

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 28 July, 1986.

Time — 2:00 p.m.

MR. CLERK, W. Remnant: It is my duty to inform the House that Madam Speaker is unavoidably absent and would ask the Deputy Speaker to take the Chair, in accordance with the Statutes.

OPENING PRAYER by Mr. Deputy Speaker.

MR. DEPUTY SPEAKER, C. Santos: Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. DEPUTY SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Deputy Speaker, since its inception, the Development Agreement Program of the Manitoba Jobs Fund has served the province well, helping to maintain, preserve, create jobs, serving as a catalyst for industrial expansion, providing incentive for the attraction and development of new industry in Manitoba.

This afternoon, my colleague, the Minister of Industry, Trade and Technology, is in Carberry to announce a new develop agreement of great significance to our provincial economy, especially our agricultural sector.

I'm pleased to tell the House that with Manitoba Jobs Fund assistance and with the participation of the Federal Government, the Carnation Company is embarking on a major expansion in modernization of its potato processing plant in Carberry.

Through the Jobs Fund, the Province of Manitoba is making available to Carnation a \$1.5 million forgivable loan as its share of the expansion project which will cost \$38 million.

This was one of the largest investments ever to be undertaken in Manitoba's food processing industry. The Manitoba Jobs Fund contribution will enable the Carberry plant to reach an average employment level of 400 jobs by 1991. This is an expansion of 50 jobs over the current annual average. In addition, 50 construction jobs will be sustained through to 1989.

The expanded Carberry plant will allow Carnation to produce on a large scale specialized processed potatoes which are currently imported from the United States. With expansion, Carberry will be quick to compete in the rapid expanding markets of Japan, giving Manitoba processed food products important exposure in the valuable Pacific rim countries.

The expanded Carberry plant will mean a substantial increase in Manitoba's potato acreage which will further diversify land use in the province, while at the same time, setting off a ripple that will bring increased benefits to retail merchants, truckers, manufacturers of storage facilities and dealers and machinery and chemicals.

Most important for the agricultural sector, this development agreement and expansion will trigger increased annual cash receipts to potato producers of more than \$17.5 million. It is further projected that the indirect benefits will generate additional economic activity of \$42 million annually, making the Jobs Fund investment a solid, sound and a practical decision.

As Premier of Manitoba, I welcome this great show of confidence in Manitoba's producers. I'm especially gratified to note that the expanded plants' production will replace current imports who offer great potential for expanded exports of Manitoba processed potatoes.

I am also pleased to note that Manitoba potato production will continue to be market led with expansion occurring in a non-speculative fashion in a period of generally depressed farm prices. This expansion underlines the benefits that can accrue through diversification in land use and in agriculture.

I can assure the House today that my government will work to ensure that the full potential, both domestic and export, at the Carberry plant is realized. All members of this House will agree that the Carberry, Western Manitoba, and the entire province will be well served by this latest development agreement.

Thank you, Mr. Deputy Speaker.

MR. DEPUTY SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Mr. Deputy Speaker.

I'm delighted to rise on behalf of my colleagues in the Progressive Conservative side of the Legislature, in the Opposition side of the Legislature, to congratulate the Premier, or to welcome the announcement that he's making. We are always delighted to see a company, such as Carnation Foods, expanding in the Manitoba economy, investing a considerable amount of money in long-term job creation. That is the objective and the goal that all of us have for the future of our economy to see private sector companies taking the risk and making the investment that will allow for increased employment, increased economic opportunities, and of course increased spinoff benefits throughout the agricultural sector of our economy. We're delighted to learn of this announcement today, and particularly to know that the government is supportive of Carnation Foods in their endeavours to expand in the Manitoba economy.

Mr. Deputy Speaker, I want to just mention that although this initiative is attributed to the Jobs Fund, it's the sort of thing that governments in the past have entered into development agreements, through the Agro-Man part of our responsibility in the past, have resulted in initiatives such as this taking place by private-sector companies where the government has participated by way of agreements for infrastructure development and other investment in the economy.

I want to point out, Mr. Deputy Speaker, of course that the Premier has attempted to take full credit for the 50 additional jobs, the increase in employment and

spinoff benefits where it's pretty evident that the investment is a \$1.5 million forgivable loan and a \$38 million expansion.

Mr. Deputy Speaker, I would say that the Premier ought not to attempt to take too much credit for the initiative that's been put forward by this corporation. He ought to congratulate them; he ought to indicate that indeed the government is supportive and the government, in a small way, is endeavouring to assist, but that this is an initiative of the company. This is an initiative in which the company has taken the lion's share of the risk and made the major portion of the investment.

We congratulate the government for finally recognizing that indeed the private sector operators are the people who are the engine of growth in our economy. They are the people who must initiate these sorts of things. If government can assist in making, in some small way, it easier for them to undertake this expansion, that is indeed an appropriate role for government.

So I thank the Premier for the announcement. We congratulate Carnation Foods on showing and demonstrating their confidence and their ability to expand and the good things that they will be doing for our economy in future.

Thank you.

MR. DEPUTY SPEAKER: Notices of Motion . . .
Introduction of Bills . . .

ORAL QUESTIONS

Brandon University - Perkins' settlement

MR. DEPUTY SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Mr. Deputy Speaker, my question is for the Premier.

I wonder if the government has now received a copy of the financial settlement between the fired president, Dr. Perkins, and the Board of Governors of Brandon University with respect to his wrongful dismissal suit.

MR. DEPUTY SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Deputy Speaker, I believe the particulars of that settlement were released on Friday or Saturday. I'd refer to the Minister of Education for a more specific response, but I believe that information has already been made public.

MR. DEPUTY SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: Mr. Deputy Speaker, yes, the Brandon University Board of Governors released the terms of the settlement on Friday. There was a joint press release made by Dr. Perkins and the university releasing the information, and it has been made available publicly.

MR. DEPUTY SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Mr. Deputy Speaker, has the Premier, on behalf of the government, in response to his letter to the chairman of the Board of Governors, received a copy of the settlement?

MR. DEPUTY SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Deputy Speaker, in my letter to the Board of Governors, I indicated to them my preference that the settlement be made public. As a consequence of my letter to the Board of Governors, they have made it public, according to the wide coverage that it received over the weekend.

MR. G. FILMON: Has the Premier had a chance to review the settlement and the details that were contained in that settlement?

HON. H. PAWLEY: Mr. Deputy Speaker, certainly I'm aware of the details of the settlement.

MR. G. FILMON: Mr. Deputy Speaker, has the Premier reviewed the settlement so that he is conversant with the details of the settlement?

HON. H. PAWLEY: Mr. Deputy Speaker, certainly in general, I'm quite familiar with the details of the settlement arrived at between the Brandon University, the Board of Governors and Mr. Perkins.

MR. G. FILMON: Mr. Deputy Speaker, I wonder if the Premier would be good enough to table a copy of the settlement so that we may peruse it now.

HON. H. PAWLEY: Mr. Deputy Speaker, I thought I indicated to the Leader of the Opposition that I had indicated to the Board of Governors my preference to make the contents of same public; that has been done. I don't know whether the Minister of Education has a copy of the specifics of the settlement, but that has been obviously already made public, pursuant to my request.

MR. G. FILMON: Mr. Deputy Speaker, since the Premier doesn't know whether the Minister of Education has a copy of it, he obviously hasn't seen a copy of it; so I would like to ask the Premier if he would endeavour to obtain a copy of the settlement and provide us with a copy of the settlement so that we may peruse it.

MR. DEPUTY SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: Mr. Deputy Speaker, I have indicated that Brandon University has made them available. If the Leader of the Opposition would wish, he could certainly avail himself of a copy.

I believe the Brandon University library has copies, as does the legal office which represented Brandon University, in Winnipeg, has copy available.

MR. G. FILMON: Mr. Deputy Speaker, are we to assume then that the Premier does not want to obtain a copy of the settlement, and is comfortable just to have it in

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the library at Brandon University and to have it in the hands of the media of the province? Isn't he interested himself, in looking at the settlement?

MR. DEPUTY SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: The Leader of the Opposition ought to be fully aware that this is a public document. It is a document that has now been made public for the general public at large. It's on file at the Brandon University. I'm sure that we can mail one to the Leader of the Opposition - can obtain and mail one to the Leader of the Opposition. I don't know why the Leader of the Opposition cannot simply obtain one himself, like any other Manitoban.

MR. DEPUTY SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Mr. Deputy Speaker, if it hadn't been for questioning from this side of the House, nobody would have had an opportunity to avail themselves of that settlement. This Premier was denying everybody that.

SOME HONOURABLE MEMBERS: Oh, oh!

HON. H. PAWLEY: The statement by the Leader of the Opposition that if it had not been for questions from this side of the House, that the document wouldn't be made public, is absolutely false.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. G. FILMON: Mr. Deputy Speaker, the record will show clearly that after three or four days of questioning, finally the Premier asked for the copy.

MR. DEPUTY SPEAKER: Does the Leader of the Opposition have a supplementary question?

MR. G. FILMON: Yes, I do. Mr. Deputy Speaker, my question to the Minister of Education is: Having now had an opportunity to peruse the effects of the settlement between Dr. Perkins and Brandon University, will he now correct the initial impression that he gave that the settlement had nothing to do with the dropping of the case between Dr. Perkins and Professor Errol Black?

MR. DEPUTY SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: Mr. Deputy Speaker, the specific question that was asked of me related to the specific use of public funds for the resolving of issues outside of the disagreement between Dr. Perkins, the University of Brandon and the Brandon Board of Governors.

I had indicated that on two separate occasions I had contacted the vice-chair of the Brandon University of Governors and it was indicated to me that no funds were used for that purpose. Mr. Deputy Speaker, it came as a surprise to myself to find it referenced in the agreement. However, I indicate that no sum was

attached to that. It was nonetheless referenced in the agreement and, Mr. Deputy Speaker, I indicated to the Member for Brandon West, when he raised the issue, that upon his question I contacted Dr. Stewart and that was the advice that I was given.

MR. DEPUTY SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Mr. Deputy Speaker, in view of the fact that one of the terms of the settlement agreement is the dropping of the suit against Professor Errol Black and that the whole of the settlement involves \$1 million over a period of 10 years, is that not firm indication that there was some cost to the dropping of the suit against Professor Errol Black? Will the Premier not investigate this and now find out why the Minister of Education was misinformed by the acting chairman of the Board of Governors of Brandon University?

HON. J. STORIE: Mr. Deputy Speaker, I do not know that the Member for Tuxedo can say that I was misinformed by - however, there may have been a misunderstanding about what the implications of the Member for Brandon West's questions were. However, I indicated to the House the response that I had received to that specific question on two occasions.

Mr. Deputy Speaker, the member references the \$1 million settlement. I indicated on another occasion and it has been reported previously that the settlement, whether there had been the legal wrangling or not, would have involved a tenured position for Dr. Perkins, whether he remained as president or not; that was part of the initial discussions. I think it is a little bit misleading to include that as part of the settlement.

I acknowledge that the settlement is unfortunate and perhaps horrendous in many points of view; however, Mr. Deputy Speaker, those kinds of discussions, those kinds of negotiations, are not unusual in the removal of executives from private corporations, or in fact from the severance arrangements that had been arranged previously in universities in Manitoba.

Mr. Deputy Speaker, I point out to the members opposite, and the Leader of the Opposition should be fully aware of this, that in fact six senior officers at a university 1979-80 were removed, and in fact that they were negotiated settlements that came about of that - the same kind of expending of public funds to maintain the integrity of the institution.

MR. DEPUTY SPEAKER: May I remind all members that question period is not a time for debate, that answers should be as brief as possible, dealing with the matter raised and should not provoke debate.

The Leader of the Opposition.

MR. G. FILMON: Mr. Deputy Speaker, I quote from Hansard, in response to the question as to whether or not funds administered by Brandon University on behalf of the people of Manitoba were being used to settle a lawsuit between Dr. Perkins and this private individual, referring earlier to Professor Errol Black. The Minister said on Friday, the 11th of July: "Madam Speaker, yesterday the Member for Brandon West asked me about the relationship between the University Board

of Governors and the Professor at the University and I indicated, at that time, it was a spurious allegation. I can confirm today that it was."

Will the Minister of Education now apologize to the Member for Brandon West and this House for indicating that his question was a spurious allegation when, in fact, the information indicates that the settlement includes the dropping of a suit against Dr. Errol Black, and his allegation was indeed correct?

HON. J. STORIE: Mr. Deputy Speaker, I indicated to the Member for Tuxedo that the reference to the question was relating to funding. I asked that specific question and received a negative response from the vice-chair of the University of Brandon Board of Governors. I indicated that there is no reference in the agreement to any public sum of money relating to that issue.

Mr. Deputy Speaker, if I inadvertently advised that it was not part of the agreement, I have indicated that, until I received the agreement Friday morning, I did not know that. That was not indicated to me by the vice-chair. Mr. Deputy Speaker, I was responding to a specific question about funding directly to the resolution of that issue.

MR. G. FILMON: Mr. Deputy Speaker, when he responded on the 11th of July, the Minister of Education indicated that he had investigated the matter. Is he saying now that he did not ask whether the lawsuit against Professor Errol Black was part of the settlement? Did he not ask the acting chairman of the board that question?

HON. J. STORIE: Mr. Deputy Speaker, I indicated to the member on three separate occasions that the question raised by the Member for Brandon West about the specific use of public funds was raised with the vice-chair, and I've indicated the response that he gave to me.

MR. G. FILMON: Mr. Deputy Speaker, did the Minister of Education attempt to ascertain whether the suit against Professor Errol Black was part of the settlement when he spoke to the lawyer or the Acting Chairman of the Board of Brandon University?

HON. J. STORIE: Mr. Deputy Speaker, I can only indicate that, with reference to the use of public funds, yes, that was inquired; that inquiry was made.

MR. G. FILMON: Mr. Deputy Speaker, the Minister appears not to want to understand my question. I'm not asking, with respect to the use of public funds. Did he ask whether or not the suit against Professor Errol Black was part of the settlement when he asked either the lawyer or the Chairman of the Board of Brandon University?

HON. J. STORIE: Mr. Deputy Speaker, I've indicated the basis on which I asked the question. I did not make any reference to whether it was included in the agreement specifically that has been tabled by Brandon University. I've indicated, from the inception of this difficulty, that Brandon University's goal was to get this

behind them, that the question was leadership and that's been resolved.

I believe that every public statement made by Dr. Perkins, by the University Board of Governors, by members in this Chamber, has been to the effect that, yes, we would like Brandon University to have this issue behind them. I believe that's been resolved. The members opposite indicated they would like to see the details of the negotiated settlement. That, as well, has been responded to by the Board of Governors. I don't know what more, Mr. Deputy Speaker, the members opposite want.

MR. DEPUTY SPEAKER: A final supplementary, the Leader of the Opposition. He's got a supplementary question?

MR. G. FILMON: I'm asking a question, Mr. Deputy Speaker.

Mr. Deputy Speaker, my question to the Premier is: Will he and his government be terminating immediately the appointments of those members of the Board of Governors of Brandon University, appointments made by this administration that made the decision that resulted in a wrongful dismissal suit, a wrongful dismissal suit that has now been settled for more than a million dollars of taxpayers' money? Will they be asking for the resignation, the immediate termination of the appointments of those people they have appointed to the Board of Governors, who have acted improperly in this dismissal of Dr. Perkins?

MR. DEPUTY SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Deputy Speaker, there appears to continue to be misunderstanding on the part of the Leader of the Opposition. There has been no settlement for \$1 million.

MR. F. JOHNSTON: Go to Brandon, Pawley.

MR. D. ORCHARD: We don't need any more of Evans' friends.

MR. F. JOHNSTON: I was there on the weekend; your name's mud.

MR. DEPUTY SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Mr. Deputy Speaker, is the Premier denying the details of the settlement that have been published in several news reports over the weekend that place the total value of the settlement with Dr. Perkins over the 10-year period in which he will receive payments from Brandon University at \$1 million? Is he denying that information?

HON. H. PAWLEY: The figure of \$1 million is incorrect.

MR. G. FILMON: Mr. Deputy Speaker, will the Premier give us the correct figure then?

HON. H. PAWLEY: Mr. Deputy Speaker, that question is repetitive. The Minister of Education has already,

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twice, attempted to explain to the Leader of the Opposition the precise terms of the settlement and the reason that an amount of money is being included in a particular article, which not ought to be included, because it would have occurred in any event.

MR. G. FILMON: Mr. Deputy Speaker, will the Premier give us the correct figure, in the view of his government, for this settlement with Dr. Perkins?

HON. H. PAWLEY: Mr. Deputy Speaker, we are again being quite repetitive. We had indicated to the Leader of the Opposition that the terms of the settlement can be obtained.

Also the Minister of Education, I thought, attempted to advise the Leader of the Opposition, but the Leader of the Opposition appeared to fail to listen as to the terms of the settlement; and probably the Minister of Education again should convey the accurate information to the Leader of the Opposition so he could be better informed.

MR. G. FILMON: Mr. Deputy Speaker, in addition to the settlement, details of which have been on all the news media on the weekend, according to the Premier, the settlement that has been characterized as a million dollar settlement with Dr. Perkins, in addition to that, what were the legal costs in making that settlement with Dr. Perkins?

MR. DEPUTY SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: Mr. Deputy Speaker, with reference to the Leader of the Opposition's earlier question, certainly if he had availed himself or if he does avail himself of a copy of the agreement, he will be able to put to rest the assumptions that he is making about the cost.

It is closer to \$240,000, Mr. Deputy Speaker, \$38,000 of that goes directly to Mr. Perkins. The remainder is in pension funds.

It has been indicated on a number of occasions that the reference to the long-term employment is irrelevant, in the sense that was offered prior to, and would have followed as a result of Mr. Perkins' wilful stepping down from the presidency, so I think that it is clear. We should have the numbers on the record. I believe the release of that information has done that; and I indicate to the member as well that this is not a precedent.

Universities have, from time to time, settled disagreements, professional disputes, by way of negotiated settlements, rather than recourse through the courts. It is not unusual; it occurred when the Leader of the Opposition was in government and I might add, in total, at substantially more cost to the public than what has occurred here.

I point out again, Mr. Deputy Speaker, the complete fallacy, the lack of judgment shown by the Leader of the Opposition in concluding that because there was a wrongful dismissal suit, that that nonetheless, was not a necessary action on the Board of Governors.

It has never denied, I believe, that there were problems at Brandon University. The faculty, the students, the community believe that there was a need

for a change in leadership. That occurred. Mr. Deputy Speaker, we will never know what the price of not acting would have been to Brandon University and its future.

MR. G. FILMON: Mr. Deputy Speaker, I have one final question for the Premier.

Given that the Board of Governors, which has been appointed largely by Brandon University, was responsible for a wrongful dismissal of Dr. Harold Perkins that will cost the taxpayers of Manitoba a total of a million dollars or more, will he not now immediately revoke the appointments of these people responsible and change those members of the Board of Governors of Brandon University?

HON. J. STORIE: Mr. Deputy Speaker, the Member for Tuxedo persists in suggesting that Brandon University Board of Governors have shown to be guilty of wrongful dismissal. That conclusion could only have been stated with the kind of certainty that the Leader of the Opposition pretends, as if it had been pursued through courts.

I indicated some time ago that I had contacted the lawyer for Brandon University Board of Governors, indicated that, yes, he believed that there was sufficient evidence for the initial action and he believed that it was possible that Brandon University would win. However, he indicated there was no certainty.

The difficulty for the Board of Governors was — and would have been, had this settlement not been negotiated, and we all agree that it's an unfortunate incident — however, it may or may not have been necessary. I don't believe that it's as clear-cut that it wasn't, as the member opposite; and I don't believe that the university faculty, the Brandon University faculty or the students or the community back in that time believed that it was unnecessary either. I believe they thought it was necessary.

Remedial Writing Program - University of Manitoba

MR. DEPUTY SPEAKER: The Member for Fort Garry.

MR. C. BIRT: Thank you, Mr. Deputy Speaker. My question is to the Minister of Education.

The Dean of Arts and Science, Dean Michael McIntyre at the University of Winnipeg, has indicated he wants to make it mandatory to introduce a writing program at the University of Manitoba concerning the writing skills of the students coming into that institution. He also indicated that it would be accepted by the private and public, as well as the students.

My question to the Minister of Education is: Is he supportive of Dean McIntyre's plan to provide mandatory writing programs and does he agree that the students need these upgrading skills?

MR. DEPUTY SPEAKER: The Minister of Education.

HON. J. STORIE: Mr. Deputy Speaker, I have not seen the specific proposal mentioned by the Member for Fort Garry.

I would indicate that, as with any testing, whether it's a standard achievement test or otherwise, to the

extent that it would unduly limit access to universities by those who, for whatever reasons, are having unusual difficulties, that it may be a cause for concern. I wouldn't rule it out of hand. I would have to see the proposal and see how it was to be implemented before I could comment on its usefulness as a practice in our post-secondary education institutions.

MR. C. BIRT: Considering that the program is a remedial program and not an exclusive or an exclusion program, I would ask, considering the Minister and his colleagues have taken great delight to keep promoting the fact that for 13 of the last 17 years they have been in power in this province, why is it necessary for a university to establish a writing skill program for its students to qualify to graduate from their institution?

A MEMBER: Good question.

HON. J. STORIE: Mr. Deputy Speaker, to answer the member's questions, I'm not sure that it is. This is the first time that I've heard it raised, this specific proposal raised.

I would like to inform the member that the universities in Manitoba are not alone in their attempts to deal with deficiencies as they become apparent in the university system; and that those may or may not directly reflect on the curriculum, the teaching, those elements which go into producing a post-secondary graduate.

So, Mr. Deputy Speaker, I don't believe the solution that's proposed is necessarily an answer to the problems that universities face. We believe that a much better solution is to work within the system to continue to refine our curriculum so that the end result will be high school graduates which can all achieve a satisfactory level at the universities.

MR. C. BIRT: Mr. Deputy Speaker, I would ask then: Will the Minister investigate why the dean and the universities in general seem to think it is necessary to institute remedial programs to allow students to qualify to graduate from their universities?

HON. J. STORIE: Well, Mr. Deputy Speaker, I've indicated that this was the first time I have been made aware of this particular proposal. I will certainly be wanting to follow up the proposal to see what merits it has and how it would be used and what the intention of such a writing course would be. Then I will be in a better position to reflect on what implication it has for the high school program in Manitoba.

McCain's Foods Ltd., Portage

MR. DEPUTY SPEAKER: The Member for Kildonan.

MR. M. DOLIN: Thank you, Mr. Deputy Speaker. My question is to the Minister of Environment.

On July 21, 1986, during the Estimates, the Member for Portage la Prairie brought up some concerns regarding McCain's plant, Portage, where he suggested undue harassment, and that McCain's was being put under undue pressure and expense. He further goes on to say, I think that the department is going a little hairy. I'm told by people involved that some of the

officials are very pompous and very arrogant and very domineering. I would like to ask the Minister, has he investigated these charges and allegations?

MR. DEPUTY SPEAKER: The Minister of Environment.

HON. G. LECUYER: Thank you, Mr. Deputy Speaker. The member also made those charges in regard to staff on July 18 in the House.

I want to state that there is indeed expansion not taking place, but that has taken place at McCain's in Portage la Prairie.

The hearings took place under the normal procedures when a plant expansion occurs which has environmental impacts. They are required to register with the department. If there are objectors, as there were indeed in this particular case, the Clean Environment Commission is responsible for holding public hearings; which were held on Thursday the 17th, the day before this was raised in the House.

I have received the letter from the plant manager in Portage la Prairie, which I shall table, and it's copy to the Member for Portage la Prairie, in which he says: "I was surprised to learn from news reports that this same matter was discussed in the Legislature on Friday. I would like to reaffirm our desire to continue working in cooperation with your division staff to address and resolve environmental situations pertinent to our operation here."

