them.

If there are roadside parks — and the Minister made a very brief speech at the beginning of this Session saying that we have all of these marvellous things in Manitoba, and we have. We don't have Lake Louise and Banffs and mountains and what have you, so we have to promote what we have. One of the greatest promotions for the Province of Manitoba is for the motoring tourist pulling a trailer or camping to go back and say, if you travel Manitoba, it's got beautiful lakes, wonderful fishing, wonderful rural areas, rolling areas on the western side of the province, and the best camping facilities you ever want to find in your life.

Now, under the Tourism Agreement that we had before, there was a study done which would designate areas, and there were monies available there to put hydro into those areas to encourage private investment. Where do we stand at the present time with that type of a program to put the hydro in, to put the roadside parks in?

I just want to digress. Even people travelling from The Pas or Flin Flon to Winnipeg just with a family would just love to have proper roadside parks in the Province of Manitoba. Where do we stand with our

program as far as developing areas and working with roadside parks, fully realizing that the Ministers of Resources in this province in the last six years to date have been very stubborn about it? Maybe this Minister can get through to them.

HON. M. HEMPHILL: Mr. Chairman, I'm informed that we have become involved in this issue, and have provided statistics and information on usage to the department, and indicated an interest in just exactly what he was suggesting. I think maybe I'll knock on my colleague's door, too.

MR. CHAIRMAN: 3.(a)(1) — the Member for Portage.

MR. E. CONNERY: We'll come back and finish the Tourism Agreement in detail.

Just very quickly to go down — (Interjection) — through . . .

MR. CHAIRMAN: Oh, sorry.

The Member for Portage had the floor, do you want to pass?

MR. E. CONNERY: Yeah, we're not leaving that.

MR. CHAIRMAN: The Member for Roblin-Russell.

MR. L. DERKACH: No, I'm sorry. If we're not leaving it, that's fine.

A MEMBER: We'll come back to it.

MR. E. CONNERY: We'll go into the accommodation quality control. I think the Minister said earlier that we've got a rating on the accommodations in Manitoba now. We'll try to move along a little quickly.

MR. CHAIRMAN: I'd appreciate it.

HON. M. HEMPHILL: Mr. Chairman, we have had a study done with private industry in cooperation with private industry on updating the ratings. I understand that they will be making recommendations to me and I'll be dealing with this matter fairly soon.

MR. E. CONNERY: There's nothing more discouraging as a tourist, and I've gone into a lot of places and then being very disappointed, so I think it's very crucial that people know when they're going into accommodations what they're getting and what they're paying for, naturally.

The Information Centres we must have covered them already under the above.

HON. M. HEMPHILL: I would hope so.

MR. E. CONNERY: I would think so. The Computer Services, I think, and Industrial Relations, we've basically covered them unless somebody else has questions on them.

MR. CHAIRMAN: Did the Member for Roblin-Russell have a question?

MR. L. DERKACH: Yes, I do. With respect to the development of tourist areas in the province, we saw a mountain created somewhere up in Thompson. Manitoba, a ski mountain, I understand, under the former Minister. — (Interjection) — Yes, and yet we can see cars with skis driving up Highway 83 and ski resorts basically in the western and southern part of Manitoba being flooded with skiers in the wintertime. The signage is very poor to begin with. You can drive by the ski resort and not see one there. I'm wondering whether this Minister is at least going to consult with people who are involved in the skiing industry before creating another monster like the former Minister did in his short-sightedness somewhere up in Thompson, Manitoba, where in terms of the numbers of skiers that we have there as compared to the rest of the province is certainly

HON. M. HEMPHILL: Is that a point of personal privilege?

Mr. Chairman, without getting into the issue of talking about the numbers of skiers and all the good reasons why it was placed there, I take the member's point that consulting and working with the industry when we're making major decisions like that is something that I would be doing.

I'm just reminded that the industry was supportive; the TIAM industry was supportive of that project.

MR. E. CONNERY: Tourism and Development, have we other information there that we haven't discussed at this point?

HON. M. HEMPHILL: Tourism and Development, Advisory Services, I think, is just about all that's left, and we provide advisory consultative services to the tourism industry developers including assessment planning, financing and development of existing and potential tourism attractions and service facilities. We promote upgrading and expansion of existing tourism operations and promote the development of new tourism attractions and service facilities within the priority Tourism Destination areas.

MR. E. CONNERY: Tourism Planning then, if we go to that one. Planning and Research; I have a hard time understanding the boxes — Tourism Planning and Research, and then Planning. Different types of planning?

HON. M. HEMPHILL: No, there's just one type of planning and one section.

MR. E. CONNERY: If you'll just give us a brief rundown on it?

HON. M. HEMPHILL: The major accomplishments I might talk about is negotiating and starting up the new tourism agreement, looking at major shifts in marketing strategy — the earlier start-up came from that — new materials, reviewing the publications, establishment of focused activities in tourism development in areas of resort development and attractions development. The new thrust in licencing and quality assurance, tourism research coordination.

Projects: There are advertising, pre-post testing, the Minnesota market survey reception, centre surveys, accommodation occupancy survey, and highway traffic surveys.

MR. E. CONNERY: In your research I would imagine you kind of analyze what people are looking for when they come here, what areas people would choose Manitoba from and everything else. Have they done any research as to how many tourists we've lost during the migratory bird hunting season because the Americans, or non-Canadians can only hunt half a day?

I am told by the guides and the lodge people that they've lost 50 percent of their business because of only half-day hunting.

HON. M. HEMPHILL: Mr. Chairman, I'm informed that we did a study and that we sent the results of the study to the Natural Resources Department.

MR. E. CONNERY: Can you release some of the information in that study?

HON. M. HEMPHILL: We would have to get that for you, but we can do that. It resulted in a change in regulations.

MR. E. CONNERY: There's only one change and that was to go to half a day; they didn't go back to a full day. I'm talking about that kind of thing and the Americans can only hunt in the morning, so what do they do in the afternoon? So we've lost a lot of our tourist industry because of a pretty dumb law.

HON. M. HEMPHILL: I'm informed that the change was that they allowed one other species to be hunted.

MR. E. CONNERY: What would that be, in the afternoon?

SOME HONOURABLE MEMBERS: Oh, oh!

MR. E. CONNERY: I would suggest to the Minister and her department that in talking with quite a few of the guides, and some of these guides are people who work in Winnipeg in the summer in the St. Ambrose area, for instance, and fish in the winter, but do guiding in the fall to augment their income, have lost this sector of their income. Really, from the numbers of birds, we can cut everybody down an extra bird or shorten the season, but to get the tourists in here and when you're up in a faraway area, what do you do the rest of the afternoon? They come out here to enjoy the wildlife and I think that the department — I think it's only about two years ago that they did it, and they may have done a disservice.

Also, the timing of the licences and regulations coming out, there's a whole lot of things that people are making their plans as the licence planning regulations aren't out.

HON. M. HEMPHILL: Mr. Chairman, that's essentially what we said.

MR. E. CONNERY: I would assume your department said that.

HON. M. HEMPHILL: That's what I mean.

MR. E. CONNERY: But you, as a new Minister, attempt to convey that message forward to the Department of Natural Resources, I believe, would be involved in that?

HON. M. HEMPHILL: I must admit that I'm torn between being an advocate for the birds and an advocate for tourists, but I think that we would continue to convey those concerns.

MR. E. CONNERY: Well, if you're going to allow hunting, then you've got to be against hunting altogether, so we've got to go one way or the other.

The provincial cost-shared agreements, and I guess this would be basically this agreement here, that is, we'll go into it . . .

HON. M. HEMPHILL: Okay.

MR. E. CONNERY: . . . after we've done the rest. The financial management, what do you do in that department?

HON. M. HEMPHILL: Mr. Chairman, it's under the new agreement and it's the administrative office for managing the new agreement.

MR. E. CONNERY: Are the development centres under the new agreement also?

HON. M. HEMPHILL: It's merely meant to represent the delivery of all the programs under the Tourism Agreement.

MR. E. CONNERY: Then we go to Culture and Heritage, and you've got initiatives there. Would it be part of those initiatives, like they've done with the "Winnipeg, Your World Next Door," and that sort of thing? What are the various programs you've done under the Culture and Heritage initiatives?

HON. M. HEMPHILL: Programs under Program 5 of the new agreement.

MR. E. CONNERY: Is it all under the new agreement?

MR. CHAIRMAN: Is that under 3.(c)?

HON. M. HEMPHILL: Yes, it's under the new agreement.

MR. CHAIRMAN: That would be under 3.(c).

MR. E. CONNERY: So really the rest of this sector is under the new Tourism Agreement?

Any questions on this before we pass on it?

A MEMBER: The agreement?

MR. E. CONNERY: Before going into the agreement. I want to go into the agreement, unless there's something else in these blocks that you wanted.

MR. CHAIRMAN: The Member for Sturgeon Creek.

MR. F. JOHNSTON: I just have one.

On the research part of it, in Advisory and Development Services, they all work together. What is being done for the development of the designated areas as far as the roads and services to encourage the private investment? Now my colleague from Roblin-Russell certainly brought this up or touched on it, but there are designated areas which have been put aside by the department because of a very extensive and expensive study on tourism that was done in 1979-80. Is there any move to put together the funds for the opening up of designated areas to attract public monies? What research is being done on those areas?

HON. M. HEMPHILL: Mr. Chairman, under Program 2, Category B allows for the development of public infrastructure in support of specific private development. Infrastructure other than those private developments, we would be working with the Departments of Highways and Natural Resources.

MR. F. JOHNSTON: You'd be working with Hydro, too?

HON. M. HEMPHILL: Yes, Mr. Chairman.

MR. F. JOHNSTON: Regarding highways, and I'm going to be brief because this is not the Minister's department, but has there been any discussion with the Minister of Highways — and I believe I asked this question last year or two years ago — to have some connection across Black Island to Hecla so that people could drive up the east side of Lake Manitoba and back down the west side of it, which would make one of the finest tourist drives ever, especially if they go through Lake Beresford, etc.?

Is there any discussion to have that area opened up by having a ferry there that would create a circle for tourists to be able to move on?

HON. M. HEMPHILL: Mr. Chairman, it has been, as you suggested, a long-standing proposal and one that has been discussed and looked at, but at this point has not been raised to the top.

MR. CHAIRMAN: If I can just suggest to the member, if my memory serves me correctly, I think that was brought up by the Member for Minnedosa at the Highways Estimates. I don't remember the response, so he might check Hansard on that. I think there was a response to that; I'm not sure.

The Member for Sturgeon Creek.

MR. F. JOHNSTON: Well I bring it up here because the Department of Tourism is going to be the one that has to fight for it because basically, if that's done, it's a benefit to tourists and tourism in the Province of Manitoba. That's all I have.

MR. CHAIRMAN: The Member for Springfield.

MR. G. ROCH: Is this where I can make a motion to reduce Red Lavallee's salary to \$1 per year? I'm just kidding. Red and I go back a long way.

First of all, I'd like to commend you, believe it or not, in terms of the government not raising the tax on

beverage alcohol. I'm not saying that because I'm in the business, because I'm not in the tourist area, but it has been a positive step for tourism in Manitoba, one which especially TIAM has been lobbying for for a long time. I'd like to remind the government that there's still a long way to go in being competitive in that particular area, and that goes for both the provincial and federal levels by the way, just to be fair.

The improved signage is also to be commended, but let's please keep in mind there are many, many attractions and facilities which we have to make the tourists aware of. It's especially notable in the United States as we travel. You're no doubt aware that we see it, lodging, gasoline, etc., recreational facilities, which is starting to happen in Manitoba but we still have a long way to go.

To go to Item 3.(a)(2), I'd like to ask why was there a decrease in that area roughly of \$200,000.00.

HON. M. HEMPHILL: Mr. Chairman, there are a number of factors. One is a \$19,600 decrease, due in part to a reduction in travel costs relating to meetings and conference attendance, due to location changes; the transfer of travel costs relating to special tourism promotions, which can be cost-shared under the Tourism Agreement, like the Minneapolis blitz, and some reductions in vehicle use; a decrease of \$204,000 due to several major factors; a \$50,000 reduction from film and audio-visual production, which represented film shooting costs for providing new library content for future audio-visual and commercial requirements; a reduction or reallocation of approximately \$70,000 to Supply and Services to provide for production costs of audio-visual, film, and advertising inserts; a reduction of \$80,000 through cancellation of travel trade advertising activity. This represents the cost of ad placements in high-profile, high-circulation trade magazines, and this level of funding was not sufficiently effective to achieve a significant level of penetration and presence, so it was cancelled. We're picking some of that up under the agreement.

MR. G. ROCH: What I'd like to know then, are there any areas of tourist promotion which are suffering because of this decrease in funding?

HON. M. HEMPHILL: Mr. Chairman, no, I don't think so. First of all, some of the things we have cut, we have cut because we found they weren't cost-effective, so there's no loss there. In other areas we have moved, we're still doing it, but we've moved it over to the Tourism Agreement.

MR. G. ROCH: The reason I was asking is because of the — mind you it's only one month — 10 percent decrease in May. I was wondering, have the June statistics come out yet?

HON. M. HEMPHILL: No, Mr. Chairman, I don't believe so.

MR. G. ROCH: Have you got any idea of what the stats might be for June?

HON. M. HEMPHILL: Not until they come out, Mr. Chairman. All we know that is the indicators from the

field, from the tourist industry, from the information centres, and from the enquiries we're getting are still all high and that's the only indicators that we have.

MR. G. ROCH: Given the year that Canada is hosting Expo, it's kind of strange that the other provinces are all experiencing tourist increases and we're experiencing a decrease. Does the fact that Manitoba does not have a pavilion at Expo, could that be a contributing factor?

HON. M. HEMPHILL: A contributing factor because we didn't have a pavilion at Expo? There wouldn't ever be any one single factor that you could point to that would cause a loan, either a major increase or a major decrease. I remember when I talked about the statistics in the House and we were talking about a 10 percent decrease, we were saying that it was based on the previous year's statistics, where we had a phenomenal increase that year — and I'm trying to remember the percentage. It was something like a 30-something percent increase the previous May, which was an extraordinary year, and the 10 percent drop was based on that, so there's a couple of things that might be there.

One is that the year before might have been an extraordinary high year, at that time ours was up around 30, I think Saskatchewan was . . . I was saying in the year that we were up a great deal, Saskatchewan was only up — I'm trying to remember the figures — about 4 percent or something. So we had an extraordinary month and the reduction is based on that.

We thought there were two logical reasons. One was the measles epidemic because it received a lot of negative publicity in North Dakota and Minnesota, and the school is out earlier there. A lot of traditional school exchanges were entirely cancelled at the order of North Dakota and Minnesota health authorities and we feel that could account for as much as 50 percent of the drop.

The other factor we thought was the late seeding operations in the PATA, which is the Primary Access Travel Area, greatly affected U.S. travel, because North Dakota and Minnesota farmers, who traditionally come for fishing, spring shopping, were still on the field.

MR. G. ROCH: Why does it not affect the other prairie provinces?

HON. M. HEMPHILL: Why does it not affect what?

MR. G. ROCH: Why did the late seeding and those other things not affect the other prairie provinces?

HON. M. HEMPHILL: I'm sorry, could you just repeat your question?

MR. G. ROCH: The reasons you mentioned there, notwithstanding the measles, why did it not affect the other prairie provinces? Is it because of proximity or . . .

HON. M. HEMPHILL: Oh, well I think the point I made is that it's based on the previous year, same month's statistics, and ours were extraordinarily high, three or four times as high as any other province. Oh, and we had the measles and Saskatchewan didn't.

MR. G. ROCH: I mentioned that. Getting back to the pavilion, not having been a member at the time, what was the rationale behind not having had a pavilion at Expo?

A MEMBER: Five million bucks.

HON. M. HEMPHILL: I thank my colleague for that question. I think it's fair to say that we would have liked to have had a pavilion had we believed that we had discretionary money to allocate to it. When we were making the decision, we were making some terribly tough decisions, and while the Expo pavilion was a difficult one, there were others that were a lot tougher, where there were things on the table that we really, not only wanted to do, but felt we should do and couldn't do all of them. We have to look at the Manitoba pavilion, which would have been nice, but which I must say that it's not at all clear yet what the economic benefits of that are going to be and I think that's going to be a very important question.

