



First Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

(Hansard)

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The Honourable Louise M. Dacquay
Speaker*



MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

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VODREY, Rosemary, Hon.	Fort Garry	P.C.
WOWCHUK, Rosann	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, June 5, 1995

The House met at 8 p.m.

Resources, who joins us at this time in support staff for the consideration of Estimates.

ORDERS OF THE DAY

(Continued)

COMMITTEE OF SUPPLY

(Concurrent Sections)

AGRICULTURE

Mr. Deputy Chairperson (Ben Sveinson): Good evening. Will the Committee of Supply please come to order. The committee will be resuming consideration of the Estimates of the Department of Agriculture.

When the committee last sat, it was considering item 1.(e)(2) on page 15. At this point, we will just wait for the critic to take her chair.

Hon. Harry Enns (Minister of Agriculture): I have occasion to remind you that any and all members of the Legislature are free to participate in the examination of these or any other Estimates. If my colleague the former ag rep from Morris wishes to take his former masters to task, now is a golden opportunity, but I will leave that to his judgment.

Mr. Deputy Chairperson: Perhaps at this point, I should invite all other members of the Assembly to join in the discussions in the Department of Agriculture Estimates.

As I said earlier, we were on 1.(e)(2) \$34,100.

Ms. Rosann Wowchuk (Swan River): Mr. Chair, when we left the committee we were discussing the number of people of aboriginal descent who were working in the department, and the minister indicated that he was disappointed that there was not a higher level. I want to ask, has the department looked at this problem? What steps does the minister anticipate taking to try to bring those numbers up?

Mr. Enns: Mr. Chairman, I am pleased to introduce Ms. Marilyn Robinson, who is our Director of Human

I can only reiterate what I indicated earlier. The department has, in my opinion, been very cognizant of the targets and of the general direction of various affirmative action programs taken. While we have, I think, some noteworthy successes in terms of gender equity within the department, as the honourable member for Swan River (Ms. Wowchuk) will I believe acknowledge, we have not had that similar success in terms of reaching even our relatively modest target of I believe some 10 percent with respect to aboriginal participation in the department, but that is not for want of trying.

I believe we have to accelerate our current efforts, which do include an outreach program at the high school level, for instance, that indicate agriculture is a vocation, a career path worthy of consideration, but for reasons that I cannot account for, have simply not been able to—you know, as a society, we have not generated a sufficient pool of people within that community that has taken up the interest in agriculture that would enable my department then to appropriately hire them, where skills and competency levels are such that they could be considered.

It is an ongoing challenge, I think, to this department, as it is indeed to all of us in our society. By the same token, we have to find better ways, we have to refine more innovative measures that make some of the exciting opportunities that agriculture and particularly agriculture of the future provides for employment opportunities more attractive to our aboriginal brothers and sisters.

Ms. Wowchuk: There are attempts made by—I do not know what role the provincial government plays in it. Perhaps it is the federal government that does make attempts to get and offer supports for aboriginal people to become involved in agriculture. I think by involving people in the industry and encouraging them to participate, we then from there will perhaps get their children involved and at some point develop that interest.

I also think that we, and government, have to do more to look at ways to involve agriculture in the curriculum. I realize it is not under this line, but I am just making suggestions as to how we might be able to address this where we work agriculture more into the curriculum and promote it as a positive industry. It would be helpful, not only in the aboriginal communities getting an understanding of agriculture, but also in the urban centres as well.

So, although it does not come under this line, I would encourage the minister to have his department look at ways that we could integrate the agriculture industry more into curriculums in the schools. Hopefully, through that process, we will eventually develop the interest and, within a few years, see that there are people from different backgrounds taking an interest in agriculture and then be able to take some of the jobs that are available in this department.

Mr. Enns: Mr. Chairman, I accept the honourable member's counsel in this matter. It is good advice. I am sure staff hearing it directly will do their best to respond to it. We have from my own knowledge a modest program where we specifically work with Quicken Development regarding agriculture through the high school system. I am also aware that the University of Manitoba, no doubt with our co-operation, with the co-operation of the Faculty of Agriculture at the University of Manitoba, has reached out particularly to the high school level to encourage recruitment to agriculture throughout our school system. We just have to keep on trying.

* (2010)

Ms. Wowchuk: I have another issue that I would like to raise, and perhaps this might be the appropriate section. Earlier in the day we discussed the issue of pay equity. The minister had indicated that in the Crown corporations pay equity has not been addressed. I would like to ask the minister whether this is an issue with staff, whether it has been causing a lot of concern, and how the staff of this branch, this department here, is dealing with that issue.

Mr. Enns: Well, Mr. Chairman, it is an issue if there is a disparity. I am aware that in some instances certain

Crown corporations enjoy a higher level of income than does the general public service. It is not an issue in those Crown corporations. It is an issue in the two Crown corporations that I am responsible for, the Manitoba Agricultural Credit Corporation and the Manitoba Crop Insurance Corporation, where the equity provisions were not passed on to the benefit of their employees, and I think, as the senior staff of the corporation indicated, it depends on where you are positioned. There are some positions where the impact is negligible or not serious, but there are certainly some categories of employees where the differential is significant and, to that extent, it is a problem.

I think that employees more and more tend to regard themselves as employees of government, of the public sector, and look towards equitable treatment. I would like to believe, and I am advised by staff, that staff relations with Civil Service Commission are working to address this problem as it pertains to our departments.

I also remind the honourable member—in fact, allow me to use this occasion to publicly encourage my senior staff who are in Human Resources who are working on this matter to redouble their efforts. My understanding is that the contract is open. It is being finalized as we speak. I do not know exactly what date that is, but I understand it is fairly imminent.

It would certainly be my hope that equitable treatment be accorded to all those who work what I would like to say, in this instance, in the agriculture family, in the Department of Agriculture, whether they be Crown corporations or otherwise.

Ms. Wowchuk: Mr. Chair, I hope that we will see the staff take that direction.

The area where it was brought to my attention was when staff from the Agriculture department were going over to the Crop Insurance office, and they were spending a lot of time during the initiation of GRIP and NISA. There were a lot of people doing the same work, working just as hard, but my understanding is that there was quite a discrepancy in pay between those people who were ag reps versus the people who were doing the crop insurance work. So I am pleased that

the minister is giving the directive to have this addressed.

The question I ask is, for this change to take place, will it require legislation to be passed, or is this something that can be negotiated in the contract in the negotiations that are on right now?

Mr. Enns: Mr. Chairman, I am advised that it can be negotiated. But I do want to express my appreciation to the member for bringing to the attention of the committee a very valid point, particularly in the Department of Agriculture. I know of no departments where there has been a more willingness to get the job done and not an overconcern about what turf you are coming from.

I know that the member for Morris (Mr. Pitura) can attest to the fact. When a new program like the GRIP program was introduced, it was an all-out effort without having to bring in too many new people. A lot of people got new job descriptions added to their present ones, and it was only in that manner that, with a great deal of co-operation and a lot of cross-pollination, if you like, of regular departmental staff, Crown corporation staff, working together to achieve an end result, we were able to introduce a relatively sophisticated and somewhat complicated financial support program to the benefit of agricultural producers. So the point that the honourable member makes, in my opinion, even has greater validity where that close working relationship does exist, and it is understandable that serious pay differentials would be in the way or stand in the way of ensuring that full and complete co-operation, which I knew was there.

Nonetheless, it is understandably—we are all humans—a matter of concern if you are working side-by-side with a colleague essentially carrying out the same kind of a program but there are significant or substantial pay differences that result from an earlier decision that included one group of employees but not the other ones.

Pay equity, generally speaking, is not the problem at the middle or higher level of employment but is a problem at the lower end of the pay scale, at the clerical level. I am advised that really that is the only area

where it is a difficulty to the corporations and to the employees involved.

Ms. Wowchuk: I appreciate that answer, and if the minister says it is at the clerical level, my understanding was there was even a discrepancy in pay, for example, what an ag rep would be paid versus what the manager of the Crop Insurance branch would be paid, and an ag rep would be paid more than the person who was managing the corporation.

I do not have the figures of what the salary is for any of them. I guess if I wanted to I could probably check the list that we get. That was the area that was mentioned to me as well. It was not only at the clerical level. It was at the higher level. I would appreciate if the minister would direct his staff to investigate that and look for equality amongst the workers in his department.

Mr. Enns: Mr. Chairman, my only comment is that the member must realize that ag reps are pretty close to God, you know.

Mr. Deputy Chairperson: Item 1.(e)(2)–

Ms. Wowchuk: I beg your pardon. Could the minister confirm, is that his intention, that he is not going to be having ag reps in the department in the near future? Is that what he is implying?

Mr. Enns: No, that is not my plan at all. I am just saying that they are worth what they are being paid.

Ms. Wowchuk: Then they must be doing a good job, and I hope they are being paid well for the work they are doing.

Mr. Deputy Chairperson: Item 1. Administration and Finance (e) Human Resource Management Services (2) Other Expenditures \$34,100–pass.

1.(f) Less: Recoverable from other appropriations (\$3,500)–pass.

Item 4. Agricultural Development and Marketing (a) Administration (1) Salaries and Employee Benefits \$124,400.

Ms. Wowchuk: Mr. Chairperson, there are several questions that I want to address here, but one of the main questions that I want to look at under this section is the provision of agriculture training and employment. We talk about the training that is available for farmers as they prepare for the imminent diversification that is going to take place. We have heard the minister talk about diversifying into the livestock industry, hogs, beef, all kinds of changes. For farmers to be successful in this they need supports, because there is a lot of new technology that is out there. I think it is very important that we have agriculture programs and training in place.

* (2020)

I believe that there was a fairly successful program in place, but we have seen that is going to be cut. It is my understanding that through ACC there will be no further courses offered. I wonder how the minister proposes then to provide the training and supports that farmers will need as they diversify and start out into these areas that might be new to particular farmers.

Mr. Enns: Mr. Chairman, allow me to just introduce some additional senior staff who have joined us: Dr. John Taylor, Director of our Animal Industry branch, and Dr. Jim Neufeld, co-ordinator of the Veterinary Services branch.

I am certainly aware of some of the activities, for reasons that they have to be held accountable for, that Agriculture Canada has undertaken as a result of the most recent federal budget that impacts fairly severely in this whole area of training, employment services within the agricultural community.

I was personally called upon to meet with some of the concerned federal employees in some of the federal offices that are involved in some of these training and agricultural employment placement programs that operate throughout the province, particularly in centres like Winkler, Portage, Selkirk.

The specific program that the member alludes to is the educational courses that were being offered at Assiniboine Community College. All of these I view with some regret the decision on the part of Ag Canada to reduce these kinds of services to agriculture.

Mr. Chairman, you and I, we belong to a government that has had to make its difficult choices in the past seven or eight years.

I know that you, Mr. Chair, are particularly aware of some of the difficult choices that departments that you have been involved with, like Natural Resources, had to make in the reduction of some of the services to achieve budget target dates. While it was not my privilege to be the minister of this department, I am very much aware that during those times, particularly in the years '91-92 and '93, there were some very specific challenges that the Department of Agriculture faced in its overall resources that Treasury Board allocated to them.

Despite the fact that in the global sense, because of the inclusion of the major safety net programs like GRIP and NISA and other programs, the overall budget of the Department of Agriculture looks not all that bad. But in the heart and guts of what runs the department there have been enough, in my opinion, and more than need be, budgetary restrictions that we have had to live with.

So I only put this on the record by saying that I have some empathy for the federal government that is now undergoing and having to make similarly hard decisions. I think what the challenge that will face the department is how we can sort out over the next period of time the very best, the positive programs that we, when faced with the test of the kind of prioritization that public funds now all undergo, which programs, be they federal or provincial, are the ones that this department ought to be supporting and perhaps finding or prioritizing the funds to find support for.

I am not at all satisfied with some of the answers that I am getting that the big bureaucracy of Employment Canada, where regrettably a million Canadians line up for work and for unemployment insurance benefits, has the expertise to pinpoint the specific kind of skills that agriculture needs at an ever-sophisticated level of agricultural workforce that is called for. These were some of the jobs that these programs were providing.

The whole problem of ensuring that agriculture continues to have a flow of new entrance, new

educated youngsters, who perhaps get their first brush with an agricultural curriculum at a community college, but who then find the necessarily motivation to pursue it at a higher level, perhaps even at a degree course level at the Faculty of Agriculture at the University of Manitoba.

In my opinion, that is a concern, but I do not have any easy answers for the honourable member on this score at this particular time. Other than what I indicated in the House, it is not that we have the capacity to backfill in every instance.

Ms. Wowchuk: Mr. Chair, I realize the provincial government cannot pick up every offload by the federal government, but I believe there are certain areas that the provincial government has responsibility and one of those is in education and training. It is my understanding the department that has been closed down at ACC, the Program Development department, was the area that the Department of Agriculture went to, and I understand the Keystone Agricultural Producers would go to that body to have programs developed and courses developed.

I want to ask the minister: I am sure there are going to be some programs offered for training somewhere. I would believe that if the minister is going to have to appeal to his urban colleagues, and if they could find \$37 million for the Jets, I am sure the minister can appeal to the Premier (Mr. Filmon) and find some money for training. Where will these courses be developed if the area where courses were developed from at ACC has been now closed down?

Mr. Enns: Well, Mr. Chair, I openly and publicly solicit support from any and all quarters to the legitimate requirements of agriculture. You see, I know the honourable member for Swan River agrees with me.

While on opposite sides of the fence in the House, we do understand one thing, and that is that agriculture, regrettably, tends to get short shrift in the public attention, in the attention of this Legislature and in the attention when it comes to prioritizing budget requirements. It is part of the price tag that we pay for having become such a minority.

As a representative of Her Majesty's loyal and most obedient opposition, she and her colleagues can assist me that just as they spend 99 percent of their time complaining to the Minister of Education (Mrs. McIntosh), the Minister of Health (Mr. McCrae), the Minister of Family Services (Mrs. Mitchelson) and then, for good measure, the First Minister (Mr. Filmon) for whatever wrongs he has committed on that particular day, to occasionally direct their attention to agriculture and to encourage me and to encourage the general public and to encourage the media and her caucus to provide that kind of measure of support for matters of agriculture.

It is a situation that I think is serious in that sense because, whether we like it or not, we have grown into such an urbanized society that what the member says is true. Thousands of people walk the streets for a handful of millionaires who play hockey, but we find it difficult sometimes to provide the kind of resources for what makes the economy tick.

* (2030)

Ms. Wowchuk: I want to assure the minister that if he is prepared to lobby the Premier for funds for agriculture, I would be very happy to give him my full support on that because I think it is a very important industry and one that needs the support, particularly when it comes to education and training and offering the supports for our young farmers as they diversify into the various livestock industries.

Mr. Enns: Well, Mr. Chairman, just to leave the issue on a positive note, there are and there will be—and I think this is what will have to happen. You will find different organizations, private and semi-private, that will begin to fill in some of the gap. I am aware, for instance, that the Manitoba Cattle Producers' Association are looking to developing a producer course at ACC. It would be easier and more readily done if there was at least some level of ongoing support.

I agree with the honourable member that we are not going to see the end of agricultural curriculum development at places like the community colleges. We will just have to find more innovative ways of

doing it. CAP funding will also be required. I might say that the passing of legislation that will enable organizations like the Cattle Producers' Association, like the Keystone Agricultural Producers association, to become more fiscally stable that they can then use some of those funds to ensure that in fact they are in a position to offer their support to this kind of important agriculture work.

I take this opportunity to solicit her support for Bill 15 which was just introduced to the House this afternoon.

Ms. Wowchuk: The minister says that there can be courses. The question I am asking is where does he anticipate that these courses and programs will be put together because there were many programs that Keystone Agricultural Producers offered and the department offered that were put together through the branch at ACC that has now been eliminated. So the minister is now going to have to look for another area, somebody else to co-ordinate these programs and design the programs that have been very successfully offered through ACC in the past but now there is not anybody to design and compile the programs.

Mr. Enns: Well, Mr. Chairman, allow me just to put on the record that the department itself is very proactive in this whole role of education. We have, for instance, 93 marketing clubs throughout Manitoba who combine various diversification and value-added training combined with a marketing thrust. There will be market-driven programs, courses that will become available through numerous organizations and institutions regarding swine and there will be worker courses. There will be occasions where organizations like Manitoba Pork can be involved.

Much of the work done that is causing concern for the member for Swan River were, in fact, contract employees, I am advised. They would contract for a specific course delivery. We would anticipate and we would do that ourselves, through our farm management courses, that we will be playing a continual role in this overall endeavour. I repeat again, it will be extremely helpful to have some of our farm organizations adequately funded in such a manner that they can be major participants on behalf of their clients and be able

to commit with some assuredness X number of dollars for particular sponsorship of a curriculum or course presentations at places like the Assiniboine Community College.

I accept the honourable member's concern in this area. I think it is valid. I cannot answer for, nor is it my role to answer for the federal government's action in this regard. We are particularly concerned that Agriculture Canada has really made some very, very major decisions with respect to, as I said earlier in the House, not just this particular program but the entire kind of education-, research-oriented program.

We kind of heaved a sigh of relief, after the federal budget was presented, that the Morden, Brandon and Winnipeg research centres did not disappear. But in effect, as we read the fine print, a great deal of the ongoing operative work, swine specialists, other activities, are in fact disappearing or being cut or being transferred to other jurisdictions from these programs. That causes us no end of concern because, if anything, we should be redoubling our efforts at all levels to kind of prepare our producers for the era of agriculture that we are now entering with the disappearance of the Crow.

Ms. Wowchuk: I realize that the federal funding is gone and that is a concern. My question is, since there is not going to be the co-ordination of these agriculture programs and designing of the programs to do ACC anymore, does the minister feel that this responsibility is going to fall on his staff now to design programs? I feel that, as I understand it, there is going to be a bit of a void.

The minister talks about the other groups providing funding, but there has to be a hub that co-ordinates the courses and designs them, and that is the department that is now gone from ACC. It was a department that was used by Keystone Agricultural Producers. So I guess what I am looking for is how does the minister anticipate filling this void of this department that will fulfill that role of designing the courses that were so useful to farmers and we will continue to need. As I understand it now, there is not going to be anybody doing that particular work that was being done by the co-ordination department.

Mr. Enns: I think the honourable member will appreciate that the federal budget came down in late February. Our own budgets were well set and established by that time. I challenged my department and the entire agricultural community how best we glean and pick out the best of what has been offered, what we believe under the prioritization of today will offer the best bang for the dollar spent, if you like, whether it is federal or provincial.

I think in fairness, though, these changes that are occupying the member's attention—some of which have not really taken place yet, just notice has been served and, in the case of the employment programs, they have been extended, I believe, for another year or for this summer, in most instances, or till September. Others may have been effectively cut, like the Assiniboine Community College program—but, in any event, it is something that has just happened.

I accept the member's concern. Staff is listening to it. We will develop over the course of the next summer, the next fall and this coming year how best we can respond to some of these changes.

Mr. Chairman, allow me also to introduce Ms. Dori Gingera, who is our Marketing and Farm Business Management Director. She comes and joins us at this time.

Ms. Wowchuk: Mr. Chair, one of the issues that we have heard about a lot over the last little while is the issue of whether or not dairy producers should be able to use the synthetic growth hormones BGH—

Mr. Enns: BST.

Ms. Wowchuk: —BST to increase the production of milk. I would like to ask the minister whether his staff has reviewed that. I realize, again, that is a federal issue, but it is a concern to people in this province. People feel that they do not want to have the production enhanced with drugs because they feel it will have a negative impact on their health.

I would like to ask the minister what his staff has done in research on this and whether or not his government has made any presentation to the federal

government with respect to the enhancement drugs for dairy producers.

Mr. Enns: Well, Mr. Chairman, I am certain that the honourable member for Swan River is aware that, in essence, this is certainly the technical review. The ongoing technical decision with respect to the introduction of this kind of a product to our food supply is essentially a decision that the federal government has to make and will make.

She would be aware that currently prohibition has been placed on the introduction of the growth hormone to the dairy industry in Canada. The position of the department is that it neither endorses nor opposes the use of BST in Manitoba. We believe, as I just said, that it is from a technical point of view an issue for Ag Canada, the Veterinary Services, the Department of Health to make that overall determination as to whether or not it is an appropriate agricultural tool to be introduced to the dairy industry in Canada.

* (2040)

Secondly, it is a marketing question as well. I think the honourable member reflects a legitimate concern that I am sure will to a considerable extent dictate whether or not it will be introduced, period. If a sufficient number of consumers, Canadian users of the product, have the attitude that I believe I sense in the honourable member for Swan River (Ms. Wowchuk), then quite frankly it will not be introduced, in my opinion.

I think different dairy operators and people involved in milk production will consider their public relations with their customers being paramount and not wish to make a decision that would disturb that.

Our own veterinary lab, as such, is not directly engaged in the technical testing of the product, largely because we have our hands full with matters that are entirely of provincial jurisdiction. This is clearly an issue for the Health people in the federal department of Canada to resolve.

Ms. Wowchuk: Can the minister indicate whether he has had discussion with the dairy producers in

Manitoba and whether or not they have expressed an interest in having the ability to use this product in their production?

Mr. Enns: My staff advises me that, no, we have not received any specific requests from the dairy producers in this regard. If anything, they have asked for an extension of the moratorium.

Ms. Wowchuk: Mr. Chairman, when I look at the activities of the department, I see that the department provides specialist support services for various animal industries, and I believe last year we asked a question about what kinds of supports were being offered by the department to the PMU industry and whether there has been staff hired to work with the industry.

Just along that industry, I want to ask the minister whether it comes under his jurisdiction, that it was suggested that an all-party committee be established to deal with some of the problems that the PMU industry has been facing. In fact, it was at the suggestion of our Leader, Gary Doer, at a meeting in Brandon with the PMU producers and Mr. Rick Borotsik, that we suggested that perhaps an all-party committee would be the way to deal with some of the problems facing the industry.

I want to ask the minister, along with what kinds of technical supports are being provided to the industry, where are we with the establishment of that committee, and have any guidelines been set up for the committee as to how it should operate?

Mr. Enns: Mr. Chairman, the member raises two issues. One is what the department has specifically done to strengthen its resources to more adequately respond to the legitimate concerns that PMU, not only the PMU, but the people who own and raise horses in the province have. I indicated a year ago that it was my desire that we strengthen that end of the Animal Industry branch activity by putting in place a first full-time specialist that could help the PMU producers, of which we have the majority in the country. But not only them.

We have an active horse council that represents many—number in the thousands—people who enjoy

pleasure horses, two or three horses on small acreage, throughout Manitoba. There is, of course, your ongoing activities at the various racetracks around the province in the summertime, the principal one, Assiniboia Downs, so it was my view that if we have swine specialists and sheep specialists and beef specialists, we should have a horse specialist. Against ongoing opposition from the department, my view finally prevailed, and I must say, in this instance I badgered them, I badgered them, I insisted that this had to be done. This one little foible they grant this little minister that we should hire a horse specialist.

I am pleased to announce that on August 1 of this year, that is actually happening. His name is Mr. Ray Salmon, who has considerable experience in the animal branch, and has spent considerable time in assisting the young fledgling bison producers get off the ground, I believe in the Teulon area.

After a lengthy competition, of which considerable amount of interest was shown by a large number of individuals, Mr. Salmon was chosen to fill that position. There were some thirty-four applications for this horse specialist position that was advertised for the Animal Industry branch.

The expectation is for the incumbent to allocate time equally between the equine ranching, horse feedlot and light pleasure horse industries. In the latter case, emphasis will be on provision of technical rather than equestrian type information. The position, as I indicated, has been filled and Mr. Salmon will commence his duties on August 1.

Ms. Wowchuk: Can the minister indicate where this position will be located? Is it going to be out of Winnipeg, or is it in some northern region?

Mr. Enns: The position will be centred in Winnipeg, but it will be moving throughout the province.

Ms. Wowchuk: The second part of the question that I had asked the minister was on the all-party committee to be established to support the people in the PMU industry. We had received a letter asking for names of the people who would be on that committee prior to the election, sometime in March. We have not heard

anything of the activities or whether that committee is actually going to be established.

Could the minister indicate any information he might be able to provide us with on that committee?

Mr. Enns: Mr. Chairman, I can indicate to the honourable member that just a week ago, yes a week ago, at the invitation of my colleague, the Minister of Industry, Trade and Technology (Mr. Downey), we had a meeting with the current president of the Manitoba Equine Ranching Association—it is a new name that I have to get used to—Mr. Charlie Knockaert, whom the honourable member will be familiar with, and the issue the member raises was the subject of discussion. We are looking forward to developing that committee, because the ongoing, in my opinion, unfair portrayal of the industry needs to be addressed.

* (2050)

The PMU industry is a significant industry to Manitoba with a direct value to the economy in excess of \$44 million. Of a total of 52,000 PMU mares in Canada, we have 30,000 of them. The result in offspring provide feedlot animals that are looked after. Now, I am satisfied—and I know the honourable member who is well familiar with the industry—that if you were to by any benchmark measure how domestic farm animals are being treated or handled on our farms, the PMU mare would be very close to the top of the list if I were to compare her life with a sow in a farrowing crate or a steer in a muddy feedlot.

My director of marketing is raising her eyebrows at me, and that tells me I have to change tactics, because she gets paid the big dollars to keep her minister out of trouble, and I am putting too much on the record that is going to come back to haunt me again.

What I am saying is that the PMU mares are extremely—in the main, there is always room for somebody not playing by the rules, but both by the code of ethics that has been established by the industry itself, by the kind of ongoing supervision that the company provides and by our own, and hopefully with the help of the newly established position of a horse specialist who can offer further advice, further

technical information to horse raisers and horse breeders of all kinds in Manitoba, the horses in Manitoba need not come under the kind of criticism that regrettably from time to time they come under.

I solicit the member's support in this instance. The issue that we have to determine is—I think from the initial instance was—[interjection] I do not think we were looking at a legislative committee. We were looking at a committee comprised of perhaps somebody from Brandon, somebody from the industry—

Ms. Wowchuk: Legislative. All-party committee.

Mr. Enns: An all-party legislative committee. Well, that is an issue that we are not quite clear on ourselves. Perhaps we should take this matter up directly with Mr. Downey who seems to be the lead administrator on this issue.

Ms. Wowchuk: I thank the minister for that, and I look forward to having that discussion with the Minister of Industry, Trade and Tourism to get some indication as to where it is going. I would hate to see a committee put on paper and then have nothing happen with it, and then, a few years down the road, someone gives some indication that there was not support for it. So I think we should deal with it.

With respect to the code of ethics, in discussion with some of the PMU producers earlier this winter, we had a discussion about the inspection of the barns by the industry, by the people from Ayerst. They were anticipating that some changes could be coming from government and there could be a process where there would also be government inspectors involved in this. Has there been any discussion within the department to follow through on that? Are there any plans to have inspections done by government inspectors in the PMU barns?

Mr. Enns: Mr. Chairman, the member is correct that the company, Ayerst, provides a fairly rigid level of inspection I believe on a monthly basis, or they are moving toward a monthly inspection basis. In addition to that, the Department of Agriculture has just recently hired Dr. Allan Preston from Hamiota as our field veterinarian working under the direction within the

veterinary branch, with considerable PMU horse practice and experience and who will be working, I might add, out of Hamiota. It is my understanding that that is going to be the case.

We will begin to introduce a level of spot inspections from the Department of Agriculture. I am well aware of the fact that those who criticize the industry continue to question the integrity of the process, if it is in fact the company's inspectors who are doing the inspection. If it helps the process, if it will help with the overall perception of the industry, I will encourage our veterinary people, our Animal Industry branch to devise, with some of the additional resources coming on-line in the person of Dr. Preston, Mr. Salmon, to provide a greater level of integrity to the field inspections that are already occurring on a fairly frequent and regular basis by the company.

Ms. Wowchuk: I am pleased to hear that a veterinarian has been hired and anything that we can do to help the industry and improve the image will be very helpful. I know that the producers that I spoke to were looking at ways to do whatever had to be done to help dispel some of the images that were out in the public, particularly the fact that the industry was being regulated by the company who stood to make the profit and the impression that the company did not really have the best interests of the animals, those people making those comments not realizing the fact that if you have not got healthy animals you are not going to end up making very much profit. I am pleased that a veterinarian has been hired who will do some of this work and I am sure that it will be very welcomed by the industry.

I want to go on to a couple of other areas in the livestock industry. I want to ask about what changes have taken place in the Manitoba Livestock Performance Testing Board Corporation. That was the corporation that was providing testing and keeping records for cattle producers and beef producers, and my understanding is that that service has now been discontinued.

Can the minister explain why this has happened and what will be the result of this change?

Mr. Enns: Mr. Chairman, I am advised that the program has in fact been privatized by Canada and that essentially organizations like the Manitoba Cattle Producers' Association have taken over the operation of the program involving beef and swine. The sheep program that was also available to producers will be taken over by the Sheep Federation of Canada. In effect, these organizations are taking over the operation of this program.

* (2100)

Mr. Chairman, I want to once again use this opportunity. Here we have a situation where obviously producers involved feel that it is a worthwhile and important program to carry on, or helpful to at least a segment of the producers. We have the legitimate organizations in instances like the Manitoba Cattle Producers' Association willing and prepared to take on the obligation of ensuring that that program continues. In order for the Cattle Producers' Association to do that, they need to have greater stability in their funding mechanisms. I will be introducing another act to the Legislature that I know that the honourable member for Swan River (Ms. Wowchuk), supported by the member for Dauphin (Mr. Struthers), will want to support with some enthusiasm to ensure that their check-off legislation is of the kind that provides them with a reasonable security of their finances, that they can in fact undertake these kinds of programs, that were, acknowledged, formally run by government. But governments, whether federal or provincial, are finding themselves, in too many instances, to have to back away from some of these programs. If the programs have value, the producers are prepared to pick them up on their own, but we have to strengthen their organizations to enable them to do that.

Ms. Wowchuk: Can the minister indicate what will be the end result change to the producer? Was the service that was being provided when it was a federal program funded or was it provided free of charge? Now, if it was free of charge, what are the costs involved in it now?

Mr. Enns: I am advised by staff that there will be a per-animal charge—

Ms. Wowchuk: But was there before?

Mr. Enns: —whereas previously it was covered by a grant from Agriculture Canada.

Ms. Wowchuk: Did the previous program cost the provincial government any money?

Mr. Enns: Our support, which is not inconsiderable, but it essentially was staff, technicians in the field, space facilities when required, that kind of support to make the overall program work. Now, my hope would be that we would continue to provide some of those services, although my director shakes his head, tells me how much I know. We will provide technicians and we will provide some support for this program.