MR. M. DOLIN: A supplementary, Mr. Deputy Speaker. Where does this particular matter stand at the moment regarding McCain's expansion and their relationships with the other departmental staff?

HON. G. LECUYER: Mr. Deputy Speaker, as I've indicated McCain's has proceeded with its expansion, is operating with that expansion in place now, as allowed under the act and the results of the hearings will be made in due time. As I said, the hearing took place only on the 17th, the day before this was raised in the House.

As I indicated at the time when I took the particulars of this question under advisement, that there was certainly no harassment on part of the staff as is indeed vouched for by the letter from the Manager of McCain's in Portage la Prairie.

Indeed, the remark which had been made that these hearings were being held at a time when no objections had taken place, were proved to be unfounded.

Capital punishment

MR. DEPUTY SPEAKER: The Member for St. Norbert.

MR. G. MERCIER: Thank you, Mr. Deputy Speaker. I have a question for the Attorney-General.

Manitobans, and I'm sure all Canadians, would be repulsed to learn of the discovery of an 11-year-old girl in a ravine and a 27-month-old girl found in a garbage can, both murdered respectively in Toronto in Woodstock, Ontario.

I would ask the Attorney-General whether he would consider recommending or supporting revisions to the Criminal Code which would impose capital punishment in these cases?

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MR. DEPUTY SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: That question is not a question within my ministerial competence and I think the question is out of order; and I'm not going to deal with the question of capital punishment in this House.

It's an emotional issue and I think the Member for St. Norbert does a disservice to the tragedy — (Interjection) — he does. It's exploiting the tragedy of those families to raise that issue in this House for purely political reasons and I for one will not allow the tragedy of people of that kind to be exploited for the narrowest of cheap, political motives.

MR. DEPUTY SPEAKER: Order please. All the members of the House know that questions should be within the ministerial competence of the Province of Manitoba.

The Member for St. Norbert.

MR. G. MERCIER: Mr. Deputy Speaker, in view of the fact that the Attorney-General attends meetings of Ministers of Justice and Attorney-Generals across Canada on an annual basis or even more often and consider amendments to the Criminal Code at all of those meetings, I ask the Attorney-General to state for the members of this House and the people of Manitoba, what is his position with respect to that matter?

HON. R. PENNER: The minute the Minister of Justice or Solicitor General has the courage to put that question on the agenda of one of our meetings, at that point I will have to have a position, I suppose, for that meeting. At that time, if I have a position and if I state it, I will advise this House.

MR. G. MERCIER: A supplementary, Mr. Deputy Speaker. I ask the Attorney-General, is he more interested in dealing with prosecuting 93-year-old bootleggers than in dealing with this particular problem?

HON. R. PENNER: The actions taken against that bootlegger were taken by the City of Winnipeg police, right? And they were not taken at my instance. Again, we have the former Attorney-General who should know better, trying to wriggle out of the corner he's painted himself in this afternoon by accusing me of prosecuting that particular case.

The facts of that case are apparently - I gather from a quick perusal of this morning's paper - somewhat in doubt. I, for one, while the case is still pending, would not make it the subject of debate in this House and I'm sorry that he does.

Land Titles Office - work backlog

MR. DEPUTY SPEAKER: The Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Mr. Deputy Speaker. My question is to the Attorney-General.

On May 27 the Minister said in this House regarding the Land Titles Office: "We've increased term staff to

increase the turnaround time so that those out there who are waiting for titles can get them as soon as possible while we're waiting to computerize."

In light of that statement, can the Minister explain why the time for processing land titles in Manitoba has increased from 16 days last summer to 35 days at the present time?

MR. DEPUTY SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Yes, indeed, I have - at least I hope - an intelligent answer; and the answer is, we still have those five term people but because of the economic policies which this government has been pursuing, we are leading the country in terms of economic activity in the field of housing and housing starts, in housing sales and the volume in the Land Titles Office has increased far beyond anybody's expectations as a result of our policies.

Indeed, we may have to add some additional term staff to cope with the success of our own policies and we would be prepared to do it.

MRS. S. CARSTAIRS: A supplementary, Mr. Deputy Speaker.

In light of the last statement, can the Minister assure us that some of the \$800,000 in increased fees to be charged to those purchasing real estate in Manitoba, will be in fact put in place to hire additional staff?

HON. R. PENNER: It's my hope that that will be the case, Mr. Deputy Speaker.

Supply management commodities

MR. DEPUTY SPEAKER: The Member for Lac du Bonnet.

MR. C. BAKER: Thank you, Mr. Deputy Speaker.

In view of the fact that all agricultural products will be on the table at the bilateral trade talks with the United States, what will be the implications of the negotiations for supply management commodities, such as broilers, eggs, turkeys and vegetables? And my question is to the Minister of Agriculture.

HON. B. URUSKI: Thank you, Mr. Deputy Speaker. I thank the honourable member for his question.

There have been meetings between officials in our department and Industry, Trade and Technology in Ottawa with the federal negotiator. From our information and our advice to them is that the supply-managed commodities that the member makes reference to would, in fact, be decimated if they were put on the table and traded away in some areas. As well, the vegetable industry, of course, would lose its preferential treatment in terms of the seasonality of support and tariff protection that is now being afforded by present agreements with the United States.

MR. DEPUTY SPEAKER: The Member for Lac du Bonnet with a supplementary.

MR. C. BAKER: A supplementary, Mr. Deputy Speaker.

Just what mechanism is his department using to bring this to the attention of the negotiator?

HON. B. URUSKI: Mr. Deputy Speaker, what we have done is, during our discussions at the official's level and at our meetings nationally, at Ministers' meetings, we've taken the position that we should focus the present discussions as it relates to agriculture primarily on non-tariff trade barriers. The issues that we've had with the United States in the pork industry, with the use of chloramphenicol as a health hazard, are those kinds of issues that should be discussed.

We should continue to make our position in the way that we have stable access to U.S. markets. We should not be put in the position, as we have in the past, to react and respond to the whims of either U.S. Governors or the U.S. Congress in terms of having a lack of access to U.S. markets. We need the long-term stable access, and not trade away the key commodities that have given producers in this country years of stable income protection and have given consumers a steady supply of fresh product at reasonable prices.

Property tax increases

MR. DEPUTY SPEAKER: The Member for Kirkfield Park.

MRS. G. HAMMOND: Thank you, Mr. Deputy Speaker. My question is to the Minister of Municipal Affairs.

The City of Winnipeg figures show average increase for property owners in suburban school divisions in Winnipeg will increase from 11 percent to as high as 306 percent. Will the Minister now proclaim Bill 105 to protect suburban property owners from outrageous tax increases?

MR. DEPUTY SPEAKER: The Honourable Minister of Municipal Affairs.

HON. J. BUCKLASCHUK: Thank you, Mr. Deputy Speaker.

I've seen the article, but I haven't seen those figures in any great detail. However, as I've said before, proclamation of Section 2 of Bill 105 will not do anything to address that problem. We will be meeting with the city in the next month or so, once we have more up-to-date, valid information, to look at ways to prevent any undesirable shift of taxes on City of Winnipeg residents, but that will be looked at when we have the information that's required.

MRS. G. HAMMOND: A supplementary question to the same Minister.

Will the Minister bring in other legislation then, this Session, that will assure City of Winnipeg property tax owners, the people in the suburbs, that they will not be hit with high taxes? Will he protect them in this Session, and not wait until next?

HON. J. BUCKLASCHUK: The appropriate decisions will be made, Mr. Deputy Speaker, once we have relevant, up-to-date information and time to think through the possible solutions. I would hope that there would be sufficient time to introduce legislation, if need

be, at the next Session to deal with the potential increase in taxes.

However, I think all members should be aware that there will be some increases, even within the residential, when you have a system that is something like 30 years out of date. It may well be that, in some of the suburbs, the impact will be felt, but we will look at ways of minimizing the impact.

Watershed Conservation Districts - funding to

MR. DEPUTY SPEAKER: The Member for Emerson.

MR. A. DRIEDGER: Thank you, Mr. Deputy Speaker. My question is to the Minister of Natural Resources.

Can the Minister indicate whether the water conservation districts have all received their money that was supposed to be allocated to them for this year?

MR. DEPUTY SPEAKER: The Honourable Minister of Natural Resources.

HON. L. HARAPIAK: Mr. Deputy Speaker, as I had indicated in this Chamber in answering a question on another occasion, the money that is allocated to the water conservation districts is disbursed in interim appropriations. A large percentage of the funds had been sent out earlier and, more recently, there was another interim appropriation made. I cannot indicate to you whether the conservation districts are in receipt of those appropriations, but they have gone through the necessary appropriations within government to see that they are on their way to the conservation districts.

MR. DEPUTY SPEAKER: The time for Oral Questions has expired.

COMMITTEE CHANGES

MR. DEPUTY SPEAKER: The Government House Leader.

HON. J. COWAN: Thank you, Mr. Deputy Speaker. Before moving us into committee to discuss the Estimates, perhaps there are some committee changes.

MR. DEPUTY SPEAKER: The Member for Emerson.

MR. A. DRIEDGER: Thank you, Mr. Deputy Speaker. I have a change to the Public Utilities and Natural Resources: Blake for Kovnats.

MR. DEPUTY SPEAKER: The Member for Thompson.

MR. S. ASHTON: A substitution, Mr. Deputy Speaker, the Member for The Pas substituting for the Member for Burrows on Public Utilities.

ORDERS OF THE DAY

MR. DEPUTY SPEAKER: The Honourable House Leader.

HON. J. COWAN: Again, before moving the motion, I believe there is an inclination on the part of members

to forego Private Members' Hour today and continue through with Estimates to 5:30, and then picking up again at 8:00 p.m.

I move now, seconded by the Minister responsible for Native Affairs, that Mr. Deputy Speaker do leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Burrows in the Chair for Health; and the Honourable Member for Kildonan in the Chair for Education.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - EDUCATION

MR. CHAIRMAN, M. Dolin: Committee, come to order. We're on Page 51, Item 3., Resolution 48, Financial Support - Public Schools - the Member for Fort Garry.

MR. C. BIRT: Can the Minister explain what the categories of school grants are as they relate to that \$400 million? Now, I can appreciate there may be some very small ones but I want, in a general sense, the listing of the types of school grants that are available under this \$400 million.

MR. CHAIRMAN: The Honourable Minister.

HON. J. STORIE: Yes, Mr. Chairperson, the breakdown is: Statutory Grants, 394 - I'll read off a more exhaustive list.

MR. C. BIRT: This is of the Statutory Grants?

MR. CHAIRMAN: Just to clarify the question. There seems to be a little confusion here. Under Item 3.(a) School Grants and Other Assistance, you are looking for their categories dividing up the \$401 million.

MR. C. BIRT: That is correct.

HON. J. STORIE: Yes, referring back to my less exhaustive list: \$394 million of that is called Statutory Grants; Miscellaneous Special Grants, \$138,000; the Winnipeg Special Grant \$2.1 million; Non-resident Grant, \$287.4; Special Needs Grant, \$464,100; Sacre-Coeur, \$91,000; School Tax Rebate 24; and Institutional Programs \$3.6 million.

MR. C. BIRT: The last one Institutional Grants, was it 3.6?

HON. J. STORIE: 3.6. And that adds up to - I rounded some of those off - 400.1.

MR. C. BIRT: Could we get a breakdown on the statutory grants, please, of the \$394 million?

Mr. Chairman, perhaps if the Minister has a copy that might make it easier for us just to refer to, if not, we'll take notes.

HON. J. STORIE: Mr. Chairperson, the block grants represents 377 million, recognizing there are essentially

three components, the categorical grants, equalization grants and the block grants. The block is 377.8 million.

MR. C. BIRT: Whoa, could we back up category?

HON. J. STORIE: Categorical?

MR. C. BIRT: Yes. How much was that?

HON. J. STORIE: Equalization and block, or block, equalization and categorical.

MR. C. BIRT: How much was the categorical grant?

HON. J. STORIE: 91.6 million.

MR. C. BIRT: And the equalization grant?

HON. J. STORIE: 63.8 million.

Which gives you a total of \$533.3 million.

MR. C. BIRT: The line 3.(a) refers to almost 401 million, how do we get to 533 million?

HON. J. STORIE: Mr. Chairperson, if the member will recall, when we talked last night in the Capital, that 65 percent represented the provincial contributions out of provincial revenue and the 35 percent came out of ESL. Removing from that 533 figure should be the ESL, education support levy, which would take us down to

Mr. Chairperson, then there are a number of other administrative costs, other support to private schools; that gives you a total funding of 594 million. Then from that, you subtract the ESL contribution.

MR. CHAIRMAN: The Member for Fort Garry.

MR. C. BIRT: I take it then it's really the 594 million less the 400 million will give you your ESL figure. Is that correct?

HON. J. STORIE: Essentially, yes. I believe the ESL is - what? - 190 million, 190.9 million.

Mr. Chairperson, the Member for Fort Garry has a question.

MR. C. BIRT: The block grant of 370-odd million, is that the formula of funds that goes to each of the school divisions? If that is not the correct description of it, could the Minister then advise what the criteria is for the block grant?

HON. J. STORIE: That's the total of the block grants that go to school divisions. The member wanted as well the formula. Do you want the formula?

MR. CHAIRMAN: Does the member want the formula? The Minister can give you that.

MR. C. BIRT: The formula, I take it, is the one that's set out in the regulations. No, I'm not interested in that.

The Minister, in giving me some supplementary information, I think broke down into categories or groupings what formula gets what sum of money out

of the 377 million. No, he didn't. Can you give me, of that 377 million — there's a group of school divisions on the GSE formula. It shows 1986, and I'm referring to your funding of 1986 programs. Can you break that out as to what grouping gets what sum of money under this block formula?

HON. J. STORIE: No, Mr. Chairperson, we don't have that breakdown. I think the member may have or I can certainly give him verbally the percentage increase that each school division got however in overall operating support, I should say.

MR. CHAIRMAN: Does the member want that information?

MR. C. BIRT: Yes, I'd like to have it.

HON. J. STORIE: Mr. Chairperson, I hope we're referring to the same sheets. Essentially what you would like to know is what percentage increase each of those divisions received?

MR. C. BIRT: Each category.

HON. J. STORIE: Each category. In other words, for each school division the percentage or the block grant, the categorical and the equalization.

Mr. Chairperson, we don't have those figures as percentages, but I can give you total amounts for each of the three. Perhaps I could just give the member a copy of this sheet. Would that be easy?

MR. C. BIRT: Mr. Chairman, that sheet of paper is not helpful, because it doesn't pull out into groupings the way this information has been given to us. Isn't there a formula or is there a percentage or some way of saying that the east-end school divisions got a 3.8 percent increase over last year? The next column got 2.8 percent.

HON. J. STORIE: It wasn't broken down that way, no.

MR. C. BIRT: Mr. Chairman, I'm wondering if it can be done without too much difficulty because it's difficult, just looking at this row of numbers, to try and figure out who is getting what on what formula. I note that this just relates to 1986. On the gross numbers, even if we were to try and break this down, we wouldn't get a percentage increase over last year.

HON. J. STORIE: Yes, Mr. Chairperson, we can do that. I believe the percentage increases are available for the total. Perhaps it would be simplest if I just read the percentage change.

Winnipeg, for example, is 2.7 percent total change; St. James-Assinboia is .6 percent change; Assiniboine South 7.3; St. Boniface 1.9 percent; Fort Garry 4.1 percent; St. Vital 3.6 percent; 0 percent in Norwood; 4.6 percent in River East; 5.9 percent in Seven Oaks; 3 percent in Lord Selkirk; 5.4 percent in Transcona-Springfield; Agassiz 1.2; Seine River 11 percent; Hanover 6.9 percent; Boundary minus .3 percent; Red River 3.2 percent; Rhineland .1 percent; Morris-Macdonald 1.1 percent; White Horse Plains 4.1 percent;

Interlake 4.8 percent; Evergreen .9 percent; Lakeshore .2 percent; Portage la Prairie 2.3 percent; Midland 1.5 percent; Garden Valley 9 percent; Pembina Valley 1.2 percent; Mountain 2.9; Tiger Hills 1.8; Pine Creek 4.6; Beautiful Plains 2 percent; Turtle River 3.9; Dauphin-Ochre .7; Duck Mountain 6.4; Swan Valley 3.4; Intermountain .5 percent; Pelly Trail 2 percent; Birdtail River 1.1 percent; Rolling River 1.7 percent; Brandon 2.9 percent; Fort la Bosse minus .1 percent; Souris Valley 2.3 percent; Antler River 0 percent; Turtle Mountain .5 percent; Kelsey 4.5 percent; Flin Flon 2.1 percent; Western 2.1 percent; Frontier 3.4 percent; Churchill minus .8 percent. Do you have these as well? These are all on this list?

MR. C. BIRT: Yes.

HON. J. STORIE: Okay. Snow Lake .1 percent; Lynn Lake 3.6 percent; Mystery Lake 4.2 percent; Sprague minus .3 percent; Leaf Rapids 4.7 percent; Gypsumville .2 percent, and that's it.

MR. C. BIRT: Those percentages were just referring to the block or was it the total program support increase.

HON. J. STORIE: Total operating support.

MR. CHAIRMAN: The Member for Roblin-Russell.

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

To begin with I'd like to just get into the area of the funding formula and the three different formulas which are in place at the present time. Can the Minister first of all indicate to us how the 1985 formula differs from the 1986 formula?

HON. J. STORIE: The difference between the '85 formula and the '86 formula essentially flows from discussions, I guess, with school divisions about the appropriateness of the total GSE being based on supportable expenditures. The change essentially is that both the categorical and equivalent equalization grants are now 100 percent dollars essentially based on full funding, provincial or full share of support. Only the block support remains tied to the supportable expenditures.

Again, that's a request that came to us via the school division that the differentiation need to occur because of, I suppose, particularly those involved in equalization with the recognition that they were already receiving equalization payments, and that it would unduly penalize them if they were related to supportable expenditures and not 100 percent dollars from the province.

MR. L. DERKACH: Can the Minister explain what he means by supportable expenditures compared to 100 percent dollars?

HON. J. STORIE: In the 1986 formula, block support is based on the previous year's net expenditures related to the number of pupils. That's essentially it.

Just to add to that, basically what I defined for you was a definition of supportable expenditures. In relation to the 1985-86 change, it means that in 1985 both the

block and categorical grants were limited to 66 percent of supportable expenditures. What was removed out of there was the categorical grant which became not related to net expenditure but were 100 percent provincial dollars.

MR. L. DERKACH: In essence, what was supposed to happen in that case was that the formula, although it had been altered, would still do the same thing for the school divisions in either category. But to date, you have a large number of school divisions that don't fit either category. They're still out there in limbo. I'm wondering, is there going to be any attempt from the department to come up with yet another formula that is going to attempt to encompass more of the school divisions in the province.

HON. J. STORIE: Mr. Chairperson, I would certainly never rule out the possibility of some fine-tuning or some additional thought being given to the funding formula. I point out, when he mentions that some have moved to the new GSE formula, some have not, some have remained with the previous year plus a guarantee plus the 1 percent, really is an indication that the department was attempting to meet the needs of school divisions and remain as flexible as possible.

I don't feel any need to defend the GSE in its entirety. I believe that I have thrown out the challenge to school divisions themselves and to members opposite that, if they have a magic solution to this problem which is essentially the differing needs of school divisions and their differing abilities to support locally and financially those needs, I would be more than willing to listen.

My understanding is and the expectation is that increasingly over the next fiscal year, those who are on the 1985 formula will roll into the 1986 terms. In all likelihood, if and when the province can move to the 90 percent formula, the other divisions are likely to find it acceptable as well.

MR. L. DERKACH: Mr. Chairman, the previous comments of the Minister would indicate that it seems that he or his department are not able to deal with the complex situation that exists out in Manitoba with respect to school funding. Nobody is suggesting that there is a magic formula and, if the Minister is looking for a magic formula, I think he'll have to look long and hard and never find it.

However, the Minister has been presented a brief by low-spending school divisions who have complained bitterly about the inequities in the funding formula which were supposed to be addressed. I happened to be present at the time when the funding formula was presented to the western region, and also the comments that were made with respect to what the new funding formula was going to do for school divisions throughout Manitoba. It wasn't very long before it was realized that this funding formula was not going to do any more for many of the school divisions than the old formula had done. As a matter of fact, it's even placed some of the school divisions in a more disadvantageous position.

With respect to the school divisions who practice efficiency, who practice perhaps some restraint, I would like to know the justification behind basing current year's revenues on previous year's expenditures.

HON. J. STORIE: I raised that, and we certainly did discuss it with a group of trustees and municipal councillors, etc., who were in to see me attending with the trustees on the presentation of low-cost school divisions. I indicated at that time that — and the member raises the question about how you can justify basing it on supportable expenditures.

I suppose if you didn't, then those school divisions who had exceptional needs — and I've discussed this before — who had a 300 percent turnover in their student population in a year, who had a tremendous number of students to whom English was a second language, Native students, they would not be able to provide services. Where there are legitimate needs being addressed and supportable expenditures increasing more dramatically than in other areas, the province would then be abandoning them and saying, well it's unfortunate that you have these exceptional needs, but we can't address them. It's, I guess, a no-win situation.

Those divisions whose requirements, if you will, were not increasing dramatically have received less significant increases from the province. That seems to be, on the surface at least, a defensible argument that, if your expenditures are not increasing and there has not been a dramatic change, there should be no need for additional support. What the divisions would, in effect, be asking is that the province share an additional portion of the cost of education at a time when other divisions, whose supportable expenditures were much higher and growing faster for all kinds of other reasons, would be receiving significantly less.

I point out there are also instances where it's not simply a question of need, but it's a question of the demographic changes which certain school divisions are experiencing increasing enrolment at a time when most others are very stable, and others again are dropping. So you have that variety of needs to be addressed.

With all due respect, I guess, to the efforts of the previous administration and ones before that to find a formula which worked satisfactorily from everyone's point of view, it's difficult. The previous formula had serious problems and those were certainly raised by school divisions at the time that program was introduced. I think, in all fairness to the Government Support to Education Program, if you look across divisions, you'll find that where the need was highest, the percentage increase allocated was the greatest, and most school divisions received, on average, a fair increase and one which reflected the expenditure costs which they and their taxpayers were bearing.

MR. L. DERKACH: The Minister raises several points. First of all, he has indicated if we did not have this kind of formula in place, then we would not be able to address the special needs areas, and I find that somewhat contradictory because, for example, in the Winnipeg School Division, there is a special grant which is awarded because of a special situation. Those kinds of allowances were made even under the old formula, but obviously there are some serious shortfalls in the formula, when we have only 20 school divisions which are on the original formula, and now we have had to create two other formulas to attempt to cover the needs of other school divisions.

Even to date, we have a large number of school divisions who are saying that the formula is not there; the formula is discriminating against them and it's causing them to levy exceptionally high special levies to meet their requirements. I'm wondering whether the Minister, this year, is going to address directly the concerns of those school divisions who are finding themselves in the situation where they have to increase their mill rates exorbitantly, and it's at their expense the province is gaining.

HON. J. STORIE: Mr. Chairperson, I suppose if the member is concerned about fitting everyone into a little box that yes, in fact, if we could have had all school divisions on the GSE, I suppose that's possible. We could have said here's the formula, and not made any attempt to deal in a more long-term way with their concerns, not make any recognition of the special circumstances. I don't think the fact that more aren't on the GSE at this point is a reflection necessarily of the inadequacy of the funding arrangements. It's more a reflection of a willingness on the part of the government and the department to remain flexible, to attempt to address the individual needs and the peculiarities within divisions at the same time.

The member refers again to the brief which was presented to me by the so-called low-cost divisions, and references the high exorbitant, he says, mill rate increases, special levy increases. I pointed out to the group which made the presentation - in fact, in all fairness, it was part of their presentation - the fact the average mill rate was substantially below the provincial average and, although it reflected a 20 percent or 30 percent increase, it was also true they remained, after the increase, 20 percent or 30 percent below the provincial average in terms of special levy mill rates.