MR. G. ROCH: You're talking about the provincial pavilion?

HON. M. HEMPHILL: I'm talking about having the Expo pavilion there. One of the purposes . . .

MR. G. ROCH: If we would have had one.

HON. M. HEMPHILL: One of the purposes is promotion and tourism, but it's economic development and it's not at all clear that increase that they were hoping would be a result of it is going to be a reality. In fact, just in a casual comment from somebody fairly high up in the B.C. Government, suggested that, on economic terms, we had made the right decision.

Just one more thing, it's a matter of sort of comparing the Expo pavilion with something like 4,000 increase to day care spaces or something like that. Those were the choices we made.

MR. G. ROCH: Well what is the cost right now of operating demands of a booth at Expo, the total cost for the whole duration of Expo?

MR. CHAIRMAN: This is somewhat repetitious. It came up under IT and T.

HON. M. HEMPHILL: It's not under our department.

MR. CHAIRMAN: It's under Industry, Trade and Technology. The answer, that information was asked by the Member for Portage, as a matter of fact, and the Member for Sturgeon Creek both asked that information. It's in Hansard.

The Member for Springfield.

MR. G. ROCH: So you don't recall what it is offhand?

MR. CHAIRMAN: No, but it's in Hansard from about two days ago.

MR. F. JOHNSTON: \$184,000 plus the salaries of those people that are manning it.

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MR. G. ROCH: What does that work out per day approximately, to the Member for Sturgeon Creek, he seems to be answering the questions.

MR. F. JOHNSTON: I don't know.

A MEMBER: It seems to be close to \$1,000.00.

MR. G. ROCH: In any case, I'm just wondering if the savings, if you can call them that, are worth the potential loss of revenues because it seems that this government spends millions of dollars elsewhere which are going into known direct losses, whereas here it's more as an investment, not only in tourism, but as you mentioned, in Economic Development and Industry, Trade and Technology, etc. I just can't understand the rationale for not having done it. It seems to be working well for other places, other countries, other provinces, even cities.

HON. M. HEMPHILL: Mr. Chairman, as I said, in some cases the proof will be in the pudding and we won't know until it's over and the results are in, both about the deficit and the cost and the benefits. All I'm saying is that I believe that there is a feeling that the economic benefits that were expected and were hoped for may not be there and that, based strictly on economic grounds, it might not have been or probably was a wise decision, or may turn out to be a wise decision on economic grounds alone.

MR. G. ROCH: Well, I suppose we'll never find out for sure. But to come back to locally-promoted tourism, I'd like to quote from a report from TIAM, which says: "Our situation is serious. If we do not receive an increase in funding from 1986, we will have no option but to close several offices and to reduce the hours for our staff in several other regions. That is not a progressive step at a time when more needs to be done to encourage the growth of tourism in Manitoba."

My question to the Minister is: what is being done to assist TIAM to promote tourism in Manitoba and its affiliates, such as, the Manitoba Loggers and Outfitters Association, the Manitoba Restaurant and Food Services Association, the Manitoba Hotel Association, etc., all the tourist-related promotional associations?

HON. M. HEMPHILL: Mr. Chairman, I guess he's one of the gentlemen who didn't come to dinner . . .

MR. G. ROCH: I did.

HON. M. HEMPHILL: You did come to the dinner, okay.

That was written prior to the announcement that the TIAM grant was being increased significantly. They were originally getting \$189,000 for central TIAM and the seven associations. We added another \$123,000 per year, bringing each of the TIAM central organizations up to 30,000.00. I think it ranged from about 7,000 to 30,000, and we brought each one of them up to 30,000.00. So the grant wasn't doubled, but it darned near was. It was a major increase and a significant increase. It went to central and to the regions.

MR. G. ROCH: Are you saying a portion went to the central organization and parts went to the regional organizations?

HON. M. HEMPHILL: TIAM, yes. It's unfortunate that the member wasn't here earlier, because I would say we spent about half-an-hour on this in the earlier session.

But just quickly, central got \$10,000; the rest of \$113,000 was divided among the central regions. The base was 30,000; we brought them from wherever they were up to 30,000, and suggested that 15,000 go for staff and 15,000 go for marketing. That would put them all on the same promotional and activity base level.

MR. G. ROCH: By earlier, I take it you mean this afternoon.

HON. M. HEMPHILL: This afternoon.

MR. CHAIRMAN: There were some questions from the Member for Portage.

MR. G. ROCH: Okay. Sorry, I wasn't aware of that.

As we in the regional areas know, there is a definite need to lure tourists off No. 1 and other points in Manitoba. What I'm referring to is the travel which is basically going through the province. I know that being a member of the, it's now called, Tourism Manitoba Eastern Region, one of the objectives that we've had is to try and lure that travel off No. 1 and to the other areas. Right now, it's being done mostly by volunteers. I used to be one of those volunteers, and I know that you quickly burn out after a while of giving your time and effort and not being recompensed. You don't get your expenses paid off. Is anything being done, apart from these grants, to help out these local ones, because you mentioned 13,000 being split up amongst all the regions?

HON. M. HEMPHILL: 113,000.00.

MR. G. ROCH: 113,000, okay. Then that might go along with . . .

HON. M. HEMPHILL: It's very significant.

MR. G. ROCH: Yes, okay. I heard 13,000, I'm sorry. Well, that's a significant increase, and it's going to help a lot.

Going to another subject, which is — it falls under Highways and Transportation, I suppose, and it's been brought up there, but it also affects tourism. It's been said that the road system in Manitoba is at least 27 percent deficient, if it's not probably more than that, and the recent \$12 million cut in the Highways budget will definitely hurt the tourist industry.

Is there anything that you, as the new Minister of Tourism, can do around the Cabinet table to encourage your colleagues to increase the budget next year? You know, this will not only help to attract tourists, but will also encourage in-province travel, not to mention the convenience of local people who are not necessarily travelling for recreational purposes.

HON. M. HEMPHILL: Mr. Chairman, I'm sure that the colleague knows how it works at Cabinet, and that is that we have a lot of very difficult and very important decisions that have to be made. You put, as a Minister . . .

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MR. G. ROCH: I don't know how it works in Cabinet. I've never been there.

HON. M. HEMPHILL: Well you put your position or your paper on the table, and you make your points and the colleagues make theirs. It's a collegial decision. In other words, it's a decision that you come to by listening to all of the arguments and all of the points and weighing everything, one of which would be tourism and dozens of other factors that have to be weighed in every major decision like that. So it's the weighing and the balancing that results in the decisions that are made, and there ain't one of them that's easy.

MR. G. ROCH: The reason I ask is because the U.S. is very good at promoting tourism. I know that, as you come in off the Interstate to Emerson, you go onto Highway 75. It's deplorable actually. Well it's embarrassing is what it is if you're a native Manitoban. I just hope that something can be done to rectify the situation in the near future.

HON. M. HEMPHILL: Mr. Chairman, I just wanted to mention, there is federal support for highways in the States. Perhaps if you can implore our colleagues to be like-minded.

MR. G. ROCH: Well I'll certainly take that advice but, if other advice will be taken from us at the local level, we'll certainly pass on the advice to our federal colleagues.

Going on to the promotion of tourism, we've spent a lot of time talking about basically the summer season. Is promotion of tourism in the winter a priority of your department?

HON. M. HEMPHILL: Yes, Mr. Chairman. While it's clear that the summer months are the peak tourist period, we want to attract tourists throughout the year, and what we focus on is geographical areas that have an interest to tourists throughout the year. We focus on festivals and events that take place throughout the province in winter and in the fall, and we target. I think what we do is target our promotion to the people who we think will be most attracted to the events or to the geographical areas that we're promoting.

MR. G. ROCH: Because that's the time of the year when promotion is especially needed, more so than in the summer. Mind you, it's needed in the summer too.

By your statement, can I take it for granted that the Falcon ski slope will remain open? I've received a . . .

HON. M. HEMPHILL: Mr. Chairman, I am informed that there are presently discussions going on with the community and with the local associations. We're saying we're presently in discussions with the community and with the Parks Branch.

MR. G. ROCH: I received a letter recently from the Minister . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: Order please, order please.

The Member for Springfield.

MR. G. ROCH: I received a letter recently from the Minister of Health in his capacity, I believe, as the Minister of Sport — and I don't know how that falls into his area of responsibility — more or less reassuring at least for this season it would remain open. But to the people out there, they'd like more of a long-term commitment.

There are valid reasons for that. Apart from the obvious lack of local recreational facilities, for the year-round residents it's one of the few items which attract tourists to that area. So the ski slope is operating in a viable fashion, even if the government does lose a little bit of money which is not much. It's between 10,000 and 20,000 a year, which is far less than this government loses in other areas. It's more than made up in what these local people pay in taxes, because of activity going year-round.

So if there could be some kind of a review or — a review is going on — some kind of a long-term commitment made to keeping that ski slope open, I think it would be good not only for the local people out there, but also for the government as a whole.

HON. M. HEMPHILL: Mr. Chairman, I believe that the commitment has been made to keep it open for this coming season, while the negotiations and discussions take place between the Parks Branch and the community.

MR. G. ROCH: Thank you. Those are all the questions I have in this area.

MR. CHAIRMAN: The Member for Portage.

MR. E. CONNERY: Has the department, Mr. Chairman, done anything in the way of a cost benefit on your department? For every dollar you spend in tourism, what do you get back in one form of taxes or another? Has there been any analysis been done to know what value you get for your tourist dollar?

HON. M. HEMPHILL: Mr. Chairman, about 10 percent of what the tourists spend of the \$627 million will be returned to the province.

MR. E. CONNERY: In taxes?

HON. M. HEMPHILL: In a variety of ways.

MR. E. CONNERY: I'd like to be more specific. Are these taxes of one form or another that does come back to the province?

HON. M. HEMPHILL: It's all forms of taxes.

MR. E. CONNERY: So that, if you are going to spend \$650 million, \$65 million will come back to the province this year in the form of taxes of one kind or another from tourism.

HON. M. HEMPHILL: About \$62 million.

MR. E. CONNERY: \$62 million. Your total budget on Tourism is \$10 million? If we spent another \$10 million,

would we get an additional \$60 million. I know there is a point of no return where your investment doesn't return, but it would seem to me that there's room with that sort of a return that additional dollars would still return two or three or four to one.

HON. M. HEMPHILL: Certainly it's one of the arguments I will be making at Estimates time.

MR. E. CONNERY: Well I think that's the unfortunate part. That reflects the party in power, that they don't understand how to make dollars to pay for the social benefits that we want, not in context with the Estimates, Mr. Chairman, so I'll refrain from further discussion.

It would appear to me, when you are spending \$10 million and you're getting \$65 million back — now you haven't taken into account, I'm sure, those people who are employed so, rather than getting unemployment insurance, are now paying also. So we could soon turn that around into \$100 million return in that sense for all of them, so the federal people could throw in a bit more because some of those are federal areas. I think that maybe we're losing some real serious net revenue to the province by not putting some additional monies into tourism if those figures are correct.

HON. M. HEMPHILL: I can't argue with the point. I think getting the message across and getting information that demonstrates the potential for adding to the economy through tourism is something that is very important that we continue to do.

MR. E. CONNERY: I don't know if the Minister presents these figures, but when you are working at a six to one or over six to one return on investment dollars — now I know if you didn't spend any money, you'd still get some return, so we can't say it's a six to one. But we are probably looking at at least a three to one return on investment. So to me, good economics would be to spend another \$10 million to get an additional 20 million or 30 million in revenue.

I think that is the area, when we talk about Expo, what our party was looking at was the expense. While it was an expense — there's no question; it's \$10 million maybe all told — but the results of Expo are not going to be clear in one year. We've got to look at three to five years down the road to get the clear results of what Expo has done for the other provinces, and what it hasn't done for us.

As you said, the proof of the pudding will be in the eating, but we'll be watching the statistics of the other provinces, because people from the northwest corner of the United States are going to be very aware of B.C., Alberta and Saskatchewan with no visibility for Manitoba at all. The booth that's there, at least I'm told or you've told us, is strictly for business, so they're not passing out tourist stuff. Manitoba's presence is going to be lost in that sector, and possibly to a lot of foreign travellers who are flying in and might want to look at, another year, doing another sector. Manitoba could be losing tourists and tourist dollars for many years to come.

So I think seriously, while I'm very concerned about the deficit, people say you can't have it both ways. Looking at the return on investment dollars, by putting

money into Tourism, maybe we are going to be losing somewhere in the area of \$100 million to \$150 million over the next five years because we didn't present Manitoba to the eyes of the world.

Every Manitoban who has gone to B.C. and has come back that I have heard of, and I have heard of very very many, is absolutely disgusted and fed up with Manitoba and the lack of Manitoba presence. They are ashamed that our government wouldn't at least be part of it. I guess, we can also make sure that we will never have an exposition here, because nobody would ever come since we didn't go to their one.

That's just a shot on Expo. I feel that it was a blunder. It was a political decision that looked good at the time, that we were going to spend our money on day care centres. But in the long term, we are going to have less money to spend on day care centres and hospital beds, because we haven't got the tourist dollars.

MR. CHAIRMAN: 3.(a)(1)—pass?

MR. E. CONNERY: No.

MR. CHAIRMAN: The Member for Portage.

MR. E. CONNERY: Could we go through the Tourism Agreement rather quickly?

MR. CHAIRMAN: That's 3.(b).

HON. M. HEMPHILL: We can go through anything rather quickly that you want to go through rather quickly.

MR. CHAIRMAN: That's 3.(b) and 3.(c) in Tourism Agreements. Are we finished with 3.(a)?

MR. E. CONNERY: No, we'll go through the grants then. There are some grants that I want to take a look at. These grants that we're looking at are under 3.(a), are they?

HON. M. HEMPHILL: What are they?

MR. E. CONNERY: The Tourism grants, some of them, or are they all federal?

MR. CHAIRMAN: The grants are under the agreement. We're finished with (a), if you want to pass it, unless you're talking about grants under the Grant Assistance under 3.(a)(3).

MR. E. CONNERY: Okay, what grants come under that Grant Assistance? What is that to? Is that the TIAM grant?

HON. M. HEMPHILL: TIAM grant?

MR. E. CONNERY: Is that the old TIAM grant, that grant that's there.

HON. M. HEMPHILL: Yes that's the old TIAM grant.

MR. E. CONNERY: Okay.

MR. CHAIRMAN: The Member for Sturgeon Creek.

MR. F. JOHNSTON: Where does the grant for \$90,000 to the Folk Festival come under?

HON. M. HEMPHILL: Mr. Chairman, that's under the Jobs Fund.

MR. F. JOHNSTON: That's par for the course.

MR. E. CONNERY: Are you finished under 3.(a)?

MR. CHAIRMAN: 3.(a)(1)—pass; 3.(a)(2)—pass; 3.(a)(3)—pass.

3.(b) Canada-Manitoba Tourism Agreement.
The Member for Portage.

MR. E. CONNERY: Just to go through the various sectors, I think I understand the various programs fairly well. You said, there were 33 proposals at this point being looked at?

HON. M. HEMPHILL: That's under one program.

MR. E. CONNERY: That would be under all of them, or would it be under (3) and (4), or under (2)?

HON. M. HEMPHILL: Under (2).

MR. E. CONNERY: 33 proposals under (2). What numbers are in what areas? I know you can't disclose

HON. M. HEMPHILL: There are 34 proposals under Program 1; 33 in Program 2; nine in Program 3; three in Program 4; 11 in Program 5; one in Program 6, and eight in Program 7.

MR. F. JOHNSTON: How many in (4), Mr. Chairman?

HON. M. HEMPHILL: Three.

MR. F. JOHNSTON: And in (3)?

HON. M. HEMPHILL: Nine.

MR. F. JOHNSTON: Nine, thank you.

MR. E. CONNERY: Under the market expansion, that's once again your promotional area is where you're selling. We basically discussed most of those. Are there any other programs that we haven't discussed?

HON. M. HEMPHILL: Under market expansion?

MR. E. CONNERY: Yes.

HON. M. HEMPHILL: I don't believe so.

MR. E. CONNERY: Your resorts and facilities is one of the larger ones, and you've got 33. How many of those are private and how many of those are government?

HON. M. HEMPHILL: They're all private, Mr. Chairman.