Ms. Wowchuk: Can the minister indicate how much this program would have cost? What was it costing before? Was it one full-time staffperson that was working on it? What kind of dollars is the provincial government now saving on this?

Mr. Enns: Mr. Chairperson, with the greatest respect, the staff does not have the kind of data to answer—

Mr. Deputy Chairperson: Order, please.

Ms. Wowchuk: I apologize, Mr. Chair. I was not looking for a specific dollar. What I was asking, was it enough work that it meant one person was working on it or was it just a small amount of work that was just filled in by somebody? It was not an elimination of a job.

Mr. Enns: I am advised that it involved one full-time position.

Ms. Wowchuk: The minister talked about the cattle producers and some of the issues that they had raised. One of them was funding. The other issues that they have raised are ways of identifying livestock and tagging animals so that they can be identified. Can the minister indicate whether there is work being done, research by staff that will enable new means of identifying livestock and whether the requests made by the Manitoba Cattle Producers' Association with regard to identification of livestock is being addressed?

Mr. Enns: Their question on the Manitoba Cattle Producers' Association has three elements to it, the first one being a somewhat tightening up of the check-off provisions that would make it still very much of a voluntary system, I assure the honourable member. Any member who contributes to the check-off can, by simple letter, receive all of his funding back, but he has to do that annually. What the current situation is, I am even told from the people involved in the purchase, in the sales rings, they actively encourage this.

Nobody wants to be bothered with extra paperwork if they do not have to do that. They will tell a producer, drop me off a little note, then we will not bother with the check-off and they do not have to refund that to the government, who in turn provides it to the appropriate organization. That is just on the basis of less work, easily done. What they are also saying, on the other hand, is make it simpler. Take it off of everybody and have the parties that do not want to contribute drop us a line once or twice a year saying they do not want to contribute and we will refund the money. That is the general genesis of the proposed change in the legislation, which I think the member is familiar with.

The second aspect of the request by the producers is to provide them with an opportunity for greater vendor security. There are still, regrettably, some instances where cattle producers innocently get caught up in a firm that is in the business of handling or purchasing cattle, goes bankrupt. Our current bonding provisions do not, in all instances, cover the losses and we have had, not many, I am pleased to say, but one is too many, cases where individual cattle producers are out considerable sums of money. It is a situation that is near and dear to me.

A good neighbour of mine in the Woodlands area suffered a loss like that where he is out the cost of some 17 steers which represents—you know, these were fat, 1,000-1,200 pound steers—a good portion of his annual income. So the cattle producers are requesting that they be offered an opportunity to build in a small provision that would provide them to secure, top up the existing lender security that is there by bond through a reassurance provision that would provide for this additional coverage.

The third element, the question is the one that the member refers to, brand identification, the greater security of identification of cattle in transport and so forth. That one has a few more complications, a few more wrinkles to iron out. We do not have compulsory brand inspection in the province of Manitoba. It also kind of laps into our own legislation, livestock legislation that we currently have on the books and that is currently under review.

The whole issue of animal welfare, everything from how we treat puppies to how we transport horses and other farm animals is being considered by the department, and at this particular point I am not prepared to indicate that I am quite ready to advance the identification portion of the cattlemen's request.

It is not that I do not think that there is a legitimate need for it. There have been some instances, particularly the cattle being tied specifically to the manifest of the carrier or the truck that is moving the cattle, cattle that are showing up at auction marts that need closer and tighter identification, but the member is correct. These are the issues that the cattlemen are raising with me concurrently.

* (2110)

Ms. Wowchuk: Is the minister indicating that the section on the identification will not be a part of the legislation that he is proposing to bring forward at this time?

Mr. Enns: I have not made a final decision on it. It is subject to some further staff advice on the matter, but there are difficulties in that area. It is not just from that point of view. The issue of animal identification is going through some revolutionary changes in terms of electronic computer chip identification and so forth, and that is really changing just as we speak, by month, and whether or not with that knowledge we would not be well advised to hold off writing into legislation which six months from now or a year from now may need to be revised.

I would like to have a little bit more time with senior staff and the Cattle Producers' Association to sort out just where the chips fall on that identification question.

I have no trouble, and I will be presenting to the Legislature the bill covering off the first two items that I mentioned, the vendor security and the check-off question.

Ms. Wowchuk: The other issue that the cattle producers had raised was the concern with animals with horns, that this decreases the value of animals at point of sale and there was also injury to other animals. They had indicated that they were going to be soliciting the minister and looking at the possibility of a horn tax to encourage cattle producers to remove the horns at an early stage. Has the minister given that any consideration?

Mr. Enns: Well, you know, Mr. Chairman, the member knows how to wound me. She raises a very sensitive issue. You see, I was a young impressionable Minister of Agriculture in 1967, and I believed everything my staff told me. I had an experienced director of the Animal Industry branch, some of you may even remember him, Mr. Al Church, and he and the other people within the department at that time told me, Mr. Enns, the day has come for the horn tax to be removed. It has served its usefulness.

We have been doing such a great job in extension in the Animal Industry branch that most responsible cattle producers no longer leave the horns on their calves. They are following our extension advice. They are using the caustic paste or the dehorners and taking the horns off the calves when they should be taken off at an early age, you know, either when they are dropped as calves, as is my practice, or even as 400-pound or 500-pound feeder steers. The department came to me and said, Mr. Enns, this is an unnecessary imposition on the cattle producers. It is time to remove the horn tax. Being that dutiful and obedient minister, I listened to my department's advice and I took the tax off.

The reason why I remember it so vividly is because it was also an occasion when the government of the day was having its kind of quiet spells and we were not perhaps all that aggressive and progressive any more. This was about the ninth year of our administration. This was in the Walter Weir administration after nine years of Duff Roblin's Conservative government. We did not have that much to flesh out our throne speech,

so the removal of the horn tax actually made it into the throne speech of that day.

The editorial writers of the Free Press ridiculed myself, and I was wounded, you know, as a young impressionable minister that here I thought I was doing something for the good of the cattle industry and I was ridiculed by none other than the editorial writers of the Free Press. Well, some things never change. The editorial writers of the Free Press still ridicule me from time to time or that of my government, but now you are being asked and the cattle producers are asking me, of all people, who removed the tax to put it back on.

Ms. Wowchuk: How many years ago?

Mr. Enns: Well, you know, I am having some trouble. I am deferring that to my senior staff. They will ponder the situation, and they will come back and advise me again. Subject to their advice, I commit myself to following their actions in this regard to the letter.

Would you prefer me to tell you another story about Czar Nicholas II?

Ms. Wowchuk: I am pleased that the minister is listening to the cattle producers, and I hope he relayed that story to them since it is they that are asking for their horn tax to be added on now. So he should relay to them how it came about being removed, and perhaps if the minister decides that it should be implemented again, he can save it for the next throne speech and add a little bit of interest to the throne speech and give the editorial writer something to write about again.

While I am talking about the cattle producers, another area that they talked about is the losses they face to their herds to wolves and coyotes during the winter season, and I believe they were looking to the minister and brought this issue to the minister, as well as to what kind of compensation. It was compared to, similar to having compensation for wildlife damage to crops—whether or not the minister was ever considering compensation for loss of livestock to wildlife.

Mr. Enns: While I can certainly attest to the healthy populations of coyotes, particularly in most rural parts of the province, we as a department have not received

any specific complaints with respect to animal loss as a result of this activity. I am sure that there are cases where that has happened. I would invite the member to bring it more directly to our attention.

We have a committee that is reviewing agricultural crop damage and crop loss from various forms of wildlife activity, the principal ones being waterfowl, which is a longstanding program supported by Canada, and crop damage done by big game, elk and deer and so forth, from serial crops to standing hay. We do not have a specific compensation program in place for loss due to coyotes or wolves. Whether or not the committee should expand their terms of reference to review that question, perhaps is a valid point. I am disturbed. I cannot do a great deal about it.

The simple fact of the matter is that again society has frowned on the taking of wild furs in ever-increasing fashion and as a result we are living with the consequences. We have a beaver explosion in our province that is causing us all kinds of difficulties. We have the highest populations in many other animals that will no doubt impact on agriculture from time to time.

Ms. Wowchuk: It was an issue that was brought to our attention. I will look back at the notes that I have and perhaps give it to the minister or his staff, and they can look at it further.

I want to ask the minister about a couple of other areas dealing with livestock. When we were at a meeting during the election, at the pool meeting, there was a discussion on two issues that were brought up, first of all, the issue of game farming. We were each asked a question on game farming and what our intentions were, and the minister had indicated that he would be pursuing the possibility of expanding game farming in Manitoba, raising of elk, deer in captivity. I wanted to ask the minister whether under the Animal Industry branch anyone has been looking at the development of those industries, both in Saskatchewan and Alberta, and whether there are intentions at the present time by this government to expand or to establish game farming and whether there has been any work done by this department on that.

* (2120)

Mr. Enns: Mr. Chairman, I think for the interest of members of the committee, allow me just to put on the record the different types of non-traditional livestock that are being raised in the province. We have in excess of 4,300 bison being raised by some 50 producers. We have 450 fallow deer raised by four producers. We have some 70 llamas raised by 11 producers; 5,000 wild boar raised by 75 producers; 2,000 ostriches; 2,000 emus; 25 rheas. I think the latter three are all kind of related. It just depends on how close they can look you straight in the eye. They are big birds.

I am answering the question in this way. The question of further expansion of game farming has, of course, as particularly the member for Swan River knows, considerable history in the province of Manitoba. I am aware, of course, and was a member in opposition at the time, a government that she now represents, her brother, I think, being the minister—

Ms. Wowchuk: That is right.

Mr. Enns: We experimented with elk ranching in a given year. I believe that circumstances have, if anything, increased the need for the province perhaps to once again look at it. I say that quite frankly from the point of view of the challenge that we face here in the post-WGTA era, to make available to our producers any and all legitimately economic opportunities for engaging in some kind of agriculture, in this case, livestock production.

It is not lost on us that we hear reports from around the continent, if, indeed, around the world, that, genetically-speaking, we probably have the finest elk, and they are going at premium rates in different jurisdictions. To continue denying these opportunities to those interested in pursuing this line of activity is one that I am not prepared to say will continue forever.

I am actively pursuing the potential or the possibility of looking at some form of expanded game farming in the province of Manitoba. There is no government decision that has been made in this respect and none immediately imminent. We are forever receiving data as to how programs are working in other jurisdictions, but it is, as the member is fully aware, a somewhat

sensitive issue with the people of Manitoba. A decision of whether to expand or to move into some form of elk ranching will be made or not made, and she will be among the first to know about it.

Ms. Wowchuk: I am sure that both the Minister of Natural Resources (Mr. Driedger) and the Minister of Agriculture (Mr. Enns) will be getting questions on this, and I know that the Department of Agriculture in Saskatchewan spends quite a bit of time on this area. I am not sure what happens in Alberta, but I am wondering if the minister has availed himself of any of the information from Saskatchewan or Alberta to look at the value of the industry and the pros and the cons, because, certainly, as with any—when you move into an area of taking wildlife into captivity, there are pros and cons, and I am wondering whether there has been any analysis of that information.

Mr. Enns: I do not have that information available to me at this instance. I am sure that within their branch this kind of information is routinely gathered and then comes to our attention.

We are forcibly faced up to elk ranching and elk farming in a very demonstrable way from time to time when a jet loads up on elk here in Winnipeg or Manitoba for shipment to different parts of the world. They are usually Saskatchewan elk or Alberta elk, but we are certainly not unaware of what is happening in other jurisdictions.

I would like to think, and I think the challenge would be to our senior staff, that should we entertain expansion into this field of activity, we would have the opportunity of having learned, perhaps, from other jurisdictions' errors, in some instances, that we could pick and choose from the best experience that has proven workable in other jurisdictions, should we wish to introduce some form of elk ranching. But I repeat, that is a highly charged political decision, as the member is well aware, one that this government is not at this moment prepared to make.

Ms. Wowchuk: The minister indicated a list of all the other exotic breeds that are being raised on a commercial basis right now. Can the minister indicate whether it is his feeling that there is lots of opportunity

for these various birds, such as the ostrich and llamas, or does he feel that that market is pretty much saturated? Does he feel that those areas can still be expanded and there is still lots of opportunity for people to begin raising these various animals for exotic products?

Mr. Enns: I think, Mr. Chairman, you can categorize these kinds of nontraditional animals into two very distinct classes, where there is, in effect, virtually solely a breeders' market. That is probably the case of the big birds, the ostrich, the emus and those kinds of animals. I am not prepared to pass any judgment on it. These are expensive birds. People are paying big money and, hopefully, some people are making good money on them, but it is a fairly speculative kind of venture to be in.

For instance, I would be very reluctant to ask, for instance, an organization like the Manitoba Agricultural Credit Corporation to involve public funds in any way in terms of loans for these kinds of programs at this point in time. However, there are other animals among this list, the bison being one of them, on which it has become a half halfway. There is still a healthy and active breeder market involved for good breeding stock in bison as these herds are building up, but there is an active, ongoing meat market established.

There is a processing firm, regrettably not in Manitoba. I wish it were in the Interlake or somewhere in Manitoba, but it is just across the line in North Dakota, of which I understand a good number of our Manitoba producers are co-operative members. They are processing bison meat, principally, I am advised, for the European market at very, very attractive prices. So there is a different kind of a situation developing.

* (2130)

There is an economic basis for ongoing production of bison, not in the hope that you have a Native Son or Stargazer, a real winner in terms of a breeding stock, but you have a regular outlet for the meat product. Those are the kinds of activities that I am encouraging my department. I am encouraging organizations like the Manitoba Agricultural Credit Corporation to look

at seriously, hopefully, to develop some support programs that can see these programs take off. I believe that, for bison in particular, we have room in this province in some of our kinds of margin lands, lands that I am familiar with, that could maintain significant populations of bison.

They are a very unique kind of animal that long before we introduced Aberdeen Angus or Charolais or Shorthorn to this part of the continent did very well without Departments of Agriculture, I might say, without extension workers, without ag reps, if you believe it, Mr. Member for Morris (Mr. Pitura). I am told, I only read this in books, that there were millions of these little beasties that roamed fertile northwestern plains of this continent. So they are of a little different category.

I place the wild boar in that similar category. The wild boar have their problems with them. The established pork industry is nervous about them because of disease-related problems, but there are certainly opportunities for niche markets to be developed in Japan, in Europe and in other parts of the world for these specific products, at attractive prices.

When you put all of that together, it is in that context that I am prepared to look afresh, if you like, at the concept of expanding that to other game farming, as well.

Ms. Wowchuk: Under this section, we see that there are supports provided to the 13 feeder associations. Can the minister indicate what kind of supports are provided for associations? I assume it is supervision, it is not financial supported, but is this in establishing the feedlots or vet services? What would be the supports that could be provided?

Mr. Enns: Mr. Chairman, just to give members a flavour for the program, we have a number of these feeder associations throughout the province—the Carman area, Teulon area, Deloraine in the southwest, Ste. Rose, Vita in the eastern part of the province.

Typically, the associations consist of a membership of up to 56, 37, 34 people. They will have anywhere from 3,000 to 800 or 300 feeders on hand. What the

credit corporation does is provide loan guarantees that enables them to get a line of credit up to a maximum of \$5 million from their local lending institution.

The department provides technical assistance. Our beef specialists, farm management people, help work with them. I had the pleasure of attending one of the meetings, I believe it was in the Carman area. I was in the area, and they had kind of an annual meeting, where they meet to do the business of their association, and I was pleased to see that several of our agricultural staff people were present and assisting them in conducting their business.

All in all, I consider it to be a very successful program. It is a combination of allowing people who wish to get back into the cattle feeding industry, not necessarily in the humongous large numbers, multithousands, but in co-operation with their neighbours, and neighbours and neighbours, 10 or 12 others, each putting up maybe sufficient loan capital for 50 or 100 steers, feeder steers, and all of a sudden putting their aggregate number together to 2,000 or 3,000 or 4,000, which makes for an economic feeding operation in terms of care, in terms of management, in terms of purchasing clout for feed, and so forth. I really believe that this is the kind of program that demonstrates that it is possible to move and, if you like, the kind of inevitable kind of broadening of, the increasing of scale of agricultural production. Yet it can be done at the level that individuals are comfortable with.

If you only wish to invest in 50 head of cattle, by joining an association, you can do that. I would like to think that there is room in the future in our hog expansion for some similar kind of coming together where, yes, there will be maybe multimillion-dollar barns that are being put up. The fact of the matter is that our future expansion in the hog area will consist primarily in that area. But it need not be one owner. It need not be an integrated operator. It can be half a dozen young farmers who have decided in this post-WGTA era that they should do something differently than just produce grain. They should maybe take the seed money they get from the \$1.6 billion payout on the Crow, go to Mr. Gil Shaw at the Manitoba Agricultural Credit Corporation and leverage some

additional loan capital. Together, all of a sudden, they have the necessary \$700,000, \$800,000 that a credit union or a banker will top off with another \$300,000 or \$400,000, and they have the million dollars to build that barn that is producing the kind of genetically superior and performance hogs that are making Manitoba hogs renowned around the world.

Ms. Wowchuk: I thank the minister for that. I want to tell the minister that I know what the program is, and I know how it operates through the credit corporation. What I was looking for is, what services does the Animal Industry branch—do they provide vet services? Do they provide services on feeding? That is what I am looking for.

I know how the program works and how they pool their money to get the program together, but it is listed here as supervision, and I am looking for what kind of supervision is provided for the producers under this area.

Mr. Enns: Our support consists of the kind of professional extension advice that you would expect from the Department of Agriculture, but the operations are not receiving any direct support in the sense of services. We are not inoculating their cattle for them. We are not paying the veterinary bills for them. We will advise them about what to do and what to use and use the best knowledge that our beef specialists can provide them in the operation of the feedlot. They can avail themselves of our farm management specialists to look into whether or not they want to get into the business of forward contracting or how best to market their animals. All these kinds of skills are the kinds of things that the department will offer them. If the member is looking for a dollar support level, that is not being provided.

Ms. Wowchuk: I am not looking for a dollar support value. What I am looking for is this: Are the people who are involved in livestock feed associations getting any different service than an individual farmer who is a cattle producer on his own? I see it listed in here as supervision for feed associations, and I am looking at what is offered to people who are in feed associations that is different from what is offered to an individual farmer who could have a cattle herd on his own.

Mr. Enns: No, Mr. Chairman, I am satisfied that that is not the case. That is not to say that there is not strength in numbers. The fact that there will be a group of 38, 48 young producers in an association in a given area unquestionably will receive the full attention of the department when called upon to provide it so, but certainly no advice that is not available to the individual producer if he decides to call on the ag rep in his area. I do not know what capacity the ag reps have to make the number of individual house calls or farm calls that they once did, and I suspect that a certain amount of that still takes place. But I suspect the issue is more of the individual farmer to come to the office to avail himself of the services.

* (2140)

Ms. Wowchuk: As would the people who are in the feeder associations. They would have to avail themselves of the services provided there. What I am trying to see is whether if you are in a feeder association, does the department look at this as something special and provide supervision services to a greater extent than they would to an individual who might have just as many cattle and require just as much service?

Mr. Enns: My staff assures me that they receive no different services than any other similar group of producers would receive. Perhaps the one area where they get some specific expertise or advice that I suppose you could put a dollar value on is in the helping of drawing up the legal contracts, because they are legal contracts that involve significant obligations and that are needed to satisfy the requirements of the lending agency as well as the Manitoba Agricultural Credit Corporation, which provides the loan guarantee. We do have farm specialists that help in that specific area, that when we identify or when a group comes together, when we are told that there are 12 or 13 or 15 people who wish to form a group, we at the early stage will provide that formative quasi-legal—well, it is not quasi, it is legal—advice to draw up an appropriate contract that will meet these requirements.

Ms. Wowchuk: Moving on to another area, some time ago, a few years ago, the government made changes to the vet services district boards and turned those over to

the vets in rural Manitoba. I want to ask the minister how that is working and what has happened with services. One of the concerns that was raised when the vet clinics were being turned over was that there was going to be a change in fees, there was going to be reduced services. Can the minister provide us with an overview as to what has happened to vet services in Manitoba?

Mr. Enns: To the best of my knowledge, there has not been that much of a change, in effect, take place. We receive notice from time to time of a district that is having some difficulty in maintaining its support for a particular lab. I think we received notice of one such district in the last little while but, in the main, we are continuing to operate with some 29 or 30 veterinary districts throughout the province. I am advised that within the structure of these, the methodology of arriving at fee structures has been largely unchanged. Things have carried on.

I can report to you that I was attempting to be of help to them in the sense that we are aware that a number of them are working out of facilities that need, in some instances, considerable renovation. In some cases, these are still some aging facilities that were made available to the province—army surplus buildings, air force surplus buildings—years ago. We were able, working together with the department of Finance and the federal government, to receive some modest support through the infrastructure program that was announced by the federal government a year ago. We were able to provide, I forget the actual amounts, upwards to about \$20,000 additional to their normal grants that helped a number of the clinics undergo necessary renovations.

I must also report that in some instances it was not enough, the renovations, the \$20,000 did not provide the kind of funds needed for complete replacement costs which, in some instances, were in fact called for. I have indicated to my colleague the Minister of Finance (Mr. Stefanson), we have hope that the federal government has intentions of repeating the infrastructure program in the coming year. I applaud the federal government. I believe it is a program that did in fact work, did provide some instant employment, which was one of the rationales for introducing the

program. It did enable municipalities, provincial governments, organizations, with this one-third, one-third, one-third participation, undergo some of these projects which, in times when all budgets are being tight or strapped for additional funds, allowed for some very welcome relief to getting some programs along the way, and it is my hope that I can repeat and perhaps even enlarge somewhat on that source of funding for the vet labs so that we can get on with the support to some of the facilities that need considerably more than the \$20,000 that was made available to them last year.

Ms. Wowchuk: The minister indicates that there was a \$20,000 assistance per district. Is that accurate? Can the minister indicate then, how much is the grant support per vet service district? Are they funded equally or does that vary in each region of the province?

Mr. Enns: I have seen, the kind of formula that we apply provincially is equal, but it varies with the level of support that different municipalities will provide in their special circumstances. The total amount that the veterinary clinic gets can vary.

Ms. Wowchuk: Than can the minister indicate per vet clinic, what would the government's share be of what is provided to each district by the province?

Mr. Enns: Mr. Chairman, what the program is, and my understanding is that this has been of some standing, this program has, the matching formula has not been changed in the last number of years. We will match the amount of money raised by the municipalities in their own clinic, and that is why the funding will change.

* (2150)

For instance, this last year, the Ashern group of municipalities raised \$19,000 themselves; they received \$19,000 from the province. The Roblin-Russell raised \$17,000; they received the equivalent amount of \$16,000 from the province. I am looking for Swan Valley. They raised \$13,000; they received \$12,000 from the province, give or take a few dollars. The West Lake group raised \$20,000; they received \$19,000 from the province. So it is tied directly to the

local contributions.

Ms. Wowchuk: Then just for clarification, can the minister indicate—the province matches funds to run the clinics, but the vets are not or are they employees of the government or do they work on a fee-for-service on the schedule that is established by the province?

Mr. Enns: Dr. Neufeld advises me that what they have is an agreement with a board that supervises and runs each veterinary clinic. They are not technically employees. They have still the capacity to operate in a private capacity as well, but they undertake an agreed contract that covers terms and conditions, the kind of services that that veterinarian is prepared to provide to that clinic and to that district. Included in that agreement are fee schedules that are predetermined by the board.

Ms. Wowchuk: The fee schedules are determined by the board not by the province, so they can vary from district to district as to how much can be charged?

Mr. Enns: I correct myself. The fee schedule is, in effect, established by what we refer to as a veterinarian commission on which the individual clinics have representation. The Veterinary Services Commission negotiates the fee schedule with the veterinarians in the various district hospitals or clinics. There are now 28 existing clinics in the province. The St. Lazare people have just notified us of their intention to dissolve. That fee schedule is standard across the province.

Ms. Wowchuk: The minister just indicated that one vet clinic is going to dissolve in the St. Lazare area. What do we anticipate will happen for veterinarian services in that part of the province?

Mr. Enns: I am advised, Mr. Chairman, that what will happen in this instance is that the neighbouring clinics will amalgamate, will merge with the different halves or portions of the now defunct St. Lazare.

Ms. Wowchuk: It also indicates in the Supplementary Estimates that the department looks at the management of a diagnostic lab. Can the minister indicate if that is a lab that provides services for all the province, where that lab is and who runs it?

Mr. Enns: Mr. Chairman, that is a fine facility located on the campus of the University of Manitoba, and it has been in operation for a goodly number of years now. I can recall that being budgeted for—and I do not know when it was actually constructed—in the early '70s, 1969. That is where we house the major portion of the Animal Industry branch staff that are involved in the veterinarian end of it.

The kind of service they provide is vital to the information required by all our veterinarians throughout the province. They work very closely with trying to assist, resolve and diagnose problem areas of animal and livestock health with the various district vets.

We also have a considerable companion small-animal volume of business to contend with. Some years ago we attempted to separate the companion animals from our operations under the directions of Treasury Board, to attempt to privatize that portion of the building, but that has not succeeded. It has come back. The two individuals involved have returned the operations to the provincial vet lab services, so that we are still engaged in both the domestic farm animal business and the companion animals as well.

The lab performs, is constantly being challenged to provide up-to-date data, and often under continual pressure to provide it sooner, when viruses, disease problems are detected, which are hard to diagnose. We have some extremely talented, gifted scientists working that are constantly trying to provide the kind of support for the practitioners of veterinary medicine in the province, to the benefit of our overall industry. Specific industries, like the feather industry, the broilers, chicken, those industries all have fairly significant demands on ongoing health-related management problems that are associated with their business, all of them relying extensively on the operations of the lab.

Ms. Wowchuk: If the minister would clarify—there was an attempt to privatize this in about, two or three years ago, and then the minister is indicating that that was not successful. Who were the individuals that were taking over the lab, and how long did it stay in private hands before it returned to government?

Mr. Enns: This was a fairly recent venture that was attempted last July. It was undertaken by an existing private practitioner veterinarian, along with one ex-employee of the provincial lab.

I do not wish to conjecture on why it did not succeed. They will perhaps tell you that we did not entirely get out of all of it; we maintained a certain amount of work ourselves. I think from their perspective they might have felt that if we would have walked away from the companion animal business entirely, they might have had a better chance of succeeding as a private venture. We, on the other hand, were concerned that this was a service that we had provided to Manitobans over a number of years, since 1969, at any rate. We are not prepared to do that in total.

In any event, it has come back together. I do not know what kind of trouble I am going to be in with the Treasury Board when next we meet, because as far as Eric Stefanson thinks, he thinks it is privatized and is just humming right along. If Vic Toews does not pull the wire on me, I will be all right for a little while.

Ms. Wowchuk: Just for clarification again. Can the minister indicate—he says that the government was keeping part of it and they were attempting to privatize part of it—what part of this lab service was the government attempting to privatize?

Mr. Enns: We were quite prepared, and in fact we think it is absolutely essential that the Department of Agriculture, through its veterinary services, is very much involved in providing the best of animal health care to our growing livestock populations that are playing an ever-increasing role in agriculture in Manitoba. We were not quite that convinced that looking after Lassie or Tabby the cat or somebody's pet, whatever, was an appropriate use of the public dollars at this stage of our existence. That part of the trade, in veterinarian jargon, is called companion animal care: Lassie, Weejee—well, not even Bambi—Tabby the cat, yes.

* (2200)

It was the small companion animal that we thought, and under Treasury Board direction, we should get out

of, privatize it. There was a veterinarian that was prepared to take on the business; there was an ex-employee that was going to join the venture. They would stand alone and look after Tabby and Lassie and charge whatever the traffic would bear to make that a successful venture, but we still retain some elements of it.

Whether that was the right thing to do or not, time will tell, but, in any event, we are back in the companion animal business. It really should not surprise the member for Swan River because, deep down, in the bosom of her heart, she knows that this little minister is carrying a concern about Tabby and Lassie as much as Ferdinand the Bull and Otto the Ox.

Ms. Wowchuk: Can the minister indicate what kinds of funds were involved? Did the people who were taking over the companion—

Mr. Deputy Chairperson: Order, please. It is the will of the committee to continue on to twelve o'clock, I understand. Agreed? [agreed]

Ms. Wowchuk: Can the minister indicate what kinds of funds were involved with the turning over of the companion animal care portion? Were these people who were taking it over buying a portion of the services or were they just going to be able to use the labs and run their service out of there?

Mr. Enns: Senior staff advise me that there were not any resources from the provincial vet lab that went with the transfer. We gave the employee in question a leave of absence for a year. They set up shop on their own with the private veterinarian that had expressed interest.

Ms. Wowchuk: Can the minister indicate then, if that service was not supposed to be in the department and now it has come back, has it been budgeted for or is this going to be an added cost?

Mr. Enns: For the companion animal program, we charge full fee. Recovery is virtually a hundred percent. We do provide, though, with the facilities of the scientific staff that we have, further ongoing testing and diagnosis that helps the entire veterinary industry and services.

That was, of course, part of the rationale for it, the Treasury Board saying, look, while we are prepared to subsidize to some extent the support for the farmer in commercial, agricultural, livestock where our recovery probably is in the order of 25 percent—[interjection] Twenty percent. In other words, the services that we provide to the hog producers, to the chicken producers, to the dairy and beef producers, their veterinary services, the diagnostic lab services they get from our Veterinary Services branch are in fact subsidized by the taxpayers of Manitoba. I make no apology for that. I think the importance of the livestock industry well justifies that relatively modest expenditure of public money.

It would be more difficult—in fact, I would not want to be the minister that would defend the public expenditure of looking after Tabby or Lassie; we have not been doing that. It was under that rationale when Treasury Board reviewed our situation in the kind of stringent reviews that all departments and their activities went under and said: Look, it is certainly not necessary as a public function of this government to provide these kinds of veterinary services to companion animals. Why do you not try to hive that off and find somebody that is interested in taking the practice that you now are getting into your facility and set that up as a private practice, which we attempted to do last July?

I do not have the full reports on it yet. I understand that has just kind of come back to us. I am more than prepared to provide to the House and to the member a fuller analysis of why this particular venture did not work out successfully.

Ms. Wowchuk: The information that I would be wanting from the minister is: If this was being set up as a private enterprise in public buildings, were the people who were going to run this clinic going to have to pay rent on the facility, or were they just taking the business out and using the facilities provided by government?

Mr. Enns: No, Mr. Chairman, I apologize for not making that clear.

This was not housed in the provincial and the public building. This was housed separately. I am assuming

it was the private veterinarian that had expressed interest in the business that it was either in his facilities or privately rented facilities or whatever it was. It was not that they were operating out of our facilities in a private manner.