In fact, if you look at the so-called low cost divisions, their average mill rate in 1986 is somewhere around 43.2. The provincial average is more like 52-point-something. The mid-range, the school divisions experiencing mid-costs, middle-range costs at an average mill rate of 50.7, and the school divisions which were seen as high cost, spending a good deal of money, ranged in the area of 53.8 as a mill rate in 1986.

So there is some semblance of reason, the lower cost divisions had lower mill rates on average, received lower grants from the Provincial Government on average.

MR. L. DERKACH: One of the things which the Minister's not addressing is the fact that the reason their mill rates remain lower than the provincial norm, I guess, is because they were forced to take money out of their nominal surpluses, which was not raised by provincial funds, which was raised by their own local levy; they were forced to take those monies out to lower the amount of money they were going to be asking the taxpayer for in this particular year.

HON. J. STORIE: Well it wasn't only low spending divisions which have done that, and do that from time to time. I mean, high spending divisions do it as well. Divisions with high special levy mill rates do that as well depending on the circumstances; depending on the year; depending on, I guess, the importance and

the priority of issues within the division as the division makes its budget.

MR. L. DERKACH: I would like to know what this particular Minister's attitude is toward divisions having in place nominal surplus. Does he support school divisions having a nominal surplus and operating with a nominal surplus?

HON. J. STORIE: A nominal surplus; I guess we would have to define what a nominal surplus meant.

I guess the other point is the department has also changed its funding, the way it provides contributions to the school divisions, so it makes the necessity and the cost to the division less, so we've tried to address that need in a different way as well.

MR. DEPUTY CHAIRMAN, C. Baker: The Honourable Member for Roblin-Russell.

MR. L. DERKACH: Mr. Chairman, it is very clear that those school divisions who have been efficient, who have run their school divisions effectively and efficiently and are categorized in that low cost school division category, have found themselves in a state whereby the amount of funding they are receiving is less than that of school divisions of similar assessment base simply because of the fact they are low spending school divisions, and because of that they have found themselves in a state where they can't afford to levy the kind of mill rate increases which have come as a result of this formula and, therefore, they have had to draw on their nominal surplus to, I would say, to take part of the province's responsibility. I would like to know whether the Minister is going to address the situation of those low-spending school divisions and provide them with more funding.

HON. J. STORIE: I'm not fully prepared to accept the member's assumptions. I recognize that they have presented a perspective, giving some of the statistics, but I point out that in terms of government support, as a percentage of supportable expenditures, government support as a percentage of supportable expenditures, the low-cost divisions, on average, receive about 83.5 percent support from the Provincial Government and the so-called high-cost divisions receive some 73.8 percent, exactly the reverse to what the member was expressing a concern.

I'm not sure that we can buy holus-bolus the member's argument that these divisions have not received their share of support, although the formula supports, provides a part, not only the block grant on the basis of supportable expenditures. I've indicated, on the surface at least, that seems to be reasonable. If we look historically, up to and including 1986, the amount of money, percentage of support that comes from the Provincial Government, it is greatest in the lowest cost divisions.

MR. L. DERKACH: Mr. Deputy Chairman, Brandon School Division approached the department with respect to this problem. Would the Minister confirm that fact that they were told that the only way they could get more money in Brandon School Division was

to add programs to their division? In other words, increase their expenditure was the only way they could hope to have any more money, in terms of percentage, coming in to them in the following year?

MR. J. STORIE: I can't confirm that they were told that. I have heard that said before. I can indicate to you that Brandon School Division obviously made a decision to do essentially that, for whatever reasons, to lower their pupil-teacher ratio, whatever, they increased their budget some 8.4 percent, I believe, in 1986.

I would indicate to you as well that Brandon School Division receives 80.9 percent provincial support as part of their supportable expenditures, and you compare that to some others that receive as low as 70 percent.

MR. L. DERKACH: Mr. Deputy Chairman, would the Minister tell us then whether, by increasing their budget by 8.6 percent, does that mean then that next year they will qualify for a greater portion of funds?

HON. J. STORIE: To the extent that the block grant is based on supportable expenditures, I would assume, yes.

MR. L. DERKACH: Then what is there that is going to stop any school division from increasing their budget and, in many instances, we're going to start running inefficient, ineffective operations, simply for the purpose of receiving more funds.

HON. J. STORIE: Two reasons. No. 1, of course the government does set the upper limits; and No. 2, of course - and the member was a member of a local school board - I believe that school divisions across the province and their respective trustees are interested in providing the best education at reasonable cost to taxpayers and I don't expect that to happen.

I also think probably that the school divisions who didn't present their brief, the so-called high spending school divisions, would take somewhat umbrage at the suggestion that they were not living up to the obligations of their taxpayers and were not trying to meet the needs of their students.

I am sure that they, like other school trustees across the province, believe that they're acting in the best interests of all concerned, and the fact that they are high spending may reflect more than their willingness to be profligate spenders.

MR. L. DERKACH: Mr. Deputy Chairman, I would be the first one to acknowledge that school boards throughout Manitoba practice fiscal responsibility and try to, in the instances that I know about, run very efficient school divisions.

However, school boards will not sit by and watch a situation where they are being penalized because of running deficient operations. They are being forced to run, as a matter of fact, what I would call inefficient operations, and to add programs to their divisions so that they can simply take advantage of increased funding.

Low-cost school divisions have been hurt by the fact that they have - and the former Minister indicated that

these nominal surpluses were cushy kinds of bank accounts that weren't necessary - and yet it was through nominal surplus that the school divisions who had saved the province millions of dollars through interest cost savings, because the nominal surpluses that were held by school divisions offset much of the interest that had to be paid to banks which, in effect, would have meant that the province would have had to pay the interest.

Now these same school divisions are being forced to take out of their nominal surplus, funds to support the kinds of programs that the province is really responsible for. That is why the low-spending school divisions presented this brief to the Minister, because the situation is serious.

The Minister is saying he's not sure whether they're correct or not. The study has been done; it's been placed before him. He is admitting to the fact that there are inequities, by the sheet that he has presented to us, utilizing three different formulas. How many more formulas are there going to be? Should there not be one base formula that can be used, not that we can put everybody into that same package - we're not suggesting that at all - but at least there's got to be a base to work from.

We've got school divisions that are grandfathered. There's no guarantee as to how long they're going to be grandfathered. It appears as though the funding formula is going in a direction where there is no clear evidence where it's going to end up. My contention right now is to know whether or not the Minister of Education is going to address this problem this year and let school divisions know that there will be some stability in the funding formula that is going to be worked into the school divisions in this province.

HON. J. STORIE: I've indicated that the information that was provided to me by the low-spending school divisions, that I accepted their point of view. They feel that they require, need, deserve a greater proportion of provincial support. I've indicated to them that, clearly, the divisions that are spending a great more money on providing services to students feel that they have a greater need, that it wouldn't matter whether the increase was 2 percent and they only received 1 percent from the province, it would be unfair.

I have had divisions who have had 10 percent increases in funding come in and indicate they weren't satisfied, that it wasn't enough.

I point out again to the member, the inference that somehow the profligate spenders receive a better break from the province isn't reflected in the fact that currently in 1986, the low spending school divisions received 83.5 percent on average of their supportable expenditures directly from the province. You compare that to the percentage which is 73.8 percent of the supportable expenditures which is received from the province. So, to the extent they increased their spending, they don't receive the same benefit.

The other point the member raised was with respect to the surpluses and, of course, school divisions have maintained and used those surpluses for years as they saw fit from time to time.

MR. L. DERKACH: Mr. Chairman, you can baffle and cloud the issue with percentages as long as you like and we never get down to the truth of the matter.

The fact is there are school divisions who have the same student assessment base, relatively the same, who are receiving a differential as much as \$360 less. Now, if the percentages are higher in the low spending school divisions, then why are those same school divisions receiving up to as much — well, it's even more in some instances; but in this one example, I have before me right here, there's \$360 difference per pupil. Why is that difference there?

HON. J. STORIE: Well, Mr. Chairperson, what it doesn't reflect is the cost that is incurred by the division above and beyond that; that in fact they may spend an additional \$400 per student or \$480 per student. That, of course, is reflected in the amount of money they have to generate from their special levy. The facts the member refers to do not reflect the facts other schools face, and that's the point I've been making all along, that you take from one school division's set of facts and you try to extrapolate and say well all other divisions should be dealt with on a similar basis. They aren't all on a similar basis. They have other costs including transportation, special needs, whatever, that require them to expend an even greater amount per pupil from special levy as a result of what they see as an inadequate funding base from the province as well, even though they may be high spending school divisions.

I point out again the members hope we can develop a single formula based on a per pupil formula of some type that is equitable across divisions is a difficult proposition given the different needs of students and the differing problems school divisions face.

MR. CHAIRMAN: The Member for Roblin-Russell.

MR. L. DERKACH: There are other extenuating circumstances that have been dealt with. For example, a Native community pulling out of a school division creates a considerable amount of havoc in a school division in that all of a sudden there is an decrease in the amount of revenue that school division receives and that is shown up in the next year's budget and, therefore, it creates turmoil with the formula as well.

The former Minister did deal with that situation after a considerable amount of pressure. Therefore, no one is saying every school division is going to be the same and the formula will fit precisely. Here we are dealing with a different matter. You're saying the per pupil assessment in two divisions could be very much the same and yet there is a great differential in the amount of money they're getting on a per pupil basis.

This is a problem of a different nature and that's the problem which has to be addressed; that's a problem which has to be faced. You can't skirt around and say oh well, but look at the percentages in what the low spending school divisions are getting. You'd have to take a look at what they're getting on a per pupil basis and say whether that is fair or not. I think the point has been made, and it's got to be recognized by the Minister, there is a problem here and it's got to be faced.

HON. J. STORIE: There are problems. There are anomalies within the formula which we have tried to address and the member has raised one of them. I

point out I can take the opposite, and I think equally plausible position, that what we want to do is make sure all divisions receive the same percentage of government support in terms of their supportable expenditures, and to do that, obviously, would require a significant infusion of additional funds, or equally — and equally painful and unacceptable obviously from the member's point of view, would be to further reduce the percentage of support going to the low cost divisions, so we had some equity in terms of overall provincial support going to all divisions.

It seems to me, and certainly from my early conversations with school divisions, there is only one satisfactory solution and the member had indicated at some point he didn't think this was the only solution, but that was to spend more money and not to reallocate it. I believe the member made some comment in the House at one point — either he or one of his colleagues — that it wasn't necessarily a situation of spending more money. Certainly, from the comments the members made, from comments I've heard from the high spending school divisions like Winnipeg 1, I'm afraid I have not been able to draw any other conclusion than most divisions want more, demand more, not less. Obviously, any amendments to the formula or any new formula has to reflect that reality as well as the reality that needs are differing, in one formula, there has to be some flexibility.

MR. L. DERKACH: Another problem which has been faced by school divisions is the timing of the knowledge of what formula that particular school division may fall under. I just refer to the last year when school divisions had submitted their proposed budgets based on the first formula which was given to them to find out only after the preliminary budget was put in that, in fact, they would be operating under a different formula and when the budgets came back, the school division found itself, in many instances, a considerable amount of money short even after they had announced the special levy which was going to be levied in the municipality. I'm wondering whether the Minister is going to address the situation well enough ahead of time so those kinds of surprises will not be experienced by school divisions in the coming year.

HON. J. STORIE: Yes, Mr. Chairperson, I understand that we are in a better position this year to deal more expeditiously with those questions.

MR. L. DERKACH: With respect to the school grants, I notice in 3.(a) there's an amount of \$3,637,000 that is recoverable from the Federal Government. Could the Minister indicate specifically what that amount of money is for?

HON. J. STORIE: Yes, Mr. Chairperson. That comes about as a result of a Canada-Manitoba Agreement on Official Languages in Education.

MR. L. DERKACH: With respect to the funding formula, once again, the old funding formula was in the statutes, as I understand it. This new formula is now part of the regulations. Are each of the formulas that are being operated under at the present time going to be placed into regulation now?

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HON. J. STORIE: Yes.

MR. L. DERKACH: So that means that the funding formula then, will subject to change simply by Order-in-Council at any time and at the wishes of the department or the Minister.

HON. J. STORIE: Yes, Mr. Chairperson, that is correct, recognizing however, that in the guarantee there will be no less funding provided than the previous year, as in the act.

MR. L. DERKACH: Just a question, if the Minister could explain in his news release on January 9, 1986 the support for Education - the increase was going to be \$22.2 million in provincial funding. Could he explain the 3.8 percent increase in government support to Education?

HON. J. STORIE: Yes, the 3.8 percent is based on the \$22.2 million additional over the full amount they received in 1985.

MR. L. DERKACH: So it's simply on the figure of \$379 million?

HON. J. STORIE: No, I believe it's even referenced in 3.(a) on the left-hand side, the \$379 million. The reference to the \$22 million is 3.8 percent, I believe, of that figure.

MR. CHAIRMAN: The \$379,099,200 figure for the year ending March 31, 1986, I believe, is what the Minister is referring to.

MR. L. DERKACH: So it does not include the Miscellaneous Grants and the Assistance to Schools in Remote Settlements then?

HON. J. STORIE: No it would not include 3.(b), no.

MR. L. DERKACH: Could the Minister just work that out for me because our figures don't seem to add up here?

HON. J. STORIE: Mr. Chairperson, my reference to 3.(a) was incorrect. The total is divided by the total funding school divisions; not just the . . .

MR. L. DERKACH: Could you give us the numbers please?

HON. J. STORIE: Yes, the total funding of school divisions in 1985 was \$581,267,778; and although the estimate in 1986 was \$22.2 million, the actual is - it's an estimate still but it's more accurate than the \$22.2 - it's \$23.2; and if you divide that into the \$23,225,973 - if you divide those two - you should come up with roughly 3.8 percent, or 3.9 percent.

MR. L. DERKACH: Could you repeat that again so we're clear on that?

HON. J. STORIE: Yes. The 3.8 was referencing the amount of increase in spending this year to the total

amount of spending last year in Education. The total funding to school divisions which included the \$379 million, last year's school grants, and included the Education Support Levy as well as surpluses contributed: total funding to school divisions, \$581,267,778 and divided that by the estimated contributions in 1986 of \$23,225,973.00.

MR. L. DERKACH: The amount of money that's allocated for transportation; can the Minister give us that figure, please?

HON. J. STORIE: Yes. The total amount for transportation in 1986 is \$25,637,578.00.

MR. L. DERKACH: How much is that on a per-pupil basis?

HON. J. STORIE: Quite a bit. Yes, it's based on \$410 per transported pupil.

MR. L. DERKACH: Does that also include the transportation for special needs students?

HON. J. STORIE: Yes.

MR. L. DERKACH: Can the Minister give us what that figure is?

HON. J. STORIE: Breaking it out?

MR. L. DERKACH: Yes.

HON. J. STORIE: No.

MR. L. DERKACH: Well, can I get that figure somehow where we can ascertain how much money was spent on a per-pupil basis for transporting special needs and special area students?

HON. J. STORIE: Well, the grant is still the same; it's \$410 per transported student.

MR. L. DERKACH: Who makes up the difference if the student has to be transported from one school division to another school division to take an immersion course?

HON. J. STORIE: Mr. Chairperson, the sending division is required to provide the transportation and that division would receive only the \$410 per transported pupil grant from the department or from the government.

MR. L. DERKACH: Is the sending school division also required to pay either the transportation costs, provided it is a certain distance, or the room and board?

HON. J. STORIE: The guidelines are essentially that the distance has to be greater than 80 kilometres and that the student would have residence away from the parents' principal residence.

MR. L. DERKACH: The school division, as I understand it, is responsible for either providing the transportation where the distance is less than 80 kilometres or

providing room and board for that student and they keep the \$410 grant.

HON. J. STORIE: Essentially that. I believe the member is correct. However, the school divisions, again, are certainly at liberty to make up any other arrangements with parents providing there is a mutually satisfactory arrangement made.

MR. L. DERKACH: But in a case of French immersion, for example, the parent has the right to demand from the school division special transportation, even if it's for one student, from that division to a division where French immersion may be offered?

HON. J. STORIE: Well, recognizing that includes vocational arts and it's not a question of French immersion, it's a question of whether the division has the program or whether it's available elsewhere. So it's not just a question of for a specific program.

MR. L. DERKACH: If a school division were to have a couple of students who - well, let's say I had three or four students who were wanting special transportation to take special programs such as French immersion. If that school division applied to the department to begin a French immersion in their division, would they be allowed to start that French immersion program with a teacher or do they have to have a certain number of students?

HON. J. STORIE: The normal provisions are that there would be 23; that would be the point at which the department would start providing assistance.

MR. L. DERKACH: In which area - there's a cost - the Minister hasn't provided me with the per-pupil cost for division-owned buses as yet. I'm hopeful that's coming very soon. But can he indicate to me what all is entailed in that figure? Is it the cost of the bus, the cost of the driver, the maintenance of the bus, capital costs of garages?

HON. J. STORIE: Did we not provide the member with some information? I believe he asked the last time and I indicated that there were 13 divisions.

MR. L. DERKACH: I'm still waiting.

HON. J. STORIE: Mr. Chairperson, I have a list of all the school divisions. I was quoting from it when I referred to the number of school divisions where they had exclusively contract, joint contract, and division-owned buses. I can provide the member with a copy of this sheet which gives the cost per pupil, the cost per kilometre, loaded kilometre, and the cost per kilometre in total. I'll provide that information for the member. But the capital costs of the bus have not been included in these costs. They are basically transportation per kilometre or straight per-pupil costs.

MR. L. DERKACH: Can the Minister tell me then, in the costs - he said he has the per pupil cost for loaded kilometre and cost per kilometre - in that cost, what is all included? Is it the cost of the gasoline, the

maintenance of the bus, the bus driver or any of those things? What is included in that?

HON. J. STORIE: It would be the total costs, administration included and so forth for each division.

MR. L. DERKACH: It still doesn't answer the question though. If you're talking about total costs, then you have to be including the capital costs of the vehicle?

HON. J. STORIE: Other than capital costs; I should have clarified that.

MR. L. DERKACH: Can the Minister then indicate or give me a breakdown of the costs, including the capital costs, the per-pupil transportation costs, including the capital costs?

HON. J. STORIE: We don't have that information. The member is looking for a per division, would that be? Mr. Chairperson, the member, I think, recognizes that the bus purchases, capital cost for buses this year was some \$6 million, so I think the member can infer from that what the capital costs of carrying that are. However, that's not something that is normally calculated. We could talk about our universities as well in terms of their capital costs and the costs of maintaining them. I'm not sure it's a useful figure.

MR. L. DERKACH: Mr. Chairman, the reason I asked for that cost - and I would like it yes - is because the Minister's Department of Transportation's personnel have from time to time gone to school divisions and have indicated how efficient it is to run buses on a division-owned basis.

As a matter of fact, just recently there was a presentation made to the only school division in the rural areas which has contracted buses, and the school division was given the low cost of transporting students by division-owned buses.

However, in the contracted bus situation, it must be noted that in that per-pupil cost there's also the capital cost of the buses. Included in that, the contractors must put something in for maintaining the bus at their garages, which is not included in the division-owned buses. That is why I think it is a distorting figure when the department sends out the information to school divisions and says, here's what it costs to transport pupils on a per-pupil basis and yet there's nothing in there for the capital costs of garages that have to be maintained in a school division and the capital costs of the buses and replacement of same.

So yes, I would like to have the breakdown of what it is on a provincial basis even.

HON. J. STORIE: Mr. Chairperson, we can certainly provide an indication of what the capital costs of the purchase of school buses would be on a provincial basis. As I said, I'll provide the member with this information about the breakdown of costs by division. It's certainly interesting in that, of course, some of the highest costs relate to those divisions which contract their services or which share contracting. But again, it requests again differing transportation needs within the divisions. Obviously, the most expensive are urban divisions.

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MR. CHAIRMAN: Before I recognize the Member for Roblin-Russell, last Thursday I took under advisement a reference by the Honourable Attorney-General that an unparliamentary remark had been made by the Member for Springfield. Upon perusing Hansard, I find no such remark in Hansard, and I therefore deem the matter as being dealt with and closed.

Does the Member for Springfield wish to comment?

MR. G. ROCH: Mr. Chairman, I would request that the Attorney-General withdraw his accusation and apologize.

MR. CHAIRMAN: I don't know whether or not such is necessary. The Attorney-General referred to the Chair what he thought he heard, which I said I would peruse Hansard to see whether or not that was the case. I perused Hansard; there was no such remark. I have now informed the committee that there was no such remark made, and I see no reason for further action. That is my decision. I don't think it's a reason for apology.

If the Attorney-General felt he heard something and it had been reported in Hansard, it would have been reason for appropriate action. He felt he heard something. There was no such reference in Hansard, so no action is being taken. It was to me a misunderstanding and Hansard reported no such statement. So if we can move on, I think that should clear the matter.

MR. G. ROCH: Well, Mr. Chairman, I don't believe that's sufficient. The Attorney-General definitely made an accusation of something I did not say.

MR. CHAIRMAN: I would suggest to the Member for Springfield, I just explained the reason for the ruling. It was not a point of order brought up by the Attorney-General. He made a reference to the Chair, which I said I would take under advisement, peruse Hansard and report back. I have done exactly that. There was not a point of order made, so I am suggesting I've made a ruling that the item is dispensed with. It is over. There was no such reference made; there was no accusation. It was something that was heard. I perused, and there was nothing there.

If the member is wishing to challenge the Chair, it is appropriate for him to do that. I have given my ruling and given my reasons for the ruling.

MR. G. ROCH: Mr. Chairman, I am saying that the Attorney-General made a personal affront to myself, an accusation which was not true.

MR. CHAIRMAN: I will explain for the third time to the member. If the member will peruse Hansard, the Attorney-General stated, he said he heard the member say something. I said I would peruse Hansard to see whether he had stated, the Member for Springfield, such a remark and report back. I would take it under advisement. I am reporting back that no such remark was reported in Hansard, therefore the Attorney-General misheard what he thought he heard, and the matter is closed. Now I have stated that for the third time. I see no reason for an apology. I see no reason

for any further action on this matter. I would suggest the committee continue.

If you wish to challenge the Chair, that is appropriate to do so. However, I am telling the member the ruling of the Chair.

MR. G. ROCH: Okay, well, based on that ruling, Mr. Chairman, would the Attorney-General then withdraw his allegation that I made that remark?

MR. CHAIRMAN: I would suggest that the Chair is ruling there is no reason for a withdrawal. He reported to the Chair, and asked the Chair to take appropriate action. The appropriate action, the Chair said, is I would review Hansard. If such was reported in Hansard, I would take appropriate action. There was nothing reported in Hansard. Obviously to me the Attorney-General misheard the Member for Springfield. I am reporting that back to the committee and saying the matter is closed.

MR. G. ROCH: May I reserve the right . . .

MR. CHAIRMAN: If the member wishes to have a point of order . . .

MR. G. ROCH: I have a question, Mr. Chairman.

MR. CHAIRMAN: What is the point of order?

MR. G. ROCH: On a point of clarification, may I reserve . . .

MR. CHAIRMAN: I don't know if there's any such point.

MR. G. ROCH: . . . may I reserve the right to bring this up as a Matter of Privilege at a later time?

MR. CHAIRMAN: I would think that is your right in the House at the appropriate time and circumstance, yes. The Member for Roblin-Russell.

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

In his last remarks, the Minister said that the highest per-pupil cost divisions are those who have contract buses or who have a combination of both and my point to the Minister was, those costs are higher because of the fact that in those costs is reflected the capital cost of the buses, the capital cost of maintaining those buses at garages, which is not reflected in division-owned buses and, therefore, the figures are distorting.