MR. E. CONNERY: All of those proposals? There are no Provincial or Federal Government proposals in there?

HON. M. HEMPHILL: Not in that section.

MR. E. CONNERY: Not in the resorts and facilities.

MR. CHAIRMAN: I just had a comment from the Clerk, which I think is legitimate. It's going to be very difficult for Hansard people to keep track of who's saying what, unless you allow me to recognize you. This cross-conversation is creating a lot of difficulties.

HON. M. HEMPHILL: As the member would say, through the Chair.

MR. CHAIRMAN: Yes.
The Member for Portage.

MR. E. CONNERY: Under what areas are these being contemplated? Are they under the sectors, I would think, your Precambrian Shield or the eastern, the Lake Winnipeg beach. Are those the areas that are being looked at?

HON. M. HEMPHILL: In all of our destination areas.

MR. E. CONNERY: Are there any from outside of those areas?

HON. M. HEMPHILL: There have been some from outside of the destination areas, and we will consider projects from outside the destination areas.

MR. E. CONNERY: At some point in time, when the final decisions are made, will we be given the information as to who applied and who was accepted and who was not accepted?

HON. M. HEMPHILL: I'm informed we've never been asked for rejections before, but I suppose after the announcements are made about what projects have been approved, if there were any questions about one that wasn't, we'd be prepared to answer it.

MR. E. CONNERY: Well I guess it would be to try to identify what areas. You know, I think you can understand what I'm getting at. Are some of the other areas of Manitoba going to be considered? If they put in proposals, then were they turned down? That's what I'm looking for.

HON. M. HEMPHILL: All the proposals that are in are going to be considered, and good projects have a chance of being approved, whether they're in or out of the destination area although, clearly, the bulk of them will be in the destination areas.

MR. E. CONNERY: Your Winnipeg Attractions, there're nine, those have to be very significant attractions. I think your minimum amount is \$1 million on the new, and \$500,000 on a renovation or expansion.

HON. M. HEMPHILL: Yes, that's correct. The first project under the attractions would be IMAX Theatre that we announced a short time ago.

MR. E. CONNERY: That IMAX proposal is going to consume a good part of the Winnipeg Attractions

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money, won't it? Will there be anything left over for other proposals?

HON. M. HEMPHILL: Mr. Chairman, 2.5 million out of 9.5 million.

MR. E. CONNERY: Is that the total from your department out of this agreement in that, because I've read the IMAX proposal.

HON. M. HEMPHILL: The amount from this agreement is 1.65 million.

MR. E. CONNERY: There are other monies coming from other sectors. Do you have the breakdown on that?

HON. M. HEMPHILL: 2.5 million from the old agreement; 1.9 million from the Jobs Fund; and 1.9 million from the North of Portage loan, a total of 7.5 million.

MR. E. CONNERY: And the IMAX then is being turned over to a private company, is it? Can you explain the situation with the IMAX Corporation? It's going to be a Toronto firm that will own it?

HON. M. HEMPHILL: They will own the equipment, which they always do own, and North of Portage will own the building.

MR. E. CONNERY: The facilities, so it's just the equipment. So the money put into the facility isn't going to the company. It's going to stay with North of Portage.

HON. M. HEMPHILL: Yes, Mr. Chairman.

MR. E. CONNERY: There are no other proposals for Winnipeg that you have verified or can verify?

HON. M. HEMPHILL: Mr. Chairman, there are a number of interesting proposals, but they are at the preliminary stage where we aren't able to identify them specifically, just to say that there are some fairly exciting and innovative proposals coming in.

MR. E. CONNERY: Your rural attractions, you show only three. What areas would they be in?

HON. M. HEMPHILL: They would be in the destination areas.

MR. E. CONNERY: Okay, would the Delta Marsh one — and I'm not asking you to verify it. Would that be a destination area?

HON. M. HEMPHILL: It is not a destination area, but we are prepared to consider the Delta Marsh, and have asked for a proposal to be submitted that I'm prepared to give consideration to.

MR. E. CONNERY: Are these Rural Attractions, are they private or public?

HON. M. HEMPHILL: Not for profit.

MR. E. CONNERY: Does that mean government or community?

HON. M. HEMPHILL: Community.

MR. E. CONNERY: Not provincial or federal?

HON. M. HEMPHILL: Right.

MR. E. CONNERY: Under your Tourism Events, the 11 programs or 11 events that are being looked at, would they be basically Winnipeg or would you have some in the rural areas that would be considered?

HON. M. HEMPHILL: There are some proposals from the rural areas.

MR. E. CONNERY: I'm not asking you to say if they are or not, but ones like the Austin Museum or the Morris Stampede, are those the sort of events that you would be looking at in the rural, or the Beaver Dam, that sort of thing?

HON. M. HEMPHILL: Yes, Mr. Chairman.

MR. E. CONNERY: Only one in Industry Productivity Enhancement, but of course there's no money in there anyway, 250,000.00. What would that program do?

HON. M. HEMPHILL: Training of people within the industry, Mr. Chairman.

MR. E. CONNERY: I would think No. 7, we've basically discussed No. 7 in various times.
Then maybe we can move to some of the grants.

MR. CHAIRMAN: The Member for Sturgeon Creek.

MR. F. JOHNSTON: On your programs of Winnipeg attractions and again on rural attractions, it also shows on Tourism events, it shows on Industry Productivity Enhancement, what I'm referring to is that it's 100 percent funding if it's a federal-provincial project. That makes sense, because they're the ones who are putting up the money for the program. It's 80 percent funding if it's a non-profit organization or a municipality, and 50 percent funding for private.

The allocations of money that are shown in the back here, like Winnipeg Attractions is 9 million; Rural Attractions is 4 million; Tourist Events, 2 million; Industry Enhancement, 500,000.00. Has there been a decision made of the percentages of money that will be used for federal-provincial, municipal and private? In other words, there's a very great concern that all of the money could be used up by federal-provincial in any one of these programs where it's mentioned, and the municipal and private would have nothing left unless there is some designation for some target that is being worked to, to make sure that all three sectors will have some access to the funds.

HON. M. HEMPHILL: Mr. Chairman, we wouldn't expect that to happen, because the community projects are given the priority.

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MR. CHAIRMAN: The time being 10:00 p.m., what is your wish? Do you want to continue?

MR. E. CONNERY: We're going to finish, yes. We'll be done tonight.

MR. CHAIRMAN: Okay.
The Member for Sturgeon Creek.

MR. F. JOHNSTON: The Minister says that the community projects have the priorities, meaning that the municipalities and non-profit organizations and the private sector have the priority over the federal-provincial projects?

HON. M. HEMPHILL: Yes, only where there isn't that kind of an organization to lead a project.

MR. F. JOHNSTON: I'm not critical of what the Minister has said, but like you mention Hecla, you mention Lake Winnipeg, Duck Mountain region. Are there any proposals of the number that have been mentioned that have come forward as suggestions from the department that could be a federal-provincial initiative for expansion or development of a tourist area that would be supported by the federal-provincial program or federal-provincial part of the program?

HON. M. HEMPHILL: Not yet, Mr. Chairman.

MR. F. JOHNSTON: Well, I'd like to ask the question again because of the answer. Is there a targeted amount in the different sections of the program that will be specified so that one will not suffer because of the other?

I'm not saying that you can have any hard rule or actual dollars, but the targeting of the total amount of money, say, of the 4 million in Rural Attractions, there would definitely be an amount for private, an amount for non-profit and an amount for federal-provincial that you'd be looking towards or targeting to.

HON. M. HEMPHILL: Mr. Chairman, we haven't established definite targets as of yet, but I think it's something that we are looking at. As you said, they wouldn't be hard and fast, but they would be guidelines. We just haven't reached that stage of development yet, but I think we will be in the future.

MR. CHAIRMAN: 3.(b)(1)—pass; 3.(b)(2)—pass.
3.(c)(1) — the Member for Portage.

MR. E. CONNERY: Well, we're in the Grants, and I guess really 3.(b) was the old agreement, so we're really talking 3.(c) anyway.

HON. M. HEMPHILL: Right.

MR. E. CONNERY: Reading over Hansard, and I have a confusion, we have within the Tourism Agreements the Thompson Ski Club. It shows in the old book of having received \$133,500.00. The reason I'm bringing it up is because it's in here, and I'm taking a look at Thompson Ski Club Inc. I'm looking at the amount of money that the province has spent on one ski club

over the years. But in the Hansard of last year, the Minister said that it wasn't \$133,500, it was 178,000, but the book says 132,000.

HON. M. HEMPHILL: Mr. Chairman, Destination Manitoba put \$178,000 in; the Thompson Ski Club put in 92,000; and fund-raising activities raised 35,000.

MR. E. CONNERY: But you did spend 178,000 in it?

HON. M. HEMPHILL: Yes.

MR. E. CONNERY: I'd like not to have to go back into an old book. I would like maybe if somebody can show me, not tonight, but refer me where to look to see where the total of 178,000 is in the old annual books of grants.

But the Thompson Ski Club, over the period of time, has had an awful lot of grant money given to them, even in this last year, \$2,450; but in 1984 they had \$1,150 and in 1983 they had \$2,150.00. I don't see any of the other resorts or other groups getting any kind of assistance that compares to this sort of ongoing at all. Reading Hansard where the other ski resorts in southern Manitoba have been saying we'd like some assistance too but not very much has been forthcoming. So how does one ski club get so much money?

HON. M. HEMPHILL: Mr. Chairman, a fair amount of the grant assistance was for marketing. It was for promotional efforts to increase awareness of the attraction through brochure production and distribution, newspaper and radio advertising and direct mail efforts. It's my understanding that has increased. I'm also informed that three of the other ski resorts received funding as well.

MR. E. CONNERY: Which ones are they? I don't recall seeing them here.

HON. M. HEMPHILL: Mr. Chairman, the grants given to the other ski resorts, I'm informed, were in other years, so that's why they don't show. I was just referring to your point that they've been wanting money and haven't been getting it.

MR. E. CONNERY: Did they get money just for one year? Like how many years did these other ski clubs get money?

HON. M. HEMPHILL: Was there a question on the floor?

MR. CHAIRMAN: Yes, the question was how much money have these other . . .

MR. E. CONNERY: How many years.

HON. M. HEMPHILL: Oh, how many years. Well, we're just saying that one of them was for snow-making equipment, which was a capital expenditure, and they didn't apply for marketing money. So we're trying not to compare the marketing money that was given to capital money that was given.

MR. E. CONNERY: Are you saying that these other groups didn't ask for marketing money and so, therefore, weren't turned down?

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HON. M. HEMPHILL: This program was geared to the non-profit groups primarily.

MR. E. CONNERY: Is the one at Falcon Lake a non-profit group?

HON. M. HEMPHILL: No, Mr. Chairman.

MR. E. CONNERY: The ski slope at Falcon Lake is a government one. If some funds along this line were funneled into the Falcon Lake one, then they wouldn't have to close.

Even the Thompson Folk Festival gets \$1,000, and as I look through, Thompson has done exceedingly, exceedingly well. Is Mystery Lake Resort also in Thompson?

HON. M. HEMPHILL: Yes it is, Mr. Chairman.

MR. E. CONNERY: Mystery Lake Resort got a grant. We can see now why they call the Member for Thompson "Landslide." I would call him "Snowslide." He's done a snow job on this province in getting money up into that area.

A MEMBER: The people of Thompson, they ain't going to admit that.

MR. E. CONNERY: Well, they maybe do, but I have a hard time feeling that there is a lopsided amount of money going into one resort area when other resort areas have been asking for money and have been refused.

MR. CHAIRMAN: Is that a question?

MR. E. CONNERY: Well, I'd like to know if the Minister, what observation she would have.

HON. M. HEMPHILL: I am informed that anybody that applied under the agreement that fitted the criteria was entitled to funding and that if they didn't apply they wouldn't get any.

MR. E. CONNERY: Well, I guess, Mr. Chairman, you'll never convince me, but . . .

MR. CHAIRMAN: I'm neutral.

MR. E. CONNERY: . . . I would like to ask the Minister, or through the Minister, Mr. Chairman, through the staff: Does ministerial direction play a part in some of the decisions made?

HON. M. HEMPHILL: Mr. Chairman, there is a procedure for approving the applications. There is a review committee and recommendations are made, based on the criteria and the applications.

MR. CHAIRMAN: The Member for Portage; the Member for Roblin-Russell; the Member for Sturgeon Creek; now the Member for Roblin-Russell.

MR. L. DERKACH: Did you acknowledge me?

MR. CHAIRMAN: Whichever one of you had your hand up.

The Member for Roblin-Russell.

MR. L. DERKACH: That's us. To the Minister: With respect to this ski-hill thing, what are the criteria for being in a position to receive funding for a capital project for skiing? You mentioned that, as long as the criteria were met, nobody was refused.

HON. M. HEMPHILL: I am informed that they qualified under the previous agreement but would not qualify under the new agreement, the terms of the new agreement.

MR. L. DERKACH: So where did Thompson qualify?

HON. M. HEMPHILL: Under the previous agreement.

MR. L. DERKACH: So now have the criteria changed under the new agreement to the extent where those areas that would like to develop a ski resort would not qualify any more?

HON. M. HEMPHILL: No.

MR. L. DERKACH: Well, where can we find out what the criteria for qualifications are for qualifying for a grant to develop a ski resort and to also receive some of the grant monies that have been allocated to that area of Mystery Lake, Thompson?

HON. M. HEMPHILL: It's in the brochure, and we made some of them available on the table. If the member wants any additional information, we can get that for him.

MR. L. DERKACH: Thank you.

MR. F. JOHNSTON: Just quickly, the criteria previously was there was a board — well, it's a federal-provincial agreement, and the federal and provincial group had to look . . .

MR. CHAIRMAN: Excuse me. Could we have a little order, please? It's very difficult to hear the member.

MR. F. JOHNSTON: And then there was a board set up, there was a board appointed by the Minister to take a look at them. I'm sure the procedure with the Federal and the Provincial Governments would remain the same because I don't think the feds would let them do it without it.

But is there a board appointed by the Minister to make recommendations, and who are the people on that board on the new program?

HON. M. HEMPHILL: The board is appointed by the management committee who reports to the Minister. The names, we don't have them handy but we can certainly get them. Don Draper is one that is recalled, is the chairperson; Mickey Levine . . .

MR. F. JOHNSTON: Mickey Levine and Finnbogason, are they still on the board?

HON. M. HEMPHILL: Al Finnbogason, yes, yes.

MR. F. JOHNSTON: Okay, well, maybe the Minister could let me have that.

HON. M. HEMPHILL: Mitch Podolak.

MR. F. JOHNSTON: Podolak. That's fine. To the Minister, if they haven't all been given out now, I would like the list.

MR. CHAIRMAN: 3.(c)(1)—pass; 3.(c)(2)—pass.
3.(d) Manitoba Horse Racing Commission — the Member for Springfield.

MR. G. ROCH: I was just wondering. Is the new track which was recently opened in Minneapolis, is it hurting the Manitoba industry?

I've heard that it isn't and I've heard that it is, but I would like a clarification.

HON. M. HEMPHILL: I don't believe that it is because all of our statistics and information indicate that our betting and racing and track is up. If anything, I understand it's leading to a better quality of horse for the track.

MR. G. ROCH: What is the status of the industry at present as compared to previous years?

HON. M. HEMPHILL: I think that one of the changes that was made, I think it was last year, where the horsemen and the government agreed to lower, and the track, their share of the takeout, and their willingness to share in the risk.

The effect of that was seen almost immediately and the average daily handle in the last 67 days of the '84 meeting was 346,871, up 19 percent from the first 40 days of the meeting. Since the tail end of the Assiniboine Downs meeting is the worst part, the actual gain is understated. So that was a major change that was made, that has given fairly immediate and fairly dramatic increases in the track, and it continued after that. Overall, we're up about 3 percent.

MR. G. ROCH: So therefore the industry and that, you would consider it at an acceptable level?

HON. M. HEMPHILL: Yes, it's healthy.

MR. G. ROCH: As far as the forecast, will the industry in fact improve, despite the track in Minneapolis? What's the outlook? Is it optimistic?

HON. M. HEMPHILL: Mr. Chairman, the whole industry is looking very optimistic.

MR. G. ROCH: I'm glad to hear that. The reason I was asking is because in my constituency I have a lot of horsemen and at one time they were concerned when that track opened south of the border because at one time a lot of our clientele was coming from south of the border.