Ms. Wowchuk: When the information is available, I look forward to having the minister provide more detail on this venture.

The minister mentioned dogs and cats quite often in the last little while. Earlier this spring we had a very unpleasant situation where we had some animals that were in very poor condition in what were called puppy mills. The minister indicated at the time that he was going to be putting together a committee to review the situation and would be bringing forward some regulations or guidelines as to how animal breeders should be running their operations.

Can the minister indicate what has happened and how soon we can see some regulations put in place to ensure that all animals are treated in a much better way than what we saw this spring in some of these puppy mills?

Mr. Enns: Mr. Chairman, I can report to the committee that the committee has indeed been struck. It consists of my assistant deputy minister, Dave Donaghy, as a member of that committee, along with Dr. James Neufeld, who is a director of our Veterinary branch; Miss Vicki Burns, Executive Director from the Winnipeg Humane Society, and a Dr. Ken Mould, who is from the Centennial Animal Hospital; a private veterinarian, Miss Doreen Nevraumont, who is the provincial director of the Canadian Kennel Club, and Mrs. Jacqueline Wasney, President of the Consumers' Association of Canada, because there is a consumer aspect to the puppy mill operation.

People, in good faith, wish to be assured that there is integrity behind the purchase of what they presume to be a purebred dog being offered for sale, that is being appropriately presented for sale. I can attest to the fact that, not unlike when purebred cattle or other livestock are purchased, there are fairly rigid standards to be tested by the different breed associations to attest to the integrity of the breed.

Then there is Councillor Lillian Thomas from the Manitoba Association of Urban Municipalities. She is a councillor from the City of Winnipeg, of course, and we have a rural reeve, Mr. Ed Peltz, from the R.M. of Woodlands.

* (2210)

These people have met at their inaugural meeting, and are meeting. It is my hope they will provide the department the kind of advice that will provide us with some reasonable regulations that will prevent the kind of situation from reoccurring that disturbed the honourable member for Swan River and many other Manitobans.

I must say, I received many calls on that issue, and I am pleased that the department responded with dispatch. It is my hope not to overregulate, and this is always the danger, you know, when legislators sit. It reminds me of that favourite saying of mine, Mr. Chairman, life, liberty and property are at risk whenever legislators sit. We should always be mindful of that.

Many loving dog owners, perhaps the majority of them, raise two or three litters a year under good and caring conditions. That cannot be questioned. It is not my intention that the heavy hand of government now intervene in that kind of practice, but we have to devise, obviously, some regimented regulations that prevent the kind of factory that some people are running with puppies where animal care is not being observed, where questionable practices are being carried out that give all of us who are involved in any kind of animal care a bad name.

The department is taking this very seriously in the sense that they are also using this as an opportunity of looking at our whole animal welfare kind of legislation. We underline the word "animal welfare," and that is not a question of confusing it with animal rights. This is animal welfare, but that is to be taken seriously by all of us, particularly in Agriculture, but also in the companion animals as well as in the case of the puppy mill owners—needs to be taken seriously. The public will not stand for what they perceive to be callous, willful abuse of animals, whether they are domestic

farm animals or whether they are companionable pets and animals that we have for our personal companion pleasure. So the department is addressing this issue.

I attended just briefly the inaugural meeting of the committee. I told them directly that if there are things that we can do by regulation, they can be done fairly expeditiously, but if in fact the advice comes back that we do require some legislation, then it would be my hope to have that legislation for consideration by the House as soon as that is possible.

It may not be till the fall or early in the next spring session, but we are taking this opportunity to kind of challenge ourselves within the branch, within the department, as to what needs to be done that can update our own legislation. Some of it is old. It falls to the Department of Agriculture because we end up being responsible for animal abuse no matter where it occurs.

Ms. Wowchuk: Mr. Chair, I look forward to hearing the recommendations that come from this committee. As the minister indicated, this issue probably brought more phone calls than some more serious issues, although this was a serious situation, but people have very serious concerns when animals are being abused.

The minister touched on the humane treatment of all animals, and a comment that has been made to me—and from what I understand, the minister is saying that they will be looking at other aspects of the humane treatment of animals. I have been told by people who have concerns many times with poor treatment of livestock that the act that governs the inhumane treatment of animals is a weak act and very many times that it is not enforced.

Can the minister indicate whether there are a lot of complaints that are brought to his department about the inhumane treatment of animals and, of the complaints, how many charges are laid? From that, I am looking to see whether or not in actual fact it is quite a weak act and does have to be reviewed.

Mr. Enns: Mr. Chairman, in the year '94 there were 131 humane inspections carried out, which represents an increase of some 17 cases or, otherwise put, 15 percent. Of these, some 30 percent of the complaints

were considered unjustified, frivolous or simply not justified. A certain number, 70, required corrective action. The most severe case may require charges under the act or the federal Criminal Code. Three convictions of cruelty to animals were obtained. One case is before the courts and charges are to be laid in at least one other case. So, to answer the member's question, out of 131 initial complaints, a significant number were set aside as not requiring any further action.

A significant portion, fully 70 percent of them, required some corrective action. It could simply have been admonishment, better care, better feeding care, better watering facilities or some such thing. There were three situations that, in the opinion of the persons carrying out the inspections, they felt criminal charges ought to be laid and in fact were laid.

The province pays all costs in humane inspections and may recover some costs from the sale of seized livestock. We have a couple of cases of note that I may wish to put on the record. In the constituency of Dauphin a couple were charged because their horses were left out to pasture in January of 1994 while the owner was away on holidays for a month—no bedding, no water source, foals were emaciated, foals were forced to eat some of the same feed as adults, one died. In this case a conviction was obtained.

We have this—I recognize the name from Steinbach, who has been inspected by our inspectors. This is the incident that caused the notoriety on public television. There were a large number of dogs on the premises in varying states of poor condition, with medical problems. In this instance charges have been laid, and further action is awaited before the courts.

Mr. Chairman, just a little indication of the work by the department in this respect.

To answer the member's question, I cannot specifically indicate in what areas the current legislation needs to be strengthened or changed or modified. It would not surprise me if there are a number of instances where that has to happen. As I said a little while ago, the department is taking this advantage of review. They may well come back to me

and say, Mr. Minister, we require a new act. If that is the case, we will proceed with it.

Mr. Stan Struthers (Dauphin): Mr. Chairperson, several years ago producers in the Ste. Rose, Rorketon, Eddystone area were left scrambling trying to provide themselves with some veterinary services. I know they experienced great difficulties in filling the position at Ste. Rose. Could the minister indicate to me what the process is that producers go through in order to obtain veterinary services in any particular spot in the province?

* (2220)

Mr. Enns: There is, of course, the option, and that happens in certain areas of the province, where private and independent veterinarians look at a given area, given situation, circumstance, look at what they view to be their business opportunities in practising veterinary medicine in that area and set up shop. We have a number of them operating throughout the province.

I believe what the member is more specifically referring to is, how does a veterinary clinic or veterinary district get established? That is a little bit more complicated. It generally gets motivated by a group of livestock producers within an area. It is, generally speaking, too much for a single municipality to tackle, so they are encouraged to group in twos or in threes.

It becomes more difficult from the kind of area that the honourable member mentions because the land mass is big there and populations are few, so the ability for that area to cover such a large geographic area is hard for people to feel that affinity that they belong to one district. That, perhaps, is necessary, though, for numbers, for economies, to put economies of scale together.

I am actually just waiting for Dr. Neufeld to provide me with a little bit of specific information on that case. We are aware of it. It has surfaced certainly within the department, surfaced in the local press from time to time about the difficulties that the member refers to and just where we are at this present moment—yes, this just further gives the details.

You know the veterinary district board will advertise. They will offer a fully equipped hospital maintained by the municipal and matching grants from the provincial government to attract that practitioner to that area. New areas can only be formed at the initiative of the municipalities. I do not know if that helps.

Mr. Struthers: I know that the R.M.s that got together at the time experienced a lot of difficulty in locating a vet. Eventually they did, and they had to go outside of the country and bring someone in.

What kind of steps is the department taking to ensure that there is a pool of people out there qualified to become vets to service producers in rural Manitoba?

Mr. Enns: The department has for many years provided some support to students who are going into veterinary medicine. In my opinion, it is a program that may well be looked at, but it does provide some support on the provision that they come back to the province and practise their veterinary medicine for at least a number of years in the province. The amount of support is in the order of \$3,000. I think there are some concerns in the department that that amount in terms of today's costs, that is for the full four-year course, it obviously covers only a very small portion of the tuition fees that are now applicable.

It would be my hope that I will challenge the department to see whether we cannot provide some increase in this area, because again, in my opinion, the services of veterinarian practitioners are going to increase in the province, not decrease.

If all what I have been saying, if all what other experts are saying, about the impact of the post-WGTA era having on Manitoba agriculture, whether you hear it from government people or from other sources, you cannot end up but conclude that there will be more livestock of some description in the province, and more livestock means more veterinary care.

Mr. Struthers: Is my understanding correct that the Lassie and tabby-cat type of veterinarians there is an overabundance of and veterinarians to service agricultural producers there is a shortage in? Am I correct in making that statement?

Mr. Enns: Yes, Mr. Chairman, no different than the situation, to some extent, in the practice of medicine. The same kind of situation prevails. We have a continuing problem in attracting doctors of medicine to rule isolated parts of the province, and we have a similar problem in attracting veterinarian practitioners into the same regions.

Mr. Struthers: The \$3,000 that you mentioned, is there any indication that has to go towards students who are interested in providing vet services in a rural setting, or does that mean that a rural student who wants to be a Lassie and tabby-cat type of veterinarian also qualifies for that kind of support from your department?

Mr. Enns: I am advised that they do in fact have to return to a rural practice. Now I want to remind the honourable member that rural practice also includes companion animals, but the rural practice would also include significant farm domestic animals. If the party chooses not to remain at a rural address, then the \$3,000 contribution towards his education is not written off; it is expected to be repaid.

Mr. Struthers: I am interested still in ways in which we can promote some of our younger members of society who graduate from high school into going into veterinary school in the first place.

Are there any plans to use, or is distance education already being used in the rural areas to offer courses in the study of veterinarianism? Veterinarianism—is there such a word? Whatever.

Mr. Enns: There are only two training centres for veterinary medicine in Canada, one located in Saskatoon, the other one in Guelph. We provide some core funding to these centres, some \$720,000 annually. As well, we provide the graduate student support program, which amounts to about a further \$249,000 annually. In one way I would like to think that we in Agriculture did it right. It is not, in my opinion, absolutely necessary to have a school of dentistry in every province or for that matter a school of medicine in every province.

(Mr. Frank Pitura, Acting Chairperson, in the Chair)

We wanted to utilize the best resources of our public dollars to have first-class schools on the Prairies. We have a first-class law school in Manitoba. I was quite willing to report—there were some pressures on us to have veterinary medicine taught in Manitoba but, quite frankly, it is a limited field.

We get a bigger bang for our dollar by making sure that facilities at Guelph and/or Saskatoon receive the kind of support that they are receiving from neighbouring jurisdictions so that they can be first-class facilities. We in turn get guarantee of accessing the enrollment. Our students get fair crack at being able to pursue that chosen profession at these facilities.

I welcome the expressions of support from the honourable member for Dauphin (Mr. Struthers) in this area. I could not agree with him more that if we are anticipating, as I anticipate, that there will be a million beef cows in this province, that is up from the 620,000 that there are currently in the province, that there will be between 4 million and 5 million hogs produced in this province in a relatively short period. That is up from the 2.3 million hogs that we are producing today. We will be producing more of all kinds of additional livestock in this province than certainly the future requirements; the needs for veterinary services will only increase.

* (2230)

I suppose our challenge in rural Manitoba is to make rural Manitoba lifestyle a little more appealing because, in the final analysis, that is what it is. Whether it is in the practice of medicine or in the practice of veterinary services, it is often long and pretty lonely hours for a country vet who travels long distances all hours of the day, particularly at calving season in cattle country. Very often it is a one-practitioner situation which gives him very little time off.

I think if we can develop better organization where we have two or, in some instances, three veterinarians servicing where they can more fully regulate and enjoy reasonable time off and breaks from their profession. That is all what comes when you associate with a larger practice, for instance, in a larger urban setting when you are part of a clinic of 10 lawyers or five doctors.

Everybody gets to play a round of golf occasionally, you see, but it is a little harder for a country vet to do that.

Mr. Struthers: I agree. A lot more people, not just veterinarians but doctors and everyone else, are more concerned these days I think with quality of life issues and not just the straight salary or anything like that.

I used to be a school principal and in charge of guidance counselling as well and career planning and that sort of thing, and there is not a high school around these days that does not do a career day of some sort. In Dauphin Regional School just a week or two ago they had a career day in which I spoke, and I do not remember veterinarian services being represented at that career day. I do not remember having, as a school principal, videos and presentations by veterinarians or people from the Department of Agriculture or those sorts of things actually promote the field with high school students.

What I have noticed with other fields, those who have come into the schools and been marketing their own occupations have gained in numbers of graduates who do eventually go into the field. Quite often young people do not know what is out there for them, and I think maybe there are some things we could be doing in the area of veterinarian services that would help alleviate the situation. If there are any programs of these that are going on now could you tell me about them, and if there are any plans for some more could you tell me about those, too?

Mr. Enns: Mr. Chairman, I can advise the honourable member that veterinary services would be pleased to be presented by the Manitoba Veterinary Medical Association but they are not aggressive about it. They do it at request. If your high school would have requested them to come and make a presentation, they would do it. I think always it is of value to senior members of my staff to hear this kind of advice being provided at these committee hearings, and I would invite staff to take that into mind and take it back to their respective associations that they are members of.

Just as a matter of a little further information, we register 15 to 20 new applications for veterinary college

a year, which roughly balances the amount that tend to leave the province a year. There is also the question of supply and demand that is at play here to some extent, but while I certainly would not disagree with the honourable member that there are instances, the kind that he mentions, where we are underserved, on the other hand there are many parts of the province where veterinary services are quite adequate. I happen to have the privilege of being within close distance to one of our veterinary clinics in the central part of the Interlake in the Lundar area, but I am also very well serviced by several veterinarians in the Stonewall area that do quite an adequate job.

Then I have a neighbour who kind of retired from being an animal veterinarian and still does companion animals while he is kind of semiretired, enjoying life and raising 25 beef cows just down the road from me. He likes me to call him on occasion. He will even come and look at a difficult birth that I experience from time to time at the ranch, not really because he wants to service my cow, but he is a Liberal and he wants to argue me out of my political position while he is doing this. So we have great occasions in the twilight hours of darkness in the barn when these momentous things are happening with Mother Nature. He has yet to win his argument, I might say.

Ms. Wowchuk: Mr. Chairman, earlier we were talking about lab services being provided in the Animal Industry for veterinarians. I am looking now at the Soils and Crops section, and we have diagnostic services for crop samples, plant diseases, various insect damage and things like that.

Can the minister indicate where those kinds of services are provided from, the analysis of various kinds of plants, or is there a government lab that is done at or is that done from a private lab?

Mr. Enns: Mr. Chairman, allow me to introduce Dr. Barry Todd who is our Director of Soils and Crops branch working out of the Carman offices. Dr. Todd is responsible for the well-being of our soils and special crops which again is, in a province like Manitoba, becoming more diverse, more challenging, as our producers grow an ever-increasing variety of new and, in some cases, exotic types of crops.

The answer to the honourable member's question specifically is that that is one function of the Soils and Crops branch that was not moved from the campus, University of Manitoba. It is still a resident. It is still housed at the university for analysis, plant disease and the kind of things that the member was asking questions about.

(Mr. Deputy Chairperson in the Chair)

Ms. Wowchuk: Then if the minister could indicate, there was a section of that branch that was privatized a couple of years ago, was there not? I know you could send samples of forage and samples like that. Is that accurate?

Mr. Enns: Mr. Chairman, the honourable member is correct. The soil testing, feed sample testing has in fact been privatized, and I am told reasonably successfully so. The service is being carried on—

Mr. Deputy Chairperson: Order, please. Could we just pass a few of these lines and stick a little closer to the line, please.

Item 4. Agricultural Development and Marketing (a) Administration (1) Salaries and Employee Benefits \$124,400—pass; (2) Other Expenditures \$30,000—pass.

4.(b) Animal Industry (1) Salaries and Employee Benefits \$1,519,600—pass; (2) Other Expenditures \$485,200—pass.

4.(c) Veterinary Services (1) Salaries and Employee Benefits \$1,430,300—pass; (2) Other Expenditures \$503,000—pass; (3) Grant Assistance \$467,600—pass.

4.(d) Soils and Crops (1) Salaries and Employee Benefits \$2,312,800.

Ms. Wowchuk: Mr. Chair, I was asking the minister about the section of the soils labs and the feed-testing labs that were privatized a couple of years ago I believe.

I wonder if the minister can indicate what the impact of that has been. When I look for impact I wonder what would be the quality of service, the turnaround

time in service, and also what would the fee structure be to the farmer in comparison to what it was prior to privatization?

* (2240)

Mr. Enns: Mr. Chairman, allow me to put the following on the record.

In 1991, Norwest Labs incorporated purchased and assumed operations of the provincial soil testing lab and the feed lab. They have completed payments to the Province of Manitoba for the laboratories and continue to rent space in the agricultural services complex.

Norwest Labs does about a million dollars worth of business in Manitoba per year. Farm soil samples make up about 30 percent of this, feed samples 20 percent and environmental samples about 20 percent. The remaining 30 percent is composed of plant, greenhouse tissue, microbiology and industrial organic sample analysis. In other words, they are a testing lab not just for government purposes.

Norwest Labs has provided enhanced soil test services such as wet samples and three-day turnaround. The number of soil samples analyzed during the fall season—and I think this is to the member's questions—in '92, for instance, we had 11,278 samples, in the year '93 we had 10,303 samples, last year 15,000 samples, an increase of some 46 percent over the year previous.

There are 12 full-time employees at Norwest Labs, in addition to 10 at the provincial lab. When we ran the testing facilities, the soil testing and the feed testing, we had 10 full-time people and seven part-time people. There are now 12 full-time people and four part-time people. So the employment ratio has remained virtually unchanged, service is being provided, and I would consider that a very successful transferring of an established agricultural program into the private sector. It enhanced the opportunities for Norwest to be a major player in the environmental and nonagricultural testing processes in the city as well, which they may or may not have had the opportunity to participate in.

Ms. Wowchuk: Can the minister indicate, he had said, I believe, that the Norwest does rent the facility. Does

Norwest have the opportunity to share government equipment or are they completely independent? Is there an advantage for them to be in the same facility as a government lab where they would have some advantage of government equipment?

Mr. Enns: I am advised that equipment required by Norwest Lab was purchased at the time of the sale and that there is not a mixing or cross-utilization of provincially owned equipment and Norwest equipment.

Ms. Wowchuk: The minister seems quite pleased with the changeover to the private sector of this particular service. Are there any plans by the department at the present time to privatize the other portion of the lab, being the section that does the sampling on plant disease and insect damage? The other part of the lab that is now still owned by the government, are there any plans to privatize?

Mr. Enns: Mr. Chairman, I am certainly not aware of any. Allow me to put on the record, privatization is not an ideological approach to the issues on the part of this government. Where it makes sense, where there is an opportunity for a successful transfer, they will take place. I am satisfied that, for instance—we go through this argument every once in a while at our own Treasury Board who review all operations of the department from time to time. They have certainly questioned the ongoing activities of not just this lab but of our entire provincial diagnostic lab services, whether or not that facility, as such, and the service it provides could be fully privatized.

We are satisfied and we have been able to convince Treasury Board to this date that that simply is not the case, that there are the kind of services that modern agriculture requires in the case of the provincial labs and like that. It simply is not supportable in the way the services are being provided.

Ms. Wowchuk: Can the minister indicate what the impact was on farmers with the privatization? He talked about the veterinary services where the costs on livestock were 20 percent recovery, and I am sure there was a benefit when both the soil tests and the feed tests were done by government. What has been the change in fee to the producers now that it has been privatized?

Mr. Enns: My director advises me that even under the operations, when it was run by the department, by the provincial government, we were recovering in the soil samples upwards to 80 percent, somewhat in excess of 80 percent of the actual costs, and that has not really changed very much. The current firm, having to compete with other people in the business, does not allow for great expansion of the charges, and my advice is that that has not occurred.

There was less recovery in the feed sample operation. In other words, we were subsidizing to a greater extent the feed sample service to livestock producers who were requesting that service then under the current operation. I can attest to the fact that it is not an issue that has been raised with me, my office, and it is not, I think, in lieu of the services of value, to the seeker of that service, and it is not unfair that that party should be paying for it.

Ms. Wowchuk: The minister may have indicated this answer earlier, and I apologize if I ask him to repeat it, but he said that the Norwest Lab does about \$1 million of business a year. Does Norwest Lab do a lot of work for government? Is a good portion of their business providing service to government?

Mr. Enns: Mr. Chairman, I am advised that it would be very minimal. We do our own. Soils and Crops branch will utilize their services from time to time for specific analysis and soil testing to support specific research work that they are engaged in. There may well be. I know that, from a discussion with my colleague the Minister of Environment (Mr. Cummings), some of that 20 percent of workload that involves various environmental "samples," that there could be some government-directed testing in that category. If I recall from memory, my colleague, the Minister of Environment, indicated they do from time to time use them. Again, it would likely be minimal. It will be referral or the department wanting to support some particular data that they are searching for. You would have to direct that question directly to the Minister of Environment when his Estimates are under review. From our perspective it is very minimal, very nominal.

* (2250)

Ms. Wowchuk: One of the areas under this section that I have a lot of interest in is the Crop Residue Burning Program and the impacts of that program. I guess what I am looking for is the program has been in place for some three years now. There have been some concerns raised with the program, in particular in my part of the province where there is heavy straw. There is a need to burn straw in order to continue with some of the practices that are in place.

I have been wondering if the government has, in the last couple of years, reviewed the legislation and assessed whether it will be necessary to make some exemptions in certain parts of the legislation to allow people to continue their sustainable agriculture practices and still be able to abide by the law. I am looking for what kind of review has been done on the legislation.

Mr. Enns: Mr. Chairman, I would firstly like to advise the committee and the honourable member for Swan River that the crop residue burning advisory committee will be reviewing the 1994 crop residue burning authorization program.

They are undertaking that now—I am advised now that that will take place some time in June. They hopefully will look at recommendations regarding changes, improvements, and it will be forwarded on to myself and the department for consideration.

To give the members of the committee a little overview of the year 1994 with respect to the burning of residue, only 11 charges were laid in 1994 for violation of the regulation. This followed an extensive awareness campaign conducted in July to September. All the charges were laid by the RCMP. They are scattered in different parts of the province, one in the Dauphin northwest region, three in the Grandview area, two in Headingley and Red River southeast, two in Hanover which is across the river in the southeast, two in Swan River, and one in the southwest. The fines varied from \$100 to \$1,320.

While I believe that the whole question of stubble burning still is a problem to some agricultural producers, a simple fact of the matter is it is unavoidable. We are all living in times where

environmental issues play a bigger role for us. Hog producers are aware of it. Stubble-producing farmers have to be aware of it as well. There is no skirting the issue that when you have the right kind of weather conditions, the kinds of calls and the kinds of visitations to our health care facilities under heavy smog and smoke situations in the city create a pretty strong rationale for the measures taken by the department in this instance.

I must say, with obviously some exceptions, nobody likes to be the party that gets caught or violates. In the main there is compliance with the regulations, and I am pleased to say that the number of charges, the number of actual violations are relatively low.

Ms. Wowchuk: The minister indicated that last year there were 11 charges under the act. He indicated how much the fines were, but I am wondering how many charges were dropped and whether or not we have the numbers of how many charges there were in the previous year. I am looking for some comparison, whether the advertising was effective and we actually do have less people burning.

Mr. Enns: Mr. Chairman, I am advised that we were, perhaps with additional years experience behind our belt, a little more careful in laying charges, but I am advised that no charges were, in fact, dropped.

Ms. Wowchuk: Mr. Chair, I am pleased to hear that there were less. The reason I was asking about the dropped charges, in the previous year there was some concern with the legislation and the concern being, I believe, that it says a minimum fine of \$1,000. RCMP officers were concerned, as were some people in the courts. They indicated that it was a very heavy fine for the kind of offences as compared to some other offences which were more serious, and that was what was leading to having some of the charges dropped in the previous year. So maybe they were not quite as anxious to lay the charges this time, or else less people are burning.

That was one of the issues that I would like to have the review committee, when they are looking at the legislation, look at that section that says that the minimum fine is \$1,000, and I guess I might get in

trouble with some people who think that nobody should burn and \$1,000 is reasonable, but just talking to people in the justice system there was a concern that that was a pretty hefty fine particularly for a first offence and new legislation.

Mr. Enns: Mr. Chairman, I am advised that there in fact is not a maximum fine. That can happen where you get ticketed, the minimum fine of \$1,000 will be on the ticket. If you take it to court, a judge can make his decision and obviously does, because I looked at the range of fines. They range from \$100, \$198, \$264, \$900. There are three that were in excess of \$1,000, just \$1,100, \$1,200. So there is a range open under the legislation.

By the way, Mr. Chairman, last year and the year before, there were 58 charges laid which compares to this year's 11. So there has been a noticeable decrease, I would think, signifying a pretty significant compliance with the regulations as the producers get accustomed to living with them and knowing how to avail themselves of the information as to exactly whom, when and where to call when burning is permitted.

* (2300)

Mr. Struthers: I just wanted to pick up on what the member for Swan River (Ms. Wowchuk) was asking and what the minister just indicated. What kind of a plan is there from your department to encourage farmers into alternative practices rather than stubble burning where that is possible?

Mr. Enns: Mr. Chairman, the department never ceases to, through its various extension opportunities, provide the latest data for our farmers in various alternative methods of straw management, including evaluating various crop varieties, management practices, residue-management option, to gain a better understanding of how excess residue can be managed in heavy clay soils without burning.

Efforts are being made to determine the impact of straw removal on soil quality and soil degradation in anticipation of the development of straw-based industry in Manitoba.

We have in addition to this, as the member will be aware, a fairly serious number of considerations currently being planned that would utilize in an alternative way for paper, for particle board, for ethanol, for insulation, for fabrics, erosion control mats, edible fibre, horticultural plots, sanitary products, a whole host of kind of innovative potential alternative uses.

One of the most significant ones, probably, is located in the southern part of my constituency near the community of Elie where a major effort is being put together, a particle board from straw fibre. Whether or not it will succeed is still questionable. There are still some financing dollars that have to be found, but all of these kinds of programs are being continually being put before the producers.

In addition to that, we hold symposiums, Straw to Gold. We are trying to alert producers to the potential and the scale of alternative things that can and ought to be done to straw other than burning it. Our hope is that some of these will take root and that we will, in due course, not have an excess straw problem on our hands. I think our soil specialists will continue to express some concern about the fact that there may be a word of caution before we hive off excess straw into everything else but the soil in terms of the long-term future organic well-being of good soil management.

I pass on to the honourable members, just to show you, this is a sample of paper made from straw that the member may find interesting.

There are a host, as I say, of options being considered in different parts of the province, in the southwest, in the central part of the province, in your part of the province. Whether or not a good idea brought to fruition, to market, to successful, viable, economic business opportunities, there is a tortured road to travel on. I am confident that before too long we will see some of these ideas turn to practice and to real results.

Mr. Struthers: I had two questions on crop residue burning and the minister answered both of them in one shot, so I do not even have to ask the question about utilization of straw. I think it is an area that has the potential to provide a lot of growth for rural Manitoba.

I would support any kind of a move that his department would be making in diversifying into that area.

The question that I wanted to ask now, though, is whether your department does soil inventory maps. Is it your department that does the maps? Do they put them together or is that contracted out to anybody in the private sector?

Mr. Enns: Mr. Chairman, I am advised that we are engaged in a co-operative government program with the federal government, and it is Soils and Crops people that provide these kinds of surveys of our soil types throughout the province.

Mr. Struthers: Are there any private sector firms that actually do the mapping for you, for your department?

Mr. Enns: Mr. Chairman, I am advised that we do the internal work. We provide the actual data and the maps. The final printing of the map is farmed out to a print shop, which puts out the various formats that the maps are made available in, but all the research, the data work is done by a combination of federal government and provincial government employees.

Mr. Struthers: That task is done by members of the Soils and Crops branch?

Mr. Enns: No, I am advised that my information is correct. The work is done by federal equal components to our Soils and Crops people, working in tandem, at the faculty, at the university and in our building at Ellice Avenue, the Ellice Avenue building on campus at the University of Manitoba.

The data that we collect is available to other agencies, including private agencies, for whatever use they wish to have of this material. I know that there are information-gathering agencies in the private sector that from time to time seek this kind of data as well.

Mr. Struthers: Could the minister provide me with just a specific example of a private sector firm that would need a map of some soil inventory?

Mr. Enns: The advice that senior staff provides is that on occasion you will find a private consulting engineer

seeking particular advice. They are siting a structure or a facility, a building. They want specific soil information that is helpful and germane to the plans that they are drawing up for a client in terms of the types of soil, structure of the soil, permeability of the soil. I suspect that when private consultants, acting on behalf of a potential proponent for a party that is building a livestock, a hog unit and requires the construction of a lagoon to meet the conditions of the guidelines in the environment regulations that the Department of Environment calls for, they need specific soils information that they can build into their specs to the construction of the lagoon that will meet the conditions and stipulations of the environmental regulations.

* (2310)

Mr. Struthers: Is there a charge for these private sector firms for that kind of information from your department? Is there a dollar charge for that type of information?

Mr. Enns: Mr. Speaker, I am advised that we do a limited amount of this and have limited call on this kind of service. At the current time it is not a revenue item for the department; there are minimal charges that are charged for a hard copy when it is provided, but in effect we provide the information free of charge.

Ms. Wowchuk: Occasionally we see maps, and I believe there was one just recently in the Western Producer or the Co-operator, that showed different colours with different kinds of crops on them. It is my understanding that those are done through some satellite system where you can pick up the different crops. Do we have the ability in Manitoba, through the Department of Agriculture, to be able to figure out which crops are planted in different parts of the province through this kind of system?

Mr. Enns: I can respond that certainly in my previous responsibility in the Department of Natural Resources we had a very sophisticated Remote Sensing division operating here in the city of Winnipeg. It provides a lot of the satellite gathering information that is transmitted onto maps, produces invaluable maps that show all kinds of different things. It shows the forest fire

situation under the circumstances. It could show flood situations. Its principal and Agriculture derives and uses its services on an ongoing basis. Agencies like the Canadian Wheat Board use it.