When those presentations are made to school divisions, there should be some compensation or something done to reflect the capital costs of buses, garages and the maintenance of them where buses are owned by school divisions.

HON. J. STORIE: Mr. Chairperson, just for the record, it's inaccurate to say that. The maintenance, of course, is reflected in the cost. The capital purchase costs of the buses is not, and the member makes a point.

Now how a contractor resolves that difficulty in terms of providing a service, of course, is up to the contractor and school divisions obviously from time to time have

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looked at the pros and cons and made some determination about what was in their best interests.

MR. CHAIRMAN: I would suggest that we, at this point, take a five-minute recess, and come back in five minutes.

The Member for Roblin-Russell.

MR. L. DERKACH: One final question for the time being. I would like the Minister if he could get his department to work out the figures again so that - because for some reason we're not getting the figures to match what the press release said. He's given me some different figures here that he's based his increases on. Could you get your department to give us those figures the next time we meet?

HON. J. STORIE: I gather that - I'm not sure what kind of discrepancy the member is referring to. It may work out to more than 3.8 percent. Is that it, it works out to 4 percent?

MR. C. BIRT: Mr. Chairman, if I could try to come to some understanding of it. In the sheet that you gave us 1986 Categorical Block and Equalization Support Program, the gross sum is 525, almost 526 million. Yet the press release refers to 607 million, a portion of that is ESL, but even if it is the Minister used the number of 581 million as being the total sum. So what is the correct figure, how was it arrived at and what is the amount of the ESL?

HON. J. STORIE: The current figure is 611; it was 607 in the release but, obviously there were some additions as we got far more figures. Remembering that the 581 referred to the 1985 total funding to school divisions. The 607 that he refers to, talks about total funding to school divisions. One's for the year 1985, one's for the year 1986. It's actual in 1986, it will not be 607 but 611. Okay it was estimated earlier to be 607.

MR. C. BIRT: But on the sheet your staff just gave us when we started estimates show a gross sum of 526 million.

HON. J. STORIE: There are lots of figures. That is block, categorical and equalization.

MR. C. BIRT: Okay.

HON. J. STORIE: Okay. That doesn't include capital for buses, 37 million, whole additional sums of money, private schools, other supports.

MR. C. BIRT: Then there's one's tract, you now use the figure of 611 million, 525 million, the difference being 80-odd million, 90 million perhaps, and that 90 million is broken down for capital and other grants?

HON. J. STORIE: Where does the 525 come from? Oh, that's the block equalization.

MR. C. BIRT: Maybe, Mr. Chairman, could we start over again.

HON. J. STORIE: Yes.

MR. C. BIRT: Or get them for us. You talk about 611 million.

HON. J. STORIE: Right. That's total . . .

MR. C. BIRT: Part of that is the ESL formula, how much?

HON. STORIE: \$186,904,940.00.

MR. C. BIRT: Now, do I take it then that the gross sum of categorical block and equalization is 526 million?

HON. J. STORIE: Yes, the 526 that the member refers to there is part of block categorical and equalization. Our estimate is 533. That's what's budgeted in the school division.

MR. C. BIRT: Mr. Chairman, I don't care whether we use last year's figures, this year's figures, whether they be estimates or final. Let's just pick one starting point and follow it all the way through. You told me that there was \$611 million this year going to provincial schools, school divisions.

HON. J. STORIE: That's right.

MR. C. BIRT: 186 of that was the ESL.

HON. J. STORIE: Right.

MR. C. BIRT: The balance, which I believe is, you now say it's maybe slightly higher, but 526 million, as per this sheet here, but if you take that ESL figure of 186 and the 526 you come to 712 million. The Minister just referred to 611 million.

MR. CHAIRMAN: The Minister of Education, maybe you want to clarify it.

HON. J. STORIE: You take 187 million rounded off from 611, what have you got? Then you take another 4 million off, which was a surplus of previous years and you're left with a figure of 420.

MR. C. BIRT: 4 million was surplus?

HON. J. STORIE: Yes.

MR. C. BIRT: Surplus in the departmental account? That's not school division, that's department?

HON. J. STORIE: That's the surplus in Public Schools Finance Board, which will get you to the government's share of funding, which is 420 million.

MR. C. BIRT: 420 million. Yet the estimate on 3.(a) refers to 401 million if we round it. Where is the other 19 million?

HON. J. STORIE: The other would be capital referred to in 8.(b)(2), that's the 19 there.

MR. C. BIRT: But some five or ten minutes ago the Minister said that in that amount there were other sums, such as, bus purchases of 37 million and all of that.

HON. J. STORIE: That's capital. That is debentured and not shown in here, but it is nevertheless funding provided by through the Province of Manitoba.

MR. CHAIRMAN: Is the member clear? I think this item was discussed, the matter of capital funding when we passed 8.(b)(2).

HON. J. STORIE: I appreciate that you're trying to get all the pieces together. Unfortunately, we don't have the same pieces put together as the member.

MR. C. BIRT: If we could have your pieces it might help.

HON. J. STORIE: Well, I'm giving them to you one at a time.

MR. C. BIRT: That's why we're wasting time.

MR. L. DERKACH: Can I ask the Minister to, because this is so incoherent right now

HON. J. STORIE: To go here and defy it?

MR. L. DERKACH: Would he do that, and then he can also define his terms

MRS. S. CARSTAIRS: Point of order. I would really like him to clarify that word.

MR. CHAIRMAN: That's really not a point of order.

HON. J. STORIE: It is part of my presumed expendability of the English language.

MR. L. DERKACH: Mr. Chairman, as I said, this is very incoherent at the present time, and I would appreciate it if we could have some clarification of this on a sheet or several sheets and then be given the opportunity to go back over it again, because I think we're talking about several figures

HON. J. STORIE: No problem. I'll get you one sheet dealing with all of the items and show the relationship to the amount of funding that goes directly to that which is debentures, in other words, to capital - the \$37 million.

MR. CHAIRMAN: I'd just like to remind the member that, even if we finish with this item, you could always bring it up on the Minister's salary and you can review those positions.

The Minister of Education.

HON. J. STORIE: I just want to clear up any misunderstanding, remembering that in January, that all of the figures, essentially, are estimates. We're dealing with very preliminary figures from school divisions, preliminary assessments. Obviously, throughout the next several months, there are adjustments, both on our

part and their part. Consequently, those figures don't jibe, but I will get you an accurate set representing the questions that the Member for Fort Garry and the Member for Roblin-Russell have asked.

MR. CHAIRMAN: The Member for Morris.

MR. C. MANNES: Thank you very much, Mr. Chairman.

I suppose I would begin by saying that I am somewhat surprised that the Minister and the Assistant Deputy wouldn't have provided to this committee a review in a summary fashion as they have the last two years where indeed these figures were laid out in, I believe three or four pages, and they made sense. Because to not have that before you is really to make this whole area totally

HON. J. STORIE: Mr. Chairperson, I had actually asked staff to prepare that and they did. I just forgot when we started this to hand it out. Apparently they do have that stuff prepared. Although, obviously, there are some differences between the figures, but people will understand that this is the more accurate representation of what's

MR. C. MANNES: Mr. Chairman, we've reviewed this material in the last few years, you know, the cross-reference from sheet to sheet, but it does become evident over a few minutes review as to where the numbers rightly belong. If you would have that, I would suggest

HON. J. STORIE: We'll have copies for this evening.

MR. CHAIRMAN: If I might suggest, do you want to hold this item for this evening and move onto another item, so you will have the information this evening, as the Minister said?

The Member for Morris.

MR. C. MANNES: Mr. Chairman, I always reminded the chairman in the past, the chair people, whoever was sitting in your position, that this is a \$400 million item and one that shouldn't be handled too expeditiously.

MR. CHAIRMAN: No, no. I was not suggesting we deal with it expeditiously, but that we could move on to some other items under this before we pass it, based on information that everybody would seem to understand.

MR. C. MANNES: Thanks for that clarification, Mr. Chairman.

I would like to again make a few general comments if I can, Mr. Chairman, because, as was said by the former acting critic of Education some six years ago when the Lyon Government brought out their ESP Program, the then Acting Minister who is now the present member for St. Vital said that program was one that was conceived in panic and borne in haste. Of course, we were led to believe that once the new GSE Program came about after some considerable study by Dr. Nicholls that indeed we would have a

formula in place that would not be conceived in panic and borne in haste, one that would be with us for some period of years, one that would give school divisions what they wanted and that was basically an opportunity to plan forward for a number of years knowing what degree of funding they could expect given their various circumstances within their school divisions, also knowing where they would stand vis-a-vis other school divisions, a formula that would treat them in a fashion similar, Mr. Chairman. Not one, of course, that would provide the same level of support, but one that would allow each school division to look at rules and know how they stood compared to other divisions.

Of course, I would suggest, Mr. Chairman, that attempt has failed and it has failed miserably. I would just like, again, for the purpose of the Minister, who I'm hoping, and I'm expecting, quite frankly, Mr. Chairman, will more deeply attempt to become involved in the financial matters of his department than his predecessor. I would expect that he will do so, Mr. Chairman, and, hopefully, he'll begin immediately after this Estimates process, although I know he's been visited by the school divisions trying to convince him over the last several months as to the shortcomings of the formula in place.

But, Mr. Chairman, for the record, and some of this has been said before, but I'll quickly go through it. When the new program came in place, I remember basically a year ago asking the then Minister how long it would take before all school divisions would come on to the new GSE Program. The Minister as much as said to me that there would be a grandfathering required for one year and at that time she expected then that all divisions would be part of the new formula. Mr. Chairman, I accepted that, as I believe most school divisions did within the Province of Manitoba.

At that time, I was not terribly critical of the GSE for what it attempted to do and, Mr. Chairman, the Minister is well aware, it attempted to take into account some other factors which were very important at the time. Arbitrary weightings were given to those, very subjective, but I can understand why in time that they may have to be changed. We spent considerable time last Estimates a year ago going through those categories and in some cases discussing the weightings placed upon them.

Mr. Chairman, I don't quarrel with an attempt to try and make a formula near perfect, but I really think something basic was forgotten when this formula was drafted. Since that period in time, we've had ad hoc decisions applied. The announcement was made at the beginning of this year that there indeed would be a third formula, one updating one by 1 percent, and I say to the Minister again that there will never be harmony unless there is one in place, unless there are specific benchmarks, unless every division appears to be treated fairly. Right today, that is failing.

I'm glad to see that the Minister is prepared to review the system, but he really can't do anything meaningful at all, unless he, himself, is prepared to fully understand how education financing works, indeed, almost as well as those key players within his department that understand it on a daily basis.

Mr. Chairman, I look at the attempt to equalize and I would ask the Minister, as one of the questions I will pose at this time: is it the government's intent to

equalize special levies across the province? Because everything I can see coming forward out of this program would suggest that that basically is the goal, that special levies throughout the province should be to some degree equalized, taking that right, so to speak, that historic right, away from the local elected trustee.

Mr. Chairman, the Minister talks, because he uses in many cases the mill rate arguments, the varying special levies throughout the province, and he talks about the high-cost divisions. Mr. Chairman, there are divisions in this province who are trying to carry out two and three programs, some of them related to language, most of them related to languages in many cases. Of course, there is extremely high cost associated with that. Mr. Chairman, when the Minister, through this formula, is expecting other divisions, through increasing their special levy to help offset that, then he is causing, and I say creating, a monster. He's not only creating a monster, but he's creating a formula whereby again all the divisions will not be coming on and will not, therefore, be treated equally.

I think when the Minister says that the Brandon School Division, and I may be paraphrasing him - I think I do have his quotes down here - he said they decided to take the action it did. What he was saying intuitively is that they decided not to increase their special levy because that was to support more expenditure because, he said, that was a decision they chose to take.

Mr. Chairman, if these low-cost divisions who have put their house into order, are going to see really the benefit of increased local taxation being simply funnelled to other divisions that are spending high, for whatever the reason, whatever the merit - in a lot of cases, again, it's because of additional language programs - then in the long run, if the Minister doesn't fully understand what is happening, then there will be a bitter backlash. I think a failure to acknowledge what has happened, in trying to make it so complicated by way of numbers and formulae, is really doing it a disservice.

Every formula, Mr. Chairman, has to be basically understood. It's of no value to the democratic system if we have trustees today who are dealing with a formula which they don't have an understanding and principle as to how it works. I suggest that's what we have in place today. We have treasurers, secretaries or chief executive officers of school divisions which, in many cases, are in themselves working hand-in-hand with the department and taking whatever the formula, by way of the words of department staff, is giving to them and imparting this information to trustees who are having then to make policy decisions within their own divisions.

Mr. Chairman, that system can't work. It just can't work for the good of education. If the Minister is genuine in his suggestions that he's going to try to work toward a formula which will, first of all, be more easily understood; which will be with us for some period of time; which will lend itself to a better understanding over time, then I'm prepared to give him some more time.

I warn you, Mr. Chairman, the Minister's predecessor sat in that chair, or the chair in the Main Chamber, for four years and indicated some understanding of where we were headed in this matter. Quite frankly, as I was for the last two years, I am more strongly convinced now she had no understanding whatsoever.

My conclusions, Mr. Chairman, are simply these. I believe the present formula is unworkable. It'll just lead to disharmony between school divisions. I'm glad to see that the Minister is prepared to review and possibly bring in a better system. I hope he will take great care and great time in understanding for himself the system, the formula in place, so that he does not have to turn, each time we pose a question, to his assistant deputy for an understanding as to the principles and beyond them, some of the basic workings of the formula.

I hope the Minister will take some leadership in this respect because just to continue year after year to allow a 1 percent increase, particularly on the eve of an election and convince school divisions that, really, they're not going to receive less, well, in monetary terms, no; in absolute terms, yes. Of course, they are receiving less. Mr. Chairman, again, that type of action just does a total disservice to all people within the education community, and particularly those representatives of parents, trustees, who really should have a better understanding and I think, in a lot of cases, would want to have a better understanding of the formulas and the funding provisions in place.

Mr. Chairman, there was one question in that commentary. I would also ask the Minister to indicate to what degree the Department of Education has underwritten the costs associated with transferring students from a home division to the City of Winnipeg in support of secondary language instruction, the costs associated with particularly board and room. So, two questions, Mr. Chairman.

HON. J. STORIE: Yes, Mr. Chairperson, I would just like to make a few general comments about the Member for Morris' suggestions.

I guess what I see here, in essence, is a desire by the Member for Morris, and others, to have it both ways. I hear two concerns being addressed. Number one, I can hear a concern about the ever-increasing spiral, the escalation of education costs based on the assumption that GSE will lead to that kind of escalation by its very nature, and then in 1986, on the basis of its block support to school divisions being based on supportable expenditures.

On the other hand, I hear the concern and the desire expressed to fund school divisions to an appropriate level. So, on the one hand we have, yes, we need to increase the spending and attempt to better meet the needs of school divisions, and I assume by that, he means increase our spending, provide additional support to those divisions; and at the same time, a concern expressed about the cost of education and the escalation.

He mentioned two other things. He said school divisions wanted to know essentially where they stood and where they would be standing over the next few years. I suppose, in that regard, the current guarantee which is in the act provides some certainty. Clearly, every other funding formula, including ESP, has had its shortcomings and would have or did require a change. It was not that well received.

All I can tell the member is while, yes, I've said I'm not opposed to looking at the formula, I have received some input from low-cost divisions, I would not want the Member for Morris to interpret that as some type

of mutiny with respect to GSE or the funding formulas now in place. By and large, while there is some concern about the block aspect of it, and that being tied to supportable expenditures, there has been a fairly broad acceptance for the principles that were outlined when the Government Support to Education Program was introduced. Those principles were fairly straightforward. We wanted equality of education opportunity across the province. I'm not satisfied that you can do that without causing some concern about the level of funding in some areas unless the answer is simply through more money and more money and pay no attention or have no regard whatsoever for the ability of school divisions to manage the differing needs that school divisions have and, I guess, our own ability to provide a flexible formula that meets individual needs.

The second goal was to provide equity for Manitoba's taxpayers; provide some measure of local autonomy for school divisions and provide accountability in funding and expenditures. So I don't think that there has been the kind of revolt that the Member for Morris seems to imply. There have been specific concerns.

I've indicated that there is no simple solution. It seems to me the request is indeed for more money and that alone. It is not so much a question of the complexity of the formula or the characteristics of the formula. It is the expectation on the part of all school divisions that the province will be funding a greater proportion of the costs of education and will increasingly pay a greater proportion of the costs.

So, I think that there was a point made by the member and that is that school divisions, in perhaps all too characteristically human a fashion, do compare themselves to other school divisions. They look over and say I only got 2 percent and they got 6 percent; I got 0 percent and they got 5 percent; without perhaps a serious reflection on the differing historical educational realities that those divisions face, do draw some comparisons. Those comparisons were drawn in some measure at the time that the low cost school division brief was presented to me.

I pointed out a couple of the extreme examples of the differences between the costs that those divisions face and the costs that some other school divisions face in the province. It is dramatic and one only need take a walk through some of the schools in inner-city Winnipeg to recognize the full implications of the euphemisms "special needs." Clearly, there are some horrendous problems that school divisions are attempting to address. It requires additional funding and it requires dramatically increasing expenditures from time-to-time.

Finally, the only conclusion one can draw is that while we would all like to have something simple and easily explainable, given the complexities of the system and the differing views that boards have across the province about the needs and what is reasonable and how much it is reasonable to attempt to meet those needs, we can't have a simple formula. I'm not suggesting that means we shouldn't continue to look at finding some means of finding a core that is equivalent across the province; I think we've tried to do that. In essence, that's what the block part of the funding formula provides.

It is arbitrary in some respects and the member referenced that. Nonetheless, I have not heard from

any school division suggesting that the major components of the GSE are unacceptable or unworkable.

MR. C. MANNESS: Can the Minister tell me when all the divisions will be on the GSE?

HON. J. STORIE: No, I cannot say. Unless the member is asking me to force them on, they obviously have their own particular needs. That's one of the reasons why we have, in essence, three formulas. It's simply been a recognition of the differing needs of school divisions and a willingness to accommodate them. The member may focus on the fact that not all divisions are on the GSE. I would refer him to some of the information that's been handed out and referenced before; that is, the increases that have gone to school divisions across the province.

MR. C. MANNESS: Well, Mr. Chairman, the Minister is now part of a government which - this government, partly I think, because of some of the electioneering that took place in 1981 - I don't want to belabour that, Mr. Chairman, but you may or may not remember - the old formula was criticized very heavily for a number of reasons. One; it didn't have a large enough equalization factor built into it and it was, of course, chastised for not taking into account changes in enrollment, particularly declining enrollment . . .

But it was also severely criticized for using the previous year's expenditures as a base for increases in the following year. And of course, Mr. Chairman, the NDP at that time lobbied very heavily saying that was reason enough for that old ESP formula to be changed.

Now, I only place that on the record for one reason, Mr. Chairman, because, believe it or not, I'm trying to help the Minister.

HON. J. STORIE: I believe that. Thousands wouldn't.

MR. C. MANNESS: I wasn't here the other day, Mr. Chairman, when we were discussing policy areas. By the Minister's own internal surveys that were done in his Planning Branch, if he's read them - the ones that were done at least two or three years ago - he'll find that when a survey was taken, that most Manitobans don't believe the quality of education would improve if you had more dollars to throw in. As a matter of fact, to take it a step further, people were asked if there were additional monies that government had, what area of government should they be directed into? The Minister might be interested to know and find that Education was fourth or fifth. I believe there were four or five other areas that ranked ahead of Education.

Mr. Chairman, I say that because I honestly believe that the people of this province don't believe that the quality of education would improve greatly if there were additional sums of money.

Secondly, the Minister being a member, of course, of Cabinet, is well aware that dollars are tight. We are many years away from the government's 90 percent pledge under today's economic circumstances. Mr. Chairman, I dare say we're a decade away. I would think that times being what they are, if ever there was a time when the Minister and the government wanted

to be able to say to school divisions that they were being treated fairly and under the same rules, that this would be the time, Mr. Chairman, because although maybe only four or five divisions showed up at the Minister's door early in the first three months in 1986, I say what I think I know what is happening in the financial sense; many, many more will be showing up a year from now. And one of their main reasons for showing up will be the fact that they believe that they are not being treated fairly because they are for some reason on one of the different formulas. I think therefore it would be incumbent for the Minister to bring them very quickly to the same set of rules, and convince them then why it is that they would all be treated more fairly during these difficult times that are obviously going to come ahead.

So, Mr. Chairman, I throw that just to make the Minister's job a little bit easier, not to unduly criticize the GSE formulas that now exist, although I honestly believe it deserves major criticism.

HON. J. STORIE: Well, I appreciate very much the member's comments, and I have certainly never taken anything that the Member for Morris has said in other than, I believe, its face value as an effort to make constructive criticisms about the system and its present formulation.

I think that it's somewhat naive perhaps, perhaps a better word would be somewhat hopeful, to think that school divisions are going to accept the concern about increasing costs to education in the same vein as the Member for Morris seems to assume they would. I believe that the request that came to me from the low-cost divisions was, in essence, to express a concern about the way that they had been treated by the formula. I believe that to mean, in most instances, that they felt they were deserving of more. I guess, if the member is saying he would support a reduction of the percentage of spending that occurs by the province on education overall . . .

MR. C. MANNESS: Don't put words in my mouth, Jerry.

HON. J. STORIE: I'm just saying, if that's what the member's saying, then I would like him to say that perhaps more clearly.

He referenced a number of studies that were done, and I would indicate there was only one other aspect to that study which was of interest. That was that, if people believed, or if it could be shown that increased spending on education was effective, they would support it. I have no doubt, no hesitation in confirming this, there is a certain suspicion out there that more is not necessarily better.

However, that does not mean to say that there aren't areas in which the province can spend money on education and that spending will receive approval because it is geared toward or directed toward specific areas within the system that obviously need improvement, or in which it can be shown that improvement is being made.

So I think, despite the cynicism perhaps that's out there, increased spending on education is something that also can be built in as a positive.

The member referenced a number of times the question of fairness. He knows from my comments on

other occasions that fairness is a difficult concept to come to grips with. Fairness is almost inevitably seen as, I deserve more, but I'm not so sure about those other guys. That's a difficult reality to face.

Having said that, I believe that there is some ration in the member's point about having some part of this fixed so that it is understandable and people can relate to it. I believe that we're moving in that direction. There have been changes from the 1985 formula to the 1986 that have been received positively. I wouldn't want to leave this whole question of funding to public schools without restating that we are about, I think, some serious improvements to the quality of education that's in the province. I'm sure we'll have other opportunities to talk about some of the initiatives and the importance of the High School Review, talk about the money that's being spent on upgrading the facilities themselves, meeting the facility needs of our school-age population. I believe that some of the components of the GSE, particularly equalization, are supported by all divisions, regardless of their current view of their treatment with respect to overall provincial funding. So I think there are some positives out there.

I take seriously the member's challenge that we continue to refine, improve or change the formula so that it has the acceptance of all school divisions. That's obviously, ultimately, the goal.

MR. CHAIRMAN: The Member for Kirkfield Park.

MRS. G. HAMMOND: I'd just like to say a few words. I'm pleased to hear the Minister indicating that he will be trying to come around to a formula where some part will be fixed, because I represent a school divisions, St. James, which is outside the formula. In spite of doing everything possible to keep costs down, our ratepayers are going to be forced to be paying more through the special levy.

It seems a shame that we would have a formula that seems to be based on divisions that are fiscally responsible getting less and divisions that are high spenders, whatever the reason, get more based on that. I really feel that this is going to be the perception in the taxpayers' mind if this carries on, because divisions are going to get further and further apart. I would be more than happy to see the Minister try and come up with some type of base formula that was fair to most of the divisions and, in fact, to all the divisions, I shouldn't say to most of the divisions. I don't think you should have a formula that everyone isn't under.