Okay, that's all the questions I have.

MR. F. JOHNSTON: What is the forecast handle for this racing season?

HON. M. HEMPHILL: We hope to be up about 3 percent over last year.

MR. F. JOHNSTON: Well, Mr. Chairman, there has to be an estimated figure of the handle you're working to in 1986 because you've got the grant assistance which is purses, etc. It's something that can fluctuate a certain amount, but the main figure in the whole Horse Racing Commission, as far as the track is concerned, is what is the handle estimated for 1986?

HON. M. HEMPHILL: 61,682,000.

MR. F. JOHNSTON: It was 59 or 56 about four years ago and it dropped back. When did the increase — I know of the change last year for more purse assistance, but it started to move back.

My question is: When did it start to move back and now it's moved up to 61, which I believe is about the highest we've had?

HON. M. HEMPHILL: It started to move up in '83 when we changed the handle. It went to 51 million.

MR. F. JOHNSTON: The cost of operation of the Commission is a little bit down this year but, in the Salaries under Administration, how many people do we have in the administration of the Commission now? I don't mean the commissioners; I mean the administrative people.

HON. M. HEMPHILL: Four administration office staff.

MR. F. JOHNSTON: Has the problem with the stewards and judges been solved to the satisfaction of the horsemen and the track? I refer to the problems that they had last year.

HON. M. HEMPHILL: There are no problems that aren't resolved presently that we're aware of.

MR. F. JOHNSTON: Have they new judges this year, or are they last years judges?

HON. M. HEMPHILL: We have the same judges on the rural circuit, and the same stewards in the thoroughbred stand.

MR. F. JOHNSTON: The same stewards in the thoroughbred?

HON. M. HEMPHILL: Yes.

MR. F. JOHNSTON: I notice professional fees, and I asked about them last year. They were \$72,800, and now they've dropped drastically. What were the professional fees? Why is there such a difference? Is there no longer any need for professional fees to that extent, or what?

HON. M. HEMPHILL: Mr. Chairman, it's my understanding that there was a major revision of

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regulations that required an increase in legal fees, and that it also is dependent upon court challenges that are being faced.

MR. F. JOHNSTON: My next question was: the court challenge that has been placed upon the previous chairman, is the Commission responsible for paying any of that amount of money that was granted to the advertising agency?

HON. M. HEMPHILL: Mr. Chairman, that matter is before the courts, under appeal at this time.

MR. F. JOHNSTON: Well I'm not asking for the decision of the courts. Is the Horse Racing Commission responsible for paying out that money, if there's money to be paid out, if they do?

HON. M. HEMPHILL: Mr. Chairman, the Commission considers itself responsible.

MR. F. JOHNSTON: The Commission considers itself responsible. In other words, the Minister is saying that the government is responsible or the Horse Racing Commission is responsible for paying out that money, if there's money to be paid out. Oh God, the Lord help us for lawsuits against Ministers and directors and what have you!

Who is on the Racing Commission at the present time? Mr. Chisvin was chairman. I believe he's no longer chairman.

HON. M. HEMPHILL: Mr. Chairman, Dan Williams, who is the chairman; Morris Kaplan, vice-chairman; Irene Bowman is a member; Ian MacKenzie is a member; and Jack Philpot is a member.

MR. F. JOHNSTON: In other words, only the chairman has changed from 1985.

HON. M. HEMPHILL: That's correct, Mr. Chairman.

MR. F. JOHNSTON: That's all I have, Mr. Chairman.

MR. CHAIRMAN: Any further questions? 3.(d)(1)—pass.

Resolution No. 24: Resolved that there be granted to Her Majesty a sum not exceeding \$10,155,000 for Business Development and Tourism, Tourism, for the fiscal year ending the 31st day of March, 1987—pass.

MR. E. CONNERY: Where do we discuss the Minister? Do we go back to that one?

MR. CHAIRMAN: Right, we still have one more item, Item 4., Expenditures Related to Capital, Resolution No. 25—pass? 4.(a)(1)—pass; 4.(a)(2)—pass.

There is then 4.(a)(3), Canada-Manitoba, that's an evening-out item.

Resolution No. 25: Resolved that there be granted to Her Majesty a sum not exceeding \$2,921,100 for Business Development and Tourism, Expenditures Related to Capital, for the fiscal year ending the 31st day of March, 1987—pass.

We now return to Item 1.(a), Minister's Salary — the Member for Portage.

MR. E. CONNERY: First of all, I'd like to pass on, Mr. Chairman, to the . . .

MR. CHAIRMAN: Excuse me. Staff will have to leave.

MR. E. CONNERY: As they're leaving, I'd just like the Minister to pass on through to the staff our appreciation for their cooperation that they've given us in going through these Estimates.

I would like to just make a few brief comments. I am concerned with the department. What we've seen happen in the past leaves me with the deep concern that there is a lack of understanding as to how we're going to generate the revenue we require for this province through the private sector and through the business community. We can't condemn the present Minister because she's new, and so that decision on her will have to be made at some point down the tube.

I would like to make some comments to the Minister. We were cut off earlier, but this is the time. There's not going to be a long dissertation on it. The pay equity, I think, is one area. These are the areas that business is concerned about. No gobs of money are going to make the difference if we don't have the atmosphere and the climate for business.

We have to look at pay equity; we have to look at the deficit reduction, which they are concerned about; capital tax, which we really didn't get into to any degree, but the capital tax is a deterrent; the Workmens Compensation Board and, in its operation, there's real concern within the industry with that; the government regulation and red tape which we hope that there will be some recommendations coming through to minimize that area; the highest minimum wage in the country; and our payroll tax, with only Quebec, the other province having one.

These are some of the areas that I think this department has to address with the business community. There are lots more and, in listening to the business community, they will tell the Minister what areas are of concern. Naturally everything business wants, we wouldn't be foolish enough to give, because once you go on a shopping list you have to make it longer and longer. But I think there are legitimate, real concerns that this Minister has to address with other members and colleagues with other jurisdictions over these. So I hope this will happen.

The role, as I see it, of government is not to be the businessperson, but the role of government is to facilitate business to make them grow. Just one suggestion to the Minister — it might prevent some offensiveness to businesses — when you're discussing the tourism dollars, don't refer to them as "my money" because people do get concerned. I put more money in there than you do, into those tourist dollars, so I like them to be referred to as "our dollars" or the government's dollars, just a suggestion.

HON. M. HEMPHILL: Did I say, "my money"?

MR. E. CONNERY: Yes, just a slip of the tongue. I just thought it was a suggestion, not being cruel. It was just a suggestion.

The other thing that concerns me in Tourism, and we talked about it as being the third-largest industry in Manitoba, and the only mention that it got in the Budget Address was that it was mentioned because it was part of Business Development and Tourism. This is a real concern to me when the third largest industry in our province only gets recognition because it's part of the Business Development sector.

So I think, once again, it shows the priorities of the members on the government side. There is not the understanding, the awareness of what business and tourism can do for this province, and in the long term, providing for the social benefits that we want to provide the citizens of Manitoba.

I thank the Minister for her cooperation. The replies were short, and the time therefore we were able to finish in a decent time, and I thank you.

MR. CHAIRMAN: 1.(a)—pass — the Member for Sturgeon Creek.

MR. F. JOHNSTON: Just one thing. The member has mentioned some of the programs that the Minister is going to have to overcome, but I hope the Minister reads very closely The Trade Practices Act that is presently in the House, and analyzes the concerns and the problems that will be put upon Manitoba businesses by having that type of authority from the government, and also analyzes the businesses that will probably not be interested in Manitoba or want to leave Manitoba with that type of legislation which is the Minister saying, if they want to, you will charge so much for your product whether you like it or not.

MR. CHAIRMAN: 1.(a)—pass.

Resolution 22: Resolved that there be granted to Her Majesty a sum not exceeding \$641,900 for Business Development and Tourism, Administration, for the fiscal year ending the 31st day of March, 1987—pass.

Thank you very much. Good evening.
Committee rise.

SUPPLY — CIVIL SERVICE

MR. CHAIRMAN, C. Santos: Committee, please come to order.

This section of the Committee of Supply has been considering the budget Estimates of the Civil Service Commission.

We are now on Item No. 2.(a), Civil Service Benefit Plans, Civil Service Superannuation Act — the Member for Brandon West.

MR. J. McCRAE: Thank you, Mr. Chairman.

The administration of The Civil Service Superannuation Act, does that come under the Civil Service Commission, the actual administration of that act, or is that the Minister of Labour's?

MR. CHAIRMAN: The Honourable Minister.

HON. E. KOSTYRA: There is a board, the Civil Service Superannuation Board, which is responsible for the administration of the act. This is basically the payment

of our portion of the pensions that are paid out during this year.

MR. J. McCRAE: This includes only civil servants and doesn't include employees of Manitoba Hydro, Manitoba Telephone System, and so forth?

HON. E. KOSTYRA: Yes, the Superannuation Board also includes Manitoba Hydro, Manitoba Telephones and a range of other government agencies, but these payments here reflect only the payments for employees of the direct Civil Service.

MR. J. McCRAE: Unless my colleagues have any questions, we can go down to Item 2.(d), Workers' Compensation Board.

MR. CHAIRMAN: The Member for Kirkfield Park.

MRS. G. HAMMOND: Yes, I just have one question and I don't know if it would apply here, but is the government planning to give the Civil Service Superannuation Board the same no-penalty as the teachers received, early retirement?

HON. E. KOSTYRA: The changes that were brought forward with respect to the Teachers' Plan covered two areas: one was the penalty for early retirement; the other was the averaging. There is no intention to bring about any change with respect to the penalty provisions for Civil Service.

In terms of the other issue, there will be a bill introduced in this Session dealing with changes to the act and it may well contain something in regard to that other area.

MR. J. McCRAE: Mr. Chairman, it is mentioned in the Annual Report of the Civil Service Commission, on Page 44, at the very top. It says: "Discussions are continuing with the Employees' Liaison Committee concerning possible benefit improvements for members of the Civil Service Superannuation Fund." I wonder if the Minister can tell me whether that Liaison Committee has any status whatsoever under The Civil Service Superannuation Act.

HON. E. KOSTYRA: There is no formal recognition of them under the act, or there are no provisions for that under the act. That is one of the issues that they have raised from time to time in discussions. But the task force on the superannuation plan — the task force being an organization of the employers, including the direct government, Manitoba Hydro, Telephones and the other Crown corporations — have recognized the Employees' Liaison Committee as spokespersons on behalf of the members of the plan for discussion on possible changes to the plan. They have a method of electing people from all of the representative groups, both union and non-unionized.

MR. J. McCRAE: Is it the policy of the government to give that Liaison Committee some sort of legislative status in the future?

HON. E. KOSTYRA: That is under discussion. I would say it is under consideration. As I indicated to the

Member for Kirkfield Park, there will be a bill coming before the House recommending changes to the act. I obviously can't comment what may or may not be in that, but I would suspect that it would be some time away yet before we deal with that particular request.

MR. J. McCRAE: "Some time away" does leave a person hanging if it's really important, Mr. Chairman, and I wonder, is that as close as the Minister can come in terms of a time frame? He nods his head. I take it that's the answer to that question, Mr. Chairman.

As I understand the make-up of the Civil Service Superannuation Board, there are — let's put it this way — four board members selected: two from the Civil Service, and one from the Manitoba Telephone System, and one from Commission Employees, which includes Manitoba Hydro and about 20 other agencies. Am I correct?

HON. E. KOSTYRA: I believe that's correct. Again, we're not dealing with the board because the Commission doesn't have the authority over the board. They report independently, but I believe that's correct. There are four employee representatives and then four representatives named or appointed by the Government of Manitoba as employer representatives.

MR. CHAIRMAN: 2.(a)—pass; 2.(b) Canada Pension Plan—pass; 2.(c) Civil Service Group Life Insurance—pass.

2.(d)(1) Workers Compensation Board: Assessments re: Accidents to Government Employees; 2.(d)(2) Less: Recoverable from Other Appropriations — the Member for Brandon West.

MR. J. McCRAE: Mr. Chairman, this matter is dealt with on Page 30 of the Supplementary Information, Reference No. 4, and there's a note attached on Page 31 telling us that this estimate provides for an overall 10 percent increase over 1985-86 estimated costs.

I wonder what it is that caused the Civil Service Commission to build in that 10 percent increase. From what information was it operating in increasing that amount by about \$1 million?

HON. E. KOSTYRA: It appears that in the notes to this item that there's an error because this estimate provides for an overall 10 percent increase over the '85-86 estimated cost. That is not true obviously when one looks at the increase from two million to just over three million. That certainly is more than 10 percent, closer to 50 percent. That is as a result of the latest rate increase or assessment increase in terms of compensation and some increase in the amount of anticipated claims based on the past experience.

MR. J. McCRAE: At this stage of the game, Mr. Chairman, what would we do with a proposed appropriation like that which appears to be considerably more than would be required? I seek the guidance of either the Minister or the Chair on this item.

HON. E. KOSTYRA: Well, based on experience and what was anticipated in terms of what is known in terms of the increase from the Compensation Board, plus

there's another increase that would conceivably take effect next January which would take in part of this year because assessment rates for compensation are usually increased every January. Of course, this Budget will run through till the end of March.

If we were fortunate and have a better accident and claim record than what is anticipated, the monies would lapse and that is that they would not be spent. In every year, overall, in government, there is lapsing of funds in certain appropriations and I would hope that happens here.

MR. J. McCRAE: Mr. Chairman, we would all hope that would happen especially in view of the review of Workers Compensation that is going on presently, I just feel, as a member of this House, that it's difficult for me to understand or accept, allowing such an appropriation to go through.

I am just seeking guidance from the Minister on how he thinks we might handle that today. I don't mean next January; I mean today.

HON. E. KOSTYRA: Well, the easiest way to handle it today is to pass it.

If I could just provide some further information that will be helpful in dealing with this, if the member would care to look at Page 34 of the Supplementary Estimate Book, which is the Appendix that shows actual expenditures, the print, as against the Main Estimates this year.

If you will look down at the line of Workers Compensation, and if you look at the centre figure as the print figure last year, \$2 million, which is the same that appears in the print, you will note of course on the right-hand side the same figures that are in this Main Estimates, \$3,004,000.00. However, if you will look at the actual for last year, it was over by \$573,900.00.

So the actual increase this year over what was spent last year is \$500 rather than the million, which I think will indicate that the increase is more reasonable in terms of what the actual expenditures were last year.

MR. J. McCRAE: Mr. Chairman, let me get this straight. The figure of \$2,573,900 was the actual expense in '85-86. Is that what the Minister is telling me?

HON. E. KOSTYRA: I was a bit incorrect. That was the actual expenditures in '84-85. The '85-86, it just about was 2 million. I don't have the actual here in terms of last year. So I was incorrect in my explanation there.

MR. CHAIRMAN: The Member for Arthur.

MR. J. DOWNEY: Mr. Chairman, it's interesting to note that when we are talking about the Civil Service Benefit Plan that we are seeing in the appropriations we are just talking on, the Workers Compensation, a considerable increase.

I didn't catch the first part of the Minister's explanation, but this particular area is one that deserves a considerable amount of scrutinizing as far as this government's handling is concerned. The whole area of Workers Compensation is one which is under question by the public. It's certainly considered as a major cost implication for the private sector operating

a business, the tremendous increases that they've seen over the past four years and the projected increase to carry on with the fund.

Mr. Chairman, I don't think the Minister has done a very good job in explaining, to this point, why the Provincial Government increase. When one looks at the bottom line, and I know that I'm just a little bit ahead of myself in debate, but when one looks at the bottom line, here we have an increase from \$50 million for the Civil Service Department to \$54.5 million when in fact the public of Manitoba are getting a shortfall of funds for highways, for other areas of service which are important to the continuation of the — (Interjection) — yes, that's right, and health.

Why are we seeing the increase for the Workers Compensation? Why are we seeing the increase for the Civil Service? It truly demonstrates this is where the government's priority is. Why are they succumbing to the pressures of the Civil Service? Why are they not getting a hold of the Workers Compensation and bringing it under control?