It monitors crop development throughout our growing areas of the Canadian prairies. It also monitors production of crop growth in some of our competitor countries, some of our potential customer countries like the Soviet Union and the likes of that. It is a fairly sophisticated remote sensing operation that the Department of Natural Resources operates and provides a very significant information mat, and they encourage private distribution of that information. I know that the Canadian Wheat Board, as I mentioned, is a fairly significant customer.

Other information gathering agencies, Linnet here that is involved in putting together information packages is a customer and, indeed, even some partnership arrangement that is involved of which I do not know all the details. I am also aware that, again, in the grain trade, other private grain companies, Cargill, UGG are interested and regular customers of these kinds of data reports as they pertain to the agricultural production that they are specifically interested in.

That is something different from what we are talking about. We are talking soils, we are much closer down to the earth. We are doing the actual soil survey, soils analysis that then get translated to soil types. We find it helpful to us in the maintenance and running of our crop insurance program, maintenance in helping us to make the kind of advice with respect to fertilizer applications, with respect to all kinds of extension advice that we find helpful, cropping advice.

Ms. Wowchuk: Thank you to the minister for clarifying that and any further questions we have on that we will take to the Department of Natural Resources Estimates. I was not quite sure what the separation was between—

Mr. Enns: Natural Resources would be—the kind of maps that you are seeing, the multicoloured hues, things like that, they are generally speaking, although not exclusively. There are other agencies and other jurisdictions involved in the printing of them. The ones

that emanate from Manitoba are produced through the Remote Sensing Centre out of the Department of Natural Resources.

Ms. Wowchuk: I thank the minister for that information.

I want to ask the minister about the marketing expansions and opportunities that have been made in the forage production, pellets and cubes. I understand the minister earlier in the day talked about the trips to Asia. I understand that the minister did take—on that trip with the federal government, this promotion of Canada, there were people from Manitoba that went to promote the sale of cubes and pellets in Japan and overseas. Can the minister tell us whether that was a successful mission and whether or not we have been able to develop agreements for sale of those products, in particular the products that were produced in the Interlake region? The people in that area have been working for a long time to try to develop markets.

Mr. Enns: Mr. Chairman, I wish I could report to the committee that that specific aspect of the trade mission was successful. Regrettably, it was not. There had been every indication given to us by a very significant Korean consortium that they were prepared to provide some up-front money, some fairly significant amounts. Some \$700,000 was the actual amount that was proposed in a Memorandum of Understanding with a group of producers in the northeastern Interlake region, the Arborg area, for an alfalfa dehyd pellet plant.

In fact, up until a few days prior to the trip it had been our intention—in fact, we had included in our roster of people to travel with us several representatives from Arborg, or at least one representative from Arborg, who was looking forward to, with the Manitoba contingent being present, that we could perhaps conclude, finalize the deal. It was with considerable disappointment that, for reasons that do not remain completely clear, the Koreans in the final analysis backed away from the project, and there was little we could do about it.

We, nonetheless, proceeded to make a number of other people, both in Japan and in Taiwan, familiar with the same proposal. While I certainly do not want

to raise any false expectations at this time, nonetheless, as so often is the case, you simply have to keep banging at the door and keep trying.

There is a need for the product, whether or not we can competitively meet the market demands, particularly of the Pacific Rim countries. Alberta has an advantage in a sense they are just that much closer to the ocean-going ports of Prince George or Prince Rupert and Vancouver. It is still a bulky commodity of medium value, you know, in terms of its overall value, but it is surprising, there is a market demand there for all kinds of forage products, from seed to pellets to compressed hay. Our people have to show, I think, and we have to as a department provide some further innovative advice as to how to gain entry into that market.

Alberta is, as you know, heavy duty into alfalfa-dehyd products. In fact, one of their main areas of concern in the elimination of the Crow is the impact on the movement of alfalfa-dehyd products through their oceangoing ports. So we are, you know, that much further inland, and the impact of the WGTA is that much greater on us and on a crop that value adding is there but not at the highest level.

* (2320)

It is going to make it, quite frankly, difficult for our plants to compete. We have some existing plants. We have a plant at Minnedosa right now that is looking to add further value to the pellet that they are making by adding other supplements to it that would make it specialized feed for our wild boars, for other animal feeds. I believe that there are opportunities there that we have yet to tap.

I can further advise the committee and the honourable member for Swan River (Ms. Wowchuk) that we are expecting a delegation of the Forage Seed Producers Association from Japan to come in and visit us this weekend. They continue to be extremely interested in a wide range of forage products. We are recognized to have the capability, capacity of producing some of the finest timothy seed in the world, and there are considerable, you know, timothy imports there. Our production has gone down in the last little

while of timothy seed, generally speaking, in the province.

You know, I hold out the fact that when we are faced with quite a different freight regime as a result of the elimination of the Crow, I am not about to exclude or predict precisely what will happen, what will turn on the crank or turn on the bell on the part of some of our producers to aggressively and actively pursue some of these higher-value forage seed options, particularly, and look to some innovative ways of providing forage to that forage-starved part of the world.

Ms. Wowchuk: Can the minister indicate what caused that deal to fall apart? Was it the quality of the product that we have here, or was it price?—because it seemed that it was very close to being developed. There must have been something that made them change their mind. Does the minister have that information?

Mr. Enns: The initial enthusiasm that brought the Koreans into the deal was, and this is what they tell us, positive projections of future growth in the Korean market. They are telling us that upon second assessment of the market conditions they felt that that growth, in fact, was not going to take place there, and they did not see the situation as being viable.

We do have the Interlake's organization now in discussion with a second Korean organization, the National Livestock Co-op Federation, again looking at the same project. In the final analysis we believe, within the department, that it was an investment issue that kiboshed the deal. That was not the fault of the Arborg people. It is the party that is putting up the investment dollars that comes to that kind of a management decision.

We found that some of the demands, some of the expectations of the Asian investors are, in my humble judgment, high. They look for very fast turnaround and return to investment as tight as three years. That is pretty high expectation. To consider that you will have your investment back in three years on a million-dollar plant of some kind is, by North American standards I am advised, on the high side. We will have to overcome some of these expectations before we see that kind of significant investment occurring in our part

of the province. It will come, it will come, but it will take its time in coming.

Ms. Wowchuk: We talk about travelling to various countries to promote the products that we have for sale here. Is there a specific line, and would there be any money coming from this branch here that would be set aside for travel for trade promotion? Or can the minister indicate where we would be able to find the amount of money that is spent on that type of expenditure?

Mr. Enns: Mr. Chairman, I am advised that if I can direct the member for Swan River's attention to item (e)(2) on page 17 of the regular book. There is an item there of approximately \$1.105 million. A good portion of the market development travelling undertaken by various specialists from the department, including nondepartmental people from time to time that we invite to join us on our trade missions, would be included in that figure.

Specifically, it is not anywhere near that global figure. We looked at actual travel expenses for the proposed outgoing missions for the coming year in the Estimates that are before you for 1995-96. The department's marketing branch is proposing several visits to Mexico.

I want you to know that they arranged visits to Mexico in July and August, and by doing so we avoid press detection. You noted the other day that your Leader of the Opposition is particularly suspicious of ministers when they travel to places like Mexico and the Caribbean in February, but when my department travels to Mexico it is in the simmering heat of July and August when we can do nothing else but work, work, and work.

We anticipate two further trips to the Pacific Rim, to Japan, promoting all commodities. The Mexican trips are specifically related to dairy, beef, swine, canola, some pulse crops and pork. We anticipate several visitations to our neighbours, the Americans, again promoting swine, vegetables, beef cattle, dairy cattle, forages and pork, and one European trip for poultry, dairy and meats. The total travel expenses budgeted for those eight trips abroad are \$48,500. They are modest

amounts, but extremely important to the future well-being of the province if we keep in mind that we are so much of an exporting province that we must constantly look after finding those markets for our producers.

Ms. Wowchuk: I would imagine there is also a budget that is set aside for incoming missions. The minister indicated there were going to be people here within the next few days again to look at forage production. Can the minister indicate what kind of a budget is set aside for that?

* (2330)

Mr. Enns: I can indicate to the honourable member, last year's incoming trade missions included these visitations: three from Japan, three from the Philippines, two from Mexico, three from Malaysia, one from China, two from Thailand, one from England, one from Vietnam, one from Taiwan. We had certainly support from private sector organizations, including particularly if it involved say an item like pork, which many of these trade missions did, Manitoba Pork was always a participant in sharing the hospitality and the costs associated with receiving an incoming trade mission from abroad. Our budget was a modest \$11,650 to enable us to provide a reasonable level of hospitality to the incoming trade missions in that year.

Ms. Wowchuk: Mr. Chair, again we have gotten ahead in one line, so we will go back to Soils and Crops.

The whole issue of management of our soil and water is one that is very important. I know that there is testing of various methods of irrigation and water management. One of the projects that I am interested in is one that has been carried out—somewhere in the Roblin area there is a project.

I want to ask the minister if he can indicate how he feels, whether that has been a successful project, how long it will continue and what kind of interest has been expressed by farmers in the area as a result of this project.

Mr. Enns: Mr. Chairman, allow me just a few general comments about irrigation. I am well aware that

irrigation has under some circumstances brought its fair share of problems to soil management, and, certainly, in the history of irrigation, particularly in jurisdictions to the south of us, there sadly have been some rather extreme cases of neglect for good management practices associated with irrigation which have altogether given irrigation, certainly in some circles, not the best of reputation.

In Manitoba, we are extremely fortunate that when we talk about irrigation, we are talking about supplementing relatively acceptable levels of natural moisture. We are not talking about Imperial Valley in California or even some other jurisdictions where irrigation demands, where applied, are constant and massive.

Nonetheless, it is a challenge that the department is more than prepared to accept, to devise and to develop the very best of data as to what constitutes appropriate, prudent and judicious use of this supplementary water through irrigation.

So we were very pleased, and I believe it is a program that Manitobans will have reason to be mindful of the contribution of one Charlie Mayer, the last federal Minister of Agriculture of the Mulroney administration, who provided us in Manitoba with the Crop Diversification Centre at Carberry with a satellite operation at Roblin. The Roblin site was particularly chosen for data collection and experimentation with effluent irrigation, and focusing on preparing a site for irrigation with effluent irrigation is planned to start this spring, and I do not know—is that underway? Well, I shall read further.

PFRA and Manitoba Agriculture assisted the town of Roblin in completing the baseline soil monitoring for the town to obtain an environmental licence. A soil and water monitoring plan for the site was completed. A topographic map of the area was also completed. Piezometers were installed to monitor ground water qualities and levels.

The town of Roblin was issued an environmental licence for irrigating with effluent on the new site, and the Manitoba Water Services Board assisted the town of Roblin in tendering for the irrigation pipeline and

pivot system. The pivot and pipeline are installed but were not operated in 1994. The town of Roblin effluent was discharged on other agricultural land using travelling guns; 62 million gallons of effluent were discharged in this manner.

Canada-Manitoba soils survey completed field work for a detailed soil survey. Plans for a plot-working start in 1995 were completed. An advising group of farmers assisted with the planning of the site work for 1995. The area where the plots are to be established was sprayed with Roundup and tilled. The area where the shelter plots are being established was surveyed, sprayed and tilled.

Well, Mr. Chairman, there is a full-scale experimental trial that is going on with using effluent for irrigation purposes in Roblin. The Roblin subsatellite has equipment in place for effluent application in the year 1995. The land owned by the town has an alfalfa stand established and some demonstration plot areas have been prepared for agronomic trials in this coming year. These will include alfalfa-brome management, forage seed production, special crops, fruit crops, woodlot management and crop disease.

We have a further satellite station operating out of the same Crop Diversification Centre located at Carberry, in the Melita area, where the trials will work more directly with potatoes, canola, oats, Kentucky blue grass and other new selected crops.

These are some of the new adventures that the department is engaged in with respect to the Crop Diversification Centre and the emphasis on getting to know and getting to understand and getting to manage irrigation in a manner and way which we can safely recommend to our producers, that it can be done in a way that will truly be living up to all the criteria of sustainable agriculture, that will ensure that soil degradation does not take place.

Ms. Wowchuk: The irrigation is a new concept in the Roblin area, but irrigation has been going on for some time in southern Manitoba. I want to know what kind of testing is done on the impacts of irrigation on our soils.

We hear concerns expressed that when you start you do a lot of irrigation, there is a salination of the soil and things like that. Is there an ongoing analysis being done in the areas where irrigation is quite common, particularly, in the areas where we see a lot of potato and vegetable crops growing?

Mr. Enns: Mr. Chairman, I am advised that we are certainly looking forward to the kind of more intensive ongoing monitoring that the Manitoba Crop Diversification Centre located at Carberry will provide. It is really a principal part of their mandate that through this program—and it is a joint program, we participate with secondment of staff to the centre. Two of our specialists are working out of that centre. We share the information and will, of course, be influential in directing some of the ongoing research and monitoring in this regard.

Again, when potential irrigators apply for an irrigation licence, they first call as often to our Soils and Crops people to study the very maps, soils topography, for the types of soils that are potentially candidates for irrigation. That comes from our department. We can often provide them the kind of soils information that is important to them in terms of the application of water.

* (2340)

Because of the nature of our considerably less dependent, more intermittent use of irrigation and the rotational aspect of it, we do not have that kind of experience that the honourable member refers to, although irrigation has been used certainly in the vegetable growing areas of the Portage plains and different parts of southern Manitoba for a number of years.

To date, we have not experienced the kind of serious soil difficulties that she speaks of, but we are not taking anything for granted. We look to the programs now in place for the refinement of them—as operator of the mandate of the Manitoba Crop Diversification Centre, as being the central source of data collection information—to analyze, to monitor and to provide the very best data possible for future irrigators and the future of irrigation in the province of Manitoba from all

aspects of it, and the question of the judicious amount, the quantities required for optimum crop yields.

The potato industry has made it just about a demand that the potatoes that are grown for processing have to be grown on fields that can be irrigated. Not that we cannot grow potatoes without irrigation, but without irrigation we cannot provide the continuity of a quality product, that competitive world, the global market, and that is where we are selling our potato chips to. We are selling our potato chips to Japan; we are selling them to Chicago; we are selling them to Milwaukee. If ours are not the best, they do not get sold. So whatever reasons, the processors say that there is virtually tremendous growth opportunities in potato production, but they insist that they be irrigated potatoes.

Through the Crop Diversification Centre we hope to get this kind of data information on the product that we produce as a result of irrigation optimum crop yields. The optimum amounts of water required and the certain fishes and the certain topsoils will at the same time also provide the ongoing monitoring of what is happening on the ground, what is happening to the soil itself, what is happening to potential leakages or leaching of surface fertilizer, herbicides, other cropping practices that could potentially injure our ground water supplies, could potentially pollute our aquifers and so forth. Those are the kinds of very serious responsibilities that we expect the Manitoba Crop Diversification Centre headquartered out of Carberry will assist the Department of Agriculture in ascertaining.

Ms. Wowchuk: The minister indicated that out of the Carberry Diversification Centre there are the technical services provided for the people who are setting up the irrigation systems.

Can the minister indicate whether his department provides any funds to establish irrigation services in those regions where it is feasible to use irrigation?

Mr. Enns: Mr. Chairman, I can advise the committee that there has been, for instance, some public dollar support for the projects underway in the south-central part of the province—Morden, Winkler, in that area, in the construction of large dugouts to collect surface waters and pump waters into them that provide onsite

irrigation for a limited number of acres. They call themselves the Agazziz irrigation association. They have applied through organizations like PFRA and to the provincial government through the department of Water Resources in the Department of Natural Resources for some assistance, and I have received some assistance in the construction of these ponds.

I am advised that the Department of Rural Development has a modest \$3,000 grant that is administered through the Water Services Board to applicants who apply for irrigation operations, and they only get them after they come through our department, and we site out the advisability or the locality that is being considered for irrigation.

This is just some further information about the Agazziz irrigation association's project, which hopes to develop some considerably more capacity at three different sites in the coming year that would approximately provide for an additional 1,600 acres to be irrigated. The support for that program would come, \$200,000 from the Manitoba Crop Diversification Centre; \$200,000 from the Canada-Manitoba Agreement on Agriculture Sustainability; and then from my colleague the minister of rural economic development, probably through our REDI-funded program, something like that, an additional \$300,000 from the Water Resources branch; and the Department of Natural Resources for another \$100,000, for a total contribution of \$800,000 to that \$2.5-million program.

I think the question was asking for specific support to an individual farmer who is choosing to irrigate. There is not a great deal of support. I can indicate to the honourable member, and I think I left some information in that regard when we had the agricultural corporation people before us, that to get into irrigation is a costly venture.

It is estimated that it costs, the capital requirements for irrigating an acre of land or an acre of potatoes, let us be specific, is somewhat in excess of \$2,000. If somebody wants to irrigate 500 acres of potatoes, he is looking at a considerable cash outlay. We are looking at ways and means of helping that farmer get that kind of credit through modifications of existing programs at the Manitoba Agricultural Credit Corporation.

Ms. Wowchuk: The minister indicates that there have been funds that have gone into the project where you are collecting ponded water and setting up irrigation projects that way, but are there no other projects that the government is investing money in to help irrigate land?

Mr. Enns: No. As yet, nobody will let me build the Holland dam.

Ms. Wowchuk: Mr. Chairperson, the irrigation projects that are being tested from the Crop Diversification Centre, in those cases, is water being taken from rivers? The concern that has been raised: Is water being taken from aquifers and large amounts of water being drained and used for irrigation? I am looking to find out where you would be getting water for these projects. Is it all river water or are you tapping into aquifer water?

* (2350)

Mr. Enns: As the Minister of Agriculture, I am certainly hopeful that, in the first instance, I can convince my colleague the minister responsible for Water Resources in the province, to lift the moratorium on further allocations of water from a river like the Assiniboine, for instance. Goodness knows, we have experienced again this spring, and we will be paying in excess of probably \$5 million to \$6 million in damages for the excessive amount of water that we have in that basin.

Our difficulty, of course, is that we swoosh it all out the province in a short six weeks and then for the rest of the year we fight over water. Surely, we can begin to use our heads and manage that abundant source of water that we have, that providence has provided for us in this part of the continent, and provide ample stocks of water for the job opportunities, for the agricultural opportunities that are there if we use it wisely.

I can report to honourable members that most of the aquifers have fully recharged as a result of not just this but last year's excessive moisture conditions—aquifers that for years have been under extreme pressure, like the Winkler aquifer. I can recall, under duress I signed the licensing authority for the town to dig yet another

well when it was essentially against the regulations because we were mining that aquifer, we were below a level that the Water Resources people felt it was appropriate to draw any more water out of it. It has been fully recharged.

I think that it is going to be incumbent on agriculture to be able to convince our fellow citizens that we can use water in an environmentally sound way, but more importantly we have to convince my government and the citizens of this province to invest in some of the infrastructure requirements required to hold that water, at least some of it, back later on in the growing season where it could be of such tremendous help to those of us engaged in agriculture.

A significant amount of engineering work has been done, no doubt not enough by today's standards in terms of the new parameters, environmental concern, that have to be taken into consideration, but I would suspect that governments, the public has spent in excess of several millions of dollars in sourcing acceptable water reservoirs throughout the province, in the southwest, along the Assiniboine.

For several years running it was a major mandate of the federal government, the PFRA organization, and dust covers, reams of studies and maps, sophisticated maps that cite the possibility of storing X number of acre feet on this stream, X number of acre feet on that stream, major projects on the Assiniboine that would have prevented all of this year's flooding, all of this year's damage, would have provided the city of Winnipeg with all the water they needed till the year 3000.

It would have provided recreation opportunities this province has never seen, would have tripled our tourism influx, would have tripled our agricultural production influx and would have banished forever any concern about lack of water in any part of south-central Manitoba, but we choose to ignore that good advice and those good opportunities that are there.

If we could have stored half of that water that gushed uncontrolled throughout Roblin-Russell all the way down the Shellmouth at a lower surge rather in a similar lake and then used it judiciously for the next

five or six months, would that not be a better solution than now appealing to the Manitoba Disaster Board for assistance for flooded-out hay lands, flooded-out pasture lands, for crops that are not going to be seeded?

Vision, vision is still required in this part of the world.

Mr. Struthers: I would like to get a little better handle on the amount of money that is going into the irrigation projects and who can apply for them. Can an individual small family farmer get hold of some of this money to help him with his irrigation costs? Is it open to larger corporate farms? Is this money available to companies that do not have anything to do with agriculture or actually doing the farming?

Mr. Enns: Mr. Chairman, there really are no specific programs available to the individual farmer at any level for irrigation purposes other than the modest program that I referred to through Rural Development. When an individual farmer makes an application, wants to get into some form of irrigation farming, Rural Development, through the Water Services Board, will help him in a very modest way. I believe the figure is \$3,000. That is only after the land in question has been approved by our Soils and Crops people as being suitable for irrigation purposes.

The monies that are being talked about here, the Agassiz irrigation association is in fact a group co-op, if you like, of a number of producers who have joined together an association and put fairly significant sums of money, their own money I think—I think it takes \$50,000 per member to be part of that group—who then have petitioned successfully both the federal government and the provincial government to provide assistance in the building of a number of these large dugouts, usually in association with our natural runoff that fills in the spring in a natural way. In some cases they are augmented by pumping in the spring, filled to capacity and then they are drained virtually every year for those irrigation requirements.

Those are the only kinds of water sourcing—and that is not contributing anything to the \$2,000 I speak of that it costs to irrigate an acre of potatoes. When I speak of the \$2,000, that is in the specialized

equipment. That is in the actual sprinkler systems, the irrigating systems that you see on the fields. That is in the whole operations involved in that kind of specialized agricultural production.

These kinds of monies are viewed I think by the government no different than a major dam being built, Shellmouth being built for instance, which is a reservoir for much of the Assiniboine River water and in its control.

The Portage plains, the Portage people that are irrigating the Portage vegetables, they draw on the Assiniboine River waters because of the controlled flows coming out of the Shellmouth that enable them to do that.

The whole R.M. of Macdonald receives its residential and industrial water supply from the little La Salle River, because a diversion was taken out of the Assiniboine and pumped into the La Salle that made that project possible. It would only be possible because we manage the water that comes down the Assiniboine and can with confidence accomplish that.

But to answer, I am diverting again, there is no specific program or assistance available to the individual farmer, corporate, individual or otherwise, in irrigation.

Mr. Deputy Chairperson: Order, please.

The hour is now 12 midnight. Committee rise.

FINANCE

* (2000)

Mr. Assistant Deputy Chairperson (Gerry McAlpine): Good evening. Will the Committee of Supply please come to order. The committee will resume consideration of the Estimates of the Department of Finance. When the committee last sat, it had been considering item 7.(a) on page 66. Shall the item pass?

Mr. Leonard Evans (Brandon East): Mr. Chairman, I just have one area that I would like to pursue in this and that is the ITRO, and it relates to the services

supplied by the successor to the Manitoba Data Services Corporation which was a Crown corporation. It served the public well. At any rate, it was sold. I believe the ownership has changed hands a number of times. I am not sure what the latest name is. I think it is ISM, Information Systems Management Corporation. Yes, the minister indicates that is the case.

What I would like to know is the status of the contract or the deal between that corporation and the government of Manitoba. Originally, I believe, there was to be a five-year contract which, in effect, gave that company a virtual monopoly on providing these main frame statistical data processing services for the government of Manitoba. We had some concerns at that time, and I was wondering whether the minister could just give us an update. What is the status of the arrangement at the present time?

Hon. Eric Stefanson (Minister of Finance): Mr. Chairman, as the honourable member knows, the divestiture took place back in August of 1990, and at that time it was the result of an extensive tendering process involving several major firms.

There was a series of terms under the agreement that had to be lived up to by ISM, and I am pleased to say that they have lived up to all of them. Some examples of some of the terms of the agreement were maintaining the 200 existing jobs and creating an additional 220 jobs. In fact, on the job-creation side, they have not only maintained the 200, but they have created more than 260 additional jobs in Manitoba through various developments and investments.

They were to construct a new business and computing centre in Manitoba. That has been done. ISM moved into their new \$20-million, state-of-the-art facility in December 1992.

They were to invest \$1.8 million in Manitoba high-technology companies, and again, that commitment has been fulfilled or basically fulfilled. I believe they are at \$1.75 million in various Manitoba companies.

They were to foster post-secondary educational development through a \$2-million education program, and that again is a commitment that has basically been

fulfilled. They have made contributions to technology education including participation in TR Labs, the cooperative study employment program scholarships, and the development of various computing facilities in Manitoba's universities.

They have also invested more than \$23 million in new technology as part of their transformation, and what is interesting is they have expanded their client base from back in 1990 only being 1 percent with private sector to today being 33 percent of revenue being generated by the private sector. In fact, national and international clients now account for 22 percent of revenue. ISM has reduced its service rates for provincial customers over the duration of the agreement an average of 5 percent reduction each and every year.

That is some information on the agreement with ISM.

Mr. Leonard Evans: Mr. Chairman, is the minister talking about ISM, Information Systems Management Corporation, as an entity which exists and goes beyond the province of Manitoba?

These numbers that he relates to, like 22 percent, I think he said the international business relating to this company which has that amount. Is that in the province of Manitoba? These statistics, do they relate to the activity of this company, which really goes—I believe it goes beyond Manitoba? We are talking about a national company that happens to provide some services in Manitoba.

Mr. Stefanson: This is ISM Manitoba, and everything that I have outlined is what has happened in Manitoba.

Mr. Leonard Evans: Mr. Chairman, one of the terms of the agreement included maintaining the head office in Manitoba. As a matter of fact, I believe the previous minister made quite ado about that and he said, well, we hold the golden share. In other words, if the terms of the agreement were not lived up to, including the head office, the government could exercise its rights to more or less reacquire the company.

My information is that the de facto head office is no longer in Winnipeg, we lost it. I thought at one point

we lost it to Regina. As a matter of fact, the press referred to Regina-based ISM, so I am a little confused here. It seems to me that we have got a company that provides data services, but the head office has indeed gone away from, slipped out of the province.

Mr. Stefanson: Mr. Chairman, my understanding is ISM Manitoba has always had its head office here in Manitoba, and I did outline the more substantive commitments under the terms of the agreement. The maintaining 200 jobs and creating at least 220—as I have indicated, they have not only maintained the 200, they have created an additional 260 jobs. The commitment to construct a new business and computing centre—that new building is open. It has been moved into and was completed in December of '92, a \$20-million, state-of-the-art facility. So in terms of the objectives of job maintenance, job creation, physical presence in our province and investment in education and research and development, the company has done a very good job of fulfilling all the commitments in all of those areas and are a very good corporate citizen of our province and providing a service to us on a more cost-effective basis.

Mr. Leonard Evans: This is a question about cost effectiveness, and I would like to pursue that in a minute, but the reference is made in the press to Regina-based ISM, Canada's largest information systems management outsourcing company. They are talking about the same company that I describe, ISM Information Systems Management Corporation. So The Globe and Mail, in an article in January of this year, referred to them as being based in Regina.

Mr. Stefanson: I am told that ISM Manitoba is a wholly-owned subsidiary of ISM Corporation, which is what you are referring to. So you are referring to the parent company, I believe. ISM Information Systems Management Manitoba is a wholly-owned subsidiary of that company.

* (2010)

Mr. Leonard Evans: Well, that could be. There could be a legal entity set up for Manitoba per se, but I believe not long after the buyout, I understood that people negotiating for the unionized sector had to go to

Toronto very soon after the takeover to negotiate. In effect, the word was out then that the real head office had gone. It was not really in Winnipeg. All the decisions were being made outside of the province.

When the minister talks about a state-of-the-art building, MDS was planning to put up a building. It had to have another building to house the equipment, so that is no big deal, as far as I am concerned.

If you have given a private company a monopoly, which the government of Manitoba has, you have given the company a monopoly and you have given them a monopoly of guaranteed revenues. There are a lot of things you can do when you are paying the shot ultimately as being the mainstay customer.

So what I would like to know, Mr. Chairman, is, how does this minister know that he is getting a good deal? How do you know that you are getting value for the money that we are paying? Also, I would like to know, what are you paying? How much money is being paid for these services?

Mr. Stefanson: The purchasing commitment was based on the historical average prior to the disposition of MDS, and it represented a commitment of \$32 million per year. As I say, this commitment represented the level of service previously provided by MDS. As I mentioned in my opening comments on this issue, ISM has reduced its service rates for provincial customers over the duration of the agreement, an average of 5 percent reduction in each of '91 and '92, so we are actually getting the same level of services at less cost today than we were back in 1990.

Mr. Leonard Evans: But what does the minister have to compare? I mean, the costs could be coming down because of technological improvements. How do you know you are not getting ripped off? Because it is a private monopoly, how do you compare it?

Mr. Stefanson: There are two things, Mr. Chairman. What we have to compare to is first and foremost what we were paying prior to entering into this agreement. As I have already indicated, the starting point was the same cost with the cost going down over the period of time. But we have also just recently retained a

company called Compas Analysis Canada Limited. The purpose of the contract is really to define and measure the costs within the data processing environment. So not only have we had the historical information that we can utilize as a benchmark, we are now retaining professional assistance to again help us continue to define and measure costs.

Mr. Leonard Evans: I understand that productivity in the computer field is going up enormously. Your figure is as high as fivefold a year more than that, tenfold a year, depending on which area you are in, but there is huge productivity gains. If they are only reducing your costs 5 percent a year, I do not think you are getting all of the advantages of the gains of upgraded computer technology, modernized computer technology.

I do not know what Compas Analysis will do for you. I do not know whether the minister would be prepared to make that report public, but the fact is whenever you are dealing with a private monopoly I think you are at a disadvantage. Unless you have some clear benchmark—and I submit the historical benchmarks are not good enough.

I am glad you have hired this company, Compas Analysis, whatever it is, to do some sort of a study, but I am afraid that we may be paying far too much for the services we are getting.

Can the minister tell me, of the total revenue received by this company, what percentage is obtained from the province's contract?

Mr. Stefanson: I guess without being overly repetitive, I just want to remind the member that, as I indicated, not only were 200 jobs maintained, an additional 260 jobs have been created in Manitoba; an additional 1.75 million has been invested in various Manitoba companies; \$23 million has been invested in new technology as part of the transformation strategy; and a \$20-million, state-of-the-art facility has been built and is in place and functioning here in Manitoba.

So all of those combined have a very significant impact on Manitoba's economy that were not there under the arrangements with MDS. In terms of the

revenue base of ISM, today 67 percent of the revenue comes from the government, whereas back in 1990, 99 percent did.