While I don't even begin to understand the financing, I do know that when you see a division, such as St. James, and the type of cost-cutting measures that they have taken, and yet they can't be part of the formula, it doesn't seem to make sense.

HON. J. STORIE: Well I've indicated that, I suppose, the only reason there are the alternatives is because of the department's previous willingness to recognize that a formula, unfortunate as it may seem, doesn't always fit perfectly all of the circumstances. We have left some flexibility in an attempt to allow school divisions to meet their needs in a somewhat different way. Whether we should or shouldn't be moving quickly to make sure that everyone's on the formula, I think, is something we'll have to deal with.

I wanted to just deal with two issues that the Member for Kirkfield Park has raised. No. 1, there are two parts of the formula which I think are well understood and which are based on a pretty sound formula. That is the equalization and the categorical grants. So those are, I think, well understood.

The issue has been and continues to be, both in the '85 formula and in the '86 formula, the question of the block and its base on supportable expenditures. The member referred to the question again of profligate spenders and I'm not sure that's fair, in the sense that has a negative connotation, that there are sometimes - and I suppose the school divisions believe in each of their individual circumstances - legitimate reasons for those increases in spending.

Certainly one school division who received a 10.7 percent increase in funding from us came to see me and were very concerned about the perception that they were just careless. They had to provide extra tracking, three separate language streams, in some cases. They were having increasing enrolment in one area in particular and certainly a formula that was so rigid that you couldn't accommodate those kinds of exceptional circumstances would not be acceptable in either.

I believe that some of the situations that pertain in St. James-Assiniboia were also addressed by the formula, with respect to declining enrolment; and overall, St. James-Assiniboia received a 4 percent increase in operating support per pupil in 1986, which is a reasonable level.

MRS. G. HAMMOND: I just want to make one comment on the division that came to him with the 10 percent increase that said they were concerned they were looking like careless spenders; but that's exactly the type of perception that is out there, because of the type of funding, because of the formula that's there. I would think that alone would point out that there has to be a better base, and if there are extra language programs, which aren't the fault of divisions that don't have that extra expenditure, there may have to be grants for that type of different funding.

I don't think divisions that don't have those peculiar problems should either be penalized.

HON. J. STORIE: The member raises a legitimate point. I just point out the scenario I can see developing from her comments; and that would be that, in essence, we would provide a per pupil grant across school divisions, but given the exemptions the member has already raised, which we may want to make and provide additional funding for additional languages of instruction, exceptional costs in transportation, other things as they come along by way of categorical grants, that it's certainly possible to have a universal number. In fact, that's what the block program does, in effect, come to a universal per pupil cost or an average per pupil cost or whatever.

But the Manitoba Association of School Trustees has already indicated to us that they're very concerned about the increase already in categorical grants, that they're a little concerned about then the province taking the initiative away from school divisions by saying, oh well, we've got to fund these things specifically and

we're going to set these scholars aside and take them from the GSE or the block support within GSE for those kinds of programs. So it creates another set of problems, in a way.

MRS. G. HAMMOND: Mr. Chairman, I didn't say it would be easy, and I understand how that can happen, but at the same time, here you have a problem where you have divisions who are getting high funding, say they're concerned because they're careless and then the others are sitting back saying, we're fiscally responsible, and you're creating that very kind of - what is the word I'm looking for - unrest, I would say, because of the type of funding.

HON. J. STORIE: I think it doesn't really matter what type of funding we provide, that if a division comes forward and says we're going to spend this much money and we have to, and whether we provide it by block or some kind of new categorical grant, the end result is going to be a 10.7 percent increase in spending, assuming that's the target, the requirement.

I should indicate that while they're concerned about not being viewed as profligate spenders, they also raised with me their concern about not receiving adequate support or always requiring additional support because they too are facing mill rate increases, special levy increases in their own divisions; and I pointed out somewhat earlier that in fact the low spending divisions receive a greater percentage of provincial support for supportable expenditures than do the high spending divisions. So those divisions that are high spending obviously have recognized the dilemma they're in, and for whatever reason - I presume because of the importance of the programs they're offering to them - have chosen to maintain those programs, in some cases, enhanced those programs.

But it should be noted that there is a direct cost to them too and to their taxpayers directly, because they are already receiving proportionately less government funding for their supportable expenditures by almost 10 percent.

MR. CHAIRMAN: I think it would be appropriate to call it 5:30 and we will reconvene at 8:00 p.m.

SUPPLY - HEALTH

MR. CHAIRMAN, C. Santos: Committee of Supply, please come to order. We have been considering the Estimates of the Department of Health.

The Honourable Minister.

HON. L. DESJARDINS: Mr. Chairman, I notice the critic of the - oh, here he comes now. I wonder if the page boy can pass on the - oh, they're doing that now, all right.

I would like to announce the five-year Capital Program at this time, Mr. Chairman. I am pleased to announce government approval for the Manitoba Health Services Commission five-year Capital Program, a program which includes continuation of \$234.7 million currently under construction and an amount of \$255.4 million in projects now approved for construction. Of this amount, approximately \$112.5 million are for projects not previously approved.

The document you have before you is a continuation of the format I have used for the past several years. Some of the projects that we had anticipated as being started during the 1985-86 fiscal year have been somewhat delayed. There has been no change in government approvals for these projects and the delays are mainly due to administrative and design considerations.

Over the past several years health facility construction has had a major impact on the construction and design industry in our province. In line with government policy to use government funded construction projects to stimulate the economy, it is now felt that tendering of those projects now approved for construction can be spread out over a somewhat longer period of time so as not to impact too heavily on the presently very active construction market. All projects have been thoroughly reviewed and are designed to address the immediate and long-range needs of our citizens. No urgent projects will be delayed because of the decision to spread out the tendering of approved projects.

The projects shown below will cost an estimated total of \$490 million and in addition to major hospital replacement will provide 593 new personal care beds and the replacement or major upgrading of 978 beds in older facilities.

It is estimated that: the projects currently under construction will have generated 940,000 days employment for the construction and design industry when they are completed; the projects now approved for construction will stimulate 1,020,000 days employment for the construction and design industry; the projects approved for architectural planning only will result in 42,400 days of employment for the planning and design sector of the building industry.

The five-year Capital Program includes continuation of the following projects presently under construction totalling \$234.7 million: Winnipeg Bethania, construction of 50 additional personal care home beds and renovations to existing; Brandon-Fairview, new 148 beds to replace existing hostel beds and renovations to existing; Dauphin Hospital, extensive renovation and replacement of the existing hospital; Deer Lodge, develop the facility as an extended treatment/personal care home facility following transfer of the hospital from the Federal Government, and the capital costs will be provided by the Federal Government; Gilbert Plains, close the existing 21-bed hospital and build a new 30-bed personal care home with clinic space; Gillam, hospital upgrading; Health Sciences Centre, rehab hospital air handling; Health Sciences Centre, neonatal ICU; Health Sciences Centre, renovations to H wing for radiology; Misericordia, phased redevelopment of the older portions of the hospital to bring those buildings up to a current standard; Municipal Hospitals, Phase I of a major redevelopment including the reconstruction of the power house; Neepawa Hospital, expansion of diagnostic and other areas; Pine Falls, renovation and replacement of the hospital wings, a new 20-bed juxtaposed personal care home; St. Boniface Hospital, upgrade and consolidate services; Whitemouth, 20-bed personal care home, multi-use beds and clinic space to replace the existing hospital; Winkler-Salem Home, replacement of the older wing, 58 beds including hostel beds with 65 new beds.

Specific projects now approved for construction valued at an estimated \$250.4 million and include:

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Brandon Laundry, consolidate laundry services at the General Hospital - and this assumes the reuse of the existing equipment - and it includes some hospital renovations; Brandon-Rideau Park, 100-bed psychogeriatric facility; Dauphin Hospital, Public Health Building; Dauphin Personal Care Home, 25 new personal care beds; Flin Flon Hospital, major hospital upgrade; Foyer St. Boniface, replacement of the existing 70-bed facility with 120 new personal care beds; Grandview, replace the existing 18-bed hospital; Klinik, a new clinic building; Manitou, new 20-bed personal care home, clinic and multi-use beds to replace the existing hospital; Middlechurch personal care home, major fire and life safety upgrading primarily in buildings remaining in service; Neepawa, Eastview Lodge upgrading including life safety and other improvements; Portage Hospitals, necessary hospital renovations and upgrading including life safety; Portage Personal Care Home, replace the existing substandard proprietary home with a new 60-bed personal care home by the hospital board; Selkirk-Betel, upgrade 64 hostel level beds to personal care; Ste. Rose, Dr. Gendreau Home, improvements to service and activity area and life safety upgrading; St. Boniface Hospital, the further phase of a staged redevelopment program; Souris, upgrade diagnostic services and improve fire safety; Steinbach Hospital, expand emergency outpatient and diagnostic areas and replace 20-bed ETU; Virden-Sherwood, building upgrading including life safety; Benito, 20 new personal care beds, multi-use beds and clinic to replace the existing hospital; Brandon Hospital, mechanical upgrading and a CAT Scanner; Concordia Hospital, extended treatment beds; Elkhorn, new 20-bed personal care home and multi-use beds and clinic to replace the existing hospital; Erickson, a new health care facility including 20 personal care beds to replace the existing hospital; Fred Douglas Lodge, replace the existing hostel beds; Gimli-Betel, replacement with a new 80-bed facility; Golden West Personal Care Home, renovation and expansion to upgrade the existing hostel beds to a heavier level; Grace General, hospital regeneration plus extended treatment beds; Luther Home, increased activity area and other improvements; Morden Hospital, major upgrade of emergency and outpatient areas; Ste. Anne Villa Youville, upgrading including life safety; Selkirk, 100-bed psychogeriatric facility; Victoria Hospital, fire safety upgrading and other building improvements; Virden Hospital, replace existing 32-bed hospital with a new 25-bed facility; Vita, hospital replacement with six multi-use beds and clinic space and 15 additional personal care home beds; Winnipeg, two additional CAT Scanners; Winnipeg, program space as recommended by the Health Services Review Committee for NFA surgery and ambulatory care; Health Sciences Centre, major redevelopment of General Centre and upgrade of standby power, upgrading projects to provide for interim measures during the redevelopment phase including pediatric angiography, pediatric ICU's, O.R. Children's, O.R. General Centre, Ophthalmology, Adult Radiology and kitchen.

Approval is also provided for the early tender call on a number of smaller projects associated mainly with plant and building code upgrading in health facilities at an estimated cost of \$5 million.

The government has also approved \$12.4 million for architectural planning to be carried out during the

current fiscal year for projects worth an estimated \$252.3 million. These projects, following finalizing of architectural plans, must come back to the government for approval before proceeding to the construction stage.

Other projects presently in various stages of planning and architectural design or approved to proceed to this stage during this year are as follows: Brandon Hospital, major redevelopment and upgrading; Citizen Health Action, new or upgraded clinic building; Middlechurch Home, replacement of the hostel beds; Swan River Hospital, hospital upgrading and expansion; Red Cross, replacement of the existing building; Swan River, replace the existing 53-bed hostel with 60 new personal care home beds; Beausejour Hospital, major upgrade and possible addition of extended treatment beds; Minnedosa Hospital, replacement of major upgrading of the existing 35-bed hospital; Foyer Notre Dame, facility upgrading; Roblin, 20 additional personal care home beds; St. Pierre, replacement or major upgrading of hospital and possible additional personal care home beds; Stonewall Hospital, replacement or major upgrading of the existing 18-bed hospital; Sharon Home, addition of 25 to 30 personal care home beds and upgrading; The Pas, expansion of diagnostic areas and improve patient area; Wawanesa Hospital, replacement of the hospital with a multi-purpose unit juxtaposed to the existing Personal Care Home; Health Sciences Centre, planning for the main service building to provide radiology, primary care, emergency, burn unit, operating rooms, delivery suite and intensive care units; free standing psychiatry building; new forensic beds and service.

Cabinet has also approved a recommendation to begin functional and architectural planning for a substantial increase in space at the Cadham Provincial Laboratory Building. This new space will relieve present crowded conditions in the laboratory building as well as provide new space for the Chief Medical Examiner and for functions of the Chief Medical Officer of Community Health including the office of the provincial epidemiologist.

By giving approval for architectural planning on the above projects, the government will maintain maximum flexibility in timing the health construction to respond to economic conditions of the province.

In addition to the foregoing programs approved by government totalling \$742.4 million, I have instructed Manitoba Health Services Commission to continue to work with facility boards and communities in determining and refining the functional programs of the following hospital and personal care home projects: Killarney, Lakeview, possible replacement of existing 43-bed hostel; Manitoba Oddfellows, possible replacement of the hostel beds; Shoal Lake Hospital, upgrading of the hospital; Winnipeg Municipals, Phase II of a major redevelopment; Eden Mental Health Centre, addition of office space; Selkirk Hospital, possible extended treatment unit; Winnipeg Young Disabled, approx. 30 beds at yet to be determined locations.

These projects will be submitted to Cabinet in subsequent years for consideration and if approved will proceed to construction.

In addition to these projects, funds will be considered for planning for the ongoing programs of health facility regeneration, upgrading and life safety improvement each year.

Several facilities in Manitoba are in need of upgrading or replacement; the scope, yet to be determined. Following further review the projects would then be presented within the Commission's five-year Capital Program. Some costs will be incurred during this assessment phase. Facilities and communities in the category at this time include: Morris Hospital; McCreary Hospital and Personal Care Home; Treherne Hospital and Personal Care Home; Lions Manor, Winnipeg; Convalescent Home of Winnipeg; Ste. Anne Personal Care Home; Hartney Hospital; Birtle Hospital and Personal Care Home; Carberry Hospital; Notre Dame de Lourdes; and Swan Lake.

The Capital Program I have just outlined, indicates a significant increase in bed numbers. Included in last year's program was a provision for the expansion of bed supply at the acute, extended care and personal care levels. The Health Services Review Committee which includes representatives of the institutions and professionals providing health services has completed their review and made their recommendations. As a result, we have included in this year's program specific projects for the provision of new extended treatment beds at the Concordia and Grace hospitals plus an allowance for the expansion of ambulatory programs in Winnipeg hospitals. The addition of extended treatment beds will enable more appropriate use of existing acute care beds in Winnipeg.

In former years a number of new projects were added to the Capital Program at the functional planning stage. Last year saw a new initiative in health planning by the formation of the Health Services Review Committee. This committee have now presented their initial reports and I have asked this committee and the Planning Directorate of the Department of Health to continue to meet and advise me on new thrusts in health services delivery. Cabinet in their review of the Manitoba Health Services Commission's Capital Program allowed flexibility to add further appropriate projects to the Capital Program at the functional planning stage throughout the year.

Now, again, I want to make sure that this is understood. It doesn't always take five years. We've called it the five-year program and every year many of them are repeated from other years. For instance, you start usually at the bottom of the list, that you've agreed with functional programs. It is in that category and that's all it is; there is no other commitment than that.

Usually, though, those that are there are usually 90 percent or more would go all the way eventually. Then when the Commission is satisfied, they know exactly what the community wants and what is needed, then the government would then approve the move of these facilities in the next division which would be the architectural drawing and that planning. That also, when that is approved, then it goes for the construction. Of course, for some reason, many of them weren't allowed to go. We weren't able to go to the construction because the planning wasn't ready or for some reason that we had nothing to do with. Of course, some of them stay in a category longer and it might take a while to get the architectural plans and planning, or for some reason, the community oftentimes would like to make modification. So I'm not trying to pretend that this is all new, far from it, but you will see in the category.

Now, this year, I've asked and received from Cabinet a bit more flexibility. There is probably less in the functional planning. There are some that we are looking at, a list that I gave, to see if the facilities could be used. If there's going to be, there had been a request that we look at the facilities to see if they could be expanded or to be ready to see what the cost would be and we'd be better off to start all over again with the plans.

Now, I brought this. As is the custom, we won't debate it today, unless you're finished, which I doubt very much. This will come later on, I would say tomorrow. We've had the proper staff and they'd give you a chance at least tonight to look at it and see if there's a question that we can ask on that.

I would suggest, Mr. Chairman, and I'm looking at the official critic for the Opposition that there has been a change in the lines. If you'll remember last year, we'd numbered the lines one, two, three and so on. I would like to proceed with Administration No. 1; Pharmacare Program No. 2; and then I would like to go to the last line, Medical Program and then stay in the same order. The reason for that is that certain staff and the assistant executive director, there are two of them, and the first, second and last line are under the same person, and to try to get him to finish his work. So my suggestion is: Administration first; Pharmacare Program second; what is now the Medical Program, the last one, would be third and then we'd keep on, just push them back once, the Ambulance Program and so on.

Thank you.

MR. CHAIRMAN: Item No. 7. Manitoba Health Services Commission - the Member for Pembina.

MR. D. ORCHARD: Mr. Chairman, before we leave this, I'd just like a couple of brief explanations from the Minister.

I've always been somewhat amazed by the Capital Program in that we've got a continuation of projects on Page 2 totalling \$234.7 million, presumably a portion of which will actually be cash flowed this year. As the Minister explained, you don't always complete a hospital in one year. Sometimes you don't complete a hospital in four years. But basically . . .

HON. L. DESJARDINS: Excuse me. Mr. Chairman, on a point of order, I wonder if I could suggest that we would take that under Hospital or Personal Care Home. We'll give everybody a chance to look at it.

MR. D. ORCHARD: Mr. Chairman, that would be an excellent idea, but I don't think the Minister is going to have the answer to the question I'm going to pose, so this will be a question as notice.

We've got a \$234.7 million program, Page 2, Projects Presently Under Construction. We go to Page 3, we've got Projects Now Approved For Construction valued at \$250.4 million, and there's a two-page list of them. Then we go to about the middle of Page 5 and we have two things. There is some upgrading of \$5 million which are basically minor repairs, some of them may amount to substantial dollars, but they are not new facilities or replacement of facilities. They are normal maintenance procedures on the various facilities we

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have in the health care field. As well, below that, the next paragraph, Page 5, there is \$12.4 million for Architectural Planning.

Now, presumably the \$5 million in repairs is something that would be undertaken this year, the majority of them; presumably a fair portion of the architectural planning would flow this year; presumably a number of starts and cash flow is going to be made on the \$250 million worth of new projects and certainly a substantial portion of the \$234.7 million will flow this year as projects which were under way last year are completed or further advanced.

Now when you add all four categories up, you end up with a commitment - and I'll do a rough calculation - of approximately \$500 million and yet, when we get to Line 8, we are asked to approve capital grants of \$27.8 million, an Acquisition/Construction of Physical Assets, \$1.776 million; for a total in capital, requests this department of just under \$30 million.

My question to the Minister then would follow - and he doesn't have to answer it today, we can do it when we deal formally with capital - of the \$29,584,500 requested in these Estimates for this fiscal year, is that the entire cash flow in the four areas?

In other words, of projects under way, projects to be commenced this year, normal repairs of \$5 million in architectural planning of \$12.4 million? What I'd like to have from the Minister is a breakdown of what portion of the \$29.584 million flows to projects currently under construction. In other words, how much of the \$234.7 million is expected to flow this year? How much of the projects which are newly announced of the \$250.4 million is expected to flow this year? How much of the upgrading will flow this year? How much of the architectural planning will flow this year? And will the \$29.584 million be the entire capital fund pool available this year?

HON. L. DESJARDINS: Mr. Chairman, I think my honourable friend will understand when I make these explanations.

First of all, this is money that is borrowed and it's paid in a 20 year or so program and that is only the amount this year of the capital without the interest. The interest, you will find in the line with Hospital and Personal Care Homes, because that is part of the budget in the per diems that they have to pay for that, so that is why it's over approximately 20 years.

MR. D. ORCHARD: Okay. That's what I was going to get at when we got down to personal care homes in the Hospital Program because I didn't expect to be there today. So I left the two books which had reference to it back in my office. I can get them, but I think I can quote good enough from memory.

Basically, there is within the Hospital Program, Personal Care Home Program of those round figures, \$800 million of funding expenditures, there is, theoretically, a facility retirement cost involved in funding those facilities. Well, the Auditor's Report didn't specify how.

What I'd like to determine from the Minister when we reach Capital or when we reach personal care in the Hospital Program of what the dollar value that the Minister referred to in the two lines of Personal Care

and Hospital how many dollars, in addition to the \$29.5, are made available in this year's budget for capital purposes?

HON. L. DESJARDINS: Yes, we can pull that out. We'll have it for tomorrow; as soon as we can anyway.

MR. D. ORCHARD: Tomorrow would be as soon as you can.

HON. L. DESJARDINS: That's as soon as I can, yes; as soon as I possibly can.

MR. CHAIRMAN: Can we start with Administration and do it item by item?

MR. D. ORCHARD: I would presume we could leave that to the Chairman.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. D. ORCHARD: Mr. Chairman, some general questions to kick off the Administration line.

First of all, Mr. Chairman, I posed a question to the Minister when we started the Estimates process about the Special Warrant that was required to facilitate last year's commitments through the MHSC. Has the Minister got the dollar value of that Special Warrant and its application with him this afternoon?

HON. L. DESJARDINS: The Special Warrant in process during the year was \$29,689,800.00. Now we had though, at the end of the year, a surplus of \$17,264,800 for a net extra fund over the voted last year of \$12.425 million. But I want to make it clear this year the base, the \$29.689 million is in there. That is the Hospital Program's salary settlement not included in the Vote; chronic care charge, income shortfalls was \$13 million; personal care home salary settlement, not included in Vote, \$3,363.5 million; Medicare volume increase, not included in Vote, \$8,630.6 million; another adjustment, all the other programs, \$3,326.3 million for a total of \$29,689.8 million.

MR. D. ORCHARD: Well, Mr. Chairman, I think we're going to have to spend a little more time on this than I expected.

The Minister indicates, in one portion of the 29.689 Special Warrant, that in the Medical Program line a volume increase was not included in the original Vote. Now, we'll check Hansard over the supper hour if I can find the reference. I am quite certain that when we discussed how the MHSC determines the new requested figure, that they considered two things; a fee increase and a volume increase and that was the answer the Minister gave me last year. Now he's indicating that they had to have Special Warrant because the volume was not part of the request for a requested increase last year. I will stand corrected if I don't find that reference in Hansard from last year, but I recall specifically getting into that area in significant detail.

One of the things that makes me immediately question passage of a 29.689 million Special Warrant - and I believe that Special Warrant, if my memory serves me

correct, was passed in about February of 1986 - and at that time presumably the \$29 million was required to get the Health Services Commission through the fiscal year. Then the Minister tells me now that, after having requested almost a \$30 million Special Warrant, they ended up with a \$17 million surplus and only flowed less than \$12.5 million of that requested money.

Given that the Special Warrant was passed in February, with only six weeks left to the fiscal year end, how could they be so far out in their request for Special Warrant? Something does not fit, that you could be requesting Special Warrant of more than twice what your actual requirement was, \$5 million, more than twice what your actual requirement was.

The other thing that is troublesome, in terms of the Minister's answer, and could be very problematic for them this year - once again, I didn't expect to be dealing with the specific area so I haven't got the Finance Minister's memo in front of me - but one of the reasons for the Special Warrant last year, according to the Minister's answer, was that they didn't budget for salary increases in the hospital line and in the personal care home line. The personal care home line was \$3.363 million.

Mr. Chairman, we've got a Finance Minister who, in April, in preparation of the Estimates, said each department must find salary increases for the balance of the year, estimated by the Minister of Finance in questioning during the Interim Supply debate to be somewhere in the neighbourhood of 2 percent to complete this fiscal year, Mr. Chairman, that the departments must find that extra 2 percent in salary increases within the departmental, global allocation of funds, that no special award for funds will be allowed.

Mr. Chairman, the Minister of Finance, on Wednesday of last week - and I just put the Hansard in my desk - assured me that, no, there would be no Special Warrants passed to accommodate salary increases this year; they have to find them in the global. Secondly, that there'd be no service reductions within the department. That's a very interesting answer for the Minister of Finance to have given me on Wednesday when the Minister of Health today is telling me that last year's Special Warrant involves salary settlements that weren't budgeted for.