I'm sure the Minister of Finance must have an explanation for the major increase. From what I've heard, and I apologize, I wasn't in here when the Minister started his explanation, but from what I heard, it wasn't satisfactory enough. I think the Minister has to tell us what his government's policy is and will be to deal with the ever increasing deficit and costs of doing business, or the costs of the Workers Compensation Board.

Why are we seeing the increase that we're seeing, from \$2 million in this appropriation from last year, and to the \$3.5 million, almost, this year. I would like the Minister to go over it if he would, please, because there's a lot of questions that have to be answered in the whole area of Workers Compensation.

What is the main reason for the increase? I apologize for not hearing the first part. I would ask the Minister to go over it briefly again for me.

HON. E. KOSTYRA: To help the member, in terms of his understanding of it and to help explain the differences, I would first start by bringing his figure down by \$496,000.00. He referred to nearly \$3.5 million; \$3,004,000 is not just about \$3.5 million, it's closer to \$3 million. So there I've been able to explain . . .

MR. J. DOWNEY: Just a clarification. The line that I'm working from, it says \$3,404,000.00. Add another \$400,000 to that. That's on the line that comes under Workers Compensation Board Assessment Taxes to Government Employees: Less Recoverable from Appropriations. Oh, I'm sorry, that's right, okay. So it's 3, that's right.

HON. E. KOSTYRA: It's your money that's recovered from Moose Lake Loggers, as the member will recall, when we were in committee.

As I indicated, the increase is related to two areas. The overall assessment increases that have been determined by the Workers Compensation Board, and as the member will recall, I believe it was he who made the point, in review of Public Accounts, of the Provincial Auditor's comments on the Workers Compensation whereby the increases were not up to the levels that the Compensation Board wanted; but in any case, they

have been substantial, last January, and undoubtedly it is budgeted for a further increase this January; plus there is an increase in overall claims experienced.

The other factor that is to be taken into account is the fact that we believe there was actually considerably higher expenditures or somewhat higher expenditures this year than was in the vote last year.

MR. J. DOWNEY: Mr. Chairman, it begs the question — we know that Workers Compensation is paid for by the taxpayers of Manitoba and Channel Area Loggers. Does ManOil come under this same policy? How many Crown corporations do the Workers Compensation be paid for by the Province of Manitoba? I'd like a complete list of the numbers of Crown corporations that the Workers Compensation is paid for by the Province of Manitoba. I'd like a complete list. Could the Minister provide that?

HON. E. KOSTYRA: The areas that are covered are Moose Lake, Channel Area. These also relate to recoverable for departmental employees in Highways and Natural Resources.

MR. J. DOWNEY: Mr. Chairman, am I correct — I'd like him to repeat it — if I say this: there was Channel Area Loggers, Manfor Forest Products . . .

HON. E. KOSTYRA: I had not at any time, in any of my explanations, ever said Manfor. Channel Area Loggers, Moose Lake Loggers, departmental employees in Natural Resources and Highways, that's where the recoveries are from.

MR. J. DOWNEY: That's where the recoveries are from, but I want to know what Crown corporations' workmen's compensation is paid for by the government. I know that it's recoverable. The Minister made comments about the recoverable portion. Some Crown corporations are paid by the province, directly from the taxpayer. By doing that, it shows that some of these Crown corporations make a profit or don't have as big a loss. I'm maybe misunderstanding the Minister, but some of them are paid for by the province. He said what they're recoverable from. Which ones are paid by the province?

HON. E. KOSTYRA: The same ones.

MR. J. DOWNEY: Thank you, Mr. Chairman, and I thank the Minister for that comment.

I'll check Hansard, because I was of the opinion that Manfor was as well paid for by the Province of Manitoba. The workmen's compensation was paid for under that. I'll check it out from the committee Hansards, and I would hope the Minister would be prepared to check it out as well.

MR. CHAIRMAN: The Member for Brandon West.

MR. J. McCRAE: Mr. Chairman, the problem with Workers Compensation is that, at the year ending March 31, 1985, the budget for Workers Compensation on this line was \$800,000.00. The Minister tells us that the assessment was 2.573 million when the amount

budgeted was 800,000.00. That tells me that something was out of kilter then, too. Then the following year we have, in 1985-86, the adjusted vote for 2 million, and we don't know what the actual was. This year, we go to three.

I just bring it, I guess, to the Minister's attention that perhaps something will come out of the review of the Workers Compensation Board that will start to bring this matter under control. But with numbers bouncing up and down the way they have for the last few years, and mostly up, I had to bring the matter to the attention of the Minister so that he might look into that.

MR. CHAIRMAN: 2.(d)(1)—pass; 2.(d)(2)—pass.

2.(e) Unemployment Insurance Plan: Government's Share of Premiums for Government Employees — the Member for Arthur.

MR. J. DOWNEY: How many Crown corporations are covered under this particular section as well? How many Crown corporations does the government pay the Unemployment Insurance program for, Crown corporations, out of this appropriation?

HON. E. KOSTYRA: None, these are just the Civil Service employees.

I thought when the member was getting up, he was going to raise the same kind of indignation about the increase in costs in Unemployment Insurance rates of merely \$1 million, because of increased rates that have been put on by the Federal Government. I thought he was going to get up and give the same kind of concern that he just had about the Workers Compensation rates.

But the answer to his question is, no, there are none.

MR. CHAIRMAN: 2.(e)—pass.

2.(f) Dental Plan — the Member for Brandon West.

MR. J. McCRAE: Mr. Chairman, here again, the numbers have gone up significantly. As I understand it, the plan began in 1983. Am I correct, 1983, or did it begin prior to that? What year did the plan come in is my question.

HON. E. KOSTYRA: The plan came into effect in 1980, and there have been improvements every two years, which follows basically the collective bargaining cycle. There have been improvements in terms of the rate of payment. I believe it now keeps track of the Manitoba Dental Association rates, year by year, which obviously increases the costs each year as dentists increase their costs.

There was enhancement, in terms of orthodontist services, I think, was the last major improvement in 1984. So that is part of the reason why there were increased costs in previous years, although it's levelled off now. Given that employees have had it for a number of years, it starts to level off in terms of the demands on the plan as people have the necessary treatments.

MR. CHAIRMAN: 2.(f) Dental Plan—pass.

2.(g) Long Term Disability Plan — the Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Mr. Chairman.

I appreciate the comments that the Minister made this afternoon in question period with regard to the Long Term Disability Plan.

I'd just really like to make a comment. I think it is extremely important that the government give off a signal, even in Long Term Disability Plan, that mental illness is as serious a problem within our society as physical illness, and that the disability insurance addresses that problem in as adequate a manner as it, in fact, addresses the physical disability problems within our society.

HON. E. KOSTYRA: Basically, we agree with that. This issue has been discussed, going back a number of years. In fact, it was back in the Fall of 1985 when the government, in terms of looking at changes to the Long Term Disability Plan, went to the Canadian Mental Health Association to discuss changes to the plan. As a result of that, there was concurrence by the Mental Health Association, in terms of the changes.

Subsequent to that, they expressed concern over one change. They also lodged a complaint with the Human Rights Commission. Staff of the Commission have now again engaged in discussions with them to attempt to understand and meet their concerns.

At the same time, this is a plan that is dependent on collective bargaining. Once we get an understanding of the position of the Canadian Mental Health Association and whether or not we are able to deal with their concerns in terms of changes to the plan, then we'd have to sit down with the collective bargaining agent and deal with that in the collective bargaining arena.

MRS. S. CARSTAIRS: Can the Minister explain why, in fact, the Long Term Disability Plan is far less costly this year than it was last year?

HON. E. KOSTYRA: The plan has only been in effect for two years. In regard to what was estimated for the costs last year, the actuary suggested there would be higher costs than there actually were, so that's why there is some adjustment this year based on actual experience.

I also just reference the fact that it has only been in effect two years, in regard to the questions on this one particular area. Obviously, if there is a need to change the plan, changes will be made with discussion with relevant organizations like the association and the bargaining agent.

MR. CHAIRMAN: 2.(g)—pass.

Resolution No. 27: Resolved that there be granted to Her Majesty a sum not exceeding \$42,719,000 for Civil Service, Civil Service Benefit Plans, for the fiscal year ending the 31st day of March, 1987—pass.

Item No. 3., Levy for Health and Post-Secondary Education — the Member for Brandon West.

MR. J. McCRAE: Mr. Chairman, I just make the same comment I made recently to the Minister of Finance, in this case, the Minister responsible for the Civil Service Commission. It is laughable to the average Manitoban that the province collects from itself this \$7.4621 million when it's only done to satisfy a legal nicety respecting

the Federal Government's reluctance to pay the tax. It's artificial, and I know that to collect \$7.462 million costs the taxpayers of this province money. I just make the point that it just makes no sense to me whatsoever.

However, I guess the courts have made up their minds about that, and this government has to live by it. But that's what happens when you get into such an unfortunate budgetary situation that you have to levy and invent taxes like this one and levy it, and tax jobs in this province.

MR. CHAIRMAN: 3.—pass.

Resolution No. 28: Resolved that there be granted to Her Majesty a sum not exceeding \$7,462,100 for Civil Service, Levy for Health and Post-Secondary Education, for the fiscal year ending the 31st day of March, 1987—pass.

SUPPLY - HEALTH

MR. CHAIRMAN: We are moving on to the consideration of the Estimates of the Department of Health. We shall hear from the Honourable Minister.

HON. L. DESJARDINS: Mr. Chairman, can I ask the House Leader of the Opposition if he wants me to wait a minute for the critic? During that time, Mr. Chairman, I have a copy of my introductory remarks that I'd like to pass on to the main Health critic of government.

Mr. Chairman, this government is committed to ensuring that Manitobans receive the quality of health care they expect and deserve at a reasonable cost. We have established a health care delivery system in this province which is among the finest in the world. Manitoba's leadership in this field is widely acknowledged.

One of the primary reasons for our standard of excellence in health care is the determination not to stand still. The problems which confront the health care industry today are the same problems which all sectors of our economy are facing; it is ever-increasing costs coupled with the growing competition for existing dollars. In an area as important to the quality of life as health care, we cannot afford to stand still, Mr. Chairman. We must be prepared to be innovative. We must be creative in the ways in which we choose to allocate our resources, both human and financial, and we must be prepared to work with the people who deliver those health services to ensure quality health care remain accessible to all Manitobans.

To that end, Mr. Chairman, we have undertaken a far-reaching program of consultation with the health care community and we commissioned studies in key areas of the system. These include: the Mental Health Working Group, the Winnipeg Adult Medical Patient Study, A Study of Manitoba Medicare from 1971-85, the Health and Services Review Committee, and the Manitoba Nursing Review Committee.

With respect to the Health Services Review Committee, 15 different subcommittees were appointed and each has made recommendations. These studies require an extensive amount of time and energy by health professionals. They include an input from urban and rural hospitals, from the College of Physicians and

Surgeons, the Manitoba Medical Association, the nurses organizations, and a great many others.

As a result of this comprehensive consultation, we are now prepared to undertake the development of an action plan leading to a revamped health care delivery system for Manitoba. To this end, I've added M. Nick Poushinsky and a senior analyst to our team to coordinate activities of the department and the Commission in consultation with providers of service outside of the department. I have every confidence, Mr. Chairman, that this review and the recommendations which arise from it will ensure that Manitoba remains a leader in this field.

Having outlined one of the major thrusts of the department for the fiscal year, Mr. Chairman, I would now like to deal more specifically with the Estimates you have before you. I'm requesting the allocation of \$1,209,795,200 for the activities of this ministry which includes the Health Services Commission and the Alcoholism Foundation of Manitoba. This represents an increase of 6.4 percent over the amount voted in '85-86, and that amounts to 31.2 percent of overall provincial expenditures for the current year.

I will try to briefly highlight some of the major features of this year's Estimates. Following on recommendations from the Health Services Review Committee, we are requesting a sum of \$2 million for demonstration projects in the area of alternatives to traditional in-patient care. This could include: not-for-admission surgery, ambulatory medical care, outpatient diagnostic services, continuing care, adult day care, and admission and discharge planning.

Under this demonstration program, the Health Services Review Committee will ask health institutions and organizations to submit proposals for programs that will make more effective use of institutional beds. The submissions will be judged on the likelihood of success within the overall objectives of the Health Services Review Committee which will then provide funding for these projects.

Part of our 1986-87 health care package, Mr. Chairman, is provision for the purchase of three new CT scanners, one each for Brandon, the Health Sciences Centre and St. Boniface General Hospital. The net cost for these very necessary diagnostic tools is about \$2.5 million for the three scanners. I say here the net cost because we still expect approximately a half a million dollar donation, and later on I hope that I can announce that officially. With approximately \$2 million in annual operating costs and \$1 million for space preparation, this purchase will bring the number of CT scanners in Manitoba to five, bringing us in line with the national guidelines which suggest there should be one scanner for every 200,000 people.

We're also asking for annualized funding for new and expanded programs which were approved last year. These include: the Manitoba Cancer and Chemotherapy Outreach Program in cooperation with the Manitoba Cancer Treatment and Research Foundation, the observation and not-for-admission unit at Brandon General Hospital, expansion of training programs for neonatal intensive care at Health Sciences and St. Boniface, the intensive care unit at the Health Sciences Centre, increased staffing and new equipment at various hospitals for their ophthalmology program, and the self-limited dialysis program at the Health Sciences Centre.

We will also be relocating funds for additional staff and supplies to support an expansion of the Pediatric Cardiac Surgery Program. The first phase of this important program is expected to begin this summer. When this program is fully operational, the majority of Manitoba children will no longer have to go to other provinces for complex heart surgery.

Mr. Chairman, we're also asking for operating and capital funds for new and renovated facilities in Winnipeg and rural Manitoba. These projects include: the Health Sciences Centre, where the new medical services or Thorlakson Building recently opened; at St. Boniface General Hospital; Concordia Hospital; the R.H. Institute; and Municipal Hospitals; and at Dauphin, Gillam, Pine Falls, The Pas and Neepawa. As well, operating in capital funds are being requested for five new or renovated personal care homes in Winnipeg, Brandon, Ste. Rose, Selkirk and Gilbert Plains. The Estimates also contain provision for funding of several fire safety upgrading projects.

During the course of this Estimates debate, Mr. Chairman, I will also be presenting the Five-Year Capital Construction Program of the Manitoba Health Services Commission which, as you will see, ties into our overall thrust of maintaining and expanding on our high quality health care system in this province.

As well, we propose to increase ambulance grants to the municipalities by 4 percent and to upgrade the qualifications of ambulance attendants through a continuation of our First Responder Training Program. I'm proud to say that to date 57 of 86 ambulance services have four or more licensed first-responders and we intend to increase that number.

As well, we have developed a training program for a higher level of ambulance attendant, Emergency Medical Attendant, Level 1, and we've asked for an accreditation survey from an accreditation committee of the Canadian Medical Association.

In regard to the Alcoholism Foundation, impaired driving will continue to be a priority, but the focus of the program will shift to providing a thorough assessment of all impaired drivers, whether first, second, or subsequent offenders to determine how best we might be able to provide appropriate services to these people.

The 1986-87 Estimates for Manitoba Health will see the continued development and implementation of significant community-based health care initiatives. These initiatives have added significance in light of government restraint and the desire to maximize benefits flowing to the citizens of this province during difficult economic times. Not only will these Estimates attempt to maximize these benefits in terms of personal health care, but also attempt to introduce efficiency aimed at improving the total health care system in this province.

Manitoba Health will continue to intensify our efforts to improve maternal and child health. Additional staffing resources are available for the early discharge program at the St. Boniface Hospital which allows for expert nursing care for mother and child at home in familiar surroundings as opposed to an institutional setting.

Consistent with the findings and recommendations of the Health Services Review Committee, additional resources will be available through the continuing care program as a proven effective and viable alternative

to hospital care. New staff positions will be established in several health regions to enhance the coordination and delivery of services. New equipment will be tested to assist in more independent living and three projects at the Seven Oaks, Grace and St. Boniface Hospitals will be initiated to allow for emergency response to discharge or referral from selected hospital departments. We will continue to emphasize diabetes education as a preventative health measure to early detection and appropriate disease self-management. During '86-87, clinical and education services in support of this program will be enhanced.

The momentum established in the development of mental health services over the past few years will also be maintained this year. Additional resources designated for community residences and individualized proctor programs will be contributed to the continue of services available in the community.