Mr. Leonard Evans: Well, I submit that this company is still very dependent on the Province of Manitoba, and I continue to be concerned that we are paying too much for this service. It is fine to have additional jobs. God knows we need the jobs. It is fine to have a new building, but as I said, MDS itself would have had to put up a new building and that was being planned. So I still am a Doubting Thomas in this area and I just want to urge the minister to be as careful as possible. I wonder whether it would be suitable for the government, because the five-year contract I believe is up, is the minister going to put this out for bids again, open it up for all companies to make another set of bids for this business in the future?

Mr. Stefanson: The member is right. The contract has expired and we are in the midst of finalizing an information technology strategy for government departments which could result in a migration of many applications from the mainframe processing to client server technology. We at this stage are continuing to operate under the terms of the existing agreement, but once the technology strategy has been finalized, which should be fairly shortly, and the appropriate process and platforms identified for each application, the government will request tenders from qualified suppliers for client service support.

I referred earlier to the Compas Analysis Canada Limited process that is ongoing right now, but this is part of the broader initiative that is in the process and will hopefully be concluded fairly soon.

Mr. Leonard Evans: It has been open to bid. I presume this is totally public. It would be well advertised, and at that point the government will decide whether to carry on with ISM Manitoba or go to another company.

* (2020)

Mr. Stefanson: As I indicated, prior to that step we are finalizing our entire information technology requirements and strategy for government. That

analysis is ongoing right now. Subject to the findings of that analysis we will move forward along the lines that I have already outlined.

Mr. Leonard Evans: I have one last point on this and I will let others have the floor.

The government continually maintains that it is concerned about being cost efficient. We all want to be cost efficient. We want to get as many services as we can for the dollars spent. The government has bragged about saving money here and cutting spending there. I say here is one major area, Mr. Minister, you may find that there should be considerable cost saving if you do your homework and really do the job on behalf of the taxpayers of Manitoba.

Mr. Stefanson: I guess I would just conclude that the province has benefited from this development and the province has received high-quality data processing services at reduced cost, so I think it has been a success story.

Mr. Leonard Evans: Well, we will watch these developments. I hope it is made public and we get to find out what the conclusion is. I am just saying that the minister can do the taxpayers of Manitoba a service. It is one thing to be able to tout these various accomplishments of a company, but it is another matter—our concern has to be also whether we are getting value for the money, and I think it requires a serious effort.

Having said that I would like to turn the questions over to my colleagues.

Mr. Assistant Deputy Chairperson: Item 7. Treasury Board Secretariat (a) Salaries and Employee Benefits \$2,551,700—pass; (b) Other Expenditures \$530,000—pass.

Resolution 7.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,081,700 for Finance, Treasury Board Secretariat, for the fiscal year ending the 31st day of March, 1996.

Resolution 7.8, item 8. Tax Credit Payments \$187,900,000.

Mr. Leonard Evans: I am quite prepared to see this pass, but I just want to point out that I regret very much that the government saw fit to reduce these credits for a lot of deserving Manitobans that needed the assistance.

Mr. Assistant Deputy Chairperson: Item 8. Tax Credit Payments \$187,900,000—pass.

Resolution 7.8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$187,900,000 for Finance, Tax Credit Payments, for the fiscal year ending the 31st day of March, 1996.

The last item to be considered for the Estimates of the Department of Finance is item 1.(a) Minister's Salary.

Mr. Leonard Evans: On a point of procedure order, it is here. I am surprised that you do not at least have to call it. How do you get to 10 if you do not do 9?

Mr. Assistant Deputy Chairperson: It is there for the committee's information. If the committee wishes to have it read into the public record, that is the will of the committee.

Mr. Leonard Evans: What the opposition on this committee would like is to be able to ask one or two questions.

Mr. Assistant Deputy Chairperson: Is there leave to be discussion on the Public Debt? [agreed]

Mr. Tim Sale (Crescentwood): I thank the minister for granting leave on this. Could the minister tell us what now—and I am not being critical of your previous Estimates—in the light of what seems to be happening with interest rates, what impact do you foresee on our interest costs this year given that it looks like we are down between 100 and 200, maybe 150 basis points from the levels at which you were making your Estimates at the beginning of this year in the cold of the winter?

Mr. Stefanson: While it is encouraging to see interest rates moving in the right direction, as far as our bottom line is impacted, as I think the member knows, when

we prepare our Estimates we use weighted averages for our interest costs and our assumptions on our exchange rates and so on.

Really, from my point of view it is still a little too early to tell. We are in our first quarter at the end of June. We will probably have that report done by, traditionally I think around September we will have a better sense. But at this stage it is certainly encouraging that they are heading in the right direction. In terms of anticipating a significant benefit to the bottom line, I think it is just a little too early at this stage.

Mr. Sale: As they say in the legal profession, without prejudice, if the current rate continued throughout the year, what would be the benefit to the bottom line at the current levels that are now prevailing? I think we are 150 basis points down now if I am not mistaken.

Mr. Stefanson: Based on the information we had from our investment dealers, our lead agents and so on, most, in fact, I believe all economists were projecting some improvement in interest rates over the course of the year and some improvement certainly in our dollar, particularly once the Quebec Referendum gets out of the way.

I think most would agree that the real purchasing power of our dollar is somewhat higher than where our dollar sits today, but the impact of each percentage point is about \$10 million to \$12 million on our bottom line. The impact of each cent on our dollar in relationship to the United States dollar is about \$10 million on our bottom line. So I hope that gives the member a sense of what kind of improvements we can see if interest rates and our dollar strengthen.

Mr. Sale: Mr. Chairperson, can I ask the minister—it has been awhile since I went through the budget in detail—is that sensitivity analysis in your budget? I know the federal government puts a sensitivity analysis in their budget.

Mr. Stefanson: No, it is not.

Mr. Sale: Mr. Chairperson, would the minister consider a suggestion of including that information in

future budgets so that we are more able to track that kind of impact and have a sense of how important interest rate and exchange rates are for our projections?

Mr. Stefanson: Certainly, I will consider it.

* (2030)

Mr. Jim Maloway (Elmwood): Mr. Chairperson, I would like to ask the minister whether he could give us information as to the total number of civil servants at this point for this year. Does he have any idea what the size of the civil service is?

Mr. Stefanson: What are called the equivalent full-time positions, there are approximately 14,300 but that translates into about approximately 16,000 jobs because of the part-time element.

Mr. Maloway: Mr. Chairperson, I would like to ask the minister what it was when the Conservatives took office in '88.

Mr. Sale: I want to ask a number of questions about the Jets. The minister and I had a brief conversation earlier. I want to try and do this in an orderly way, if I can. I would like to go back to the beginning of the current chapter which is the interim operating agreement.

First of all, Mr. Chairperson, can I ask the minister, has the full legal text of the interim operating agreement been made public?

Mr. Stefanson: I do not believe so, but I would have to confirm that.

Mr. Sale: Could I ask the minister, if it has not been made public, which I do not believe it has—I certainly have never seen it and we have attempted, I think, to see a full copy of it—will he make the interim operating agreement public immediately so that Manitobans may know exactly the starting point of the current negotiations and discussions?

Mr. Stefanson: Mr. Chairman, I know when we had Public Accounts committee we have had several discussions on this issue with the Leader of the

Opposition (Mr. Doer) and the Leader of the then-second opposition party. If the agreement has not been made public, which I agree I do not think it has, that issue was discussed at that time, and I know there are good and valid reasons why that is not the case, but I will undertake to check and reconfirm exactly what they are.

Mr. Sale: Would the minister give us a time by which he would make that determination and make the information available to us?

* (2040)

Mr. Stefanson: I am not overly optimistic that information will be able to be made available. I will undertake to indicate to the member one way or another whether it can or whether it cannot and if it cannot why it cannot, as soon as possible.

Mr. Sale: Mr. Chairperson, I am frankly puzzled, and I think if the members opposite were in our shoes they might be as equally puzzled, why an agreement that involves public ownership of 36 percent of a private corporation and required public payment of certain losses that that corporation incurred over a period of years and I believe, although I am not certain on this point, involved representation of the public interest through a person being present or persons being present at board meetings of the private corporation, why, when the public interest is clearly at stake here, would not the legal text of the agreement be a matter for the public record?

Mr. Stefanson: I think because the aspects that affect private investment have precluded in making the agreement public but I believe, going from memory, the Provincial Auditor has reviewed that agreement, made comments on that agreement. I will certainly undertake to provide that information to the honourable member.

Mr. Sale: I know the Provincial Auditor has done that. That is the only documentation that we have seen on it. I thank the minister for that but we have that document. That is really not the point. I still do not hear any explanation that is convincing as to why the legal text binding Manitoba to the Winnipeg Jets, whatever the

proper name of the corporation is, why that legal text ought not to be made public. We are not talking here about proprietary interest. We are not talking about financial information that would in some sense damage a private corporation. We are talking about the covenant between the public sector and a private group in terms of the payment of losses and the certain rights in terms of shareholding.

I would ask the minister to think back to his chartered accountancy days. When securities are offered by prospectus that prospectus has to be filed. It is full of covenants and agreements which simply set out the nature of the legal agreement between the parties.

I simply do not understand why this agreement is going to somehow prejudice somebody's interests. I think the failure to make it public is what is prejudicing our interest, not the fact of doing so.

Mr. Stefanson: As I indicated to the honourable member, I will outline for him very clearly, if it cannot be made public, why it cannot, but I think he has touched on part of it, that there was concern about prejudicing private interests.

In light of some of those concerns, the Provincial Auditor did review the agreement, offered comment on the agreement, which was made public and was a matter of lengthy discussion at our public affairs committee of the Legislature.

Mr. Sale: I think we would understand if there were certain clauses the nature of which could be generally described, but the substance needed to be kept confidential. I think we would accept that if we were given that explanation, but the basic nature of the agreement and the wording thereof, I think, is a fundamental matter for the public to know about.

I do not want to know about Mr. Shenkarow's private financial circumstances, but I do want to know quite specifically, what are the clauses surrounding the value of the publicly held shares, for example? How is value assigned to them? Are there any caveats or any qualifications on the nature of those shares, their entitlement in terms of the capital value of the team, the

asset? I simply do not understand how that fundamental information can be deemed to be not in the public interest. I do understand not revealing individual shareholders circumstances if that is part of the agreement, or if the team were in some kind of competitive business that had some proprietary patents or something. I would understand that, but this is a hockey team. This is not a high-tech operation. I cannot conceive of what is in there that needs to be kept secret.

Mr. Stefanson: As the member I am sure knows, there are all kinds of agreements that governments enter into with different entities that are not made public for various reasons.

In terms of his specific question about the value of the public ownership in the Winnipeg Jets Hockey Club, it is treated the same as the private ownership. In fact, there is a provision that on any disposition it is treated in exactly the same way and ultimately receives the same value as the current private ownership.

Mr. Sale: That is certainly one of the avenues that I want to explore, but before we leave the question of the actual agreement, would the minister at least commit to a date by which he will give us his answer as opposed to tabling the document?

Mr. Stefanson: I will undertake to do that as soon as possible. I cannot give a definitive date, but I will do it very soon. How is that?

Mr. Sale: I would like to take the minister at his word. I would feel much better if there were a date placed on it. We have been subject to absolute chicanery around the question of lottery revenues from this government, in which hotels have paid their share of their VLT proceeds.

They clearly have had their share of the profits. They have remitted the profits hotel by hotel, machine by machine, so for the government to say that it cannot come up with this information this afternoon as opposed to next week is absolute nonsense. They have the data machine by machine, hotel by hotel, month by month, because that is how the profits are remitted. I would feel much more comfortable if the minister

would say a week or three days or seven working days or something; it would give us some comfort.

Mr. Stefanson: Mr. Chairman, I do undertake to get back to the member very soon, because I know this matter has been discussed before and, rather than sitting here tonight and speculating on what all of the reasons were as to why the agreement could not be made public, if that is going to be the answer he receives from me, I want to be sure that it is clearly outlined to him as to why that is the case. So I just reiterate. I will follow up on this matter as soon as possible.

Mr. Maloway: Mr. Chairman, I would like to ask the minister what the status is of any provincial loans to the Blue Bombers organization.

Mr. Assistant Deputy Chairperson: Could the member please repeat the question for the minister?

Mr. Maloway: Certainly, Mr. Chairman. I would like to know the status of any provincial loans to the Blue Bombers organization.

Mr. Stefanson: I would have to confer, Mr. Chairman, but I do not believe there is any loans outstanding with the Winnipeg Football Club at this particular point in time.

Mr. Maloway: I would like to ask the minister, since he has approved the \$37 million to the arena at The Forks, has he done any analysis on the effects of this move on the Bombers franchise?

Mr. Stefanson: Mr. Chairman, there are several parties to any potential agreement, none the least of which are the Winnipeg Enterprises Corporation who are the landlords for the current arena and the Winnipeg football stadium, the City of Winnipeg who also have an involvement.

They appoint representation on the Winnipeg Enterprises Corporation, and members of that board are well aware that if a new facility is built there will be an impact on their operations. That is all being taken into consideration through positions that they are adopting throughout this process.

Mr. Maloway: Mr. Chairman, is he aware of any projections of Bomber losses this year, financial losses that is?

Mr. Stefanson: I have not been provided with any such information at this time.

* (2050)

Mr. Maloway: Mr. Chairman, I would like to ask the minister a couple of questions about government leases that the government has with the private sector. I would like to know whether the minister can tell us the number of leases that the government has with private companies.

Mr. Stefanson: Is the member referring to leases of any type as it relates to equipment, buildings, or what precisely is the member referring to?

Mr. Maloway: I am asking specifically about leases for office space.

Mr. Stefanson: Mr. Chairman, those leases are entered into under the direction of Government Services, and those questions would be more appropriately asked to the Minister of Government Services (Mr. Pallister).

Mr. Maloway: I wonder if the minister could provide us with an inventory of government leased space.

Mr. Stefanson: I will pass that request on to the Minister of Government Services.

Mr. Maloway: Mr. Chairman, is the minister telling us that he does not have a record of the number of leases that the government has entered into with private individuals and companies?

Mr. Stefanson: I am sure that information is available within our system, but as I have already indicated, that responsibility falls under the Minister of Government Services.

Ms. Jean Friesen (Wolseley): I wanted to ask the minister about the municipal tax relief for veterans. It was discussed earlier. I wondered how this applied to

aboriginal veterans of the First, Second and Korean wars.

Mr. Stefanson: Mr. Chairman, I should take the particulars of that question as notice and get back to the honourable member. I am assuming that they would be treated the same as anybody else in terms of meeting the qualifications. I did provide some information to this committee a couple of days ago, but the specifics of that question I will get back to the member.

Ms. Friesen: In discussing the ISM contract the minister indicated that they had fulfilled their requirements for education. I wonder if he could be a bit more specific on that?

Mr. Stefanson: Part of ISM's commitment is to foster post-secondary educational development through their \$2-million education program. What that involves is major contributions to technology education in Manitoba, including participation in TR Labs, the co-operative study employment program, scholarships and the development of various computing facilities at Manitoba's universities.

In terms of any further detailed breakdowns within those elements, if the member wants them I would have to get that information for her.

Ms. Friesen: Can I just clarify that? It was a \$2,000 contribution to TR Labs? It was involvement in a co-op study program or laboratory—I assume that is as a placement—computer contributions to institutions and a scholarship program? Was there something else there that I missed?

Mr. Stefanson: It is a \$2 million commitment. I believe the member had all elements—participation in TR Labs, the co-operative study employment program, scholarships and the development of various computing facilities at Manitoba's universities.

Ms. Friesen: In the contract, which of these is to be conducted on an annual basis? Are there annual donations to a scholarship program? Is there an annual \$2 million, or is that a one-time only deal? Is it annual co-operation and co-op study and annual donations to computer systems?

Mr. Stefanson: I believe that it is a one-time commitment, and if that information is not correct I will get back to the member very quickly.

Ms. Friesen: I look forward to the information that the minister brings, and I understand that it will indicate quite specifically where these scholarships are, what the level of the co-op study programs have been and what computer materials have been donated.

The other question I wanted to ask was about Workforce 2000, to ask the minister how many applications has he received this year and for what amounts for forgiveness of the health and education levy for the purposes of Workforce 2000? I am speaking first of all about the past year.

Mr. Stefanson: I wish the member had asked that when I had the Taxation Division here. What I will do is undertake to provide that information.

Mr. Sale: Could we go back to the question of the Jets and some time questions? First of all, can the minister indicate who represents the government in regard to the day-to-day liaison between the government and its business partners in the Jets?

Mr. Stefanson: Primarily two individuals: Mr. Mike Bessey, the secretary to the Economic Development Board and Mr. Julian Benson, the secretary to the Treasury Board.

Mr. Sale: Mr. Chairperson, to the minister, when did these individuals begin to carry out these duties on behalf of the government?

Mr. Stefanson: Mr. Benson has been involved in the process for many months and Mr. Bessey more recently. [interjection]

Mr. Sale: Mr. Chairperson, I believe on a matter of procedure we had suggested 9:30 might be a target time, but I do not know. It depends how the answers go.

The interim operating agreement was 1991, if I am correct. That is four years ago. Has Mr. Bessey been the province's liaison for that period of time, Mr.

Benson for that period of time? Can we be a little more specific than many months?

Mr. Stefanson: Mr. Bessey was involved in the negotiations around the 1991 interim agreement and obviously has been involved in that issue since that point in time and more recently actively involved in the current state of discussions and negotiations.

Mr. Benson, through his role as secretary to the Treasury Board, again, has had some involvement on this issue throughout the period of time since he has been here but more directly in the recent discussions with MEC and other principals since the private sector group came forward last summer with the proposal to put in place an option to be exercised this year and so on.

Mr. Sale: Mr. Chairperson, Mr. Bessey then began to meet with MEC in the summer of 1994. Would Mr. Benson also have been involved in those meetings from that period forward?

Mr. Stefanson: I would say basically, yes. Over that period of time, in many respects, Mr. Benson was more involved since 1994, but they have both been involved in this issue.

In terms of who attended more meetings, those kinds of things, I would not want to sit here and give an indication one way or the other. I would have to go back into everybody's diaries to confirm—the point being that they have both been involved in these issues over a long period of time and then more recently since the private sector group came forward last summer with this proposal to put in place an option.

* (2100)

Mr. Sale: Mr. Chairperson, could the minister give—I do not expect him to have his diary here—but could the minister give a rough estimation of the frequency of the briefings that he and the Premier (Mr. Filmon) received from the two senior staff since last summer?

Mr. Stefanson: Again that is very difficult to do in terms of recalling when we received briefings. It is safe to say, going back to last summer, once the private

sector came forward we did receive periodic briefings. I also met occasionally with representatives from the MEC group to be kept informed of their progress. That is really how the issue has been dealt with over the course of the last eight or nine months.

Mr. Sale: Mr. Chairperson, to the minister, I would expect that you might have been briefed at least monthly, probably more frequently, as issues emerged. There might have been some time went by when you were not briefed for more than six weeks, but I expect that you were often briefed more than monthly on this issue as it has unfolded. Would that be a fair estimate?

Mr. Stefanson: Not necessarily. The member is right. It would go for several weeks when I would receive no briefing because the direction the discussions we had with the MEC group at that time were perfectly clear in terms of what commitment we had made, what we were prepared to do, what expectations we had from them, and really the issue was very much in their court, so to speak, in terms of moving forward and putting all of the pieces to the puzzle together to ultimately conclude an agreement and, hopefully, be in a position to exercise the option that they had put in place with the current owners of the Winnipeg Jets hockey team.

Mr. Sale: Mr. Chairperson, to the minister, did the minister receive a briefing in November of last year during the sale of the luxury boxes and the club seats, the initial attempt to market these seats in the fall of last year? Was the minister informed of the level of the sales and commitments made by the private sector at that time?

Mr. Stefanson: Mr. Chairman, I was certainly informed of the progress that the MEC group was making on the sale of luxury boxes, club seats. Whether or not that information was provided to me in November, again, I would have to go back and check my diary as to what points in time I had briefings and/or meetings.

Mr. Sale: I wonder if the minister would be able to supply the committee with dates from his diary as to the dates at which he was briefed and the dates at which he met with MEC during the last 10 months or so.

Mr. Stefanson: Mr. Chairman, I am not sure what relevance that would be. As I indicate, my methods of being kept informed were not always directly with MEC. They could be through one of our senior officials. My diary might not even necessarily show that was a briefing on MEC, or if I have a meeting with the senior officials we sometimes will touch on many issues, and my diary just shows a meeting with one of the officials. So I think what he is requesting is virtually impossible.

Mr. Sale: Mr. Chairperson, to the minister, my recollections of when I served ministers and when I worked for government was that diaries were pretty explicit and a time allocation between staff and ministers' day books was pretty clear and pretty detailed. I would certainly accept a record that omitted casual briefings which were not planned in a particular way to take up a particular block of time, but I think the minister is a very organized and competent minister and I suspect that his day books are very well organized.

I would ask again, could we have a list of the dates at which you met with either your senior staff or MEC members to discuss this project?

Mr. Stefanson: I accept the compliment that I am an organized and competent individual, but I am, first of all, wondering the relevance of this questioning and the purpose, and secondly, I am serious that particularly when it comes to senior officials who report to me, we will have an agenda that can have several items on it, as I am sure the member can identify with, and my diary will not show a breakdown necessarily of all of the agenda items that we discussed. So what he is requesting of me is basically impossible.

Mr. Sale: Again, Mr. Chairperson, to the minister, I think it is pretty obvious the concerns that we have and I will simply for the record state them. We think these negotiations have been detailed and extensive and difficult, and all parties have been trying to find a way to make this thing work. The minister has been involved deeply, the Premier (Mr. Filmon) has been involved deeply, and we have a great deal of difficulty believing that no one knew until April 25, or more precisely April 26, that the public sector requirement to

make this thing fly was five times at minimum what the previous estimates had been.

We know that Mr. Bessey and Mr. Benson are competent individuals. They have a track record in government at the senior levels. They are not shrinking violets when it comes to meeting with people, and I find it very difficult to believe that senior staff occupying important, privileged positions did not keep their ministers informed throughout this entire process as to the shape of what was unfolding.

I think we will continue to ask this question, fairly confident that were those day books and records of meetings made public, the record would show that there was detailed involvement with the best interests of the government at heart. To say otherwise, Mr. Minister, is to indicate that two senior civil servants are unaccountable for a great deal of time, which I do not think you would indicate.

Mr. Stefanson: As I have indicated to the member, if he is suggesting during the election period I received some information about the state of the agreement or discussions, he is absolutely wrong.

I had a meeting on the day after the election, on April 26, and that is when the MEC group outlined their current state of their business plan, and it was significantly changed from the basis of our discussions going back to January-February in terms what we had outlined to them as being the commitment from the provincial government, what they showed as their requirement.

If you do not want to take my word for it, take the word of many Manitobans, the Manitobans that were a part of that process who have outlined very clearly when they received the revised information, the way they describe it, a matter of days before the election. They made the decision not to come and see government until the day after the election, and that is when they came to see me and shared the information and showed the revised business plan. There is not an iota of doubt that is how it happened, that is how it unfolded and they made that decision to wait until April 26, having just received the revised information a matter of days before the election.

I would hope that the honourable member listens to what some of those people say, those people who are on MEC, who are reputable citizens, who have no interest one way or another in terms of the politics. Their objective has been to find a long-term solution to keep the Winnipeg Jets hockey team here in Winnipeg.

Mr. Sale: Mr. Chairperson, I certainly accept the minister's word, and I will not challenge the minister's integrity on the question of the information that he is telling us at this point, that he did not receive a briefing during the election. I think short of a public inquiry that is all we can do on this.

* (2110)

Let me go back a little further. I think it was abundantly clear in November and December that MEC was not a little bit short, but was millions and millions short of their target, that the private sector had not rallied to the cause, that in fact they had raised something less than \$5 million, I believe, at that point. There was no sign of the kind of dollars required to fulfill the commitments of which at least any of us involved were aware.

Was the minister at that point in November and December of the belief that MEC was on target and that the private sector was raising all that was required?

Mr. Stefanson: Basically, yes, you had people, representatives of MEC when asked what they thought the likelihood was of their being able to raise the kind of capital they felt they required saying they recall interviews with various members of the MEC group saying they thought it was a two-third's chance, a 75 percent chance of proceeding based on the information, the plan I had seen back in late '94 or early '95. I shared that view. It also showed carrying some debt. They showed carrying some debt of up to as much as \$40 million, and it was really that debt that evaporated when they came back to see me on April 26.

They then indicated they had no ability to service the debt and that is when their whole plan changed dramatically. I think, as the honourable member knows, that was based on revised information they received doing an extensive analysis of where player

salaries could head over the next several years in the NHL.

Mr. Sale: Mr. Chairperson, could the minister give us an approximate date at which time it became clear that MEC was simply way off its target and that the project as they had conceived of it and promoted it was totally infeasible?

Mr. Stefanson: Basically, April 26.

Mr. Chairman, I have already outlined that the day after the election I had an extensive meeting with MEC and others on this issue, a four-and-a-half-hour meeting where they shared their most current information with me. That is where they showed their outline, their analysis of player salaries going from \$26 million to \$30 million annually to as much as \$35 million to \$40 million. That is when they came to the decision that they did not feel they could sustain any debt, maybe a small amount of debt, nowhere near \$40-million debt. Their requests of government then changed significantly at that point in time.

Mr. Sale: Mr. Chairperson, to the minister, I am trying to pursue this in good faith and I am not trying to impugn anybody's honour here. I ask the minister: You had access to far more resources than the little group called Thin Ice did. You had inside information about the nature of MEC's plans. You had information about the NHL, access to that information. You had access to technical experts in terms of cash flow projections, impacts of what was happening with salaries which were fairly clear after the players' strike was concluded and, certainly, by January and February it was pretty clear what was happening.

Thin Ice seemed to be able in the fall and the winter, in March and now in May to be spot on in their estimates. They had been saying for more than a year that there was no way that this was feasible without the public sector putting up at least \$80 million to \$100 million. That was the original estimate based on the original data.

As it became clearer to us in the outside group, as we began to look at the Black and Dolecki Report and began to look at the Burns and Mauro reports and

crunch the numbers, it was clear a long time ago, Mr. Minister, that this level of public requirement of \$30 million or \$40 million at most was totally out to lunch. Burns made it clear that it was \$111 million. Your Premier said, no way, we are not in for that.

So this is not new information April 26. The shape of this thing has been clear for a long time. Whether or not you were briefed during the election, I find it difficult to believe that with the resources of government, with the Mauro and Burns reports, with the report of Coopers and Lybrand, which has not unfortunately been made public I do not believe—I think there have been reports on it, but the Coopers and Lybrand report itself I do not think has been made public—I ask the minister again, can you say that you had no inkling that the level of public requirement here was going to be far in excess of what you were publicly talking about?

Mr. Stefanson: The short answer is no. The kind of scenario that the member has just outlined, we have to go back to how this whole issue unfolded, that a group of private citizens came forward back in the summer of 1994, put in place an option to purchase this team by May 1st of 1995, looked to governments for what kind of commitment they could get from the provincial government, from the federal government, from the City of Winnipeg, received various commitments, went forward on the basis of putting together their business plans raising the kind of capital and the kind of equity that they felt that they would require.

As I have indicated to the member, the last information I saw back in roughly January, February, was on the basis of factoring in a \$10 million contribution from the provincial government.

A different contribution from the federal government showed in the \$40-million to \$50-million range. Private sector investment showed debt being serviced of some \$40 million.

The private sector continued to do their work, continued to do their due diligence. They retained consultants. They retained professional assistance. They, because they were raising a lot of money from Manitobans, were doing a lot of the due diligence to

determine whether or not to be exercising that option, retained the kind of expertise and review and advice that the member is referring to.

It was not until April 26 that they came forward to me and outlined their grave concerns around what was happening to salary levels in the NHL and the revised information they had as a basis of an analysis that had been done on their behalf and growing concerns.

At the end of the day at that particular point in time in terms of this whole issue, there was nobody who was prepared to backstop the risk of any potential losses as a result of going forward at that stage. That then evolved into this idea of establishing some kind of an endowment fund, and that is now why we are at where we are today.

Mr. Sale: To the minister, in your budget preparation process the provision for losses for the Winnipeg Jets was presumably an item of discussion. When did you have that discussion in terms of the preparation of your budget, and what level of loss was projected at that time?

Mr. Stefanson: I would have to go back to when those discussions took place. Obviously our budget was tabled on I believe March 9, 1995. Our budget had been prepared on the basis of expecting approximately one quarter, three months of losses under our fiscal year, subject to the option being exercised and a condition being put in place that we were—we being the provincial government—no longer going to fund losses. The option date was May 1. We realized that it might be May 1 or there might be a month or two variation, so we budgeted on the basis of including roughly three months losses.

* (2120)

Mr. Sale: The minister I believe knows the letter which we tabled in the House the other day indicated that as of last September, not this last February but last September, a closing date of August 15th was suggested as an end point. Would the assumption be that the losses would be to the closing date of the agreement of August 15? Would that be the calculation?

Mr. Stefanson: That might end up being what the date might finally be. I would have to go back as to when August 15 was first put forward as a date. There has always been the suggestion from MEC that May 1 was their option date to exercise and that sometime thereafter there would be a closing date, and it would be a closing date that effectively the funding of losses by the province would terminate. That closing date was often talked about as any time from sometime in June till sometime in August.

Mr. Sale: I believe what the minister is saying is that on a basis of a prudent estimate you provided for a quarter on the basis that it might be up to the end of—what would that be, April, May, June, to the end of June? Of course, it might be a little longer than that now.

Could the minister then tell the committee what the estimated losses for that quarter were? How big was that loss?

Mr. Stefanson: Mr. Chairman, I believe in the \$1.5-million to \$2-million range, but I would have to go back and get a more precise number.

Mr. Sale: If there are staff in the room that the minister could ask, I would not object to a brief delay to get that data.

Mr. Stefanson: Unfortunately, I do not see any staff here that could provide that information.

Mr. Sale: Could the minister tell us when we might expect that information?

Mr. Stefanson: Mr. Chairman, I would expect within the next few days.

Mr. Sale: I thank the minister for that answer. I am surprised at the rough estimate that you are giving us. I believe you said \$1.5 million to \$2 million for a quarter. So that would be the province's share of the loss, the city is picking up the other half. So that would be a maximum of \$16 million for this year.

Mr. Stefanson: I believe the amount is somewhat less than \$2 million. That is why I want to confirm the

number, whether it is \$1.7 million or \$1.8 million. It is in that range, the \$1.5 million to \$2 million.

Mr. Sale: Mr. Chairperson, that seems low in light of the minister's statements of a few minutes ago of losses running in the \$20 million, \$25 million, \$30 million or higher range. We are in the era when the salaries have already escalated very sharply, and of course that is one of the reasons why we have problems with the agreement. I believe the newest MEC proposal has salary estimates of \$30 million in it, if I am not mistaken, and the original proposal was based on salary estimates of \$19 million.