Is the Minister telling us today that given that last year's Manitoba Health Services Commission total expenditures would appear to be - and here's where I'm going to have to do some quick adding - given that they passed and used a net of \$12.5 million last year, you're going to have somewhere in the neighbourhood of \$1.6 billion and that reduces your rate of increase to about 5 percent, instead of the 6.7 percent. If the Minister is now going to be able to tell us today, No. 1, that he isn't going to go back for a Special Warrant next year to cover the salaries; that he's going to be able to comply with the Minister of Finance's directive; that this global allocation is going to be sufficient to cover salaries, so can the Minister assure us that when we discuss these Estimates next year, we're not going to be seeing another Special Warrant passed to pick up the additional salary costs, which incidentally, Mr. Chairman, drives the deficit up, as you well know, a subject that even though this Minister of Finance says no money lenders in New York or no bond rating agency in New York is going to tell him how to run his province, but they do.

If the extra money is Special Warrant, the deficit goes up. If the extra money isn't needed, and if the Minister can give me that assurance, can the Minister then assure me that within the dollars that he's asking approval, the some 5 percent increase over last year, he can assure Manitobans that their level of service is not going to be decreased; that there won't be cutbacks in service; and that the services and programs from the Health Department serving the people of Manitoba won't be further rationed this year. Because he can't, on the one hand, say that last year was an exceptional case and this year's going to be different. Can the Minister offer me those two assurances?

HON. L. DESJARDINS: Mr. Chairman, the salary adjustments weren't in last year because there had been no negotiating at all.

This year, for the hospital programs, the \$13 million that I've talked about, there have been no negotiations. I made that quite clear last year that we weren't putting it in because they had no negotiating at all.

The personal care homes, it was the same thing. They also are in this year because there has been an agreement.

The Medicare, last year we had the 2 percent, because that was agreed for the increase in salary, but not the volume. We did not have the volume. The practice was done in the previous government also; it was always the same. You don't know the volume, and we've been negotiating with the medical profession to have more consistency in the volume, for them to accept some of the responsibility. If the population is not moving, you have to be careful because you get just too many doctors in certain areas and the volume will go up, so that is something we're looking at.

But this year, we cannot put in the volume nor any increase in fees because we've gone to arbitration, as my honourable friend knows - I'm talking about Medicare now - and we have no idea what that would be.

This year it's the opposite. There's nothing for Medicare, no volume, no increase in fees, whereas we have the salaries in hospitals and personal care homes because they have been negotiated. Last year, they weren't negotiated.

MR. D. ORCHARD: Mr. Chairman, I will take and peruse Hansard over the supper hour. Now the Minister is saying that in the medical program, that the \$219 million request does not include - because they are in compulsory arbitration - does not include any increase in fee and doesn't contain any increase in volume, because they don't know the volume.

HON. L. DESJARDINS: That's correct.

MR. D. ORCHARD: Well, then why wouldn't you simply leave it the same as last year? What does the increase represent?

HON. L. DESJARDINS: I just finished telling you that last year we did not have the volume. You say, why don't you leave it the same as last year? Now we know last year's volume. If not, you'd keep the same amount forever and a day. So we have to take into consideration

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the volume that we had to bring extra funds in for that, the Special Warrant for \$8,630,000.00. We're looking at that and we're negotiating the total package with the MMA.

MR. D. ORCHARD: Is the Minister saying that on the Medical Program line last year, that the Special Warrant required to pay that completely and expend it, was \$8,630,000.00?

HON. L. DESJARDINS: First of all, we're not only talking about the medical profession here; we have chiropractors, optometrists, and so on, there's some of them. Then, as I stated earlier, we Special Warranted for \$29 million, but we had overestimated in some areas and we overestimated that for over \$1 million, the increase in Medicare. As I say, that was returned later on; that was deducted from the Special Warrant money that was saved later on.

We're not doing anything unusual or anything different than there has been before. We're looking at the amount; we have to go along with the increased volume. We've been worried about that. We've discussed it with the MMA; they have to show that it is an increase in volume because of increased visits, needed visits or increase in population and so on. That has to be taken into consideration. But right now, as I say, this year in what we're asking, what we have in the Estimates, doesn't take into consideration what the Arbitration Board will decide, nor the volume. That is being negotiated altogether, depending on the outcome of the Arbitration Board.

MR. D. ORCHARD: Mr. Chairman, so that both the Minister and I know what we're talking about, we've got a \$12,425,000 net use of a Special Warrant. The Special Warrant was originally \$29.7 million, let's say for easy figuring, and the net use was \$12,425,000.00. Can the Minister go down through Administration, Pharmacare, Ambulance, etc., etc. and right down the line to Medical Program and give me the dollars that were actually allocated to each of those lines out of the \$12,425,000 of the Special Warrant used?

HON. L. DESJARDINS: We can provide this to make sure, again, that we give my honourable friend the information that he wants. What you're asking for is the details of the \$12 million-something? All right, we'll have that for you, we haven't got it here. What I have wouldn't give you the information that you want.

MR. D. ORCHARD: I'm presuming that the \$12,425,000 net expended of the Special Warrant requested for the Manitoba Health Services Commission, that no portion of it went to capital so that all of it would have been applicable from Administration down to the Medical Program, in those lines. I would appreciate having the break-out on those to see where each program actually cost more or less than was budgeted for last year.

Now, Mr. Chairman . . .

HON. L. DESJARDINS: Excuse me, I might have . . . you've got the print for last year, let me try this, then.

The Administration, there was a minus of 853,000; the Ambulance, there was a minus of 98.6; the Air

Ambulance, there was a minus of 440.9; Northern Patient Transportation, a plus of 360.4; Hospitals, a plus of 11,402.6; Personal Care Homes, a plus of 2,438.1; Medical, a plus of 7,097,000; Pharmacare, minus 229.5; Third Party Recovery, minus 112,000; for a total of 19,564.1.

Appropriation 21.(8)(a) Air Ambulance, minus 363.7; Cadham . . . Equipment, minus 188.8; Community Health Centres Clinics, plus 389.1 (that's for land); so the sub-total for those last three, Air Ambulance, Cadham and Community Health Centres, minus 163.4.

Now, the next one, Hospitals, minus 5,753,000; Personal Care Homes, minus 1,112.5; Community Health Centres, minus 110.2; for a sub-total of minus 6,975.7; and the total for Appropriation 21, that's a total of minus 7,139.1 from the 19,564 for a net of 12,425.

This might help also for conciliation of the total approved funding for 1985-86. The printed estimates of 21.(7) was 94,678.2; the appropriation 21.(8) was 30,095.8; for a total of 1,024,774,000; and additional funding is above, that's what I gave you, is 12,425,000; and Grants from Province per MHSC Audited Financial Statement, that's your annual report, on page 11 of 1,037,199,000.00.

MR. D. ORCHARD: Mr. Chairman, two things - well, there's actually three things. But the first one, in the first set of figures that the Minister gave me, he indicated an average, a plus figure of 11,402,600 for the Hospital Program line, from which presumably one deducts 5,753,000 in the latest set of figures the Minister gave me. I don't understand what's happening here. Is the 11,402,000 the amount that was requested on the original Special Warrant and was reduced by the 5.7 million to net it somewhere in the neighbourhood of actual expenditure over estimate?

Maybe, Mr. Chairman, what we should do is, I should sit down with the Minister in his office and try to figure this out because it's going to take much too much time and it's not going to resolve the problem. Basically, you've got a net expenditure by Special Warrant of \$12.425 million, which will bring the gross program cost, because recoveries were down slightly over projected, will bring the gross program cost to somewhere in the neighbourhood of \$1.10 billion. This year we're requesting \$1.65 billion is what it basically boils down to.

Now, Mr. Chairman, the Minister mentioned one thing, \$389,100 to Community Health facilities, and he mentioned Klinik and he mentioned land. Mr. Chairman, is it to be assumed from the Minister's answer that the announcement prior to the election on the expansion at Klinik is now requiring an additional \$389,000 for land?

HON. L. DESJARDINS: No, that was last year; that was the total. That was last year for the land, and we bought the land and that will be repaid by Klinik, to have the proper land for Klinik. But that was last year; that was done before the election.

MR. D. ORCHARD: Mr. Chairman, the land cost \$389,000 more, because what the Minister gave me was the overages in each case. Some of the figures

the Minister gave me indicated that, for instance, Cadham Lab was \$188,800 below their estimated expenditures. But he mentioned that community clinics, and then he mentioned Klinik specifically and land, was \$389,100 over. Is that the additional cost of the land for Klinik, the Klinik expansion? So what does that make the total commitment to Klinik by the province now? It was \$1 million to start with.

HON. L. DESJARDINS: Look at the five year Capital Program that I gave you.

MR. D. ORCHARD: It doesn't tell us dollars.

HON. L. DESJARDINS: No, it doesn't give you the dollars. When my honourable friend suggested that we sit together maybe to go over that, I'd sooner give that information as close as we can at that time because we don't want to give that out before the arrangements, before it's gone to tender. That is a guess. We know about the land; that's sure about the land, but if we give you the total then . . .

MR. D. ORCHARD: I think \$1 million was the figure that was banded about in terms of an expansion for Klinik, and presumably that included a land figure within that \$1 million and now the land is close to \$400,000 over estimate. That just sounds quite incredible.

HON. L. DESJARDINS: You're talking about . . .

MR. D. ORCHARD: No, it was after the election of the Member for Kildonan, and prior to the general provincial election. An announcement was made on Klinik and it was subject to some discussion in the media that it paid to get elected as an MLA because now the manager, or whatever his function was of Klinik, as an MLA is getting \$1 million expansion to his facility. That was the upshot of some of the coverage in the newspaper.

I'm simply asking the Minister now, in terms of once this expansion which had been announced some six months ago is underway, we find the land costing close to \$400,000 over original estimate. I mean, that doesn't seem to ring a bell; something is not making sense here, Mr. Chairman.

HON. L. DESJARDINS: I'm not going to try and comment on any announcements that were made in any election and so on that I haven't got in front of me. I don't know what those things . . . But I'm going to tell the members of this committee this, that there's been negotiating at Klinik for a long time. If my honourable friend has visited Klinik, we won't have to say too much; I think he'll see the situation from the work that we're doing.

The situation is that things change. They were talking about fixing a place, getting property. There was some property that was offered that we didn't get. It was something unusual in a way because those facilities, it's not quite the same kind of - it's a non-profit organization but we've had service clubs in other areas like that where they have provided the land. They had no land; there was no money there at all either. We then agreed to get the land and then at sometime later

on, it would be repaid in an acceptable manner. So that is what was paid for, the land. We needed that money. That's the exact amount.

Now, as I stated, when we sit down to go over the figures, I'm ready to have my honourable friend or have the members of the Commission give him a rough idea of what we think it might be, but I don't even want to make this guess here publicly before we go to tender.

MR. D. ORCHARD: Mr. Chairman, I'll discuss the rationalization of the Hospital Program etc., etc., with the Minister. I just want to make sure that I understand, from what the Minister is saying, that the expansion at Klinik, the land is costing us \$389,000 more than originally budgeted, on a \$1 million expansion; that is correct?

HON. L. DESJARDINS: There was no land included originally.

MR. D. ORCHARD: So that we end up with a \$1 million expansion announced and then we've got to go out and find the land afterwards? That's some kind of planning for expansion.

HON. L. DESJARDINS: I was just explaining that . . .

MR. D. ORCHARD: Mr. Chairman, I find it rather bizarre that we would have an announcement on an expansion at Klinik, which the Minister says was ongoing and under planning and under discussion for a number of years. That's fine. The announcement was made at \$1 million about six months ago and now the Minister is saying to us that after making the announcement on the expansion, they're now going out to buy land which they didn't have included in the original announcement, and that land is now going to be some \$400,000.00.

HON. L. DESJARDINS: I'll repeat the answer and try to make it clear.

I've said that normally for a personal care home - this is rather different - but normally the way we've dealt with that is that a non-profit service club or a sponsor would take care of the land, would bring the land in. This was not the case in this. This is unusual. This is a clinic; it's practically like a hospital.

Now, no statement, no announcement was made that we can remember, that I can remember, by the department or the Commission. At election time, it might be the inappropriate thing, I don't know; you'd have to find out and show me that and I'll try to find out who made the announcement. That is certainly not unusual at election time, if somebody knows that . . .

MR. D. ORCHARD: Before the election.

HON. L. DESJARDINS: Well, all right, before. You're saying - I didn't see that announcement.

MR. D. ORCHARD: I told you before the election, the by-election, before the general election.

HON. L. DESJARDINS: That's still an election, a partial election; I didn't say general election. You said at the time he was elected the first time. All right, that's still

an election — (Interjection) — I don't know anything about that. I'm saying that it was not unusual . . .

MR. D. ORCHARD: You mean, you announced it without even having . . .

HON. L. DESJARDINS: I did not announce it.

MR. D. ORCHARD: Well, who announced it?

HON. L. DESJARDINS: Open your ears because I'm not going to repeat that again. I said that I don't know. If you can show me the announcement, I'll try to find out. To my recollection, it was not made by the - there had been some discussions, been a lot of discussions, like we do. It's not unusual for an MLA to say that there's going to be a personal care home built in Morris or Steinbach or something like that; that was used many times. So let's not try to make something unusual out of that. I'm not responsible for everybody, everything that is said during an election.

As I said, that has been done by all parties at election time, if they've got something we're negotiating. Now we knew we had approved, in principle, the changing of Klinik. They had no property at that time; there was no property because it had to be built in an area to serve the people in that area. There were a lot of proposals that came, if I could remember where it was at, at the five-year Capital Program. How could we make an announcement, an official announcement from the Commission, when it wasn't even allowed to go to tender? That wasn't done. So it was the usual announcement, I would believe, made from the constituency. For what purpose? That's not important. It is done at every election, but it wasn't an official decision made by us. The point is that, as I say, there were all kinds of proposals to buy a clinic or - who were the doctors at Victoria Hospital? Rosenfield Clinic, that was one that I remember. There was another person who would develop as a clinic, but just rental. There were all kinds of proposals. That finally is the one that was accepted, and I brought an Order-in-Council to Cabinet and that was approved. So we had to buy the land.

Now if you buy the land, there's no rental that you will have to - those things can change. If we were proceeding to rent a place - and I think they were doing that before in an old house. But if somebody will develop land, develop a clinic for you, you would have to go along and provide that. So there's nothing sinister or unusual here at all.

MR. D. ORCHARD: Mr. Chairman, we'll attempt to find that out over the supper hour too to find out who made the announcement, because there was an announcement about Klinik. It's interesting to note that Klinik is under the new projects now approved. There will be . . .

HON. L. DESJARDINS: That's right. That's what I finished telling you.

MR. D. ORCHARD: Yes, and between the by-election of the Member for Kildonan and the general election, there was an announcement on an expansion of Klinik

— (Interjection) — oh that's very good. Now we have an MLA in the back benches going around making announcements that then end up showing up in the Minister's capital projects. That's a fine way to be running your capital projects. Does that mean any member on this side of the House can go out after he's elected and announce that a personal care home's going to be built in his home town, and then it shows up in the capital Estimates? Is that the way you run it? Then run it for all members like that, if that's the way you run it.

HON. L. DESJARDINS: That's not what I told you.

MR. D. ORCHARD: Well that's exactly what you're saying right now. So what if the Member for Kildonan announced that after he's elected in a by-election? That didn't mean anything, but it happened to show up here in the new capital projects. If that's the way you're running your decisions on where you're going to put capital dollars, then you're going to see a spate of announcements from MLA's in the Conservative Opposition and then maybe they'll show up here, because we need them as badly as any member over there needs them. The Minister trying to duck out of making an announcement - bizarre, absolutely bizarre, Mr. Chairman!

Mr. Chairman, can I ask the Minister, in this pamphlet that was sent out, "Manitoba Health, Larry Desjardins, Minister, Medicare at Risk." Mr. Chairman, you'll recall when I made my remarks in introducing and replying to the Minister's introductory remarks to the Estimates, I indicated to him that I thought he dealt very honestly and more honestly than his leader does and his Minister of Finance - well, the Minister of Finance, I'm not too sure whether he's on record saying too much. He's a little more careful than some of the other members of the Treasury Bench.

But the Premier and others have constantly called the Federal Government negotiations on EPF as cutbacks. The Minister of Health, I complimented him. In the letter to the senior citizens about where they were decrying the after-the-election increase in the Pharmacare deductible, he pointed out that one of the reasons was that there was a reduction in the rate of increase that the Federal Government was putting. He was very honest about putting it correctly. He didn't call it a cutback. He called it honestly what it was, a reduction in the percentage of increase, so that it was 6 percent this year. He didn't mention figures.

Mr. Chairman, here we've got the Minister of Health signing a letter presumably to go out to all Manitobans who wish to talk about it, talking about bi-unilateral cutbacks in federal funding before federal cutbacks are implemented. He's back to the same misinformation and half-truth game of his First Minister in this pamphlet. I want to know from the Minister of Health whether his Department of Research put this pamphlet together.

HON. L. DESJARDINS: First, I want to come back to Klinik, before the wrong impression is left with this committee. I've mentioned many times what I did say that there are official announcements that are made. The last official announcement re Klinik was last year. If you take your book like this, the one comparable to

the one that I gave you in 1985-86 with this cover, and look on Schedule 3, Page 1 of 2 and look right at the bottom of the page — (Interjection) — wait a minute. Look right at the bottom of the page . . .

MR. D. ORCHARD: I don't have the book you've got in front of you.

HON. L. DESJARDINS: Well, I thought you had pulled it out. All right.

What it says, "Projects approved for architectural planning only in the 1984-85 Capital Program and now recommended for construction start in 1985-86." That's what it says in that corner. It's got Klinik, a new Klinik building.

MR. D. ORCHARD: For architectural design.

HON. L. DESJARDINS: No, I just finished reading.

MR. D. ORCHARD: Read it again.

HON. L. DESJARDINS: You're not that confused. I know you well enough that you understand exactly what you heard, but I'll read it again.

This is last year's. It was Schedule 3, Page 1 of 2, "Projects approved for architectural planning only in the 1984-85 Capital Program, and now recommended for construction start in 1985-86." It's construction, and it's got Klinik.

Now the next step when we do that, they go ahead and they go to tender. That wasn't on last year. I don't think it's gone to tender yet, because it was delayed exactly for what I said, because there were different suggestions and there were different requests that we had from Klinik. This was approved in principle and, when it's approved in principle, they have gone out, MLA's - and if it's wrong, let's chastise everybody in this House. They have gone out, because the program is a Capital Program like that, that's public knowledge.

Now this wasn't the case in this one. But even if my friend had been right and if it had been something that was approved for only architectural planning, I've heard - I've seen the Member for Vita and I've seen different people, and I'm not faulting them, who have taken the responsibility, either have pushed the Ministers and I make representation or, if it's an MLA for the government, the government is building you this, whatever. We all know how elections are run.

The point is that we, and I'm announcing it as the Minister of Health, have not done anything wrong or out of order at all or out of the unusual. We've made the announcement last year. In fact, it was delayed. It's in the same category this year as last year, because the final architectural planning wasn't done. So that's it.

Now if he wants to take it up with promises or commitments that were made, this was brought in before even the special election was done. So if the member wanted - he didn't ask my permission, and he doesn't have to. The member made an announcement, which I don't know. But the point is that I've always said, even go over and above the call of duty or responsibility. I'm ready, I said previously, that given that's the exact amount for the land, if that's

going to help, with the understanding that is kept between us for obvious reasons before you go to tender, give them a rough idea of what we believe this is the appraisal that we have, which is not the tender of course.

I haven't got the pamphlet in front of me. What I did say or what I wanted to say in there is, in general - first of all, the commitment was made that there would be a change in the financing formula, and that came a year ahead of time. That's true. That's certainly less money. Again, the general message that I gave, and I'm giving the same message now, that we have to be careful. That's exactly what the Federal Government wants us to do anyway in the discussions that we've had with the Federal Minister of Health and the other Ministers. We've asked for the assistance all together to give the same message. We've agreed that's the responsible way of doing things.

We are saying, all right, be careful. We cannot go on with the example that I've given so many times that you've heard until you're sick of it that we have approximately \$1 billion. In 10 years, just going at the rate we're doing, nothing special, would be \$3 billion. We say we won't be able to do it, so we have to be careful. It's exactly the same thing as I said, and I'll repeat it again. When we increased, we said that's one of the reasons. We want to keep especially the programs. We don't want to cut any programs. We'll have to look for more revenue, more things.

The Pharmacare was something that hadn't been increased at all for so many years. It is not the same program. There are a lot more drugs that are covered, and then this is a program that was costing us - what? - \$2 million, \$4 million. That's in the \$20 million. That's the point I was trying to make.

My honourable friend recognized that himself. I've always made it clear that actually you can present it both ways. It's obvious that the Conservatives are going to present it one way. They're going to say and leave it at that, and maybe not give the explanation. I shouldn't say the Conservatives. Let's say, the party in power is doing that because I think all parties play those games. It's getting pretty difficult to hear yourself from both sides.

Anyway, they present what they feel would favour them as both parties do. And the situation is, when you say it you're just as much misleading the public when you say you're giving more money. That could be construed just as misleading, because the point is that the cost is higher, there are more programs, and whatever, and there's less of a percentage. In other words, if we were going to leave things the way they were, we will have to get a lot more provincial money, and that's the point. So we can play games on that.

I've always tried to be fair on this and to be direct. It is not - and I've said so - actually less money but it's a smaller portion of the health care in Manitoba, so we can argue that all day. But the point is, I wasn't saying that's special money for that. I'm looking at all the money that is available to me as Minister of Health, through the government and the Cabinet - I don't care where it comes from - either it's money that's passed on that comes from the Federal Government or money that we voted, or whatever revenue. That is the point I want to make and I think I'm acting very responsibly when I say that, to say, hey, you can't have it like that any more without any increase in revenue, without any

increases in tax, without any reduction in programs, without any utilization fees, without any reduction in saving on better delivery or without trying to find other ways of providing the service, other ways that we hope are just as good, but are not as costly...

This is the message that I've been preaching for three years. My honourable friend heard me speak to the Union of Municipalities and I think he knows I've been as fair as I could and as honest as I could.

MR. D. ORCHARD: Mr. Chairman, the point I'm exactly making with the Minister is this pamphlet, which is for distribution out of the Fair Share Office, does not have the Minister being as honest as he can with the people of Manitoba.

He was forthright and honest in his Letter to the Editor to the Manitoba Society of Seniors' Journal, in which he explained more fully. The wording that he used was correct wording. Here he says he follows the Premier's disinformation line of unilateral cutbacks federally. Well, this year this province is getting a 6 percent increase from the Federal Government; and this government, this Minister in this pamphlet is calling it a cutback.

Compared to last year's actual spending, this Minister is only spending 5 percent more in the Manitoba Health Services Commission which delivers all of the programs in health for the people of Manitoba.

Following from the analogy that a 6 percent increase in the federal funding is a cutback, what is a 5 percent increase to the people of Manitoba's hospitalized personal care home lines? I suggest it's a massive cutback. If you're going to play those kinds of games and disinformation with the people of Manitoba, you very soon have people not with you because they don't understand what you're trying to say. The reason the people of Manitoba don't understand what this government is trying to say is because the information is not being presented correctly, factually and honestly. Until that happens, Mr. Chairman, this government will not get anywhere with the Federal Government in its negotiations.

When we dealt with the Federal Government in an honest and forthright fashion some two years ago - about a year-and-a-half ago to be exact - and we had our then critic for the Finance Department, the Member for Turtle Mountain, draft a letter for the then NDP Minister of Finance and jointly present it to Ottawa, we got \$115 million worth of action out of the Federal Government because we presented honest and factual figures to them, not disinformation, like is on this Fair Share pamphlet.