However, in closing, I would like to reiterate that these Estimates are based on the overall objectives of maintaining the good health of Manitobans, prevention of bad health and the provision of quality medical care which is accessible to all Manitobans. This, Mr. Chairman, has been an exceptional year requiring understanding and cooperation of all those working in the health field.

I would like to take this opportunity to congratulate my Deputy Minister and senior staff as well as all those members of the health profession and various boards that have assisted me in so many ways.

Thank you, Mr. Chairman.

MR. CHAIRMAN: The committee will now hear a reply from the Opposition critic.

MR. D. ORCHARD: Mr. Chairman, I thank the Minister for his opening statements. I have some prepared notes that I wanted to follow off of, but it's almost tempting to go directly off and respond to the Minister's opening statement. I will make a couple of comments on his opening statement which is quite interesting in terms of — they are terminologies that I have never heard used by this government unless I missed it at some point in time.

We have finally someone in this government talking about attempts to introduce efficiencies, and I have to congratulate the Minister if he is serious about the intent of attempting to introduce efficiencies aimed at improving the total health care system in this province.

Efficiency is not a buzz word in the New Democratic Party ranks, to my knowledge, in the nine years I've watched them operate, and I think finally this Minister, after almost five years in a row as Minister of Health, is recognizing that indeed there is a need, and a continuing and more urgent need, for efficiencies in the health care system today than there ever has been.

A number of other areas that I have to take comment with, and we'll deal with later on as we get to the appropriate line in Estimates, but I really think whoever wrote the third paragraph, Page 11, indicating momentum established in developing mental health services truly had to be a pipe dreamer. Because if you talk to anyone involved in the area of mental health, they simply don't see that kind of momentum which they believe is going to be there when the New

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Democratic Party, under the present Premier, some two years ago acceded to the recommendations of the Pascoe Report on mental health where a commitment for \$5 million annually was part of the Pascoe Report to which they agreed.

There is only one exception that I recall the Minister making in accepting the Pascoe Report and that was that the AFM should not become a line department of the Department of Health. All other recommendations, including the additional funding, were acceded to and not delivered to date.

There are other areas within the Minister's opening remarks that I could deal with, but we'll get to them in due course during the perusal of the Estimates.

Mr. Chairman, the Minister, in his opening remarks, indicates that we have one of the finest health care systems in the world. I have to tell the Minister that I think we have a reasonable health care system in the Province of Manitoba, but he knows and I know and most Manitobans know that our health care delivery system in Manitoba is in serious problems right now. That's no secret to anyone who has availed themselves of any of the services within the province from admission to hospital, from admission to personal care home, from attempts to have diagnostic tests done.

Quite frankly, Mr. Chairman, that is an outcome that has been growing. We are today at that kind of a circumstance in the health care system because of a growing and compounding problem in health care and the delivery of health care. We are caught as a province and as citizens of the province between two very powerful forces: the first powerful force of decreasing resources which we all have to admit to, and the second powerful force, that being of increase in demands.

It is difficult for government of any stripe to make the tough decisions facing decreasing resources and increasing demands especially when Manitobans, by and large, still have rising expectations of what the health care system can provide to them so that the challenge to this Minister, to this government, are substantial as they would have been to us had we been on the other side of the House after the last election. Mr. Chairman, I guess the balancing of decreasing resources with increasing demands in face of growing expectation of the people of Manitoba is something that is a natural outflow.

Contrary to what the Minister has said in his statement about the province being in difficult economic times, that's a first admission from this government because we have heard the First Minister and many Ministers on that side of the House talk about how well our provincial economy is doing. You know, when you have a First Minister and members of the Treasury Bench constantly saying how good we are doing in the Province of Manitoba, naturally, you are going to have flow from that rising expectations as to what this government can do for them in the health care field.

So part of the rising expectation problem among the people of Manitoba is one which is self-inspired by the postulations of the Premier and others as to how well the Manitoba economy is doing. But I suppose we should pause and ask ourselves really what are the realities in Manitoba today and with the health care system.

I think that it's fair to say, as I did last year, that the realism, the reality of the health care system in Manitoba

is that we have a health care system that is being rationed to the people of Manitoba. Services are being rationed. They are being rationed inadvertently through budget constraints which are imposed by the government and they are being rationed by legislation that the government has passed in the last Session, legislation which will prevent expansion of outservice diagnostic clinics, something that the Minister has mentioned in his opening statements that is part of his new thrust in health.

The Minister doesn't appreciate now and he didn't appreciate last year when I indicated that the health care system was one that was rationed, but it is a reality of what is happening today. I think that you can find bountiful examples of that. But last year, in backing up the assertion that our health care system is being rationed, I spoke of the crisis in our hospitals. That, Mr. Chairman, was not my words last year; that was the words of investigative reporters for the Winnipeg Free Press who did a series of articles outlining the difficulties that our hospitals were facing. Those problems were there some two years ago; those problems are still there today; those problems are diverse and many.

There is loss of professionals in the Province of Manitoba. Ophthalmology is one example; psychiatry is another example. We still have excessively long waits for surgery in Manitoba. We have beds closed in our various institutions because of budget restrictions. Brandon General Hospital has beds closed because they simply don't have the staff to keep them open.

As the election rolled around and promises were made by this government about expanded facilities and services at Brandon Hospital, the question was put to us, during our task force on health and education, how can they be talking about expanded services when we cannot fund our present bed complement within our budget.

In my own constituency, the Town of Carman early this year closed some personal care home beds because they simply could not guarantee patient safety under the staff complement that was allowed through their budget. Winnipeg hospitals routinely close beds in various wings of their facilities. We still see people stacked in the emergencies. We certainly today have substandard diagnostic capability, a fact recognized by the Minister, in that we will go to five CAT scanners and we should replace the old one at the Health Sciences Centre because it simply is not a good imager.

Now we have increasing lists of panelled seniors that are waiting for personal care home placement, and all of these problems have grown to crisis proportions in the last number of years and they're not about to go away and the system, indeed, is being rationed, there's no question about it. Witness the St. Boniface Hospital in late March. They did not admit anyone for a 48-hour period in order to remove and reduce the overcrowding in the hospital. The Minister can't argue that the system is not being rationed with actions like that.

This year, after some substantial and extensive review, the Health Services Review Commission says in the prologue to their report to the Minister, "The Health Services Review Committee is aware that the Manitoba health care system is currently functioning under considerable stress. Health care facilities appear to be

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operating at close to capacity and there are continuing demands for services which had the potential to tax existing resources to the limit." I suggest that it could have read "are taxing existing resources to the limit," not, "have the potential to."

Over this Minister's first term as Minister of Health, we have virtually seen the health care system studied to death. We have had Manitoba and Medicare. We've had the most recent report from the Health Services Review Committee. We've had a number of other reports and studies into the health care system, but to date, I think it's fair to say that we haven't seen any action on those recommendations and those studies, and where the reports have been accepted, as I mentioned earlier, particularly the Pascoe Report on mental health, those recommendations have been accepted, but by and large have not been acted on in the way that the report suggested.

I suggest to you, Mr. Chairman, that the crisis we have in our health care system and the difficulties that are presently within the system are as much a crisis in leadership as anything else. Because surely, amongst a population of a little over 1 million people, a budget of 1.2 billion, properly expended, should be able to provide very excellent health care to all Manitobans.

But I suggest that the crisis is within the management of the Department of Health and within a number of the departments and directorates of the health care department; and indeed, into the Manitoba Health Services Commission, where they appear to have been plodding along, accepting the status quo, without attempting any innovation and any new ideas and any semblance of change that would better the system.

Now the Minister in his opening remarks says all that will change, that our studies now have pointed us in a direction that we will see innovation, that we will see change. I certainly hope that is true and that we will see those kinds of results. I think the Minister has to recognize — and it's not as if we didn't warn the Minister about the dual position that his deputy holds, as Deputy Minister and Chairman of the Manitoba Health Services Commission — five years ago members on this side of the House indicated to him that would be too enormous a load for one individual to carry on. I suggest to the Minister of Health that one of the changes that he may well look at is to restrict his current deputy and chairman to one of those positions and bring in some new blood.

Mr. Chairman, I suggest there's some changes needed there and I'm not using a broad brush, and painting all of the staff with the same brush. On the contrary, there are very competent people in the Department of Health, who, if turned loose, would provide this Minister with some ideas and some leadership that would truly help the Department of Health to deliver on its mandate at providing health care to Manitobans. I don't think the leadership is there, including at the Minister's level, to elicit that kind of innovation, drive and renewal that is needed within the Department of Health and within the Manitoba Health Services Commission.

Mr. Chairman, the crisis in the health care system and the problems we're facing and the rationing that we have to deal with are not simply problems of money, as I've indicated. It's simply not good enough to stand up and to blame the Federal Government. I give the Minister credit. Tonight there was no mention of federal funding.

I further want to give the Minister credit for his reply to the seniors of Manitoba on the Pharmacare deductible increase. I want to quote from the last paragraph of the Minister's letter to the seniors; it was in the last "Seniors" magazine. "The problem of financing is also compounded by the fact the Federal Government has unilaterally decided to reduce the rate of increase in transfer of payment to the provinces for the costs of health care and post-secondary education." That is indeed a factual statement of the current negotiations with the Federal Government. It is not, as the First Minister would have us believe, and other Ministers, that the Federal Government is cutting back, leaving the impression there is less money.

What we are seeing is a reduction in increase, from about 7 percent per year to 6 percent this year and 5 percent thereafter, hardly a cutback in the reduction as the Minister of Health's Premier would have the people of Manitoba believe. I have to give him credit for being that forthright and honest. It would have been very easy for the Minister of Health to continue along the Premier's line and say that there were cutbacks in the federal transfer payments. I give him credit for that kind of honesty.

I would also like to suggest to him, if he has the opportunity to write a similar letter again, you might also point out to the seniors of Manitoba that while the rate of increase in transfer payments is going to be reduced, that the Province of Manitoba has enjoyed a windfall in increased personal and corporate income taxes, by piggybacking on federal tax increases from two budgets ago federally; and that piggybacking on those tax increases federally have given the Province of Manitoba substantially increased funds, so that they really haven't lost in total because of the Federal Government; if anything, they've gained because of federal budgetary action.

But whilst I'm giving the Minister all this credit, I do have to tell him that having to justify an increase in the Pharmacare deductible by letter to the editor is shameful, and shameful from the standpoint that the Minister of Health chose not to tell the seniors of Manitoba prior to the election that deductible would go up. The seniors of Manitoba did rightfully feel deceived by the New Democratic Party by having that kind of an increase withheld until after the election, to avoid any controversy and any potential fall-out that may have come from that kind of an increased cost announcement, prior to the election.

Mr. Chairman, I've mentioned earlier that my contention and my belief, from talking to a number of people who are in a position to know within the health care system, is we do have inefficient management within our health care system today, and that's not getting personal with any of the staff, as members opposite might accuse me of doing. If we are going to realistically look at where we're going in health care, we have to look at the people that are providing the leadership and the management abilities, and we have to provide to them an environment where it is within their job description to seek out efficiencies when available. That, I suggest, is not available today.

You see, Mr. Chairman, within the health care system, I have talked to administrators of hospitals and personal care homes, who indicate to me, without question, that they know of areas wherein they could reduce the

spending within their homes, but they say immediately, on the other hand, why should I bother? There is no incentive to do it; the risk is all mine and the reward is none.

Mr. Chairman, during the election campaign, we had numerous discussions, and building up to the election campaign, in our party about how we get around that problem of lack of incentive in the management levels in the health care field, and indeed in government in general, but more important, in the health care field.

We came to the conclusion that should we be government that we would immediately begin working on a system whereby administrators and managers of the health care system, if they found a method of saving money within their institution, that that saving wouldn't simply be deducted from their next year's budget allocation, that they could use a portion, and a sizable portion of that saving, for improvements unique to their facility, whether it be improvements to staff benefit, whether it be improvement to services to the residents of those facilities.

Now, I know that's a controversial concept, but I think it's one that is absolutely essential that we bring into government, because otherwise we are going to stifle the innovation and the talent that's out there. And there is a lot of talent out there managing our health care facilities, people with experience, people with knowledge, people with ideas on how to make the system work better.

I don't believe that in the current system there is any way for that innovation, for that drive to more efficiency, that drive to cost savings can be harnessed and can be brought to fruition.

I'm not suggesting in any way, shape or form that those kinds of efficiencies be achieved at the cost of lowered standards of care. That is always the first premise I put on any discussions I've had with those administrators and they agree completely that that would not be acceptable, to save money and reduce standards. In fact, it would be nigh unto impossible because the Minister well knows, those homes, those hospitals all have to abide by standards set by the Manitoba Health Services Commission, and those standards can't be lowered.

Mr. Chairman, while we have studied to death the health care system over the last five years with Mr. Pascoe's research group, I don't detect where we've had any concrete suggestions on how to improve the way we spend our dollars in the health care field. There may be some coming out of the Health Services Review Committee, but I detect, when I read this, that this is a somewhat watered-down document, in that it doesn't truly contain all of the suggestions that may have come forward in such a diverse group of people, from such diverse areas in the health care field. I don't know whether this report of the Health Services Review Committee will indeed be the kind of blueprint that the Minister hopes it will be to direct the future change in delivery of health care in Manitoba.

Mr. Chairman, I want to tell this Minister that during these Estimates, for how much time they take, and indeed over the next year or two years, or however long he occupies the role as Minister of Health, I'm willing to work with the Minister in terms of trying to bring in those kinds of changes and innovation, and the efficiencies that he mentioned in his opening

statement, to the delivery of health care in Manitoba. I'll work with him to provide Manitobans with a better health care system.

That does not mean to say, Mr. Chairman, that I will not continue to criticize him when he makes bad decisions. An example of the bad decision most recently made by this Minister, that I know of — there are, no doubt, many others — is the decision that he made to cut the Home Economics Branch out of his department. That was a very, very bad decision. It was given to him on bad advice by his senior departmental staff, presumably. It was a decision which was not going to save the department money, which was going to cost a number of disadvantaged groups in society, both within and without the City of Winnipeg, to lose very valuable services. That kind of an efficiency, that kind of a cut in service, we on this side of the House will not tolerate and we will fight this Minister on. My offer to work with this Minister does not allow him free rein to hack and slash valuable programs such as the Home Economics Directorate.

But I will work with him in as reasonable a fashion as is politically possible, and if that isn't a mouthful, I don't know what is. I will work with this Minister in his attempts to increase efficiency and I will make suggestions to him as to how we can achieve that. He can take them for whatever value they may be to him. But, Mr. Chairman, one thing is certain and one thing is very clear to us in Manitoba, that this Minister and this government do need help in terms of providing change and direction to the health care system. It is in crisis — not my words, but the words of reporters in the Winnipeg Free Press and other observers. It is a system that is rationed. It is a system identified in the Health Services Review Commission as under considerable stress.

It's going to require a lot of thoughtful decision-making. Decision-making is what is necessary and that requires leadership. I hope that this Minister sees fit to provide that kind of leadership. He's got a renewed mandate with the people of Manitoba; he can provide that leadership for change now. He can start it this year, not next year, and hopefully some of the decisions that he will make over the next year, or two years, or whatever, will end up with Manitobans being as well served, at least, with their health care system as they are today, hopefully better served, but under the constraints that this Minister finds himself, I'm not sure that he can deliver on the better service.

The promise that was made about restoring the health care system, as made by the New Democrats in 1981, was certainly not made in 1986, because it was under their tutorship that it really needed restoration. That is the circumstance the Minister finds himself in now and today. We hope to hear from him his ideas as he's alluded to in his opening remarks on the efficiencies, the new changes. We will offer him, hopefully, constructive criticism and support for those aspects of change that will better the health care system.

MR. CHAIRMAN: At this point in time, we're going to invite the staff of the department.

The Honourable Minister.

HON. L. DESJARDINS: Mr. Chairman, I wonder if I could respond to some of the things, not to prolong

it. Whatever I have to say could be said at another time, but I think it's probably appropriate that I mention it at this time.

I want to cover some of the things that were said by my honourable friend. First of all, let me disarm him to some extent, to say that I agree with 75 percent of what he said. What he has done is repeat, in many instances, what I've said in previous years. I don't say that to take anything away from him because I think that at least 75 percent of what he said, I agree with.