In the period of time from April 13 when the last business plan was published—not the last business plan—when the business plan that MEC tabled with you, you say on April 26, I believe it was actually printed April 13. I believe that it initially referenced a salary level of \$19 million in its earlier stages and it is now up to \$30 million in its prognostication, so how could losses be as low as you are projecting, given that we are not in a new arena, et cetera?

Mr. Stefanson: Mr. Chairman, when they refer to salaries there are the gross salaries, then there are the costs of funding any farm teams and so on. The all-in salary costs I believe went from \$26 million to \$30 million. Those are the numbers that should be directly compared. So an increase of \$4 million which eliminated the ability to then service roughly \$40 million of debt that at one point in time was being projected to be carried.

Mr. Sale: Thank you to the minister. I understand the clarification with some apples and oranges going there for a moment. We are up to \$30 million all in for this year, estimated for this year. Am I correct?

Mr. Stefanson: No, the numbers we were just discussing were the numbers that MEC were putting in their business plan in terms of projecting what was going to happen to all in salary costs.

In terms of losses over the two years, I believe the range of losses that were being projected were in the vicinity of all in \$24 million to \$30 million over a two-year period, so the kind of funding level that I have

outlined to you in terms of what we put in our budget is consistent with all of that information.

Mr. Sale: I thank the minister for that clarification.

The minister indicated earlier in his remarks that there was no distinction between the classification of shares, that the proportion of shares which the public sector held would be the proportion of shares that would be redeemed by the public sector should the team be sold.

Could the minister then clarify the Premier's (Mr. Filmon) remarks in which he indicated that the value of those shares from the province's perspective has been fixed at \$9 million, which I would understand to represent the acquisition value when the team was valued at \$50 million, and public sector shares were valued at 36 percent, the province at 18 percent? The arithmetic works out then to be the province's shares were worth at that point, notionally, \$9 million.

I believe the Premier indicated in the House the other day that that would be the value of the shares regardless of the disposition of the asset at any time in the future. Can the minister comment?

Mr. Stefanson: I think we are confusing two issues here, the value of the shares under any arrangement, as I have said earlier. The value of the public shares will be treated the same as the value of the current private shares. If the team had been sold outside of Winnipeg, obviously the two levels of government would get 36 percent of those proceeds, but under the discussions that are taking place now, the value being given to the public shares is the same value as is being given to the private shares currently in private hands. That is an estimated fair market value, which is at today's estimated fair market value, so the public shares today are being treated on the basis of approximately \$30 million, the shares owned by the two levels of government.

I think what you are referring to in terms of the Premier's comments—what has always been the case with the City of Winnipeg—when the province entered into supporting them with the funding of losses for the Winnipeg Jets Hockey Club to keep them here for a

period of time and allow the community to make a long-term decision one way or another, was that it was never the intention of the province to make money, if there was an opportunity to make money, on the fact that we were not putting up any money. We were going to fund losses. We said so long as we get all of our costs all in back, we are satisfied with that. Basically that is why the reference to the \$9 million would be the reference to the approximate level of funding of losses that the provincial government has incurred up to about June of this year.

I think that is the confusion, that under a sales arrangement any management fees, any losses funded by us and so on would be returned to us.

Mr. Sale: Mr. Chairperson, I hope the minister will continue to clarify this issue, because I am not sure that I understand it yet. Let me try and see if I do understand what he said. I think what you have said is that our shares never in your view had a market value. They would only return to the public sector whatever direct monies had been paid by the public sector in terms of losses or management fees or carrying costs or whatever could be identified as hard-dollar expenditures on behalf of the Winnipeg Jets. Is that your understanding of the agreement from Day One?

Mr. Stefanson: Mr. Chairman, the shares have always had a market value. That is one of the fundamental objectives of the '91 agreement, that if there is any disposition the public shares get treated exactly the same as the private shares. So they have always had a fair market value in terms of what would be received on any disposition or what is going to be received as value on any adjustments in terms of a change of ownership.

But the provincial position has been that from that disposition we would be repaid all of our costs in terms of funding any management fees, in terms of funding for the interim steering committee and in terms of funding any losses, our share of losses, for the Winnipeg Jets Hockey Club, that basically that would be our first draw against those proceeds.

* (2130)

Mr. Sale: I am sorry, I still see mud here. Let me ask again, Mr. Chairperson, following the minister's explanation, he says that the shares had the same dignity as the private sector shares. If the team was sold for \$100 million Canadian, \$70 million U.S., would the province receive with the city in total \$36 million?

Mr. Stefanson: Yes. Governments would receive \$36 million.

Mr. Sale: Thank you, Mr. Minister. Would they keep it or do they have to give some of it back?

Mr. Stefanson: They would keep it.

Mr. Sale: Again then, Mr. Chairperson, to the minister, I think that is not what the Premier said. If you could explain to us then the difference between what you just said, which is what I thought the interim agreement had in it, which is that our shares at a notional value of 100 cents on the dollar would be worth 36 cents, and the First Minister said they would be worth 18 cents.

The First Minister in the House the other day said that the public shares owned by the province—he did not speak about the city shares—would be limited to a value of \$9 million. It was very clear. There were repeated questions on it. In fact, there was a long article on it in the Free Press which was not responded to by the government, so I am confused.

Mr. Stefanson: Mr. Chairman, that has probably done it. The article that appeared in the Free Press was absolutely incorrect. The reporter that wrote that article made no attempt to contact myself or I believe the Premier, to the best of my knowledge, or anybody who could explain the situation. You and I were both on CJOB on Friday, and I said exactly what I have just said to you here now on CJOB, so the article in the Free Press on Saturday is absolutely incorrect.

The reference to the \$18-million value could be reference going back to—without muddying the waters any further, there has been an option in place based on a \$50-million price. That was the option that the private owners had up until May 1 of 1995. Based on

a \$50-million price, then on the same principle of our shares always having the same value, that is how you get the \$18 million, based on if that had been the price of the transaction in the disposition, that ours were always piggybacked and treated equally.

Private shares and the public shares were to be treated equally whether the team was sold outside of Manitoba or whether a new reorganization can be done and today with new private sector money.

So I think that is where the \$18-million figure comes in, and then the relationship back to \$9 million for the province.

Mr. Sale: I would hope the minister would discuss this with the Premier, because it was long after May 1 when the Premier made his comment in the House. He knew very well that the option had long since expired, that the team was now—in fact, as the minister knows, this is one of the reasons why we are in this long dance, because the option did expire and suddenly the current owners had an asset on their hands which was not worth \$50 million at an option but was worth the market value of whatever they could get for it. They have used that market value to bid up both the public and private sector. It is one of the reasons why we are still going around the mulberry bush.

The Premier (Mr. Filmon) knew this. The Premier in I thought very clear response to the Leader of the Opposition's (Mr. Doer) questions asserted that the public sector shares held by the province would have a value of a fixed amount of \$9 million. I believe Hansard will show that. Perhaps the minister would like to rise and clarify.

Mr. Stefanson: Mr. Chairman, out of the proceeds that would be derived from any sale of the public shares in the Winnipeg Jets, what the province is entitled to is the share of losses that the province has funded and any costs as a result of the entire transaction, the interim steering committee or any costs that the province has incurred. We are entitled to all of those back.

Our best estimate as of basically today is approximately \$9 million. If the transaction were to

come together and effectively close, that would be what the province would receive back, so it is not inconsistent with what the Premier was saying.

Mr. Sale: I think we will look carefully at the record and see if we can understand the Premier's answer in light of the minister's comments.

The issue of course is, if what we thought was being said was in fact what was said then the private sector shares suddenly gain in value by virtue of, in effect, a reverse dilution of the value. That would allow MEC to refinance the whole operation for tax purposes and gain some significant additional tax benefits from that process. Can the minister assure us that is not what is happening?

Mr. Stefanson: Just to restate for the record and make it perfectly clear—to quote a colleague—the public sector will receive the same proportionate value as the private sector. Based on discussions that are taking place today it is based on an estimated current fair market value. The approximate value being attached to the public sector interest in the hockey team today is approximately \$30 million.

Mr. Sale: I would like to ask a couple of questions about the fixed price contract.

Mr. Chairperson, to the minister, Dominion Hunt has a fixed price contract of \$70-something million to build the building as drawn by Smith Carter and its American partner. Is that understanding correct?

Mr. Stefanson: My understanding, Mr. Chairman, is there is an agreement. An official contract has not been entered into at this time, pending the completion of all aspects of negotiations whether or not this entire initiative is going to move forward or not.

Mr. Sale: To the minister, have you seen the agreement between Dominion Hunt and MEC?

Mr. Stefanson: At this time, no, I have not seen the agreement between Dominion Hunt and MEC. As I have indicated, there is no legal agreement entered into between those entities, because sequentially if again this entire initiative is going to move forward, what will

have to happen is the government would have to enter into an agreement with the private sector group, MEC; MEC would have to enter into an agreement with Dominion Hunt. As part of all of those processes obviously we will be involved in terms of concluding any kind of an agreement we enter into with the private sector, and part of that will be a thorough review of any agreements that MEC is entering into with Dominion Hunt.

Mr. Sale: Have either Mr. Bessey or Mr. Benson seen this agreement?

Mr. Stefanson: Mr. Chairman, I could not say one way or the other. I would have to check on that.

Mr. Sale: Has the minister been briefed in detail by either Mr. Bessey or Mr. Benson or both in regard to the details of this draft contract or Memorandum of Understanding or whatever form it currently takes?

Mr. Stefanson: I have been provided some information from both MEC and Mr. Bessey and/or Mr. Benson around the quantity, around the components of it and the level of satisfaction that the MEC have from the due diligence that they did through the whole process to arrive at awarding an RFP potentially to Dominion Hunt, the process that they went through and so on.

In terms of any detailed agreement, any detailed contract, as I say I have not seen any such document. I am not sure what stage that is at. They have an agreement with Dominion Hunt around the makings of a fixed-price contract, but again nothing is going to be entered into until all aspects of this initiative either move forward or do not move forward.

Mr. Sale: I understand how difficult this is for the minister. I think it is important that we pursue this because I think it is a vital issue for Manitobans. I am not trying to impugn the minister in any sense. I am trying to get on the record where we are at in it, because we have not been successful in getting on the record in any other way.

Can I, through you, Mr. Chairperson, ask the minister, if you have not seen the agreement, if you do

not know that Mr. Bessey or Mr. Benson have seen the agreement, if MEC has not shown you the agreement, how can you be certain that the agreement says any of the things you have said in the House, that it is fixed price, that it is complete, that provision for cost overruns are dealt with in a way that is ironclad?

You have used, I believe, some very strong language, and the Premier has also used some very strong language in assuring the House and assuring Manitobans that the public interest was fully protected. Yet you have told this committee you have not seen it, you do not know if your officials have seen it, and you obviously are not in a position to table it. I see some inconsistency here.

* (2140)

Mr. Stefanson: There is absolutely no inconsistency, Mr. Chairman. MEC has shared with us the components of the building of a facility, the elements that would be in any fixed-price contract that they may enter into with Dominion Hunt. We have also had discussions with the private sector that if a facility was going to be built it would be built for an all-inclusive price of no more than \$111 million, that the private sector would be responsible for any cost overruns.

The extensive work that has been done by the current private sector and the due diligence they have done in going through the requests for proposals and receiving submissions from Dominion Hunt and basically being in a position of being prepared to award a contract to Dominion Hunt for \$75 million, approximately, fixed-price contract is all subject to all elements coming together. They have no authority to be entering into the building of a facility until they have an agreement with the levels of government to build a facility on behalf of the government. All of those pieces, if and when they come together, will come together at the same time.

I assure the honourable member, as I have in the House on many occasions, as much information as can be made available on this issue will be made available, because I think it will be in the best interests of all Manitobans, not only people in this Legislature, to understand the nature of the entire transaction and the

various agreements that are being entered into by parties.

I assure the member that MEC went through an RFP proposal. They sent out four requests, received three back, went through a review process, ended up selecting Dominion Hunt consortium that have built or are building a facility in British Columbia. Dominion Construction have 35 years experience here in Manitoba, have built facilities like the TD Centre. From everything I have heard they are an extremely reputable construction company, do fine work and so on here in our province. That has been the process that has gone on to date, but no legal binding agreements will be entered into until everybody knows that this entire initiative is moving forward.

Mr. Sale: Mr. Chairperson, can the minister tell us whether the Premier was present at briefings with Mr. Bessey and Mr. Benson and MEC in regard to the fixed-price contract, the building of the building?

Mr. Stefanson: Again, Mr. Chairman, I cannot sit here today and recall who was at each and every briefing. Elements of briefings were provided by senior officials separately to the Premier and myself on occasion. That is all I can say. I cannot recall who was at each and every briefing session that I had on this issue over the course of the last eight or nine or 10 months.

Mr. Sale: Would it be fair for the minister to estimate that the Premier has been kept as abreast of the issue as the minister has?

Mr. Stefanson: Mr. Chairman, I cannot comment on that. I am not a part of every briefing session that the Premier has. I do not sit in on all the briefings with him. I think the member has been around government long enough. He knows the process. I cannot comment on that one way or the other.

Mr. Sale: The fixed-price contract that you have discussed with MEC but have not seen, was it your understanding that this included completion of the building ready to play hockey in, \$75 million more or less?

Mr. Stefanson: Mr. Chairman, I am not sure what the member is after here. Basically yes, but obviously if the price is at \$111 million there are other components that go into a facility. The additional expenditures were in areas like a value for land, the entire insulation of all of the concessions, all of the amenities inside of an arena, a clock, many of those kinds of elements. But if the question is, would you have a raw structure that you could play hockey in? Sure. Would you have any amenities or any other support services for the public to go and enjoy the facility and the entertainment? No, you would not. Hopefully, that answers the question.

Mr. Sale: Would the completed facility mean that there were seats and washrooms and the areas that were supposed to be painted and carpeted were painted and carpeted, those kinds of details? Are we talking about a finished structure, or is the difference between the \$75 million and \$111 million all of the interior work that would be done to put in the concessions and the clock and all those other things?

Mr. Stefanson: Basically yes, but in terms of drawing that line as to which components were in the \$75 million versus which are the additional amenities, I would have to go back and get the details. Certainly issues like concessions, issues like having a clock in the arena, many of those elements are over and above the \$75 million. At the \$111 million, yes, you would have that kind of a facility that you could not only play hockey in; you would have seats in the arena, you would have concessions, you would have washrooms, you would have a clock and everything that I think most people expect to be in a first-class entertainment facility.

Mr. Sale: Would the \$75 million include the seating?

Mr. Stefanson: Mr. Chairman, I would have to go back and confirm which elements were in the \$75 million and which elements were in the residual bringing it to the \$111 million, but let me assure the member that for the total price of \$111 million there would be seating in the new entertainment complex.

Mr. Sale: We are \$17 million short of the \$111 million right now. Can the minister indicate what is

being done to either scale the project back or find \$17 million or some combination thereof?

Mr. Stefanson: Mr. Chairman, there will be various avenues to be pursued. One is to continue to have discussions with the federal government about additional support from the federal government. I think there is no need to remind the honourable member of the economics, but as he probably knows, if a new facility is built in Winnipeg, the federal government will receive \$20 million in basically direct taxes as a result of the facility being built, let alone the fact that they receive approximately \$12 million a year each and every year from taxes as a result of the Winnipeg Jets being in Manitoba and Canada. So I think there is a compelling economic argument with the federal government that if that team is relocated to the United States or outside of Canada, obviously the United States being outside of Canada, that the federal government would lose that \$20 million and they would lose the \$12 million annually and so. So that is certainly one avenue to pursue.

As we get into more clearly defining the building, if a building is going to be built, obviously one approach will be to continue to try and control costs as best as possible. That will obviously be in the private sector's interest as well because they will be responsible for any cost overruns. We will continue to have discussions whether or not there is anything that can generate some additional revenue for the facility and any other ways of establishing any additional capital to be applied against the building.

Mr. Sale: Mr. Chairperson, the minister seems to have a great deal of detail about the construction and it seems that the discussions, if they were verbal, have had a fair impact because the minister has a lot of detail there for something that has not ever been committed to paper, so I hope that his recall is accurate.

I wonder if the minister could tell the committee whether the construction cost of \$75 million includes finishing the luxury boxes.

Mr. Stefanson: For fear of making a mistake here I had better obtain those details for the member as to whether again—they are certainly in the \$111 million

price. I believe there is approximately 40 luxury boxes being put in place, but as to which element they fall under, I would have to confirm.

* (2150)

Mr. Sale: For the record, Mr. Chairperson, I would just simply say that we believe that it is quite obscene that the public sector is going to build luxury boxes for private corporations to entertain their customers and clients against which they will take tax losses, and we will pay the whole cost apparently.

The monies that were raised for those public sector, private sector boxes may have disappeared into the losses fund or may have disappeared into the purchase fund, but they do not appear to have appeared in the \$111 million that the public sector is going to pay to complete those boxes.

Mr. Stefanson: I may not have been entirely clear in terms of the elements of the luxury boxes. If I were to make an assumption I would say the basic parameters of them are certainly in the \$75 million, and the traditional approach of all of the amenities inside are then done by the individuals who basically have the rights to those boxes. That is the approach that has been followed in most facilities that have been developed and would be the approach followed here. So if somebody wants to put in a certain quality of carpeting or a certain quality of wood panelling or whatever, those are all decisions that the individual box holders will make and will pay for themselves.

Mr. Sale: I appreciate that is the case, and it is almost always the case when the arena is built privately of course. I do not know of any case, though the minister may cite some, where the public sector is building the entire structure and turning over to corporations the semifinished luxury box space for them to finish. Perhaps the minister can cite some cases where that has taken place?

The new arena in Montreal is a private sector arena. The arena in Vancouver is certainly not all being built by the public sector in terms of total cost. So I take the minister's comments that there may be some finishing costs involved, but we are still providing the structure.

Mr. Stefanson: I know some of the studies that have been done have outlined other examples of where governments have contributed to arenas, entertainment complexes, and I will undertake to provide the member with as much information as I can on that.

I know he refers to the facility in British Columbia. I know the facility in Ottawa received government support. It certainly has not been uncommon for facilities of this nature or facilities of a nature like a convention centre. We know there are convention centres right across Canada. Many of them have been built with mostly public money. In fact, most of them received significant federal money, unlike the Convention Centre here in Winnipeg that received no federal money when it was built. So in terms of those kinds of facilities it is certainly not uncommon for governments to make a significant contribution.

Mr. Sale: I do not believe there is another example where the public is the entire funder of the project. If the minister can provide examples we would certainly be glad to receive them and review them, and I thank him for doing that.

In terms of the future projections, it seems entirely possible that we are going to be covering the losses for a further period of time. Negotiations are dragging on. Can the minister indicate what his current understanding is of the likely level of losses in 1998-99? That is, I believe we have estimates from him of approximately \$30 million for the next two seasons while any new facility might be constructed. Can the minister tell us what the current estimates of future losses might be?

Mr. Stefanson: As the member knows, if an agreement is concluded the private sector becomes responsible for the losses effective the closing date. Everybody is continuing to work towards that kind of a timetable. I think everybody recognizes the urgency of coming to a decision one way or the other.

The new private sector investors, the current owners, all three levels of government, everybody is working towards making a definitive decision one way or another as soon as possible. So that is the kind of approach that is being taken right now. We have to

wait to see how discussions conclude between the new investors and the current owners.

Mr. Sale: I would ask the minister to reflect on the difficulty that I think we are launched upon here. You are telling us that you have a fixed-price contract in principle. That is—I do not mean to put words in your mouth—you have an in-principle agreement should other pieces fall into place, should the whole deal become in some sense viable. Dominion Hunt has agreed to undertake construction for a fixed price. In verbal discussions with MEC they have assured you that the private sector will absorb any costs above \$111 million.

We have acknowledged that there is a \$17 million problem right now that you are attempting to address with your federal counterparts, trying to shave the project perhaps, but basically to deal with that \$17 million loss. You are saying to us they will come in and pick up any overruns. You are then saying to us that future team losses are the private sector's problem under your understanding of the current structuring of the deal. And that is why we are talking about a \$60-million endowment fund or sinking fund or whatever.

I ask you to put yourself in the position of future provincial governments and city councils and see the sinking hole that is here. We run out of the sinking fund in five years. We are talking about a \$60-million fund. I have not heard a bigger number; \$30 million of it goes in the next two years. Maybe it earns 8 percent, maybe it earns \$9 million or \$10 million against which \$30-million losses are taken. It is down to \$40 million before we start, before the team starts to operate.

You were talking about in your earlier comments the escalating losses in the order of \$20 million, \$25 million, \$30 million because of salary escalations. There is no revenue sharing; there is no salary cap. In effect, the Burns Commission said a year ago, under the assumptions of the Burns Commission a year ago before the escalation, before the strike, before all the stuff that has happened since then, that this was a razor-thin deal at \$111 million. We are now up to \$111 million, plus infrastructure, plus tax forgiveness in total, and salaries have escalated some 40 percent in that period of time. You are suggesting to us that we

can backstop this project and believe that the private sector is somehow going to find money for cost overruns when in a year of frantic fundraising they have not been able to find money to purchase the team in the first place.

I understand the virtue of trying to say, well, the private sector is doing this and the public sector is doing this and never the twain shall meet. The bottom line is we will be left holding a large bag. We will have a big building, and we will either have no tenant or we will have a tenant that under every assumption that Marcel Aubut and others have come to when they have tried to figure out how to make hockey viable in small markets that we will be losing money in a steady stream. I do not understand how you can say, well, the private sector will pick up the losses, the private sector will pick up the cost overruns. The private sector has not been able to pick up the puck so far. How can we have any assurances that they are going to be able to do that?

* (2200)

Mr. Stefanson: Mr. Chairman, I guess I have more confidence in the people of Manitoba and the private sector and citizens that have been involved in this initiative than the member for Crescentwood. To date they have commitments and have raised approximately \$64 million. The scenario the member outlines is the private sector will raise \$111 million, they will end up with an endowment fund, he is close to correct, I believe, of \$60 million to \$70 million. Obviously they will be trying to keep losses down to a minimum during the two-year period that they are responsible for. Some would suggest there is a capability of maybe doing that so even accept the member's comment, he says that ultimately a net endowment fund of \$40 million might end up being a little bit higher.

I outlined to him earlier the shortfall that MEC found themselves with back in late April after the revised information they had on players' salaries and so on, that basically the ability to service \$40 million of debt had vanished in the interim so they have now replaced it with an endowment fund. That is under a scenario that allows for a reasonable adjustment to player salaries and can allow the team to obviously break even.

There are over 100 other events to take place in that facility. The arguments that have been made in this community for years are that a new entertainment complex will generate significant additional revenue sources for the combined operations.

I think many of us are more confident in Manitobans and confident in the business plan, in their ability to pay losses going into this arrangement, if one is ever entered into, that that will be the responsibility of the private sector. If, as the member describes that all of those things happen, that the endowment fund is utilized and there is a lot of bleeding taking place from losses, then at that point in time somewhere years down the road, the collective community, the private investors and so on will be faced with a decision at that time of maybe having to dispose of the team.

I think with the endowment fund, the plan they are putting in place and with the additional revenue sources that can be derived over a period of time that they can sustain this and keep professional hockey and the Winnipeg Jets here for many decades.

Mr. Sale: Mr. Chairperson, I thank the minister for his answer. Am I to understand, as I think has been the case even from MEC's business plan, that all of the revenue from every event in this new entertainment complex will go to subsidize the Jets? All of the net revenue?

Mr. Stefanson: All of the net revenue from the facility will go to the combined operation of the hockey club and the facility.

Mr. Sale: That is what I was afraid of, that every single thing that happens in that arena is being put on the altar of professional hockey, and I think that is an obscene offering to be offering up to the gods of the NHL. We seem to be willing to bring in virtually anything into the city that might be of value and take the net proceeds from that and hand it over to the professional hockey franchise. I just want to ask again, is that what we are saying? The net revenue, the profit from anything that happens in the entertainment complex, will go to the MEC or its Spirit of Manitoba successor, whatever it is called?

Mr. Stefanson: Mr. Chairman, I think the other point to make is that a high-quality entertainment facility will allow Winnipeg and Manitoba to host a whole series of other events. This facility will be used for hockey 40 to 50 times a year. It will be used for other events well in excess of another 100 to 150 times a year, events of all natures, so it will be something that will be utilized by not only hockey fans but by people who enjoy arts, culture, other forms of entertainment and so on. If the combined operation generates a profit, that profit is then to be shared with the public, but if the requirement is that those operations, that that revenue is required for the combined operation to sustain itself, that is the basis of the discussions.

Mr. Sale: The minister has talked about the fundraising effort that took place, and I certainly would not ever disparage the citizens of Manitoba who came forward to try and save something which seemed very important to them at the time.

Can the minister confirm that on May 1 the acquisition cost of the Winnipeg Jets suddenly changed from \$50 million—or \$32 million, in fact, was the option price—to some significantly larger amount of money, unknown but significantly larger?

Mr. Stefanson: May 1 was the deadline for MEC to exercise their option. As the honourable member knows, they did not exercise their option on May 1.

Mr. Sale: I believe the minister knows that the current proposal is to buy out Mr. Shenkarow's shares from 64 percent—Mr. Shenkarow and his partners—from 64 percent down to, I believe, 22 percent for \$32 million. Am I correct, Mr. Chairperson?

Mr. Stefanson: I am not sure the percentages are entirely precise, but the principal is correct. The current owners are prepared to dispose of a portion of what they own and to potentially contribute the residual value to a new entity, to a new arrangement.

Mr. Sale: Mr. Chairperson, then I think what happened in that outpouring of public sentiment was that essentially the citizens of Manitoba came up with \$13 million, which really in effect simply became part

of the new equity of the team because the May 1st deadline was missed.

Instead of being able to acquire the asset for the price, we now have to acquire it for a higher price. If you do the arithmetic, I think you will find that the higher price is about \$13 million—\$12 million or \$13 million.

So the public of Manitoba simply dumped \$13 million into Mr. Shenkarow's and his partners' pockets in that week.

Mr. Stefanson: No, the member is incorrect. The cash that is being talked about being exchanged with the current owners is the same level of cash that has been talked about consistently over the course of the last year, \$32 million.

All that is being talked about is, there is a higher value, higher fair market value, and that the existing owners would get some credit for the residuals. So the capital that has been raised from Manitobans would go as part of the \$111 million into the acquisition based on the same price that was in place over the course of the last year, and the residual would then spill over into the endowment fund, which is clearly the understanding of Manitobans.

I think the objective of Manitobans who contributed were doing it on the basis of wanting to find a long-term solution to preserve professional hockey here in Manitoba and obviously see a new high-quality entertainment facility built in our province.

Mr. Sale: My last point, I believe then, Mr. Chairperson, that Mr. Shenkarow and his partners are left with an asset worth—at \$50 million they are left with an asset worth \$11 million; at \$100 million they are left with an asset worth \$22 million, if my percentages are approximately correct. Is that your understanding?

Mr. Stefanson: Basically, I think your percentages are a little high but, yes, and of course they will only realize on that asset if and when it is ever sold and relocated outside of Winnipeg, something that everybody has worked toward not seeing happen. So

that is the only time that they would ever benefit from that residual value.

* (2210)

Mr. Maloway: I would like to ask the minister if he could provide us with a copy of the Coopers & Lybrand report.

Mr. Stefanson: Mr. Chairman, I will take that as notice and determine if that could be done.

Mr. Maloway: I would ask the minister if he could also provide us with a list of the luxury box owners.

Mr. Stefanson: Mr. Chairman, that entire side of this whole transaction has been performed by the MEC group. That information has remained with them up until this point in time.

Mr. Maloway: Could the minister endeavour to obtain a copy of this list of luxury box owners and provide it to us?

Mr. Stefanson: Mr. Chairperson, I am wondering if the member is wanting everybody who has applied to have a season ticket with the Winnipeg Jets, but I will look into that matter.

Mr. Maloway: Mr. Chairperson, well, I have no further questions at this time.

Mr. Assistant Deputy Chairperson: 1. Administration and Finance (1) Minister's Salary \$22,800—pass.

Resolution 7.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$990,700 for Finance for the fiscal year ending the 31st day of March, 1996.

The next set of Estimates that we will be considering by this section of the Committee of Supply are the Estimates of the Department of Education. This completes the Estimates of the Department of Finance.

Shall we briefly recess to allow the minister and the critics the opportunity to prepare for the commencement for the next set of Estimates?

Mr. Sale: Mr. Chairperson, I would like to thank the minister for responding as graciously and as frankly as he could to my questions. I appreciate his attempt to answer them as best he could.

Mr. Assistant Deputy Chairperson: I wish to thank the member for those comments.

The hour being now 10:11 p.m., the committee will recess from 10:15 p.m. Committee is recessed.

The committee recessed at 10:12 p.m.

After Recess

The committee resumed at 10:20 p.m.

* (2220)

EDUCATION

Mr. Assistant Deputy Chairperson (Gerry McAlpine): Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Education and Training.

Does the honourable Minister of Education and Training have an opening statement?

Hon. Linda McIntosh (Minister of Education and Training): Mr. Chairman, I am pleased to assume responsibilities as Minister of Education and Training and really feel that the path ahead is both exciting and challenging as this government continues to renew the education and training system in Manitoba.

I look forward to being able to build upon this strong foundation of renewal activities established by this government under the previous minister, and am most excited by the changes and the direction in which we are heading.

Despite the difficult economic times and coupled with the reduced federal support, Manitoba has maintained a strong commitment to education and

training. The '95-96 operating support for public schools will remain at the '94-95 level. Provincial grants to community colleges will increase and college tuition fees still remain among the lowest in Canada. University funding remains at '94-95 levels and an additional \$1 million incentive fund has been established to support innovation and to stimulate change in university education.

The '95-96 Estimates further the course of action this government has taken towards education renewal, both at the K to Senior 4 and post-secondary levels. We want the best system possible for our students.

As we proceed with the '95-96 departmental Estimates, I would like to highlight several initiatives.

Proceeding with the implementation of the actions and time frames detailed in *Renewing Education: New Directions*, including such actions as the release of the policy document *A Foundation for Excellence*, this will communicate the new requirements and expectations for kindergarten to the Senior 4 programs, begin standards testing in Grade 3 mathematics, develop revised curriculum for the compulsory core subject areas, continue the development of curriculum outcomes and standards in collaboration with the western consortium and the Pan Canadian Protocol, work with our partners to establish advisory councils for schools, offer school leadership and strengthen parental and community involvement, release guidelines for school plans, make legislative provision for parental choice of schools within the division.