The Minister can't duck, and he has to answer the question to me today, whether his department, his research people put this pamphlet together, because if his research people put this disinformation together then they are not worthy of the job of research analysts.

So, Mr. Chairman, I want to ask the Minister, did this pamphlet come from his Research Department?

HON. L. DESJARDINS: Mr. Chairman, as I said earlier you can make the explanation that you want. Of the total funding of health programs, not only the information you will have - although unless we're wasting a heck of a lot of money, because you will see that the

percentage of total cost is going down, from the fed's participation. So you can make numbers, say whatever you want, depending on what side you are and that's obviously what is being done.

I claim that it's as much misleading to tell the people they're giving you more money; it's the same thing, because that doesn't tell the whole story. I have never told my honourable friend that he was lying, because that's true; but it's also true when you say you're getting less because you're getting less of a percentage and you're getting less of the total cost, that is why I've always stated that I believe in - and that was the commitment from the Federal Government and from the Prime Minister of Canada that they would go to cost-sharing - I'd be very, very pleased and then there wouldn't be any argument. I would be very, very pleased to go to cost-sharing and I think it would be advantageous for the province.

We can keep on all day on this; this is a partisan debate. As I say, I've tried to give the information. My honourable friend likes to malign the planning. This is not something that the Planning group did at all. It has nothing to do with the Planning group.

Who ever told you that the Planning in our department are the ones that prepared those brochures and so on? Who ever told you that? I never claimed that.

MR. D. ORCHARD: Mr. Chairman, I never said they did. I asked the Minister if they did.

The Minister is going around signing documents that aren't correct, drawn up by somewhere else in government. How does he expect to have credibility as the Minister of Health? You're running around signing your name to disinformation pamphlets. It is absolute disinformation and if the Minister of Health doesn't recognize it, then he's certainly not capable of presenting the province's position to the Federal Government, if he believes this is factual.

His own Research and Planning people wouldn't have the audacity to put that out; that's something cranked out in the Department of Finance or, more appropriately, probably out of the First Minister's Aide compartment that he's got down in the Premier's Office that's constantly cranking out half truth and disinformation; but this Minister has signed his name to it in an attempt to give disinformation credibility and it doesn't do him any service.

Well, Mr. Chairman, since the Minister's Research Department did not create this pamphlet, then I can't pose him the questions because he'll say, I don't know, but yet he should know because he signed it and I'd like him to answer.

The numbers, for instance it says in here: "The provinces and the Federal Government actually shared health costs about equally, as recently as 1979-80." What cost did they share equally? Was it medical program and hospital program, because the personal care home program was never part of the equal sharing. That was an add-on, a pure add-on. If the Minister reads his Manitoba and Medicare document, he'll find that is a pure add-on, and many programs we have in Manitoba and in other provinces are pure add-on to the original Medicare Program.

Yet this pamphlet leaves the clear impression and another one - this one here signed by none other than

the Premier himself, and it contains the real disinformation, the real unfactual presentation of figures - because in here they even use the total cost of health and higher education as being a target for equal participation in funding by the Federal Government. That never has existed. It never was intended in the original set-up, nationally, with the province as a Medicare program, but yet this disinformation program out of the Premier's Office and this pamphlet signed - presumably out of the Premier's Office - by the Minister of Health, are attempting to say exactly the same thing.

It talks about the federal share reducing to 36 percent. The federal share of what? The total Health Department budget or the hospital line and the medical program line, which were the items in the majority shared in the past. Which is it? This pamphlet tries to leave the impression it's the entire Department of Health budget. That is not factual. That is simply not a factual arrangement.

Mr. Chairman, the Minister might also want to explain the provincial dilemma that he signed his name to. The provincial dilemma, of course, is how we will be able to maintain the same high level of health care as the federal share drops. At the same time, federal taxes are rising at an average of \$240 per Manitoban by 1990. Mr. Chairman, can the Minister tell me today of the \$240 in increased federal taxes by 1990, how much the province is going to piggyback at the rate of 56 percent and what is the provincial increase in revenue going to be which could be dedicated to Health? You can't complain about federal taxation as being wrong, and at the same time, piggyback on it to the tune of 56 percent and then squander the money in bridges at Selkirk, etc., etc., etc., and cry that you don't have money for health care.

This information pamphlet is propaganda of the purest form, signed by a Minister of Health who is trying to maintain a reputation of integrity in his negotiations with Ottawa. He can't do it signing his name to this kind of propaganda and misinformation. If he's going to have the Federal Government cooperate with him in his case, and if he's going to have the other provinces cooperate with him, he can't go to Ottawa with this kind of diatribe and claptrap and propaganda in . . . and his signing his name to it does himself a disservice as the Minister of Health.

He was much more honest when he signed his name to the letter to the Manitoba Society of Seniors where he said specifically that the Federal Government has reduced the rate of increase. That's what is factual, not this talk about cutbacks and unilateral reductions and then bringing in figures of 50-50 sharing of programs which were never cost-shared. That kind of misinformation gets this Minister nowhere and it gets the Province of Manitoba nowhere, and the people of Manitoba relying on him to deliver quality health care don't get served properly with that kind of misinformation and propaganda.

HON. L. DESJARDINS: Mr. Chairman, when someone wants to make accusations and accuse people of misrepresenting, it would be a damn good idea if they had the facts themselves.

My honourable friend is talking about what was cost-shared before. At no time did I ever say that before

'77 there was any agreement to any of the programs at all. I went to Ottawa and I was part of these discussions in negotiation with the Federal Government, first the Liberal Government and then a Conservative Government. I missed four years out of that since 1974.

You, just all of a sudden, you're like Rip Van Winkle, you wake up, previous to that and you talk about this wasn't shared. You're right, but this is not what we're talking about at all. This wasn't shared — (Interjection) — Just a minute. This wasn't shared, but they increased an awful lot more and, in fact, the cost-shared which stopped in '76, I think, or '77 - somewhere around there - the new formula was much more for the first few years, and your government benefited from that. For the first few years, it brought the cost up, the contributions to the province, a lot more than ever, was going to adjust. But in '77, there was a real bonanza which the Province of Manitoba, and who was there to get the advantage of that but a Conservative Government.

I can tell you before that, even under the old system, if you just talked about hospital and Medicare - granted, not the personal care homes - they weren't talking about 50 percent as their share, and especially when the formula was changed in '76 or '77. I can bring you information which I brought in this House that actually the contribution of the province, if you say well this was marked for Health - I never accused anybody of breaking any laws because it was block funding - but you actually reduced your share by quite an amount in 1978-79. You reduced your share for Medicare and you reduced your share for hospitalization — (Interjection) —

MR. D. ORCHARD: Justice Hall told you, you were wrong, wrong, wrong. Now, you're repeating a lie.

HON. L. DESJARDINS: No, no, because I've got the figures. Hall said this wasn't necessarily earmarked for Health because of the change in formula. That's exactly what was said because at the time Monique Begin was trying to bring in a court or do something and we've never agreed with that.

Furthermore, as I say, my honourable friend is just like Van Winkle, he went to sleep for awhile. We discussed this and it was agreed and requested by the Federal Government that there would be flexibility, that we can no longer - and that was one of the biggest errors ever. Nobody knew what the future was going to bring, but that's one of the concerns that we had and where the people demanded so many acute beds, because they have been spoiled compared to other countries and other areas, because we have way too many acute care beds and not enough personal care beds.

It was obvious that if you were getting 50 percent of the expense to maintain a bed, if it was an acute bed, that's what you built. There were no personal care homes. I know that. I know the province which first covered, that insured the personal care beds. It was this flexibility and now the next step.

My honourable friend has agreed with me on that we must change the delivery system; that we must provide more service and keep people out of institutions. We're not hedging on that at all. We're

saying that's exactly what we want to do, keep people out of institutions. This is what we're trying to do and that's the program we hope, with this review committee and the help of whatever experts we can find around here, we will move in that direction.

That's exactly what we're talking about when we're talking about cost-funding because there was that flexibility, and if you take away from one, you add in another area. When the leader and the now Prime Minister of this country, when he was talking about cost-sharing, he wasn't mentioning Medicare; he was talking about health care. They were going to even put more money because of an aging population; they were going to put money for prevention, to start those programs, and also more money for research. Let's call a spade a spade, but let's not compare apples and oranges.

Show me in that folder, or whatever you have, that we're saying any other thing. The only thing you can say, and that's the eternal discussion that we're going to have, that you'd take - and I make no apology - this information we got, this was prepared, this was worked with figures, whatever they wanted from our department. It was funded from the Department of Finance. I told you that last year. If you say I shouldn't sign my name to it; we're all working on the same team and if I want information from the schools and all that - you've never signed? I wonder how many members in this House who do not accept what their colleagues are saying, what the Cabinet has decided, and so on, and have put their name to it to send it in their responsibility.

We don't know of one Minister who has got all the responsibility; he has to rely - and I don't apologize for that at all - don't think I'm being defensive, because I'm not. I'm saying that was prepared, it was together with - I don't get the information on Education, for instance. The point is it's true; you are literally correct when you say there's more money. We are definitely correct when they say there's a reduction in the cost, in the portion which is going to be paid.

At one time, I can show you where, if you just want to talk about the Medicare and hospitalization without the others, you will see there was a contribution about the time in '77-78, that they were in the high 60's, the portion paid by the Federal Government, the percentage paid. It wasn't 50 percent because they weren't paying anything in the other area in the department.

Now in this year of our Lord 1986, when you talk about equal funding, you don't go back to prehistoric days because that's not the way you deliver health services anymore. The situation is fine, granted. I saw what was done in Ottawa and you got the same information; you're using the same thing. They are saying you are not having a reduction of funds and you're correct. And that's what you're going to push and, in fact, you were not in favour at all, most of your people - you call it fed-bashing because we're trying to get more from Ottawa for these programs. I know my honourable friend is going to be ready with his big finale at the end of this department or maybe at the end of the Estimates and say look at the extra money, and that's fair game. You've been looking at recovery from Ottawa; you've been adding that; you've been putting in the same amount. Maybe we should find out in these departments what letters we're getting and

we're told the Federal Government is not doing this anymore, the Federal Government is not going to do that anymore.

I don't want to start in this battle. I've tried to bring in a constructive . . . We've had the offer from the Minister that he would be helpful in that and he's introducing partisan politics. If you want to debate that, I'm ready to debate that. But I don't like the idea that in this Committee, he'll make the accusation that I'm trying to fool the public or that's he's implying motive for anything that we do. I resent that very much. I mean, if you want a political fight, we can have it.

If we want to advance in this and make this in a reasonable way, in a responsible way, this is what we're trying to do. You can say anything; you can make anything because you can use figures to your satisfaction many times, but the point is, the bottom line - and that's what counts and that's the message we're trying to give to the people of Manitoba; if there's any misleading, it is the Opposition - the point is this, the bottom line is, we cannot count on Ottawa to help as much and to pay as big a share in health care as we had before. It's their mandate, if they want. Therefore, you don't fault us for trying to get more from Ottawa. In the meantime, let's be responsible, though, and let's adjust because we know that there's going to be a lid put on that. And there has to be a lid eventually by the Provincial Government, also. That's exactly what we're looking at.

MR. D. ORCHARD: Mr. Chairman, nobody on this side of the House is trying to inhibit the province in its legitimate goals of attempting to get increased financial capacity from the Federal Government. What we would appreciate is an honest approach to doing it by the government. That's what this debate is about this afternoon.

Here we have a Minister of Health signing his name, calling a 6 percent increase from the Federal Government this year a cutback, while his actual increase in the Manitoba Health Services Commission, over last year's actual expenditure, is 5 percent. It is 5 percent because that's where the federal increase is designed to go, is into the Manitoba Health Services Commission - Hospital, Medical Program, maybe some other programs. But the majority is in the Hospital line, the Medical Program line. So we've got a Minister calling a 6 percent increase a cutback and then not even matching it year-over-year because he's coming in with a 5 percent increase.

Mr. Chairman, I'd like the Minister, while he's taking questions under notice, on this pamphlet that he signed his name to, to tell me and to explain to me the statement and the numbers involved. By 1990 - this Minister has signed his name to this document - it says: "By 1990, the federal contribution will fall some \$318 million short of an equal share in health and higher education." That's what this Minister is saying in this pamphlet.

I'd like the Minister to tell me what equal share is the \$318 million falling short of? Is it the entire budget of the Department of Health and the entire post-secondary education budget in the Department of Education? What is the \$318 million equal share short of? That's the confusing part that this Minister and his

First Minister and others of his Cabinet have attempted to inject into this debate. As long as they are doing that, I maintain, Mr. Chairman, they will get nowhere with the Federal Government until they factually and honestly deal with it. I'd like the Minister to answer that last question and, if he can't do it this afternoon, I'd appreciate receiving the numbers at a later date.

HON. L. DESJARDINS: Mr. Chairman, I've explained it last year and I did it earlier this afternoon, and I'm going to do it again. I haven't got access to all the information; the money that comes from Ottawa. There's nothing that comes from Ottawa direct to the Department of Health.

I've said that, as Minister of Health, I accept all the responsibility of getting information provided by the Department of Finance. This information going to Ottawa - they are the ones that negotiate with Ottawa - I've never had anybody negotiate for funds out there when it comes, because even if you talk to the Department of Health, federally, they say it's different actors, it's not us, it's the Minister of Finance.

I can tell my honourable friend this, that I started - when I came back as Minister of Health in late 1981 - with Monique Begin and I continued with Jake Epp, that I've asked repeatedly - I made a motion that was supported unanimously by all the provinces - that when you're talking about the financing, you're talking about changes, you're talking about concern and I think we have to be concerned; you're talking about deficit. I don't disagree; it's the degree that I disagree with.

Now I'm saying that there should be a meeting with, not the Minister of Health only, including the federal Minister, and then, whenever we talked about funds and all that, and said well, different actors, different departments, period. And that you bring, like Monique Begin did, bring the bill like she did, without major changes in Health without even talking about the funding. It's complete asinine; it doesn't make sense.

We've requested from both parties in the Federal Government to call a meeting of the Ministers of Health and the Ministers of Finance because they don't look at it the same way. Ministers of Finance worry about the revenue - and that's their job - and they worry about the deficit. And I'm sure that other ministers do also. But we know the programs that we might have to cancel and we know the decision and we want to know if that's really what the government wants.

I can say that was pretty well the last meeting we had with Jake Epp - an informal dinner meeting in Ottawa that he invited us to. We all brought in the same subjects. He's committed himself to, not rehash this last thing. Wilson doesn't want to hear about it; he wants to get it behind him as soon as possible. I don't blame him. But he wants to discuss and he will try to arrange it. He did make the commitment, he has to go to Finance and try to arrange a meeting with the Minister of Finance and invite the Ministers of Finance from the other provinces so we can sit down and really look at the whole situation.

In the meantime, that information was prepared for me, the same as I sign certain things. I take staff's word for it and they tell me that these are the correct figures and so on. I must accept responsibility; must accept all responsibility. But there is not one person

that I've known, not one Minister, of any government, of any country, that can say he's got the answers to everything in the government. He has to take information and directive from other departments. That's why you have a Cabinet, you meet collectively and accept responsibility. That's why you've got different departments; that's why you have the proper staff in the different departments. I accept further responsibility for having signed that, but I can say that for the last figures, if my honourable friend wants me to get back with the excess to Education and so on, he should discuss that.

I told Mr. Ransom last year the same thing when he brought in another letter that I had signed. And I didn't apologize last year; I didn't try to con anybody . . .

A MEMBER: You should have.

HON. L. DESJARDINS: No I shouldn't have. I apologize for what I think was done wrong or was misleading. This wasn't the case at all. This was information that I received from a department, from a colleague of mine who worked it over with his personnel, his staff. We provided the information that was necessary and we'll stand up on that, all the members of Cabinet and the members of government on this side. This was something that officially has been prepared. But if you want to discuss that, that last year the argument was, I think the Minister of Finance, to my satisfaction, anyway, proved his case. That's where this thing was prepared; that's where it was put out. With my knowledge and with me signing the document.

MR. D. ORCHARD: And so what I presume the Minister is now saying is that if I want to get the answers to those questions, that I have to pose them to his Minister of Finance because he didn't develop them. And then he just berated Wilson, the Federal Finance Minister, because he doesn't want to sit down with the Health Ministers to discuss, in an open forum together, health finances and program funding. And here he can't even justify within his own Cabinet, next colleague to him . . .

HON. L. DESJARDINS: I'm ready to sit with my Minister of Finance.

MR. D. ORCHARD: . . . the figures that he signed his name to. It's the second time he's done it; he'll continue to do it, and he'll continue to try and provide misinformation to the people of Manitoba like he did last year to all the chairmen of the hospitals and personal care home boards in the province and he won't apologize. This Minister of Health will never apologize because his moral values don't allow him to admit he made a mistake. — (Interjection) — Yes, we would be. We would be. What we try to get from you is a little truth once in a while, from the Minister of Health, and that's a little difficult from time to time. He can't justify what comes in on these pamphlets no matter whether he says there is Cabinet solidarity. It's misinformation, it's incorrect and he won't stand by it except he'll pass it off.

Mr. Chairman, in Administration line, I note with interest that the latest Annual Report of the Manitoba

Health Services Commission, Page 9, indicates that: "During 1985-86 the Commissioners asked staff to prepare several special studies dealing with such subjects as hospital staffing patterns, bed utilization, intensive care admission criteria, diabetes education and foot care."

Can I ask the Minister if this research, these studies that are being prepared, are coordinated at all with your own Department of Health research group?

HON. L. DESJARDINS: I'd like to inform the committee that, as I stated a few years ago, there had been some changes. We coordinated the Research and Planning Branch of both the department and the Commission; there is only one. Of course, there are other specialties in the Commission that work with them; but yes, that is coordinated by the Planning and Research Branch of this department.

MR. D. ORCHARD: Mr. Chairman, what function is David Saunders performing for the Manitoba Health Services Commission?

HON. L. DESJARDINS: Mr. Saunders is employed on contract, on term, by the Commission to get information on the data, different information in coordinating the processing and studying computers and so on at the hospitals and at the Commission to try to get a coordination. We're looking at the whole system at this time — (Interjection) — and he's on . . .

No, it's not a make-work job, because at one time he was working on and off. I'll tell you the story. He had a contract and he was working in the Urban Affairs Committee. I've talked to him with the Urban Affairs Minister and I was Minister of Urban Affairs and that was nearly finished; he would have run out of work. I had a talk with him and he accepted to do the work with the Commission. We had just extended a different contract, not necessarily the same thing at all; it was just a contract that we would have normally had to agree with any outsiders, and it was a short-term contract that was extended by a few months. He's doing very very well. He's doing very good work.

MR. D. ORCHARD: Mr. Chairman, can the Minister indicate the length of contract, the number of months that Mr. Saunder's contract involved, the terms of the contract, how many dollars this contract is costing us? And can the Minister further indicate whether the contract is paid out of the Administration line?

HON. L. DESJARDINS: I'll do better than that, I'll table the contract. His contract will be over in September or something and it's paid out of Administration.

MR. D. ORCHARD: This Minister has some more political skills than the Minister of Education and recognizes when public information should be tabled. I look forward to seeing that contract and the terms of the contract, Mr. Chairman.

On a global basis, in terms of the Manitoba Health Services Commission under Administration, if we wanted to take the chart of the organization of the Manitoba Health Services Commission and go down in terms of a lot of the lines we will find them, not

exactly, but in a lot of cases we'll find a lot of functions in the Manitoba Health Services Commission paralleled by functions within different appropriations of the Department of Health that we've passed over the last several days.

Mr. Chairman, one of the goals I think the Minister would have in terms of organization of his Department of Health and with direct responsibility for the Manitoba Health Services Commission is to assure that there is not a duplication of service between the department and the Manitoba Health Services Commission. I can see a number of areas where that possibility would exist and exist very strongly.

For instance, and there already is as I understand from discussions last week, some move to at least partially consolidate some computer operations between the Health Services Commission and the Department of Health.

Mr. Chairman, I guess one of the areas that I think really needs an incredible amount of coordination, and I want to ask the Minister whether that coordination exists. is in terms of programs particularly in the Personal Care Home line and to some degree the Pharmacare line, because they impact on the seniors, and the services that we have within the Minister's line department and these are services to seniors.

We've got a Personal Care Home line in the Manitoba Health Services Commission that are involved with, for instance, Respite Care, making some beds in some facilities available for Respite Care; and we've got at the same time, for instance, Continuing Care offering home care assistance to make sure seniors remain in their homes as long as possible.

In addition, we've got the Health Promotion Group in which part of their function is to attempt to provide a lifestyle and nutritional consultation and advice to all Manitobans, but as the health promotion lines say, also coordinates the development of services for the well elderly. So there is a specific emphasis in health promotion.

Certainly hearing conservation is targetted primarily at seniors although there are younger Manitobans who have unfortunately hearing problems.

Gerontology, specifically towards the seniors and Continuing Care, by and large towards the seniors.

The Medical Equipment and Supplies, I would guess probably a 50 percent uptake there in terms of services provided to seniors.

Now, Mr. Chairman, given that there are many dollars involved and by the time we add in the Personal Care Home line and the Hospital line and factor out those in the Pharmacare line, if we were to factor out the dollars that each one of those programs expend on providing services to our seniors, we'd find a fairly sizeable portion of our budget.

And given that that's the case, it seems to me to be extremely important that there is the fullest coordination and cooperation between the Department of Health and the Health Services Commission and the individual homes that are providing services, for instance, Personal Care Home Services to the seniors, directly.

But I guess more importantly, Mr. Chairman, is to have a full coordination of the analysis of population trends, of aging trends, of the needs trends of our senior citizens in terms of health care so that we have our future planning properly in place to address those

growing needs and to address them in a proper fashion. I guess that ties in with the Manitoba Health Services Commission primarily in the construction program, because I note with a great deal of interest that last year when we dealt with the Capital Estimates - and when we get back into them again, I'll be posing this question for an answer to the Minister - we got into the Health Services Commission Capital Estimates last year and the program was announced as it was today and then, if my memory serves me correctly, some several days later the Minister reannounced a special program or announced a special program of \$17.5 million. That program was to provide extended treatment beds and personal care home beds and acute beds at the time. The rough breakdown was supposed to be one-third, one-third, one-third. That was to report in 60 days. That got delayed till September and, I believe, even has got delayed further since.

But under study, that \$17.5 million did not get earmarked in any way, shape or form that I'm aware of to acute care beds. What they established was within that \$17 million emergency funding or special funding programs was that, if the acute care beds that we have available were utilized as such, we probably wouldn't need any more acute care beds. Where we need beds is beds in personal care home line and extended treatment beds to some extent, but personal care home beds to be exact.

It seems to me that, whilst we have been forewarned for a number of years that an aging population is probably going to require a greater number of personal care home beds, we haven't been delivering them. I say this without making a political statement to chastise this Minister as government or the government I was part of, but it seems to me that we have not necessarily addressed those needs in terms of personal care.

What has been happening is that we have seen, with loss of beds in Brandon, for instance, the beds we've lost, primarily being Level 1 and Level 2 hostel beds, and they're being replaced with heavier-care beds. But it seems to me that Manitoba Health Services Commission, over the past number of years and number of terms of government, have been remiss in their planning direction in that just as recently as last May, I believe, when we were in the Estimates of the Department of Health, the Minister made an announcement of \$17.5 million, 60-day study process to determine the breakdown, and it was estimated to be one-third acute, one-third extended treatment, one-third personal care, that within a short term of 60 to 90 days of studying, his planners came to the conclusion that we can drop the acute care construction, that we should focus on the personal care home beds.