Now, I also would like to thank him for his offer of help. I hope, very sincerely, that could be done. I mean, the mouthful that he said, as much as, what is it? — partisan politics can permit or something like that. I wonder if we can deal with that and still have some cooperation, because I don't care who the Minister is, I don't care who the Opposition is, I would think that without being criticized too much that my colleague . . . that someday, I'm not going to say when, the time might be reversed and it's possible that the Conservatives will be sitting here in government. And I think that certain things should have to be looked at as much as possible in a non-partisan way for the best results for the people of Manitoba. And I think the ground work that we're doing now, because it's not going to be done in a year or two or three or four — it's going to take a while — I think that will serve whoever's in government, future government and future Ministers in the future. So I welcome that and I'll make an effort.

In fact, I think my honourable friend might remember that I invited him to do just that last year; he didn't respond, so I'm encouraged. And let me hasten to say that I agree and it would be a sad day indeed if there wasn't criticism from the Official Opposition. And I would expect that; I think there's no better way than to keep a Minister and the government on their toes but by good, honest, constructive criticism and I welcome it, as long as it's honest and as long as it's constructive criticism. So there's no conditions that my honourable friend will have to be nice to me at all times and never criticize me. Not at all, in fact the opposite would be true. I would want to be criticized.

Now I would like to . . . and this is not a very well-structured response but I'll try to follow the notes that I've here and some of the things that were said. Well, first of all let me cover something. My honourable friend said that health was studied to death. Well, he knows better than that; he knows that when we took office in 1981 that there wasn't one single planner or evaluator in the Department of Health. All of them had been let go. There was no planning, there was no research. You know, after saying that it's studied to death, my honourable friend said, well, you have no system, you have no way to go, you don't know where you're going. Well, you don't just pull that out of a hat or read a book and say, here this is what we're doing. I think that has to be planned, that has to be worked with, not only with government; you have to work with the professionals that are giving the services; you have to work with those administrators that he's talking about that have all kinds of ways. And I'm very pleased to know that most administrators of hospitals have many ways of saving funds. I'm very pleased to know that.

My honourable friend is already working with me when he tells me that. This is valuable information. And this

is what we've done now. In four short years what we've done, we've built up the planning, it took a while. We established a relationship with the profession which is second to none, one of the best in Canada, and I say this very proudly. I know that we're walking on egg shells, that could change very fast. But right now we have better cooperation from the medical profession than any province in Canada. I repeat, in any province in Canada.

The medical profession, the nursing profession and most of the others, the dental profession, who are not known as rapid supporters of this government. And we have a good relationship, we've established confidence in each other. That doesn't mean that it's not going to be tough, that we'll always agree. We don't always agree. But so far . . . And that was very important. And then you have to give the message out there. And I've been preaching, I said that I agree with 75 percent of what was said, I've been preaching that message for the last two years and I agree when he said that it is a crisis, it is a difficult time. But I also repeat that it is one, if not the best health services in the world. Because I'm talking about universal coverage, I'm not talking about the stage where the elite get it and at least 35,000,000 people are not covered at all, receive no health care at all. I'm not talking about that, I'm talking about a program that covers all Manitobans, and I think that's important. That doesn't mean that we're not in trouble, that doesn't mean it's not going to be tough, and that doesn't mean it doesn't have to change because it has to change. So I have no problem with that at all.

Now I want to cover some of the points, the mental health, yes. There had never been any planning in mental health, none at all. And I'm not blaming past governments and past Ministers, whatever party they belonged to, I'm talking about the setup because that was never covered in any way by the Federal Government at the time — mental health wasn't covered.

So therefore, you spend your money where you can 50 cents back on every dollar. That was one of the things you did. And they're asking planning. And my honourable friend is right; there's one resolution that we're rejecting and immediately it is that the AFM would be part of the department. That is correct. But at no time did we say that there's going to be a five-year program, what everybody is repeating, that that was a recommendation and we will spend five million a year for those years. That was impossible, and we're not going to do that.

And let me remind you of the problems that we had in my first term of Minister in 1974 when I had a Deputy Minister who was going full speed ahead. He was going to close the institutions and that was great, you know, people latch on to that, that's great. There won't be any more Selkirk, there won't be any more Brandon. And what did we do? We went out, we supported that 100 percent; that was the biggest mistake we ever made, because people in the community were not ready, they would not accept that.

They weren't used to seeing some of the people that had been discharged from hospital walk the streets or going to school with their kids. That had never been done before. We use to hide those people, the same as we used to hide the seniors and hide all those people.

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If you weren't the best fit person in society you were pushed aside, but we're not doing that any more. We had to educate the people, and we had to train. We had nowhere to go, so what did they do? These people that belong in long-time institutions were filling the beds of acute beds, acute psychiatric beds in hospitals. It's the same way as we have the situation now where people who should be in personal care homes are filling some of those beds, the same way. And then there was no staff, nobody to look after, because the people weren't trained for that.

So we had to reverse style, we had to say hey, we're not ready for that. And we did that. And now we are going to go ahead; it's going to take a while because we haven't got the money to go as fast as we'd like to, as fast as these impatient people, the supporters, want us to go, and I hope they keep on pushing us where that is also needed. But we make responsible decisions; we're not going to take one thing and say we're going to bring mental health where it should be and the next day something else. We have to go on.

We have not the privilege or the luxury of putting a sign and saying we're closed for renovations; come and see us in a few years. We have to keep on, we have to keep those hospitals open even if things are not the way we want it. So that is one big difference to say that there would be \$5 million to spend every year for five years. That is not correct. We've never done that and I made that very clear.

Now the statement was made that I'm saying we're in tough economic times, and that was supposed to be a contradiction of what some of my colleagues have said when they said that Manitoba's progressing and the Bank of Montreal, I think they said, I've heard that quoted in the House many times, that Manitoba is leading in that field. That's no contradiction at all. It would be a contradiction if we did not have to worry about a deficit. And I think, well, at least there's a lot of lip service on the other side and I believe they're serious. They feel that our deficit is too high.

So that is an economic situation, a difficult situation. And then my honourable friends said we're not getting the same percentage of money from the feds; that's also quite serious. And then, what about the health field? Everything that is new all of a sudden — a few years ago my first, second term as Minister of Health — nobody know what a CAT scan was. I told you how much we're going to have to spend on that, and the maintenance of those things. And there's a lot of other things. And every day, every day, I might be exaggerating, maybe it's every second day that there's something new and somebody wants something else. And there's that expectancy and my honourable friend covered that; there's the expectancy out there, and that is the most difficult thing of all.

And you don't change that in one year, and that is where I need the help of my honourable friend, the help of the media, not only to every year which was done in the Roblin days, in the Schreyer days, in the Weir days, that every year the Free Press or a newspaper sent some reporter who was going to find something. And they do not want to talk about the good things; they refuse to talk about the good things; they want a scandal.

Fine, that is also good in a way because it points the worst things. But to say that we're that much in

trouble, there's a crisis, a catastrophe, that is a slight exaggeration. And look at any country in the world, look at any province in the world and tell me that doesn't exist, tell me that doesn't exist in any country in the world, but we say that we're different. Yes, we're different, but we can go on. My honourable friend made a point that a \$1 billion should be enough to take care of a million people, but the million people have to raise that money and we have to be careful with the funds.

Yes, it annoys me when my honourable friend talked about rationing, and he did it last year. I guess you can justify that if you say there's not a blank cheque to anybody who comes to your door. I guess all governments do that because they ration highways, they ration agriculture or health, they ration everything because the budget is approved and you're not supposed to overspend, although God knows we do quite often. So that kind of way I guess everything is rationed and don't tell me something that has been existing forever.

But to say that we are purposely rationing, we are not. We are not. If you're talking about rationing that somebody gets health care at a cost of \$70,000 a year, but you wish us to go to the next step and spend \$75,000 and \$80,000, yes, we're rationing and we will continue to ration in that way if that is the definition of rationing.

My honourable friend tells me that he's happy that I'm talking about efficiency; then he tells me that I'm rationing. He's acting like we think that we're going to start something and plan and work and then he tells me that we've studied this to death. Well, it takes that, it takes that, and fine, yes, for a couple of years we were talking about staff and research and that, and now we can't work fast enough because all these things hit us at the same time.

There was the Pascoe Report on mental health. We're certainly not satisfied with what we've done but we're not ashamed of what we've done. We're not finished the business of this review committee. It's not the end; there's a lot of things. We have to look at possible legislation; we have to look at streamlining some of the operations.

My honourable friend said that he was a little concerned that my — by the way, my Deputy Minister is not chairman of the Commission; he is a vice-chairman and there is a big difference. Let me honestly tell you the way they work the Commission because I told you before. The Commission had been used more as an advisory committee and to stay as much as possible at arm's length to review the hospital budget and so on. They only meet every second month now and so on with the advisory committee. I'll tell you why. It was great when the Commission first started; it was independent.

And you know who started this big debate on hospitals and personal care homes and Medicare? It was this Minister; there was one line. You used to come and bow and say yes, and there was no discussion on it at all, especially in the days when there were premiums. You didn't pay more attention to that than you do with the telephone and everything else. It was a different corporation and they had their own means, but it's not the case now. There is no premium, there is no utilization fee. I'm talking about the hospitals and personal care homes. They pay certain rent, and other

programs, certain per diems, and that now there is no doubt that the department, the government, has to accept responsibility.

I can tell you, yes, that we're going to look at the role of the Deputy Minister, and that's going to change. I think at the time, to get the coordination of everybody, it was very valuable. It was a history that every Deputy Minister that I know was a member of the Commission at one time or other, or nearly every one of them.

The situation, I'll tell my honourable friend, will look very serious this year. I'm not announcing government policy, we haven't decided yet, but it might be that next year at this time I'll be introducing legislation to do away with the Commission or to change the Commission's role. That's possible because we don't want any hypocrisy. Well, we've got to take the responsibility, but I would hope to find a way that the Minister is not the one who has to approve the budget in the hospitals and look in their deficit and so on. There has got to be some people that would do that to get this thing out of partisan politics as much as possible also. I think there has to be a system of some arm's length out there.

Now I didn't quite understand what my honourable friend said when he talked about diagnostic clinics. There will be clinics. That's one of the things we are going to look at. You know, my friend, that reminds me also that he said well, what have we done. We haven't done that much. As I say, it's quite difficult which everybody wants something.

During the election, I went out in different places, and every single place that I went they had their shopping list like all of us received in health, and most of them wanted a personal care home. Why? Well, we've got the property, we've got the land and maybe we won't have later on, and these people are growing older. It's all this fear. And what greater security than a senior person? Think of it, that at 65 or 70 or 75, they have the financial security, they know they'll keep 150 bucks or so, at least, and have everything else paid for them and they'll have the security, which is important to them, the security of companionship and people living with them instead of being stuck in an attic somewhere.

That's what we've got to change. We've got to do our utmost to see that people will want to stay out of institutions as long as possible. We've got to bring some services, some day services, even surgery for the day where people would not have to be admitted. But they need help for that. We must increase health care; we must do a lot of those things.

We must try to get an early discharge, for instance. That's an experience; that's going to save a lot of money. That doesn't mean that I'll be standing here and saying hey, we want this money that was spent in the hospital to go in the community. We won't be able to do that. The hospital will cost more money because somebody who was in the hospital, let's say for nine days, and the last three days was walking around, whistling at the nurses, or following the nurses around and waiting for their lunch and dinner to end, would now be out of the hospital, maybe with home care, for three days maybe of those nine days. And who will replace them in those beds? Sick people. There'll be more people admitted, then they'll be shorter staying; that's a possibility. So there's a lot of factors; there's no easy way at all.

A long wait in surgery — I read, I think it was in Ontario, in the Globe and Mail just last week that somebody was told that he'd have to wait a year before surgery. Sure you have to wait. I'll be as honest as I can. This is, in a way, to try to save some of the money because if you say no, if you say there are no people waiting for beds, it doesn't matter how many beds they have up there, they would all be filled. They will all be filled. So there's only one way to save is if you have to close, and I know I'm going to be criticized for that, but that is the way. They have to close beds and find other ways to treat people outside of institutions. That's the only way because a bed will used no matter what and everybody doesn't have to be in a hospital or an institution. It's pretty sad if we're going to keep all our people in an institution and so on.

We have to change the thinking. You were talking about an incentive. We've got to change the incentive of the public out there to know that there are certain things they can do without being institutionalized. I think that's an important thing.

The five CAT scans — by the way, the fifth one that I'm talking about is provision for five new ones. There's one already waiting to replace that old one at the Health Sciences Centre. It's a question of not being ready, that's all.

St. Boniface not admitted for a few days — that's true. But was that just to aim at the government? Was that saying that you had no beds? No. Because the people for one of the first times everybody, the medical profession, the nursing profession, the administrators in the government cooperated and said, hey, we're doing something wrong and we're punishing only ourselves. They've changed that, and I don't know, maybe in a few months it will be the same, it's possible; but they looked at the people that could go home. They looked not at many.

You talk about incentive. I think one of the main things is the incentive of the medical profession because right now, and that's no fault of theirs, they make their money because of the setup and they need hospitals. I've said last year that we have enough beds for the patients but not enough of the doctors, and that could not be more true because they need admitting privileges. They're not going to make a living — I'm not talking about all the doctors, there are certain specialties and so on that might need them — but the people need beds because that's the incentive.

It might be that if you know your doctor real well and you want to go to the CAT scan and they say a two-week period, that he might be able to sneak you into the hospital. You'll use a bed for four or five days so you can be in line to have your CAT scan, and go through the CAT scan in five days instead of two weeks. Those are some of the things that are done.

I'm not saying that there will never be any incentive for the administrator, but it pains me to hear that these people say we know how to cut the deficit — and I think I'm quoting my honourable friend properly — but why in the hell should we because we have no incentive? Are those the kind of people we have in Manitoba? Are those the kind of administrators that we have. If there's not something for them or the hospital or personal, well the heck with it? I hope we can change that, because they're doing that for them as much as the government. I don't get a bonus, no matter what

happens. There won't be any bonus at all, and those people are a lot better paid than I am, let me tell you that. You were talking a while ago about somebody getting \$75,000.00. I can tell you that it costs a hell of a lot more than that to get some of the administrators in these hospitals.

I think that this is one of the important things. I think that we've got to get the people to know that it is not my plan. It is their health plan for themselves, their family, their friends and all Manitobans. I think we've got to instill that kind of pride in wanting to do the best thing. I'm not saying that there should never be any incentives, and I believe that there are. I believe that some of the things can be used for other programs and so on, and that is one thing that we're looking at.

Still when my honourable friend was saying that, the first word that came into my mind — I know that's not what he meant, and I know that he would be hurt if I tried to say that this is what he was suggesting. But to me, it came no other but some kind of a bribe, so you can do those things that you think are so great. You know how to save money but you won't do it unless, here, turn around and spend the money anyway.

We've got that deficit that you're talking about all the time, that you want to pay also. We've got a lot of other things, and the \$1 billion more that we're spending on Health, that's pretty high also. If we've got to start paying people for doing well, it's going to be a sad thing.

MR. J. McCRAE: You're the only one who ever cares about the deficit.

HON. L. DESJARDINS: I don't think that's fair.

I said that I agree with a lot of things, and I agree that we have to be more efficient. I think we'll always have to look for more efficiency, but it's not just this Minister. I'll accept my faults and the blame that I'm responsible for, and even a little more. My shoulders are broad, but not that broad that I'm going to carry the mistakes of the world on my shoulders.

There's a lot of expectancy out there, and some of the talk that we have here, people are saying, I'll bet anything that before this is over, my honourable friend, who was so nice to me and tells me that I'm the only one that's interested in the deficit, will be telling me to do more for Brandon; will be telling me that he wants more personal care homes; will be telling me that the beds shouldn't be closed. He will, and that's to be expected of certain members — words like working together because, if they all do that, then what have we got? I'm the guy that's the voice in the wilderness, because nobody listened to me. Every single member here wants to be re-elected and, of course, he's got to be able to send this Hansard home and say, here, I wanted you to have more beds.

You've got to make those tough decisions within Health. If I'm ready to make them, you people have to make them also. I accepted Health when it was offered to me, for my honourable friend — (Interjection) — all right, that's a hint that I've been talking too much, but this is something that probably just set the tone to talk about the planning. I expect there'll be more, but I'll follow the advice of my honourable friend, and I'll sit down.