These and other specific actions are directed at the six priority areas for education renewal: essential learning, standards and evaluation, school effectiveness, parent and community involvement, Distance Education and Technology, and teacher education.

Government has taken a comprehensive approach to education renewal. Only through concerted actions across these critical areas will the positive results be realized. The six new directions have been identified through discussions with our partners in education with input through public consultation and are based upon the education literature.

Post-secondary form will continue. The government has responded to the recommendations of the Roblin report and has identified a number of key tasks to be completed by the universities, the community colleges and the department. The University Review Commission emphasized the importance of the future development of the post-secondary education system to a rapidly changing society and economy.

The government shares the commission's vision of a system for Manitoba that is strong, healthy and dynamic, thus ensuring the long-term social, cultural and economic growth of the province and committed to the career aspirations of our citizens; fully integrated and well articulated, linked to the social, cultural and economic developments of the community through the functions of teaching, training, research and service; broadly accessible to all who wish to obtain a post-secondary education; transparent and accountable to the public and committed to the broad application of communications technology to the learning process.

Working with our education partners in renewing teacher education. Teachers are fundamental to ensuring effective change in kindergarten to Senior 4 education. Our New Directions for Education will call for some new skills and knowledge on the part of teachers and principals. The need for review of teacher education and certification was expressed in public consultations and is clearly supported by education stakeholders.

The board of teacher education and certification has met several times to discuss teacher education reform and to develop a set of recommendations for the minister's consideration. These recommendations will address the following: the expected learning outcomes of teacher education, the screening process for entry to teacher education programs, curriculum design, practicum experiences, length of program, certification requirements and roles and responsibilities of all education partners.

We want teachers who have the necessary skills and knowledge to ensure the best education possible for Manitoba students. We want teachers who know the discipline they teach, are skilled in teaching methodologies, can communicate clearly, can utilize

educational technologies, are able to measure student performance and can function effectively in a system that is committed to partnership.

We continue to revitalize the apprenticeship program. This will increase program options for adults and high school students across the province. Revitalizing of apprenticeship will involve renewing and updating course content in existing trades, establishing a framework for the development of new apprenticeship trades, implementing the aboriginal apprenticeship training, implementing high school apprenticeship program.

We will complete the development of the education information system, a database which will provide useful information about students and how well they are doing in the system. The blueprint emphasises the need for clearly defined learning outcomes, measurement of these outcomes, accountability and the use of information for planning. The education information system will help us achieve these goals.

Key benefits of the EIS project are a more efficient co-ordinated data collection process, ability to more accurately identify student results and trends to allow for appropriate policy development curriculum and administrative planning, the ability to track student flows through the system and provide longitudinal data on student development and progress through the education system, increased validation and consistency of information, increased ability to assess the education system as a whole by evaluating inputs, processes and outputs.

We will continue to improve the quality of education in Manitoba through reviewing the Boundaries Review Commission report and working with school divisions on those recommendations. The government is most interested in our partners' views of these recommendations and has asked the commission to solicit feedback.

While the department supports, in principle, the thrust and the intent of Boundaries Review recommendations it was felt that some of the specific recommendations would benefit from further public and stakeholder feedback. Therefore the government

has asked Mr. Norrie and the commission to conduct further consultations in regard to specific recommendations.

* (2230)

We intend to implement the new federal-provincial strategic initiative, Taking Charge!. This will co-ordinate programs and services involving government, community groups in the private sector, benefiting more than 4,000 sole-support parents.

The intent of the project is to test and demonstrate over a five-year period an integrated accountable model for delivering services to single parents who are social allowance recipients. In addition to close federal-provincial collaboration, this new approach will require active partnerships with employers, service providers and the community at large.

We will develop articulation policy with respect to education credit transfer. This will provide common standards of progress for students throughout the province. The government has made a commitment to strengthen articulation across educational institutions.

A number of initiatives are underway or planned for 1995-96 to increase the level of systemic articulation in credit transfer in Manitoba. These include: establishing a process for credit transfer and program recognition between colleges and universities to facilitate movement of students as indicated in the government's response to the Roblin report; developing articulation between secondary schools and apprenticeship, for example, high school apprenticeship option; strengthening articulation between high schools, colleges and universities; and exploring articulation between the secondary school system and the literacy/adult basic education; continue working with the federal government in carrying out the social security reform initiative.

This will involve unemployment insurance reform, the creation of the Canada Health and Social Transfer, the creation of the Human Resources Investment Fund and reform of the Canada Pension Plan and the old age supplement, all federal initiatives that have significance for us in Manitoba.

Furthering the implementation of the Distance Education and Technology initiative will involve development of telecommunications networks, for example, interactive television network; utilization of the community-based advisory structure, for example, Distance Education and Technology Council, regional consortia post-secondary subcommittee; establishment of an agency for community-based operations, MERLIN, Manitoba Educational Research and Learning Information Networks; implementation of significant initiatives such as library linkages, pilot projects grants, technology integration in curriculum, curriculum/new media, middle years multimedia software, technology and science resource centres.

Literacy training will be increased by \$500,000 over the next five years. Providing opportunities for Manitobans who do not have the basic skills of literacy is an important component of strengthening our education training system. This initiative is also in keeping with an emphasis on a community-based approach to education.

Strengthening the ACCESS program. The ACCESS program objective is to provide post-secondary educational opportunity to residents of Manitoba who have limited educational opportunities in the past due to geographic, financial and academic barriers. A comprehensive review of the ACCESS program was conducted in 1994. Adjustments are being made to the program based upon this evaluation.

The special education review will commence. In 1989, the Minister of Education released the Special Education in Manitoba, which provided policy and procedural guidelines for students with special needs in the public school system. Since 1989, policies and procedures have continued to be clarified and strengthened. As education renewal is implemented, there is a need to review long-standing policies, programs, services and procedures, to ensure that they are operating effectively and efficiently.

We must ensure that students who need special help are afforded that help, so that they can achieve their potential. Services should be delivered through a partnership approach that involves the child's family. There must also be a co-ordination of services to ensure

children are getting appropriate assistance, and that is why we have embarked upon this review of special education to ensure that the resources we put into special education are being used in the best possible way.

In closing, I am looking forward to the Estimates process, and I look forward to discussing these and other initiatives in more detail as we begin our discussions here. Thank you, Mr. Chairperson.

Mr. Assistant Deputy Chairperson: We thank the honourable Minister of Education and Training for those comments. Does the official opposition critic, the honourable member for Wolseley, have opening comments?

Ms. Jean Friesen (Wolseley): Mr. Chairman, I would like to thank the minister for her introductory remarks and look forward too to the kind of discussion that is possible in Education.

When we look at education from the perspective of the people whom I speak to, the students, the teachers, the parents, many of the same people who speak to the minister as well, that there are, I think from their perspective, many exciting times in education, many exciting things going on in the classroom.

Occasionally, and perhaps even with increasing frequency, these are being noted in the local press. The recent article, for example, on the awards to students in architecture, I thought was unusual for the press as indeed has been the more recent article on the students in Austin. All of us, I think, are aware from our own constituency areas of the awards to teachers, whether it is for library work, or whether it is for innovative new programs over the development of multimedia. All of those, I think, have had awards to Manitoba teachers. Everyone of us, I think, can speak of perhaps miracles that are happening to students who are in mainstreamed classes, both those students with disabilities and those without.

We know teachers who are heroes and heroines in the issues which they have to face every day, whether it is the increasing poverty of their students, the increasing difficulties, whether it is violence or whether

it is hunger that students are facing, yet teachers are dealing with those at increasing numbers and under increasingly difficult conditions, whether we look at physical education and we look at some of the individual stars that we have in Manitoba or whether it is some of the teams that each of us could recognize in our own constituencies where there have been very good physical education programs and athletic programs put into place, or if we look at the universities and colleges and we look at the numerous awards which have been won by all universities in Manitoba, or the Red River College graphic arts program, for example, which is increasingly winning kudos across the country.

As we go to graduations in our ridings, as all of us will be over the next month, we will see, as I see, for example, at Gordon Bell, individual students who against all odds, many of them living alone, many of them beginning from a basis where English two years ago was not their first language and yet are now graduating not only in maths and science but in other programs as well with very high graduation numbers.

There are very good things going on in our schools, and all of us know that. I think many of us would welcome a Minister of Education who spoke of those successes and those victories on a daily basis. If there is one thing, I think, which a new Minister of Education could do and could contribute to the morale across Manitoba of parents, students and teachers and trustees, it is to speak of those successes day after day and to ensure that we have a minister who is visibly and evidently supporting the successes in public education.

I think that is one of the things I heard most frequently on the doorstep is that sense of being let down by previous Ministers of Education, people who believe rightly or wrongly that the interests of this government were not in public education. Well, we have again a fourth Minister of Education in the terms of this Conservative government and that would be, I think, a very welcome change from all of the previous ones.

Perhaps one is tempted to say it is the best of times in the sense that we all know of people who are making

enormous strides against the greatest of odds. But it is also the worst of times and I think nobody who knocked on doors across Manitoba over the last month can come away unaware that there is great concern about the future of education and about the future of our students.

We will find, for example, teachers under enormous stress as they look across the province now and they see the loss of 270 teacher positions. Inevitably they know that stress will increase as their class size becomes larger and as the number of students with whom they have to deal, often with special difficulties and now without teacher-aides, those stresses will increase.

We know that the trustees—and I know that the minister has met recently with them, and our caucus met with the Manitoba Association of School Trustees today—we know that they are under enormous stress as they try to deal with the consequences of the funding that has been allocated to them by this government over the last two years. The zero percent this year, which has meant for many school divisions, not just zero, but cuts of much greater magnitude, and of the decreases that the public school trustees have found over the last two years.

* (2240)

I know that we will be discussing some of that and the consequences of that during this session.

These are school divisions and school trustees who have been pressured by this government, rightly or wrongly, to spend their reserves. Prudent financial management was not rewarded by this government in the past. There are great anxieties amongst trustees about the kinds of situations which they have been forced to leave themselves open to. I expect that we will have the opportunity to look at that.

We have seen over the last six years, four Ministers of Education, each of whom has had their own agenda for the school system of Manitoba. Some of those ideas have been reasonable; some of them, in my view, were not. Most of them came at a pace so rapidly and with an authoritarian structure, particularly under the

last minister, which I think left many parents, students, teachers and trustees simply gasping for breath.

The education system is a very large one. It moves slowly, and it needs to move with consensus. The last Minister of Education, and I would say certainly elements of the two previous Ministers of Education, sought to do that in a very different manner. I think some of that speed, some of that haste, some of that centralization, was done very deliberately. It is my view—and I have expressed this before about the previous Minister of Education, and we are, of course, living with the consequences of what he did—what he chose to do was to deal on a number of fronts, whether it was with school boundaries, whether it was with two consequential cuts to school funding, or whether it was in the so-called reform package.

I noticed the minister is using the term "renewal" today. I do not believe that the entire package was one of reform; it was certainly one of change. I believe that language is important, and I think it is interesting perhaps to limit the use of that word "reform" when dealing with that last package.

But what the last minister chose to do was to deal on a very large front with a number of very rapid and dramatic changes to the educational system. I personally believe that it was politically motivated with both the small p and a capital P. Its intention was to ensure that the partners in education were facing dramatic change on all fronts. It was done very quickly, and I will say that there are other jurisdictions which did exactly the same thing, whether it was Vander Zalm or whether it was Margaret Thatcher. The political goal is to have everybody fighting in different directions and to have things happening very quickly so that there can be no one focus.

For a time, the minister was successful, but I noticed that during the election, much of which was predicated on ensuring that all Manitoba households had three and four doses of literature from this government on educational reform, but they must also have been doing some polling at the same time, because there were a number of elements to that education package which were quickly dumped during the election. It would be interesting to ensure in discussions with the minister

whether those electoral changes remain because I think there is still some confusion out there as to what is yet to be reinstated, what is yet to be perhaps brought in on a slower basis. So there are some concerns there, and it is interesting, I think, to see that some of those things changed quite dramatically and in exactly the ways that we had recommended to the minister in the months leading up to the election.

Now all of this is to speak of the last Minister of Education, and I wish the new minister well. I am concerned that she have an understanding of the fears and anxieties and concerns of people in the field in education. I think one of the things that people want to know is: How different is she going to be from the last minister? So those are some of the questions that we will be putting.

Students, I believe, are feeling enormously under pressure, not just in colleges and universities and post-secondary areas, but also in high schools and, to perhaps a lesser extent, in the junior high schools, because they do begin to see, even at that level, the prospect of a job slipping away from them. The opportunities, those for the most of us who are represented at this table and in this room, do not seem to be there for that younger generation, and they are becoming increasingly aware of it. This has great implications for the discipline that is possible in the classroom, for the work of teachers as well as for the overall work and goals of this department.

Parents too, I think, begin to see those concerns, and I think much of the anxiety about education is in fact driven by that anxiety about jobs and future. The government has been able to, I would say, exploit those anxieties to put in place a particular aspect of change which they believe to be reform, but it is only one element. I think we do need to take account of the deeper concerns that are there amongst both parents and students.

I am interested in post-secondary education as well and, as the minister will know, interested in discussing issues of Workforce 2000, of the labour force development programs of the labour force strategy, as well as of some of the apprenticeship changes which she has mentioned and some of the prospects for

employment that might be coming out of that. We are, as the minister has mentioned, in a period of dwindling resources, and that too adds to the problems which all the partners in education are facing. It is one that is in part a result of unheralded and unpredicted changes in federal policies, ones on which they did not campaign and on which I think they have betrayed the trust that was enlisted upon them by thousands of thousands of people across this country.

The withdrawal of the federal government from post-secondary education is going to have very dramatic impacts for Manitobans and for all small provinces with very limited resources for finding alternatives.

We should be aware that the federal reductions are coming, not just in the 27 percent reduction we have seen in community colleges in this fiscal year but, by the year 2001, I believe, or 2003, the total withdrawal of federal redistributive grants for post-secondary education. At the same time, the federal government is also withdrawing from areas of research, and those, again, for small provinces and particularly for a province like Manitoba which has, for the last 15, 20 years, had a strategic area of development in medical research. These are reductions and withdrawals which are not to be taken lightly. They have enormous impact for the future, and we are beginning to see the consequences of them even now.

I am also concerned about the community colleges. We did raise some questions in the House today. I am sure the minister has been informed about them, about the cuts to community colleges that have occurred. The long-term role of the community colleges in Manitoba, I believe, has to be dealt with very seriously by this government.

The government, as the minister has said, has added two-point-something million dollars to the colleges this year, but I do not believe that yet we are even up to the level of community college funding that we were when this government took office. There were some serious reductions a number of years ago, and although in the last two years the government has returned monies to the community colleges, they are returning them to colleges which are now seriously being undermined by some of the federal withdrawals in this fiscal year.

We look also at the changes to the Student Loan Program across the country, and we see not only has this government withdrawn from most bursary programs, but it has also withdrawn from other funding of post-secondary students, whether it is to some of the ACCESS students or whether it is in the loss of the student appeal board and the loss of some of the student funding that was there three years ago. The government did, in its election platform, make a proposal for an \$8-million credit to students and their families for relief for fees. I will be interested in discussing that further with the minister during this particular session of Estimates.

Student loans, of course, and the whole change in job prospects and student financial abilities are having a serious impact, it is believed, this year on enrollments in universities across Manitoba. It appears evident that the reduction in enrollments in universities, the drop, the decline, is considerably greater in Manitoba than it is in other provinces.

I think this is a matter for serious concern for the future of the province, not just for those students who no longer see a post-secondary university education as within their reach. Of course, the next step from that is, where do these students go? Well, they will not be going to community colleges, because we know that the number of students in community colleges in the diploma programs and the number of diploma programs have not kept pace with any prospect of that increased demand.

My emphasis in Question Period recently upon planning, upon a minister who looks at the prospects for those students and those families and for the long-term economic prospects of Manitoba, something that I want to draw to the minister's attention, I hope to have the opportunity to discuss that in a broader sense under the Estimates here this year.

With that, Mr. Chairman, I will turn to the first section.

* (2250)

Mr. Assistant Deputy Chairperson: I thank the critic of the official opposition for those comments.

Under the Manitoba practice, debate of the Minister's Salary is traditionally the last item considered for the Estimates of the department. Accordingly, we shall defer consideration of the item and now proceed with the consideration of the next line.

Before we do that, we invite the minister's staff to join us at the table, and we ask the minister to introduce her staff present.

Mrs. McIntosh: I am pleased to introduce to the committee John Carlyle, who is Deputy Minister of Education for Kindergarten to Senior 4; Jim Glen, the Assistant Deputy Minister of Administration & Finance; John Didyk, the Executive Director of Planning & Policy Co-ordination; and Tom Thompson, who is the Director of Finance and Administration; and also Jean Britton, the Assistant Director of Planning and Policy.

The staff members are here with me this evening, Mr. Chairman, and I appreciate very much the help and support they have given me as I have come into this new portfolio. In the few weeks I have been here, they have imparted a measure of knowledge to me which I hope I will be able to put forth to the critics in ways that suit them and answer their concerns. I thank the staff for taking the time to join me this evening.

Mr. Assistant Deputy Chairperson: We thank the minister. We will now proceed with line 1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits on page 37 of the Main Estimates book. Shall the item pass?

Ms. Friesen: Mr. Chairman, I wonder if I could ask some questions about different sets of numbers which I seem to have here under Item 16.1(b). It might take me a little while to explain it. I am working from three different books. One is the most recent Annual Report, '93-94, just tabled in the Legislature. One is the Departmental Estimates for '95-96, and the other is Departmental Estimates '94-95. I am just trying to draw some comparisons between the Estimates, and I am just taking this line 1.(b).

In the Annual Report for '93-94, it lists the estimate for '93-94—and what I am trying to do is to get a

comparison of the numbers, so it is not that I am going to do this for every one. I want to try and figure out why they are different. The '93-94 estimate is listed as 370.5 in the Annual Report, and the actual is listed as 361. In last year's Estimate book, the Estimated Expenditures is listed as 397 not 370. Why would that be? There is not an actual given, obviously, as there is not in—

Mrs. McIntosh: I think the member might be referring to the fact that through adjusted vote, a second deputy minister position was created for Training and Advanced Education in the department's Executive Support Branch, and that, of course, would make a change.

Ms. Friesen: Mr. Chairman, that may indeed indicate why there is a difference in the numbers, but why would you have an Annual Report that estimates 370 and a Supplementary Estimates book which says 397 for the same number? I mean, it is the same issue reportedly differently in two different books.

Mrs. McIntosh: We will come back with that answer tomorrow because we do not have that answer right now, but it is a good question and we will check it out and come back with the answer as soon as we get it for you.

* (2300)

Ms. Friesen: My sense was, I did check a couple of other ones and similar discrepancies existed. It is unfortunate that I cannot do it for last year, I only have the year before to be able to compare them. I am drawing your attention to this as an example, not as an isolated event. Maybe you would want to check some of the others too.

Mrs. McIntosh: This is all a result, of course, of an adjusted vote so there will be a trail which we just do not happen to have with us in our documentation tonight. As the votes are adjusted it will be possible to trace back, we will get the appropriate papers, trace it back and come back to you with an answer.

Ms. Friesen: Following on from that, as in a number of cases in the Department of Education, there is

considerable underspending in some years in certain lines. In the case of '93-94, and I am looking at 16.1(b), the Executive Support, the underspending, whether we take that 397 or 370 number, the actual number according to your annual report was 361. Was that in fact the actual for 93-94? Should we accept that or is that likely to be different given the differences in the other two numbers?

Mrs. McIntosh: Again, this will be the result of an adjusted vote and there are a number of factors that it could be, but we need to go and get the proper documentation to ascertain exactly which of several factors it could be that account for that. We will do that and bring it back to you.

Ms. Friesen: What I am looking for is the actual spending for '93-94 on that one.

Can I move to the similar issue for '94-95? The estimated amount for '94-95 was 541.1. I wonder, would the minister's staff have with them what the actual spending amount was?

Mrs. McIntosh: The '94-95 expenditures are being wrapped up right now, so we do not have the actuals here. Those will in all likelihood be brought forward in the fall, in September sometime.

Ms. Friesen: I wonder if we could look generally at the Executive Support here? What I am interested in is the relationship between—and I know I am jumping one page ahead. The Planning and Policy Co-ordination seems to have some overlap with the policy and implementation advice to the minister. Those are two different, 16.1(b) and 16.1(c).

Could the minister describe for us how those two policy areas work in providing advice, or what are the differences between the two? There are four professional staff years, I gather, providing policy and implementation to the minister under 16.1(b), and there are five professionals in the Planning and Policy Co-ordination. How does their work differ?

Mrs. McIntosh: The Executive Support is the minister's office, the deputy minister's office and the support staff that are in those two offices. Those two

offices, of course, provide the educational leadership to Manitoba Education and the systems under Manitoba Education, also supply administrative leadership to the department to ensure effective, efficient co-ordination and the use of human, physical and financial resources.

Planning and Policy Co-ordination is a separate branch, separate and apart from the minister's and deputy minister's offices and the staff that are in those offices. Planning and Policy Co-ordination is responsible for ensuring department-wide planning, ensuring that it is corporate in nature. They work closely with the senior staff, both in the department, and within both of the department units. They have to make sure that the department's macro plan is fully implemented.

That branch is held accountable for monitoring progress on government initiatives. They are responsible for ensuring a corporate approach to policy development as well. They work directly with senior managers, again, within both units to provide a department-wide perspective and an accountability framework for policy development.

Ms. Friesen: Could the minister give us the names of the people whose salaries we are looking at now in the Professional/Technical categories and the Managerial under 16.(1)(b)?

Mrs. McIntosh: I will start with the two obvious ones, the two deputy ministers—John Carlyle, who is Deputy Minister of Kindergarten to Senior 4; Paul Goyan, who is Deputy Minister for Training in Post-Secondary Advanced Training.

In the minister's office you have Pearl Domienik, who is secretary to the minister; you have Sharon Curtis Leslie, who is secretary to the minister; and Linda Kuhn, who is also secretary to the minister. Those are the three clerical staff. Cindy Carswell is currently serving as special assistant to the minister. You have the executive assistant, Beverly Harris.

In the deputy minister's office, Nicole La Roche, who is executive assistant to the deputy minister; and Diane Saaid, secretary to the deputy minister. I apologize to any staff if I am mispronouncing the names, because

we are new to each other. We all know our first names and I may be getting the pronunciation a bit incorrect on the last ones.

Pat Lavoie is executive assistant to the deputy minister in Paul Goyan's office; and Gail O'Neill, secretary to the deputy minister in Paul Goyan's office. That gives two managerial, four technical and five administrative.

Ms. Friesen: Which are the four technical people?

Mrs. McIntosh: The special assistant to the minister, executive assistant to the minister, executive assistant to the deputy minister and executive assistant to the deputy minister in both of the deputy minister's positions.

Ms. Friesen: Could we look at the proposed increases in these Estimates from the Managerial staff from \$161,000 to \$200,000? Is that split equally between the two?

* (2310)

Mrs. McIntosh: This year you will see the full creation of the position of Deputy Minister for Post-Secondary Advanced Training. The primary increase in salaries does relate to that.

That position was created in '94-95. It was found from within the division, and the \$38,400 increase reflects the reclassification of the original position, which brings that deputy's gross salary to \$92,700. The other salary increases relate to merit and pay scale adjustments.

Ms. Friesen: Mr. Chairman, the \$92,700 for the second deputy minister in Education, could the minister indicate why that decision was taken and where this ranks in the level of deputy ministers?

Mrs. McIntosh: Yes, I should indicate, and I am not sure if I clarified it in my first response, that this is a reclassification. That position, that deputy minister, came from another department, and it was reclassified to this Level 2. Because it used to be an ADM position, it was reclassified to Level 2. The reason for

that was because we wanted to have increased recognition of some of the major changes and so on that will be going at the post-secondary level.

Ms. Friesen: Madam Chair, at a time when the colleges have been given their own governance, and presumably there is less detailed supervision of colleges, activities and finances, what is the justification for a second deputy minister? This is the only department, I assume, with two deputy ministers. Even Health does not have two deputy ministers.

Mrs. McIntosh: I consider, and my government considers, the Department of Education to be one of the most, if not the most, important department because it is from the education environment that you train the medical people, for example, to work in the health field and so on, so a very, very important level. There are massive changes going on in education right across this country, right across North America. We have the Roblin Report. The Roblin Report was put out as a challenge to the universities and colleges. The colleges, the university, post-secondary training, apprenticeships, articulation, all kinds of things going on at the post-secondary and advanced training level, working with industry, preparing for the workforce, innumerable events that we felt and that the students of the university feel warrant attention that can be devoted solely and straight to that area. Everybody in education is happy about this decision. Some would like us to go even further and appoint a separate minister as well.

I am disappointed, gravely disappointed, that you phrased your question in such a negative way, because I would hope that you would support this thrust since you do seem to have an interest in post-secondary education. So I hope that you will support this positive initiative done in recognition of all the things we are doing to help prepare our country, our province for a new millennium which is coming up within five years, supported by and at the request of the students to whom we are all ultimately accountable.

In your wish to see me do well, as you indicated in your opening remarks that you sincerely wish me to do well, which I appreciate and I trust that you are being sincere when you say that, you would support this as well.

Ms. Friesen: Mr. Chairman, the issue is not whether I support it or not; the issue is how the minister explains what is a remarkable change in departmental and government policy. This is, in normal circumstances, under the Civil Service Commission, the classification and appointment of deputy ministers and assistant deputy ministers. In fact, all of senior levels of the bureaucracy relate to the scale of the budget of the department and the number of people who are supervised.

I am curious, at a time when the government has chosen to divest itself of direct responsibility for community colleges and gone to a board governance system, that it would then choose to have two deputy ministers.

It is not an issue of whether I support it or not, nor is it indeed an issue of the individual in this particular case at all, or in any case. It is an issue of government policy and how ministers, deputy ministers and assistant deputy ministers are appointed and what scales we are looking at for each of them.

Mrs. McIntosh: Perhaps we do not have the same understanding. The member indicates that we have divested ourselves of responsibility for colleges and indicates, because of the request, because of that, the need for a deputy minister for post-secondary education, and I still maintain that the question is phrased in the negative. Contrary to all protestations that could be made, I hear a very negative connotation in the way the question is phrased, and that is just what I read. But we have not divested ourselves of responsibility for post-secondary education. We have—

Point of Order

Ms. Friesen: On a point of order, Mr. Chairman, I think that before the minister goes too far along that line, I should perhaps just remind her that I said: divested themselves of direct responsibility for colleges and gone to a governance system, which, I think, describes what happened.

Mr. Assistant Deputy Chairperson: The honourable member for Wolseley does not have a point of order.

It is a dispute over the facts. I would ask the honourable Minister of Education and Training to complete her remarks, please.

* * *

* (2320)

Mrs. McIntosh: I appreciate the clarification, and I indicate that we have not divested ourselves of responsibility for post-secondary education. The deputy minister in charge of post-secondary education has a responsibility to look at all facets of training that occur once a student has left the kindergarten to Senior 4 system.

As well, we are now looking at articulation between colleges and high schools, so there is overlap that can occur. We have a number of initiatives going on at the college and university level that require attention, full-time attention, from a deputy.

When we have changes occurring in reform and renewal at the K to Senior 4 level as well as massive changes at the university in terms of credit transfer, in terms of articulation, in terms of apprenticeship training and updating, we felt, as a policy decision, that it would be a good and prudent thing to do to have a deputy minister who could devote full-time attention to this vital area of training, retraining, advanced training, college and university, and apprenticeship programs. The students of Manitoba agree with us and have stated so, and, in fact, this is the first that I have heard a negative hint in a question about this topic.

Ms. Friesen: To repeat again, the issue is neither negative nor positive. The issue is an issue of the civil service. I do not know why the minister wants to or chooses to be so defensive on this. This issue is, this is one of the only departments that I know of which has two deputy ministers, and it is a department which is not the largest in budget or in personnel, so there must be a rationale for that that the government had very carefully considered. I am told now that it is an issue of training and of new initiatives in universities and articulation. So I assume that is the general job description of the new deputy minister.

Mr. Assistant Deputy Chairperson: The honourable member for Wolseley with your question.

Ms. Friesen: My question was implied. Is the minister saying that the job description for this new deputy minister involves training? All of the articulation, I understood that is what she was saying, the overlap in articulation from high school to college or university and the articulation that deals with apprenticeship as well as, I think she also said, new initiatives in colleges and universities. What I am interested in also is knowing whether this deputy minister is also involved with the special operating agency.

Mrs. McIntosh: The member has hit upon some of the key items that would be in the job description of the deputy minister responsible for training and advanced education. There are numerous items. I do not have his specific job description in front of me, but as the member knows, we do have a number of initiatives that are going on, strategic initiatives such as taking charge. We have a whole wide variety of items such as those. The member knows them well, I would think.

Also, the special operating agency, I presume you are referring to MERLIN, reports to the minister, and all MERLIN staff formally report to the CEO of that particular initiative, who, in turn, report to the minister. So the Provincial Council on Distance Education and Technology is MERLIN's advisory body, and the two deputies sit on that.

Ms. Friesen: In terms of financial responsibility and policy direction, the new deputy minister and in fact neither deputy minister has any input into MERLIN other than as one of a larger group.

Mrs. McIntosh: MERLIN reports directly to the minister, the CEO. The deputies sit on the advisory council. The deputies also, of course, advise the minister. So the minister issuing directions to MERLIN does so with advice from many quarters, in particular, advice from the two deputies.

Ms. Friesen: And the financial responsibility remains where in MERLIN?

Mrs. McIntosh: Ultimately, of course, all those responsibilities rest with the minister. It is me who is here tonight doing Estimates, not anybody else. So the minister bears all the accountability but, on a day-to-day basis, the CEO would do the onsite financial work, assume the recommendations, decision making, et cetera, on a daily basis.

Ms. Friesen: We will have the opportunity later to talk in more detail about MERLIN. Still, looking at the second deputy minister, and I wondered, since the minister mentioned the Taking Charge! program, is this second deputy minister responsible generally for federal-provincial programs in the post-secondary area or federal-provincial negotiations?

Mrs. McIntosh: Insofar as they fall under this jurisdiction, yes.

Ms. Friesen: Is it this deputy minister, and then would we be looking at this line and have the opportunity to discuss the project Winntek?

Mrs. McIntosh: Pardon me.

Ms. Friesen: The project Winntek.

Mrs. McIntosh: When we get to item 16.(4)(a), we will find we will come across those types of items under that particular deputy minister's purview, and we can go into some detail with him.

Ms. Friesen: Is it this group here, the Executive Support group, which would conduct liaison with other provinces in education? I do not mean the Council of Ministers of Education, I mean other kinds of liaison generally.