I think it would be a fair criticism that the future planning function in the Manitoba Health Services Commission has not been focusing in on the right kind of priorities in terms of our seniors. Only recently, six months recently, has that kind of focus been evident. I think that the dramatic demonstration of that is in how quickly the 17.5 million announced last year changed its direction. Within several months, it had changed direction and into primarily beds for personal care home placement.

Now, Mr. Chairman, that may or may not be a valid criticism, and it may not be a criticism that should be made, because maybe all of these trends have, all of

a sudden, come on us, but I don't think that's the case. I think that we have seen, for a number of years or at least 10 years, that probably we are going to need personal care home beds in greater numbers than what we have now, because our panelled waiting list has been growing and continues to grow. There simply is no other alternative that appears to be economic. Keeping those citizens in the hospital beds is costing us, as the Minister will indicate, substantial more dollars than - what is it? - the \$57 that we're now currently paying for Level 3 in a personal care home.

So I hope that the planning group has the ability in the Manitoba Health Services Commission to, No. 1, eliminate the duplication that may well be evident, unless a person goes right into line-by-line with what every staff person does in those five areas of the Department of Health I mentioned and the appropriate areas in the Manitoba Health Services Commission. But I think it would be incumbent on the planning group to analyze intensively the programs available through the Department of Health, and cross-reference them to the same programs or to the programs offered through the Manitoba Health Services Commission with one purpose in mind, to assure there's no duplication of either personnel or of program or any overlap of program.

The second area that is a necessity in my opinion to have the planning staff do is to make sure that these programs, if not tied together in a very efficient way, to make sure they make recommendations as to how to do it; and thirdly, for that planning group to coordinate the information that must be available in all of those groups, the Department of Health and Manitoba Health Services Commission, to come up with the proper projections for the future, which can be tied directly into the Minister's capital budget in future years because I don't think there's any question about it.

I said this a year ago after we first dealt with the Department of Health Estimates and, given the buildup and the information I was accumulating on the Health Estimates where you've got - and I've got a press clipping here, and I can dig it out. But you've got a 400-bed hospital at Misericordia with 60 to 70 constantly tied up by panelled senior citizens. I mean, we don't need to have 60 acute care beds. We simply could free up in a degree some of those by having a personal care home bed. I realize that there are revolving people there because, once you move one senior citizen, there are probably 1,000 others who probably would be admitted by their physician.

But we need to make sure that the planning groups in Health Services Commission and in the Department of Health are coordinating their efforts to make sure that we get the most efficient use of our dollars in the capital expenditures that we're asked to approve every year, and to make sure that they go in the right direction because, as I indicate now for the third time, the direction change in the 17.5 million last year was a pretty dramatic indicator to me of how we need to do a lot of very serious thinking about what we're planning for in the next 10 years to 20 years in the Province of Manitoba.

HON. L. DESJARDINS: Mr. Chairman, I welcome this criticism. I think that some of it we have under control,

but I welcome the criticism because I think the concern expressed by my honourable friend and the total problems that we face are true ones. So I think it is something that we should discuss.

First, let me say that, as I said earlier, we're going to take a very, very hard look at the Commission to see if the Commission should keep on existing. The Commission, I'll be very frank with you, I think we've got to retain some kind of at least partial - it's never complete when the government calls the shots, and we pay. You know, it's not like in the old days when they used to raise their own revenue, and they weren't dependent. But there is still some arm's length there, and the possibility to deal with hospital deficit and so on. Something like that has got to exist.

One of the other concerns that we had that were special acts. The act governing the Commission also enabled them to do something with maybe a little less red tape than the government. But I'm finding that is disappearing pretty fast, because the government who has to pay the shot, and both the funds are requesting that we go to Treasury Board and everything on all the issues. So that is a concern, and that hasn't been easy.

Now in the past years, every province has gone from one to the other. They've gone to a Commission, without a Commission, back to a Commission. This has happened in many provinces, because it's not quite that clear, quite easy. There are some advantages and some disadvantages. It wouldn't be a very difficult thing to do, because you keep the same thing. Instead of a director and a board, you would have either - and I haven't got the answer yet. I'm just giving you an example. You'd have a Deputy Minister and ADM's or whatever, or an ADM in charge, whatever, and that could be done.

We hope that we could retain as many of the advantages of both and do away with the disadvantages. So we haven't got the answer, but that is being done.

Now, as far as the coordination, especially dealing with the seniors, yes, we're satisfied that, under the present conditions - and we have to be concerned and be careful at all times - but that exists. We have a management committee at both the Commission and at the department. My honourable friend was saying awhile back that the same person being at the Commission has caused problems. Maybe it does. I think it's a hell of a load to carry, but it has some advantages also and that's one of the things that we were looking at, because I remember when I was chairman of the Commission.

So that is done and that's chaired by the same person who coordinates that. There are also joint committees on special programs. Let's say, for instance, in respite care and those concerns, so there's no duplication. Then there's also the same planning group. Besides that we've got a Provincial Gerontologist and I say, again, Provincial Gerontologist, although it's in this line department there is an inter-departmental, not only coordination because there's other departments that also service to the seniors that could be related, especially in community services that we must work very closely together with. That is the situation that you have in their different programs, and that's coordinated also.

Then there's also an advisory committee, not an advisory committee - and I'm not suggesting that an

advisory committee at certain times it is good that a Minister has a direct advisor from the outside. But this is really a working committee and this is an Advisory Committee to the Provincial Gerontologist. Provincial Gerontologists work with that committee and that flows two ways. It goes back to the seniors, to the seniors in Manitoba, to inform them and keep them better informed of the services that are provided and any advice that we might have and it comes as advice through that Advisory Committee because they're seniors and they work with the seniors, who let the government know what their priorities are, and that discussion is very, very valuable.

So we're satisfied that there's good cooperation, that there's no duplication in the programs, but we're not saying that it's perfect. I think we've got to do that. The Provincial Gerontologist had certain work, she's worked very hard on the program, the legislation that'll be brought in - and that's not even in my department. It is in Community Services where they will have a program and legislation to counteract the abuse to seniors, that's one of the areas; and also in special programs that we've had with the seniors, what we use to call enriched housing, which is now special programs for the seniors. That and the Provincial Gerontologist works very, very closely with directors, people like Kay Thompson and Enid Thompson in Home Care and personal care homes and some of these programs to coordinate that. That is very important.

The other concern that my friend alluded to and that's very true. It is where are we going with the personal care homes? Now, I think he stated that we know that we don't have enough personal care homes. Maybe we should push a little more in personal care homes. Then he talked about the \$17.5 million, I think, that were in the Estimates in the five-year capital last year in general, not just in personal care homes, but general, and to arrive at a figure we had used, because that wasn't finalized, we were still working on the functional program, we were talking about a third of acute beds and a third of the personal care beds and extended treatment beds. That's correct.

Now what happened there, it was we were still on the functional program, but after that was passed and, of course, getting more and more information, it wasn't just in the next 90 days, but information that just happened to be coming from the Review Committee. We realized then that, hey are we doing the right thing? They seemed to be saying well, get away from these beds, get away from acute beds. And were we going to compound the problem before we had the information and say build more acute beds. That we seemed to all agree that yes, that was a good thing for the personal care beds.

Well, that's only part of it. If we have too many acute beds, so therefore that would mean then all right we should go to personal care beds. But then that is not the whole story.

How many people can we keep out of personal care homes? I think that up to a certain point - I'm not stating that we don't need more personal care beds. I'm not too sure, but maybe not as many that is believed that we need. I'll give you an example. We talked about elections, it seems to be kind of a popular subject, so let me tell you my experience in the last election, in the two or three rural areas that I went. Of course, they

had their shopping lists from the Minister of Health, and everyone of them wanted a personal care home. And the reasons were varied; they weren't all good, but they were varied. Some of them said, well we've got the land so we might as well build a personal care home. Other people felt, well you know it's going to come; it's not now but let's be secure. And there is concern and there is no doubt that we owe it to the public to assure them that there will be other programs. Right now there's nothing more secure than a personal care home where you're not going to be that lonesome, you've got companions, you've got people there, your financial problems are over and you're home.

So all those programs are our own, but we don't want to get away from the spirit of people that want to stay in their homes, and we must provide them services. I say that if we're not careful, we're walking a tightrope but if we're not careful, and if we do what they did in the 1950's, late '50's and now we say, okay, now it's a personal care home, we might be in the same trouble in a few years as we are now with acute care. Because we were saying that we need acute care beds and we've got a population now that is being spoiled as far as acute beds are concerned, very spoiled compared to other areas, and it's hard to educate them and say you don't need all that, these are the services. We are building enough personal care - we haven't stopped building personal care homes - we're keeping the flexibility. As you see, the first time this year - I hope that was clear to the members of the committee. What I was trying to say is the list of groups, we used to have an important list, the first list was functional programs because that was putting them in the hopper and that was the start. I'm saying we've got very little in that now. I'll announce it publicly, no games are being played, there is no election for a few years, and I'll announce that during the year sometime if need be, that we will put more in that category maybe as we go along this year, depending on the recommendations that we have and where we're going.

Now there's another fact that was mentioned is that those mostly that were closing, not closing but we're replacing, are the lower level care and that's true. I think, and I mentioned that in this House, in my humble opinion, that it was a mistake to insure that level when it was first insured by this government in the early '70s, because then we'll never have enough of those. That is not the same thing as a personal care home that is needed, that's the only place that you can go and you can't give the service at home. Not necessarily, you don't need - it might be that that's the only place because there's nobody at all to take care of this person, although they don't need as many hours of care, they have to have that protection. I think that we'd have to look in here, let me make it clear that I'm certainly not announcing government policy. I may be way out of step but I think we have to at least look at the situation of what you might call the guest homes for that level.

I don't think it's fair to say to the people well you can't have that, we're not going to license any of those, because I think the public is entitled, if they've got the funds and if they want to rent the whole top floor of the Royal Alex or Fort Garry - I'm dating myself - that they could go ahead, nobody'll stop them if they want to staff that with nurses and doctors that's fine. But it has to be understood that that is not an insured

program, but if there are people that want another level I think we have to look at that. I don't think you can deprive people to spend their money the way they earn it in this fashion providing that we're protecting the insured program, that would not be insured.

So we have to look at that and I think there will be changes in there also. But I think the most important thing is - well not even the prevention is important - that you're just going to delay, years instead of having people 80-years old or 70 in a personal care home, you might have them 125, but eventually you would need the same kind of service. They just would live longer and cost more money actually, when you look at that, but I hope they will produce more also and they'll lead a happier life - that's the important thing about research, prevention. But to say that prevention will save money, I don't think it will, not in most instances anyway.

But the situation though is that we will develop programs and methods of delivering the service and hoping. We want to keep people out of personal care homes just as much as we want to keep them out of acute beds. I think that has to be understood. That is what we're working on now with programs.

Now, what was done, instead of \$17 million, we got together and we said: hey, we've got this approved, but we're still in the Session. Let's be careful what we do.

So we agreed it was, not with more research, but with more looking at the information and the advice that we had at the time that we were getting - therefore, I suggested, well, let's go to the Review Committee, realizing that it was a tough thing we're asking them to do, because their work, their recommendations weren't complete, but what do they think. You know, with the recommendation that we had in the department and also the information that we had already from the resource committee, that said, what can you suggest? I think they kept the flexibility that we don't overbill, but that we don't get caught too short also, that we had to do something.

They said definitely no acute beds and they said no personal care beds, but when they allowed 60 and 30 beds, or 90 and 100 beds, they were extended treatment beds and they're the same thing, because you're using maybe personal care beds for that. So that was giving you additional beds. — (Interjection) — What did he say? Something about Mackling. Am I supporting Mackling for leader? Of course.

I must have been doing well because you have thrown me off - I must have been doing real well. I must have been scoring points.

Anyway the \$17 million, I want to say, part of that was for those beds, but also they said: well, be ready. You can't go all at once, don't build a bunch of personal care beds, that you might have too many, but start with the other things and provide the hospitals - take the money to do three things: build some extended treatment beds, that's part of it; provide the hospital with better diagnostic equipment or facilities, that's going to be done where you can get people out of hospitals and keep the people you need; and - I know there was a thirdly, what was it? No, there's another. It'll come back to me. Well, I'll come back, I'm not going to waste time.

But these are some of the concerns that we have on these services. So we have to bring all that together.

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So that'll give us the flexibility. We'll have the beds, we'll have the . . .

Oh, yes, the third one - I knew there was one - there's a couple of millions of dollars that I presented to you or that you have somewhere that is requesting that as a kind of pilot projects in there in the field of community services, either some type of a clinic and so on that will do the work, but we will start with projects.

We're not going to shove anything down the throat of anybody. We'll work with the people and we feel that we must have some pilot projects in some of these departments.

So we have some beds, call them extended treatment beds, but they're beds for the same people, either there'll be some switching around. There won't be any acute beds. There will be better equipment in the hospital to diagnose the people and then there will be money out of that for pilot projects. I thought that was a very good recommendation from that committee who acted on that independently. Mind you, I'm sure that they looked at what they had discovered, the information, the work they had done and they used that and decided. But they made it quite clear that at our request, they would give us these recommendations and that their final recommendation could even change and they could be quite opposed to that particular recommendation.

So, I think, yes, this is a very true concern. My honourable friend is right and it's good advice that we have to coordinate that and make sure we don't have duplication and so on. I think we're working on that and, as I said earlier, also we haven't got the luxury of putting a sign and saying: we're closed for renewal, for changes. We must go on and I think that is what we're trying to do, to provide . . . Right now, there are no more acute beds, unless something special happened, but we're not visualizing any acute beds. We're going to replace beds though and look at these facilities and then you will see more and more in the rural area, more multipurpose beds, maybe less beds because in acute hospitals, half of the beds are used for personal care beds. It doesn't seem to be that much of a concern because the beds are there now. But that is also a fact that it might be a multi-purpose bed where you can get better use of them, the same thing in some of the new personal care beds.

They will have to keep some, but gradually when we replace them, we're getting away from the low-level care as much as possible, not completely, and they will not be insured and eventually somewhere somebody in the private sector will start filling that need if we don't. That might not be a bad idea; that's what I was talking about earlier.

MR. D. ORCHARD: Mr. Chairman, some general questions on the Administration. Are the salaries set in the Administration according to the MGEA contract?

HON. L. DESJARDINS: Yes, they are.

MR. D. ORCHARD: Mr. Chairman, I want to establish a couple of policy areas. What is the policy of the MHSC in terms of providing support to Manitobans who are required to go out of province for procedures not available within the health community of Manitoba?

Are they reimbursed cost of transportation in addition to the cost of the procedure in the new location? I'm speaking here only of procedures which are not available in the Province of Manitoba.

HON. L. DESJARDINS: The policy now in those case is that we pay either, that's when they are not supposed to be able to do it here, although more and more of this is challenged by the medical profession in Manitoba and Canada. When you say here, you mean outside of Canada, don't you?

MR. D. ORCHARD: . . . to London.

HON. L. DESJARDINS: London, Ontario. Well, the general policy is we pay - and I'll have to make sure about Canada now, but I know outside the country - 75 percent of the actual cost or what is being paid here, the greater. In Canada, it's the total cost because of the agreement we have with the provinces. In either case, we don't cover the transportation. We never have.

MR. D. ORCHARD: So that, basically, the circumstances are this. If the procedure is done in another facility in Canada, the costs are reimbursed. If it's a procedure that is done, let's use the Mayo Clinic, because it's often the one that is referred to. That procedure is undertaken in the Mayo Clinic, it would be reimbursed with prior approval, because you've got the new rules in place now, 75 percent of the actual costs down there or the equivalent of what is paid here for that same procedure whichever is the greater of those two?

Mr. Chairman, in going through the Annual Report of the Manitoba Health Services Commission, I note when we compare the lines of out-of-province payments, 1984-85, we had . . .

HON. L. DESJARDINS: Could you give us a page?

MR. D. ORCHARD: Sorry, Page 86. You've got out-of-province payments for 1984-85 at a little over \$11 million. In the last fiscal year, it's decreased to less than \$3 million. Now, can the Minister indicate the reason for that significant drop in out-of-province payments?

HON. L. DESJARDINS: I'd like to take this question as notice and give me a chance to work on it. There might have been an error; we'll work it out and give you the information after the dinner hour.

MR. D. ORCHARD: That would be fine, Mr. Chairman.

I find that one of the calls I get when I talk to people over at the MHSC most often, about probably - well, maybe not - but probably as often as I contact them over there, is in terms of the travel costs. There's been a number of - and I believe they're heart procedures that are undertaken in London, Ontario - that's a procedure apparently that cannot be or is not done in Manitoba, and it does represent a fairly significant cost to the individual to get down to London and transportation is not covered.

The analogy that is made that I find hard to refute is, the operation in London, to someone living in

Southern Manitoba or in Winnipeg is as remote to us as services in Winnipeg are to northern Manitobans and we have an air ambulance program in place, etc., etc., that covers the cost of transporting the patient from a northern location to a Winnipeg facility, but yet that same extension of covered costs is not available to someone who, because of the uniqueness of their illness is going to a place like London, Ontario to receive the medical treatment and the transportation costs there are uncovered.

I have a difficult time explaining what the difference is, why there is the difference, other than the straight dollar saving measure.

HON. L. DESJARDINS: That's a good question. It's just excluded on the regulation now. I could say this, for what it's worth, we're looking at that. But remember that our air ambulance is a new program. We've had to iron out problems, we've had staff standing by, it was very costly and we couldn't keep the staff, we are now working with the Health Sciences Centre. I just signed a paper authorizing today the two nurses who will go to Alberta to be trained because we couldn't provide the training here at this time, and it might well be that eventually that will be done in certain cases, maybe with tough regulations.

As I say, it's new, we're doing it now for Manitoba. I guess you can argue that we're providing the service for Manitobans, all the same service for Manitobans, whereas if you go to London, Ontario, it is a service that we're not offering. That's stretching things. We're looking at the situation, but there's a question of cost also, but we want to see because we have to keep staff and we have to keep the pilots and we want to see the total cost and it might be that it wouldn't be that much more when you've got everything that you can service. There is a possibility that would be a recommendation that we make to Cabinet under pretty well tough approval and everything and it might be 20, 22 cases a year, or something. That could be done.

We're looking at it but this is such a new program. It's not even a year yet and if we go wild, it's always easier to add than to say no, we're going to curtail that and that's what we're doing with the air ambulance service.

MR. D. ORCHARD: Mr. Chairman, it's not only the air ambulance service that the analogy was made with, it's under the Northern Patient Transportation Program too, which has been in existence for probably 10 years. Patient transportation is covered under the Northern Patient Transportation Program.

Mr. Chairman, I recognize there is a cost involved, but when push comes to shove, we end up paying that cost. For instance, last year when the babies had to be taken to Saskatoon and other hospitals, that was covered. So that's fine, I'm glad to see that's under advisement.

Mr. Chairman, under the Pharmacare Program — (Interjection) — . . .

MR. CHAIRMAN: Are we passing Administration?

MR. D. ORCHARD: Oh, we may have some more questions, we're flexible. Sure, we can pass it and if we've got more questions . . .

HON. L. DESJARDINS: If you are flexible then we can pass it. Excuse me, except for staff. I would hope that we try as much as possible to do the first Administration, Pharmacare and Medical for Mr. McCaffrey and his staff.

MR. D. ORCHARD: That's the intention, is to try to get those three programs dealt with together.

Under the Pharmacare Program, Mr. Chairman, there was some controversy about the increased deductible and presumably that is the reason why the Pharmacare Program is budgeted to be a million dollars less this year over last year. Could the Minister indicate what the expected savings of the program is to be from the \$25 increase in deductible?

HON. L. DESJARDINS: I'm sorry, I missed the last part of your question.

MR. D. ORCHARD: Just what the saving is to be from the increased \$25 on the deductible.

HON. L. DESJARDINS: We figure that it should be about 1.3 million. In the situation, you know at times I've said well that goes in the Consolidated Fund. But this is a little different. It's not revenue, but it's less money that we have to pay and that's why there'll be a reduction.

MR. D. ORCHARD: Mr. Chairman, the new Pharmacare deductible was, I believe, effective June 1st, or was it July 1st? I think it was June 1st. Right. We've had - and I have to admit I haven't seen the black and white documentation on it, and when I do I'll refer it to the Minister.

But I want to bring up some instances that have come to our attention, where a billing was turned in in May for pharmaceuticals purchased up to say, May. Billing was submitted to the Pharmacare Program in May and reimbursed in June and was reimbursed less the new Pharmacare deductible. In other words it appeared to be implemented prior to the June 1st, and the Minister might have some knowledge of that.

HON. L. DESJARDINS: That is correct. There are a few cases like that because we thought we could apply earlier but we weren't ready. That was an error on our part, but that would be adjusted. There have been some cases like that.

MR. D. ORCHARD: Mr. Chairman, it may well be . . .

HON. L. DESJARDINS: Can I just add this? If that's the only statement they submit for the year, we would provide an adjustment for the next year.

MR. D. ORCHARD: Okay. That's the point I was trying to make. No. 1, I hope those circumstances aren't too numerous, because even though \$25 might not seem like a lot of money to maybe you and I, to some people having that \$25 deducted in advance is a reasonably significant amount of money, even though if they were to make a claim later on in the year, the \$25 would be deducted say two or three or four months hence, when they make the next claim; I understand that. So the

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Minister is indicating that if that is the only claim made by the individual that year, that \$25 adjustment will be made back to them . . .

HON. L. DESJARDINS: This year it wasn't \$25, it's \$11.00. We were receiving that all year.

MR. D. ORCHARD: Just for seniors.

HON. L. DESJARDINS: No, no, for everybody because this was increased \$25 a year ago, we pro-rated that. — (Interjection) — Oh, you're not talking about the seniors now? Oh, yes, he's right.

MR. D. ORCHARD: I don't know if this person was a senior or not. Presumably he wasn't, because the \$25 was holding it up . . .

HON. L. DESJARDINS: That's right, they're not paying the same rate, but the increase was \$25 a year but pro-rated this year, so it was \$14 for this year, it'll be \$25 next year, no matter what category you're in. You're paying less if you're a senior, because they had no increase for quite awhile, but the increase, the \$25 per year increase was brought in together for the seniors. — (Interjection) — But the increase was brought in at the same date, yes.

MR. D. ORCHARD: Even non-seniors, the increase was pro-rated, is what the Minister is saying?

HON. L. DESJARDINS: That's correct.

MR. D. ORCHARD: Okay, then I may have to get the information from this individual and bring it to the Minister then, because it appears as if he had the \$25 deducted as of June 1st, post June 1st reimbursement. I'll bring that to the Minister's attention after the fact.

Mr. Chairman, just as I leave, we're almost at 5:30, one of the things I want to see if the Minister has a cost estimate on is on the insulin pumps. We discussed that last year, I thought it would be a reasonable approach for those; we've got an extensive diabetes support program, the insulin pump being a very very efficient method of saving people from getting - I don't know the medical terminology - but getting their condition out of balance with their insulin and ending up in the hospital in the emergency wards and elsewhere to be stabilized again. The insulin pump seems to be a pretty proven way of eliminating that for a number of Manitobans, but the costs can be prohibitive.

I wonder if the Minister has any numbers developed as to what the cost of bringing, say, the insulin pump under the Pharmacare Program, for the Pharmacare Program being a deductible to apply to that particular piece of equipment.

HON. L. DESJARDINS: There is one correction that I want to make. I think it's true that a lot of people think they're terrific, but so far it hasn't been approved, and the recommendation is that we take it easy and recommend that intensive insulin therapy be used only. The costs I think for an insulin pump would be approximately \$2,500.00.

MR. D. ORCHARD: Have you any projections about the program costs would be . . .

HON. L. DESJARDINS: I think we are waiting to see what the final recommendation will be. It's still being studied, there's no final recommendation. We're familiar with it and we're looking at but I couldn't give you what the cost would be.

MR. CHAIRMAN: The hour being 5:30 p.m., I am leaving the Chair and we will return at 8:00 p.m.