MR. CHAIRMAN: The Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Chairman.

Mr. Chairman, the members from the backbench said, you don't have to educate them all in one night, and I'm sure the member who said that . . .

HON. L. DESJARDINS: That was a hint for me to sit down.

MR. D. ORCHARD: No, it wasn't. It was a hint that your backbench needs the kind of education that you should be giving them around the Cabinet table, not in here exclusively.

Mr. Chairman, the Minister of Health has taken a number of areas to task. I find some of his comments quite interesting. First of all, in terms of his Deputy Minister, he's Vice-Chairman of the Commission; he's Executive Director of the Commission.

HON. L. DESJARDINS: And vice-chairman also.

MR. D. ORCHARD: Right, but the executive director position is the one which is the most responsible, and that is the position that my colleagues five years ago said is going to cause difficulties in administration of the department, to have one man in both those positions. I would suggest that the Minister of Health probably will be splitting that duty off over the next number of months, and having his current Deputy either there or as executive director and not both.

My honourable friend goes back to the old shibboleths that he brought up in last year's Estimates, and he'll probably bring it up in next year's Estimates as well, about the total lack of planning when he took over in 1981. You know, my honourable friend has failed to catch on to what his colleagues have from time-to-time gloated over in Manitoba, that they have been government for all but four of the last 17 years in the Province of Manitoba. Now if this Minister of Health inherited a department with no planning, we did likewise in 1977.

Mr. Chairman, the problem that we've got in the health care system today, and the rationing that I talked about that is there in the health care system today, was not there when he took over as Minister of Health in 1981. Despite all of the whining and the crying, the complaining done by notable members in the government today when they were in Opposition from 1977 to 1981 was simply balderdash. The health care system in 1981, the hospital system, the personal care home system, the medical program, chiropractors, dentists were all providing more rapid service, service with less waiting time than they are today. The system has deteriorated under four-and-a-half years of New Democratic Party management with this Minister of Health presiding over the disaster.

Mr. Chairman, he can't avoid that because, if he wants to pull statistics from 1981 which would show the panelled waiting list for personal care home placement, he'll find it doubled or tripled today compared to what it was in 1981. He will find that the waiting time for elective surgery in 1981 was considerably less, probably one-third of the time that it is today. He will find those facts because, in 1981, the health care system was

well-funded, and running smoothly and delivering services to Manitobans.

It is not doing it with the same kind of efficiency and speed today that it was in 1981, despite all of this planning and all of this studying of the system that he's had under his Planning and Research Director. The reality of the health care system today is that now we have a whole bunch of studies.

The Minister says, for instance, in the Pascoe Report on Mental Health, a review of the mental health system, that they didn't agree to a \$5 million yearly expenditure to enhance mental health program delivery. Mr. Chairman, the Minister may think that he didn't commit to that, but everyone I talked to in the mental health delivery field believes that was a commitment of the government — (Interjection) — now the Minister is saying from his seat, they want to believe that, but they certainly never heard it from him.

Well I'll let him solve that particular crisis in truth with the mental health people. We won't do it here. He can resolve that with the people in the field, because they believe that this government committed, in 1983, to accept it.

HON. L. DESJARDINS: I thought you were going to help me.

MR. D. ORCHARD: I am helping you. I'm trying to get you to tell what is mostly factual information to the people of Manitoba. I'm trying to help you.

Now secondly, in terms of mental health programming, this Minister, and this government are the same people who introduced per diems in the long-term mental health patients in Manitoba. I'll have to check my notes from last year but, between that and the removal of the Property Tax Credit Rebate, I believe the additional revenues were \$3.2 million; 1.7 million was one area and 1.6 was another area. There was a total of \$3.2 million of additional revenues from additional charges imposed by this Minister of Health and his government. Where did that money go, Mr. Chairman? Did it go back into the mental health field last year? No, it didn't. There's a modest increase this year but, still in all, the monies that he's gleaming from the very patients of the mental health system are not being returned to delivery of program in the mental health field.

You know, that has those people somewhat distressed at what this government and this Minister really meant when they accepted the Pascoe Report, with the exception of the AFM recommendation. They do not believe that this government is living up to its commitments, and we'll pursue that. We'll pursue that when we get into the mental health line, because it's an important area that I don't think the Minister is necessarily following through with what he agreed to two years ago on behalf of the government.

Mr. Chairman, the Minister talks about the planning efforts in government. It seems to be the only area of brightness that he has to talk about within his department, because it's the only area that he's brought in that's brand new, theoretically.

Mr. Chairman, making the accusation that there was no planning in health care during the years that my honourable friend and colleague, Bud Sherman, was

the Minister of Health is simply not a factual statement. The health care system in Manitoba during those years saw a number of innovative programs come in. That's where the Council on Aging came in. It wasn't this Minister that addressed the problems of the senior citizens in Manitoba. It was Bud Sherman, as Minister of Health, who put in the establishment of the Council on Aging, and with the offshoot recommendations that came along with that.

It was not this Minister of Health and the New Democratic Government that introduced respite care in the personal care home system. It was a Progressive Conservative Government with Bud Sherman as Minister of Health in 1980. The Minister shakes his head, but all he has to do is go to his annual report, look up the line, "respite care." He will find that his own annual report indicates it was introduced in 1980. He wasn't government then. Bud Sherman was the Minister of Health then, and that's the kind of planning and forward thought that was going into the Department of Health at that time. It didn't take 11 staff to do the planning, as this Minister has. It didn't take a consultant to develop a report, "Manitoba and Medicare," which the main upshot of it turns out to be an excuse to go after the medical profession and tell them that there are too many doctors for not enough people. That's the upshot of the Manitoba and Medicare Report.

There are other important issues in the Manitoba and Medicare Report, which I hope the Minister has time to reflect on and offer us his ideas and his mode of solution to some of the statistics that are in there that tell us that our teaching hospital per diems are higher than any other teaching hospital in Canada. Those are part and parcel of the Manitoba and Medicare Report.

I want to know, when we get into the hospital line, what he thinks is the problem, and how it can be resolved. That's the kind of area of real research that, if it's done, can lead to some positive solutions. But I don't know whether that is a follow-up of the identification of the problem that was present in the Manitoba and Medicare Report.

The Manitoba and Medicare Report indicated that our staffing costs were higher in our Manitoba hospitals than in the national averages. I want to know what the Minister thinks about that, having now a full year with his research department to reflect on that, and how it might impact on his ability to deliver health care to Manitobans.

The other day — well I won't get into that, we'll wait for another line. The Minister took exception to my remarks, and attempted to — well I won't say he attempted to make them mean something that wasn't there. But I believe he said that his first impression of my statement that there needs to be incentive in the system, so that the administrators and the people in the management positions and the people with the ideas on how to make the system work better, provide good care and save money, the Minister says: "They have to be bribed." You know, if that's the Minister's attitude to a suggestion I make, to turn it around and say that I'm not going to bribe administrators to do a job they should be doing already, then we're not going to get very far in this offer of cooperation that I've extended to him, because there's nothing in terms of a bribe in what I said to the Minister and from what I had mentioned to the Minister.

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The system, the way the budget is struck, the way the budget is operated on, the way new budgets are set, the incentive is there to spend your previous budget. The Minister knows that. There is no incentive in there to reduce your spending because, if you reduce your spending, your base line is down. Your budget increases from a lower base line and you get fewer dollars.

Now the Minister says that administrators are supposed to, all of a sudden, come up with the ideas that his department, his wonderful planning staff, should have on the administration of personal care homes and hospitals. But he says, they won't do it unless they're bribed. That is a real slap in the face to those people — (Interjection) — well, did you not say that in your remarks, that's it's almost as if they have to be bribed? That's the first impression you got? That's exactly what Hansard will show you said. Now if that isn't a slap in the face to those people and a distortion of what they can do for you, given the environment, the incentive, and the ability to undertake those kinds of innovations and changes, then, Mr. Chairman, this Minister isn't interested in seeing the system improve.

I don't for a minute believe that's true. I think this Minister does want to see the system change, improve, and see efficiencies introduced in it. But you're not going to get it by standing up, after I make a suggestion that administrators have ideas that can be pursued and used, for you to stand up thereafter and say, well my first impression is that administrators have to be bribed. That will get you nowhere, Mr. Minister.

You know, the Minister talked in terms of the wonderful cooperation that he has with all the related professions in health. That may be somewhat true, but I know of specific disciplines in the health care field that are not terribly enthused with some of the activities that have gone on with this Minister over the past number of years.

HON. L. DESJARDINS: Name them. I'd like to have a debate on that one.

MR. D. ORCHARD: Well they will be named. The dental profession is not as enthused with you as you so allege they are.

HON. L. DESJARDINS: I never said they were . . .

MR. D. ORCHARD: Oh, yes, Mr. Chairman . . .

HON. L. DESJARDINS: I said we had good cooperation and they . . .

MR. D. ORCHARD: Now we're getting a different version of what the Minister said from his seat. That's fine, but the professions that are there are not all enthused with this Minister and with his department — (Interjection) — and now he's saying he agrees. Well fine, we've got that established.

HON. L. DESJARDINS: I said, we had better cooperation than ever.

MR. D. ORCHARD: The Minister says, we've got better cooperation than ever. Well you know, the build-up to the election campaign with the chiropractors didn't

demonstrate that kind of professional cooperation. The dentists, as I've indicated, have been in a constant fiasco with this Minister over the provisions of the Children's Dental Health Program in Brandon and Winnipeg.

HON. L. DESJARDINS: Phone them, I just met with them today.

MR. D. ORCHARD: Mr. Chairman, the Minister says, phone them, he just met with them today. Well I hope that you've got some line in the Estimate that doesn't appear that will resolve that problem, but you don't.

Mr. Chairman, the medical profession is currently working with this Minister under an agreement which will last for four years on binding arbitration. We haven't yet seen what that cooperation — and that's what the Minister is talking about with the medical profession. That is where his good working relationship is coming from. We have yet to see what the binding arbitration will do in terms of settlement of fee schedules. We don't know where it's going to take us. We don't know whether the Minister of Health and this government have a "tiger by the tail", where an arbitrator might well find a settlement in order that far exceeds what the Minister might have negotiated without the binding arbitration. We don't know that. That is yet to be proved, and as the Minister so readily admitted, it's a very fragile situation. It could break down rather quickly. There is a major issue within the medical profession — (Interjection) — in terms of . . .

Mr. Chairman, the Minister asks: Am I not happy that you're having good cooperation? I have no qualms about hoping that all people would be able to cooperate with this Minister, but cooperation is indeed a two-way street. There are times when this Minister has made it a one-way street, and he will do it again because it's the nature of his style in administration and politics. It always has been. Currently — (Interjection) — this Minister . . . oh, the Minister just made a bizarre comment from his seat. He said that's what you talked about in terms of leadership a little while ago. That isn't what I talked about in terms of leadership a little while ago. There's a difference between a leadership and blackmail, and sometimes there is an element of the latter, much more in this Minister's negotiation than in the former.

HON. L. DESJARDINS: Mr. Chairman, on a point of order. I'd like my honourable friend to explain. I said that I have an impression. Now, he's accused me of blackmailing somebody and I'd like to have an explanation of that or withdraw these words that are certainly not . . .

MR. D. ORCHARD: Mr. Chairman, would you find "blackmail" any place in the unparliamentary words in the context in which I used it?

Mr. Chairman, if the Minister wants to have an example of coercion in negotiation, he simply has to look at the Pharmacy Program where it was a take it or leave it.

HON. L. DESJARDINS: We save half-a-million dollars and that's blackmail? You talked about efficiency a while ago?

MR. D. ORCHARD: Oh, Mr. Chairman, you allege your savings, but we'll get to that when we get into your Estimates. We'll get to that.

But, Mr. Chairman, the Minister in a speech to the UMM said that no changes will be made, and that was in the fall of 1984, I believe — no, maybe it was the fall of 1985 — the fall of '84, he said no changes will be made without consultation with all the parties involved and then two weeks later he announced a unilateral change in the Pharmacare Program, unilaterally, without consultation with the providers, without consultation with the professional association. That was as far as the cooperation and the consultation with that particular group of professionals went with this Minister, and he well knows that. We debated that extensively last year.

HON. L. DESJARDINS: . . . that wasn't the way it came out at all.

MR. D. ORCHARD: Oh, Mr. Chairman, the Minister likes to write revisionist history. That's exactly the way it came out. The UMM speech I quoted to him line and verse and this press release without consultation, the press release from the Professional Association of Pharmacists said exactly that. No advance warning; no consultation; no cooperation, that's what it said.

Is the Minister now saying that they didn't tell the truth on the matter? No, of course not, because the Minister can't say that, because that's exactly what he did. He used all of the weight of coercion to get a negotiated agreement with them which he indicates now is saving a half million dollars. In the process, Mr. Chairman — and we'll discuss it when we get to the line in Estimates — he imposed on rural Manitoba providers of service a series of criteria, and I'm not sure whether they have been modified in the last number of weeks or not.

HON. L. DESJARDINS: The association imposed that, not us, their association.

MR. D. ORCHARD: Well, we'll discuss it when we get to that line in Estimates.

But the system in rural Manitoba doesn't fit the system in Winnipeg. The circumstances are different, but yet this Minister and his Manitoba Health Services Commission appear, unless they've changed in the last six to eight weeks, bent on adhering to a set of guidelines and rules that are simply unworkable in rural Manitoba. Now, that's not cooperation. That's not this consultative process the Minister talks about.

So, Mr. Chairman, we do, despite the Minister's protestations, today have a system that is rationed. He used the analogy that certainly anything is rationed unless you put unlimited dollars towards it. I would agree with him on that statement with the exception of the cold, hard, factual data that more services are delayed and take more time today than they did in 1981. The system is rationed today because of budget constraints imposed by a New Democratic Government. The rationing is there, Mr. Chairman, and to deny it is to deny the reality of health care delivery today. I know that it's politically difficult for a Minister of Health to ever admit that under his administration health services

are rationed. That's not politically expedient to ever agree to that, but that's the only conclusion one can come to given a comparison of the last five years. It is simply there, Mr. Chairman.

So as we carry on in the Estimates, we no doubt will have a number of interesting exchanges over the issues of health care delivery and I certainly look forward to that. I will indeed try to cooperate with this Minister where he provides reasonable solutions; where he provides unreasonable ones, we certainly won't cooperate with him.

HON. L. DESJARDINS: Thank you very much.

Mr. Chairman, I wonder with the understanding of the opening remarks I think we've had, I think this was useful. I would terminate at this time and that we would go to Administration. Maybe we could call it ten o'clock or adjourn with the understanding that we start line by line. I'd like to tell my honourable friends that I will have a list for the department of the staff compared to last year and so on that you want.

MR. D. ORCHARD: Can you have it tomorrow?

HON. L. DESJARDINS: Yes, I should have it tomorrow; in fact, I'll give it to you tonight. I think there is somebody upstairs. I'll see that you get it and also the revised chart of just the department.

I would like to take this opportunity to say that we will ask for flexibility. Mr. Chairman, I would hope that we can stay on the line. Some of them, of course, covers quite a bit, but as much as possible refer back to it. If there is a question referred to that I would stay on the line with the understanding that I would like to, if the committee agrees now, that there should be flexibility. I think that the critic for the Conservative Party has to go on an errand of mercy.

MR. D. ORCHARD: That's off.

HON. L. DESJARDINS: Oh, that's off.

MR. D. ORCHARD: . . . I'm all right.

HON. L. DESJARDINS: Okay, well, then we'll continue the way we are. Before I introduce the Commission, somewhere around the Commission I'll present the five-year capital program. You can have a couple of days to look at it, so that when we talk about hospitals and personal care homes and so on. Thank you very much.

I move the adjournment.

MR. CHAIRMAN: Is it the pleasure of the committee to rise?

MR. D. ORCHARD: I presume so.

MR. CHAIRMAN: Committee rise.
Call in the Speaker.

IN SESSION

MR. DEPUTY SPEAKER, C. Santos: Is there a motion to adjourn?

Tuesday, 15 July, 1986

HON. L. DESJARDINS: I move that we adjourn, Mr. Deputy Speaker.

MOTION presented and carried and the House adjourned and stands adjourned until tomorrow 2:00 p.m. (Wednesday).