Mrs. McIntosh: The answer is yes, but not exclusively, because we have got many working committee meetings. We have got other people, myself, ADMs, the other deputy, who also will have occasion to be in communications and ongoing discussions with other jurisdictions.

We are working with western Canada on the Western Canadian Protocol, for example, and the pan-Canadian and those types—we could go on. In terms of human

resources, the Deputy Minister of Advanced Training would have occasion to be in contact with federal authorities on human resources training and those types of things, labour force development, that type of thing.

Ms. Friesen: I understand that there is also liaison, I assume that there is liaison with, I do not know what term to use, a central planning of the Premier's Office, where some issues of education might also develop the government's policy on education. Is that the linkage that would come through here, that would be here rather than 16.(1)(c)?

Mrs. McIntosh: Just for clarification, are you asking if government departments are aware of what each other is doing or work together to harmonize our programs?

* (2330)

Ms. Friesen: No, I am looking for what appears to be and what is often claimed to be a centralized direction of government policy, particularly in education, where over the last year and a half, there has been a series of proposed changes which have formed the basis of government policy. Is this the area, is it these technical people or professional people here who would be involved in that kind of liaison?

Mrs. McIntosh: Overall direction given to government departments is normally set by cabinet and caucus. I am not sure what you are asking. Government will set the overall direction they wish to see government go. Staff will be brought in. Staff will assist with specific recommendations as to how and how best to implement and then work on the implementation. I do not know if that clarifies how the government, kind of, runs the government.

Ms. MaryAnn Mihychuk (St. James): I am sorry, maybe I missed—

Mr. Assistant Deputy Chairperson: Excuse me, could you pull your mike up closer.

Ms. Mihychuk: Can the minister please reiterate, if you have mentioned it, when the second deputy minister was hired and your intention for the position?

Mrs. McIntosh: He was brought over from the other department about a year ago—I do not have the exact month, but it would be approximately April '94—and brought over to deal specifically full time with post-secondary advanced training, apprenticeship, all those areas of preparation for work force that take place after a student has finished the kindergarten to Senior 4 level, although we are also now trying to get some articulation between high school and colleges that will see some overlapping there.

Ms. Mihychuk: Just to follow up then, is it my understanding that the second deputy was brought on to follow through on the initiatives that the former minister began, or is this a continual position, in your vision? Is this a long-term position or a position that is there to proceed with the initiatives the government has brought forward?

Mrs. McIntosh: This is a long-term position. This is a position that will be there. It is a continuous SY position and it is a recognition of the world we are now entering where training for the workplace has become highly specialized, where we have now, working with industry and business, been able to identify specific areas of training that are required by people who employ people. We are entering into a technological society—we are in it, we are not entering into it, we are in it. This requires a lot of retraining, in some instances, specialized training in technologies that did not even exist when I was in school. Mind you, that was a long time ago but, still, it is so relatively recent.

This is not a temporary position, it is not there simply because we have major reforms going on, although the extra body in terms of dealing with specific reforms is certainly timely and useful for that purpose.

We have had requests from students that we develop a separate ministry for post-secondary. That we feel is not necessary, but we feel having a separate deputy minister goes a long way and indeed seems to satisfy that need as new jobs—when I say new jobs I do not just mean a new job for a person that is a job that people used to fill before. I am talking about brand new work that was never done before that is now having to be done.

We are kind of in an era where as dramatic a switch as switching from candle makers to making electric light bulbs, switching from making buggy whips to making automobile parts. We are in that kind of a dramatic shift in society and in the world and in the things that people will be doing with their lives. So we deemed it appropriate and right that we have a deputy who could concentrate full time on the K to S4 and a deputy that could concentrate full time on the other areas of advanced training. That is not a temporary situation.

Ms. Mihychuk: Can the minister explain to me some of the organizational layout? Do the two deputies have proportionately similar staff reporting to them, staff numbers and staff budgets?

Mrs. McIntosh: We have about 300 staff in the post-secondary and about 425 in the K to S4, and the responsibilities in the costs of those staff would be in the same ratio. About 70 percent of the resources of the department remain with kindergarten to Senior 4 and about 30 percent for the post-secondary. Those are approximate percentages, rounding them off.

Ms. Friesen: Mr. Chairman, I was interested by the minister's suggestions as to why this new position was required. I certainly am aware that students are looking for a separate ministry, but she did give some interesting suggestions about brand new work and dramatic shifts that had occurred in, I assume, not just Manitoba but generally and the new kinds of work that will occur.

I wonder if the minister could give us some indication of what kind of brand new work is occurring in Manitoba that is at this—I assume she is talking about the high-end technical work.

* (2340)

Mrs. McIntosh: When we get to Training and Advanced Education, under the section called Labour Market Support Services, we should be able at that time, and that is 16(4)(e), to go into a fair amount of detail on this whole aspect of the Estimates of expenditures for education.

Mr. Assistant Deputy Chairperson: Item 1.(b) Executive Support (1) Salaries and Employee Benefits \$596,600—pass.

Item (b)(2) Other Expenditures \$127,900—pass.

Item 1.(c) Planning and Policy Co-ordination (1) Salaries and Employee Benefits \$428,700.

Ms. Friesen: I wanted to ask about one of the items here, where this is the group, I understand, which does deals with the Council of Ministers of Education. I wonder if the minister could give us a summary of what has happened in the last year with the Council of Ministers of Education, who is the current chair, who is the chair for this coming year, does the minister have an agenda for the coming year for her own participation in the council and does the council have an agenda for the coming year?

Mrs. McIntosh: The current chair is the Honourable Jon Gerrand. Monsieur Gerrand is the new chair of CMEC and, as to the number of meetings they have had, the ministers themselves meet a couple of times a year and staff will meet in between times.

We have another meeting coming up in September, I believe. That should be a very interesting meeting taking place in, I believe it is the Yukon, if I am not mistaken, in Whitehorse. A number of things that have been talked about would be, I think, of interest to the group here. One item that is of particular interest to me is this whole dialogue and conversation on Canadian standards in education.

I say of particular interest to me because, as I think you know, I was raised as the child of a career military officer and rooted here in Manitoba. My father joined the armed forces during the war and remained in it as a career military officer and ended up being head of search and rescue here, Air Command in Winnipeg, which the federal Liberals are now taking away from Manitoba, but that is another issue. Having been raised that way, of course, I spent every year of my life, and I mean every year of my life, in a different school, in a different province or in a different country. I never had the privilege of remaining two years in one spot. So I moved from Ontario, which had 13 grades, to Quebec

which had 11 to Manitoba which had 12 back to Quebec to finish up my senior matriculation in Grade 11.

So it was chaotic. There was no consistency. There was no ability for children who were mobile, and, certainly, in today's society, there is an ever-increasing number of transient children with high mobility, and there is the need for the whole concept of having some sort of Canadian standard that would, first of all, be recognizable internationally, that would be less stressful on those families who are mobile and that would provide some sort of ability for provinces to communicate with each other about important learning experiences for the students of Canada.

So when we talk about a western protocol, when we talk about a pan-Canadian influence, certainly the Council of Ministers is a good place for those kinds of dialogues to occur.

You were asking specifically about the agenda, and just looking in the latest Council of Ministers of Education Liaison newsletter, we can see the meetings they have had, starting way back to last September, when the Canadian Council of Ministers in September '93 for the first time indicated the values and beliefs they hold in common.

They stopped thinking of themselves as parochial. They started talking about what do we have in common—very important for our students here in Canada—and they did at that time indicate that it was in the best interests of the students in each province to adopt a national approach for dealing with those issues.

You will note that the term pan-Canadian is being used to differentiate between national, which is perceived by the province of Quebec to reflect Quebec, or federal, which is perceived by most observers to represent the federal government. These are not initiatives of the federal government. These are not initiatives of the Quebec government.

These are pan-Canadian issues by the Council of Ministers of Education, who have agreed that it is important and timely that we have to have a national

standard, just as we are looking at articulation between the colleges and universities and articulation between the high schools and apprenticeships and colleges, articulation between the provinces, the ability to transfer credits from province to province, to break down not just barriers between institutions within the provinces but to break down those interprovincial barriers, to ensure high quality accessibility, mobility and accountability for the students of Canada.

So they are developing a national education agenda, and I think it is an important thrust, and I am very much looking forward to my first meeting with them when we can start looking at details of the School Achievement Indicators program, talking about assessments in science, in mathematics, in language. I think they set up a national work group to examine curricula, to compare curricula nationally and to put forward possible joint initiatives in curriculum development on a pan-Canadian basis, particularly in the sciences and so on, initially.

Those are very exciting initiatives, long overdue, very much needed in a shrinking world and destined to do great things to elevate the Canadian standard to a reputable point on the world stage and ensure that our students can access universities in other parts of the world and not be at any type of disadvantage.

We have, in terms of the staff—you were asking what the staff does—the staff in the Planning and Policy Co-ordination branch, they act as the prime contact for us for the Council of Ministers of Education and for Statistics Canada. They will do the preparation of the briefing materials, information packages for all of the council of Education ministers meetings.

They coordinate all the correspondence from our department and the council of ministers. Staff from there serve as representatives on the interjurisdictional committees, the Program Liaison Committee and they participate on the advisory committee, a number of items such as that that they do to make sure that our provincial commentary is heard and understood and clearly transmitted to those in other jurisdictions, both at the provincial and the federal level.

* (2350)

Manitoba, by the way, chairs the council of ministers work group, and that is in the process of developing its 1995 publication, the Elementary Secondary Education Profile. Manitoba is the lead province on that. They chair it. They also now co-chair the Canadian Education Statistics Council and John Carlyle, our deputy here for K to S4, assumes that role. Jean Britton also is active, sitting here on the CMEC program liaison committee. We are just really involved. We are taking the lead role in many of the western and pan-Canadian curriculum and development committees, and are seen as the lead role, seen as the lead province, not just with the staff you see here, but also from the Bureau de l'éducation français. We have staff there involved. So exciting things are happening, really challenging, thrilling things happening in that area.

I am very proud of our involvement, proud of the staff and the work they have done and the reputation that Manitoba has garnered in the last couple of years with the other provinces in Canada and the other Ministers of Education.

In fact, we have a brochure we have put forward, a booklet rather, a report of about I do not know how many pages, it is fairly thick, about as thick as your Estimates book, that we have put out, *Renewing Education: New Directions*, that the Province of Alberta has asked permission to copy exactly as is with our Manitoba logo on it for distribution to every school in that province. We have given permission and we are pleased and proud to have given permission for this Manitoba book to be reprinted, as is, with our Manitoba logo, and the credit to Manitoba in the front pages to be distributed to every school in Alberta.

This is just one sign of the kind of recognition we are receiving across Canada for the work we are doing in preparing our students for a new millennium. I could go on and on, but you may have another question you want to ask.

Ms. Friesen: Mr. Chairman, I was interested by the minister's comments on the application of the Pan-Canadian Protocol to enhance mobility, because I have heard her speak on this issue before and of the difficulties that she encountered and many other people

would encounter in the same situation. I was curious, having that in the back of my head and then reading the Pan-Canadian Protocol and the western Canadian protocol and finding out that nowhere does it talk about mobility.

Mrs. McIntosh: Does it need to state in writing every need for those needs to be real and those needs to be met? I was stating from my own personal experience why I and all other military personnel appreciate this, and those may be just secondary, side-effect reasons why it is good. So there may be other reasons, as well, and I am sure there are other reasons that have not been identified as rationale that are nonetheless valid and true and good side effects.

In fact, I am willing to hazard a guess that if we were to go out and start interviewing people as to what they like about these things, we would get not only the answers that are written down, but a whole host of individual reasons, as well. It does indicate, as well, in the newsletter that I just referred to from the Council of Ministers of Education that removing the barriers to post-secondary education, and I will just quote from it directly: That the ministers' first target to eliminating barriers is to eliminate the barrier to student mobility specifically.

Then, again, they are talking at the post-secondary level, transferability of credits, and that same thing, of course, applies. That same target that they have identified as student mobility applies right across the whole spectrum of education. So while it may not be in what you are reading there, it certainly is something that they have identified. Whether anybody has identified it or not, I think it is great.

Ms. Friesen: Mr. Chairman, yes, and it is an obvious consequence, one of the changes that would result from this pan-Canadian protocol, and I just find it really curious as to why it is not stated in the document which Manitoba signed.

I am reading from the Pan-Canadian Protocol for Collaboration on School Curriculum. It does not have a date. I assume the minister's staff would know when we signed this. It is interesting that this is not identified as one of the goals.

The goals are the improvement of the quality of education, the sharing of common educational goals and the harmonization of the methods or the ways we set about achieving them. It talks about sharing resources, human and financial, fair and equitable opportunity and the distinct-character Francophone and Anglophone education, and, yet, to any average Canadian, I would think, they would see that one of the opportunities that was there would be, in fact, in the opportunities for greater mobility.

Mrs. McIntosh: Maybe some things are self-evident, I do not know.

Certainly, in the area in which I live where we have, or had, or have partially left a significant number of military students—in my home division, for example, in an average year, we will have 1,700-and-some-odd military students in our schools.

We have whole schools in our division that are geared specifically to transient children, and we just assume that as a given, that we will have children coming in and out. We have done a lot of work in the division to address the needs of those particular students.

So to many people who have those types of components—now, you may not have them in your constituency, but we do have them in other constituencies around the province, in Shilo and Brandon, in Portage and in St. James-Assinboia and the Kenaston area, highly mobile people, not just military, but those are military stations, where we do receive thousands of highly mobile students.

When we are talking about how the western Canadian and Pan-Canadian Protocols will affect education in Manitoba, we state and have stated in writing that one of the advantages of participating would be to establish a common scope and sequence for learning, for the greater portability for K to S4 students.

Now, it may be just as simple a thing as living on a border town, where you have a situation where you have a town where students go back and forth, you know, in that type of setting.

So it may not be stated. Maybe we should state it. We could probably go back and rewrite it and state a lot of things we have discovered that are benefits that were not put in the initial draft.

Ms. Friesen: There are a number of questions I have arising out of the Council of Ministers of Education. I will probably have time for one of them. The national working group to compare curricula, can the minister tell me when that began, what Manitoba's participation in it is, and what the method is of procedure and what the expected date of report is?

* (0000)

Mrs. McIntosh: The agreement itself was signed in February 1995. So it was February and rather remarkable because for the first time in Canada, very first time, they had agreement of all ten provinces and both territories. That includes Quebec at this very tenuous time in the history of our country. They managed to come to unanimous agreement, all ten provinces including Quebec and both territories, and they signed that in February '95.

They are currently working on curricula comparability to compare the curricula in each of their own jurisdictions with everybody else's curricula. Currently, right now, they are looking at science, and they hope to come back together in September with some kind of, hopefully, statement they can agree upon to make to each other.

That is a tremendous amount of work just even in doing the comparability because with everybody having the sort of higgledy-piggledy across the nation for eons, they have developed differently and so they have to try to find those things that they have that are in common, discover those things that they have wide disparity on, and they may find that there might just be one province that has something completely different.

So it is a tremendous amount of work to do that kind of curricula comparability, very exciting work, very time-consuming, but the fact that they are all able to sit down together unanimous coast to coast to coast, first time in Canada, is one of those thrilling aspects about education as we approach the millennium that excites

all ministers in the Council of Ministers, and that is exciting to the staff and the department.

I have been extremely impressed with the excitement they bring to the task in their briefings to me, how they generate enthusiasm for what they are telling me. I very much appreciate it because it goes beyond just sort of by rote doing the work. There is a commitment and enthusiasm there that is taken into these working committees with the other provinces. If they are all as enthusiastic and excited about this type of work as Manitoba is, then those committees would be really worth sitting in on by anybody who is able to do that.

I should just indicate that British Columbia has also agreed—you just might like to know because it is a province that is currently governed by those of your own persuasion. They have agreed to take the lead role in developing a project proposal for a pan-Canadian science project. They currently have a draft in process, and that will be very much welcomed for examination by the other provinces. I just thought you might be interested in knowing that.

Mr. Assistant Deputy Chairperson: The hour being 12:05 a.m., committee rise.

HEALTH

* (2000)

Mr. Chairperson (Marcel Laurendeau): Good evening. Will the Committee of Supply please come to order. This section of the Committee of Supply has been dealing with the Estimates of the Department of Health. We are on item 1. Administration and Finance (b) Executive Support (2) Other Expenditures.

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

Mr. Gary Doer (Leader of the Opposition): I have a couple of constituency questions that I would like to raise with the minister, the first one being Mrs. Holly Hrynchyshyn, 136 Edward Avenue East.

I wrote the minister in early May about this case. I have met with a couple of people about this case, and

I sent the material on to the Minister of Health, dealing with some very, very serious concerns they had about the treatment of their mother-in-law while she was a patient at the Concordia Hospital. I would like to ask the minister, has he reviewed the letter I wrote to him, and can he report back on his findings on this letter I wrote to him approximately four weeks ago?

Hon. James McCrae (Minister of Health): Mr. Chairperson, the usual procedure we follow when we get a complaint or a request for information or a concern expressed in writing from a member of the Legislature on behalf of a constituent or directly from a constituent or a member of the constituent's family, if it has to do with treatment received at one of the hospitals, is to refer the matter over to the hospital for their investigation and review. Once we receive a report from the hospital, it is our usual practice to respond and if any action is required to be taken to address or change anything as a result of the incident or treatment complained of, then we are given assurances by the hospital.

However, I am told by staff who are with me this evening that if it would be of assistance to the honourable member we could attempt to expedite that for the purposes of these Estimates so that we could respond in short order for the honourable member. If we could please have the spelling over again we could go from there.

Mr. Doer: Perhaps I could follow it up later on when we are on the minister's line, but I was quite concerned when I met with the constituents. The last name is Hrynchyshyn, and the lady, her mother-in-law was Margaret.

There were a number of concerns about the fact that staff were very hard working at the Concordia Hospital, but she felt her mother was in conditions that were very unsanitary because of the short-staffing and the reductions in staff. She documents a number of incidents and situations where her mother-in-law was in very, very difficult circumstances, that she feels very, very angry and upset about it.

She really feels the Department of Health should deal with this. She felt that her mother-in-law was not

complaining at all, but sometimes she had to go to assist her mother-in-law because of the shortage of staff, and she just happened to be at her mother-in-law's side when her mother-in-law was in very, very unsanitary situations in the health care system. I know that she feels now to redress this, that it is really difficult to find out where to turn to find out how to deal with it.

She did pass away on March 2, 1995, and I will come back and ask the minister this question at the end of his Estimates under Minister's Salary, but I would like to alert him to that while we are here on this line. I was very, very concerned about it, and I have gone through the correspondence, which I do not want to repeat at this point here because I would like the minister to investigate it, but suffice it to say, people are really hurt and angry about what happened and they do not feel it was because of the dedication of staff. They felt there was a shortage of staff at Concordia Hospital, and I would like the minister's office to please investigate the letter I sent them.

I have a second concern from a constituent that I want to raise. The gentleman's name is Victor deCaro. His mother was at the Bethania Nursing Home. I believe the Department of Health has looked at this case as well. I am not sure, but I will raise that with the minister so I can find out where it is in the system.

He believes that his mother had a heart attack, an allergic reaction to drugs at the Bethania Nursing Home. He has a number of concerns about the monitoring of medication at that home. Even though his mother was at the home receiving care, he felt that the drugs that she was receiving should have been monitored, and the death of his mother could have been prevented.

He was also very, very concerned and still very upset about the lack of follow-up from the doctor at Bethania to him. Subsequently, his mother was transferred to the Concordia Hospital. Again, he felt that there was not—it was on a long weekend, I believe, if I can recall from my conversations and meetings with him, but he felt that there was not, again, the kind of follow-up that he should have had. He thinks this was a preventable death.

He is looking at getting legal counsel. He also feels he cannot because he has the kind of income that is a moderate income, or a decent income, I should say. He is one of these people who cannot get Legal Aid, and he has not got obviously the money to take the case forward to get his day in court about how his mother was treated, he feels, incorrectly at the nursing home, Bethania. He really is concerned about the care of his mother. He is very hurt. I could not meet with him for, it has been almost a year. His mother passed away, Mary deCaro, and he is still extremely, extremely hurt and upset about it and feels it was a preventable death.

* (2010)

He would like the Department of Health to review this matter. I said I would take it to you in the Estimates process, which I am doing today. Perhaps it is another case I can deal with later on in the Estimates process, but I just wanted to raise that on behalf of the constituents, Mr. deCaro, in the memory of his mother. As I say, he is very concerned about it. He has written to the Chief Medical Officer and some others. He has responses from Dr. Henry Dirks at Concordia. He has responses from the doctor who apologized for not communicating directly to him. The doctor's name was Christine Loepp, and, as I say, he feels the death was preventable.

It looks like the Chief Medical Examiner, in letters he wrote to Mr. deCaro, acknowledged, and I should get the quote: apparently your mother suffered a drug reaction to an antibiotic which had been administered to her. It does acknowledge what he feels is a reaction to drugs that were administered at the Bethania Home.

The Chief Medical Examiner wrote him back but it does not answer the questions about whether this was preventable or not and he feels very strongly, in memory of his mother, that he cannot rest until he has pursued this on behalf of her memory and the love that he has for his mother, that he has taken all action to identify the fact that this was preventable in his opinion. He is very, very disturbed about it and he is not going to let this rest. He just cannot let it rest. I respect that and I would ask the Minister of Health to please follow up this case unless he has some

information about it from previous communication that would be there in the department.

Mr. McCrae: The honourable member might understand that I do not have immediately at my fingertips the information I would need to respond to the matter raised by the honourable member. In this case, too, I would undertake, if we have not already done so through correspondence, to ask my department to do a thorough review from the department's point of view. I would undertake also, in both of these matters, to get back directly to the honourable member.

I appreciate the honourable member raising these matters on behalf of our fellow Manitobans. Hospitals and personal care homes are sometimes places where people can be in very vulnerable circumstances and their care is basically at the hands of others, and it is not always within their power to be responsible for all of their own circumstances. They therefore rely on the elements of our health care system to ensure their proper care.

Even so, incidents have and do from time to time occur that do require investigation and follow-up, certainly in the case of a death. There is a role in certain circumstances for the Chief Medical Examiner's office. If there is an allegation that there might have been some negligence or inappropriate performance of function by various professionals, we have various professional organizations also whose job it is to review and look into these matters.

All in all, at the end of it all, there are times when we find in our hospital system that indeed procedures can be improved. As a result of our becoming aware of some of these matters, we are able, with the help of the hospital administrations and staff, to make changes that prevent some things from happening, and that is part of quality control, to know the reaction or the point of view of the users of our health care system, those being our clients or patients in the system.

We welcome comment from patients after a hospital stay. We sometimes get very positive comment, too, and there are times when things do not go as they ought to go, and that is why we appreciate knowing about incidents that give rise to appropriate investigation.

Sometimes we can rectify situations so that others do not have to endure things that might perhaps or should not have happened or should not have been done in a certain way, and that is all part of a system of quality management and quality control.

So, I do not know if the honourable member has corresponded with me on this matter previously. If he has, we will certainly review our file and bring it forward so that we can give the answers to the honourable member.

Mr. Doer: Yes, I promised the gentleman I would bring it up in your Estimates, because he feels he has written quite a few places, and I promised him, after his frustration of raising it and writing a lot of places, that I would bring it up directly to you. I thought that perhaps that would be the best forum. I am prepared to send you a letter with the material I have, pursuant to this, for tomorrow.

I just have one other question. I have one other question on this matter. The report on personal care homes—he had heard that there was a report on personal care homes that the government had commissioned. Is that report on personal care homes available, and can I send that to him?

Mr. McCrae: Mr. Chairperson, last summer we commissioned the Seniors Directorate to engage in a review of personal care and other residential institutions for senior citizens and others in our province. The chair of that was from the Seniors Directorate, and there were representatives from the Health department as well as the Family Services department involved in that review. We now have the report and we are examining the report for our responses, and I expect that within a fairly short period of time we will be sharing that report with honourable members.

Mr. Doer: I am going to call the gentleman back. When should I say that that report would be available that I could send?

Mr. McCrae: You can tell him that we expect it within a few weeks. However, if he would like to contact my office directly; we do not mind. If he

would like to contact my office directly we can make sure that particular individual is apprised of the date when we bring the report forward.

Mr. Doer: Is there any procedure about utilizing Legal Aid for cases that a person feels this seriously about? I mean, I know it is a difficult situation because you are both the—legal aid is provided by the government and health care is provided by the government. You are responsible for health care. Somebody else is responsible for legal aid. How would a citizen—I mean, lawyers are expensive. Most lawyers are expensive, and this gentleman is very, very concerned. He wants his day in court. Is there any process or procedure on lawyers? I just did not have the answer for him except that when he got Legal Aid lawyers—the letter that said, your income is too high—he is one of these people that says, well, my income is too high for this, but I am not rich enough to go ahead in court. You know, what do I do?

Mr. McCrae: Well, I guess I have been away from the Justice department a little too long, because I honestly cannot remember what the services are and who gets them and under what circumstances. I suggest that we could check with the Justice department.

* (2020)

Those who cannot afford legal aid for matters of a civil nature, there are arrangements apparently with some law firms by which arrangements can be made so that if there is a case there—I forget the word they call it, but it is a sharing in the proceeds should there be proceeds.

An Honourable Member: It is called contingency.

Mr. McCrae: Contingency, that is the word I was looking for. In any event, I do not know the answer off the top of my head with respect to legal services. I would direct the honourable member perhaps to the Justice department for that type of information.

Mr. Gerard Jennissen (Flin Flon): I would like to ask the honourable minister a question, but before I do so maybe just put it into some context. The Flin Flon Daily Reminder, page 3 of May 30, an article that

states, doctor addresses hospital concerns. A Dr. Stefan Harms writes, and I will just quote one little bit: The attention of the administration is focused on how best to implement the government imposed cutbacks and layoffs.

My question to the minister is, well, I would like to hear his point of view actually about this. I think what I am reading between the lines here is that the infighting and the low morale at that hospital seems to be connected to the administration's inability to deal with other things because they are focused on layoffs and cutbacks. That is what I am reading, and I would be glad to give the minister a copy of this if he wants it, but I would like his view on this.

Mr. McCrae: Yes, Mr. Chairperson, I think it was earlier today during Question Period, the honourable member for Thompson raised similar questions respecting the Thompson General Hospital.

I have not seen the news article to which the honourable member refers, but I do know that change, restructuring, downsizing, whatever you want to call it, does tend to put some people into a very uncomfortable position. They are used to doing things a certain way for a long time, then change is something that comes hard, especially for those who have done it the same way for a long time.

Our staffing guidelines review was the subject of a fair amount of comment in September of 1993 when I was appointed Minister of Health. In fact, some institutions had at that time issued layoff notices or layoff notices were pending at that time or just about to be issued. I recall asking that that whole process be brought to a halt until I could understand a little better what was being proposed, what was being done.

I hit the road, basically at that time, visiting Flin Flon a couple of times in the last year and a half, having discussions with hospital administrations, boards, groups of staff like nurses, licensed practical nurses, and I think dietary people and others in sixty-five Manitoba communities. I got to know the wonderful highway system that we have in our province, and I have been very impressed by the quality and condition of those roads, by the way.

In any event, I engaged in a number of discussions which caused me to ask questions of the department myself; questions like, are these staffing guidelines driven simply by a bottom line requirement to save money, or are they driven by some desire to get staffing sort of organized throughout the province where there is some element of fairness between the various institutions? Do the staffing guidelines take into account levels of acuity of illness? Do staffing levels take account of the configuration of physical plant, i.e., hospital buildings, and so on and so on and so on; basically, come in from a meeting with a group of nurses and reflect to the department the concerns that had been raised with me.

It was decided that rather than go ahead with the implementation of the staffing guidelines which, at that time, had been outstanding for some time, even then, and no action taken on them, it was decided that we would review, again, the staffing guidelines and review them to make a determination. Are they fair to the various communities involved? Are staffing mixes in all the hospitals sort of taking into account the various things that I just mentioned, but are we operating some wards with a certain level of staff with lower occupancy in some hospitals than in others, and all of those kinds of questions.

I thought it was a good idea to ask the Manitoba Association of Licensed Practical Nurses and the Manitoba Association of Registered Nurses, as well as the College of Physicians and Surgeons, as well as departmental people and administration people from various hospitals to be part of a staffing guideline review. That staffing guideline review, another committee, but, nonetheless, we thought we better do it anyway, and on it, we were sure to see to it that personnel from northern Manitoba institutions were also part of that review.

They broke themselves down into three or four subcommittees consisting of staffing guideline review committees for administration, for clinical, for diagnostic and therapeutic and for nursing. This review just went on and on and on and went on for more than a year, I think it was. Finally, last December, the findings of the staffing guidelines review were made known to the institutions.

Now, that was a pretty significant thing to do, I think, because we were trying to be responsive to the concerns that had been raised. For the most part, the concerns had to do with patient issues, although at the end of a lot of the meetings that I was at, the question would become an employment question, as opposed to a health care question, which is fair ball, because in a place like Flin Flon or a place like The Pas or Gladstone or wherever it happens to be, if there should be a reduction in nursing, dietary, cleaning or other staff at a hospital, that has an impact on a smaller community. So we recognized that, too.

At the end of it all, the guideline results came out, and the northern hospitals, it was found by the review, the ones at The Pas and Flin Flon and Thompson, were working with a patient-staff ratio significantly higher than in other places in Manitoba, even after factoring in things like acuity of illness and all the other things that I mentioned.

* (2030)

So then it came time, well, what are we going to do with the staffing guideline recommendations? The time was that we had to do something, because we could not just leave that anymore. It was not fair. It was not fair to hospitals which had either already complied with staffing levels of the kind set out in the review report or those which were prepared to enter into the changes that would be required to bring themselves into line with those staffing guidelines. Even so, it was decided that there was significant enough impact on some communities that the reduction in staff should take place over a period of time, so that the labour adjustment strategies that we had in the meantime put into place—I remind the honourable member they were not there before. If they had gone ahead when I first was appointed, there would have been no voluntary separation packages. There would have been no other labour adjustment measures put into place.

We have now completed the first year of three years, the first year being the year which ended at the end of March of this year, and we have two more years to use whatever measures we can to mitigate the change on staff.

Now, I do not know what the doctor said in the article to which the honourable member referred, but we would encourage that individual to become involved in the implementation process, because we are trying very hard to do this as sensitively and as humanely as we can, remembering that there are people involved in these changes.

The bottom-line concern, right from the very beginning, and the instruction given to the staffing guideline review committee, which included people from northern Manitoba, was, put the patient first and do not make recommendations that would have an adverse impact on patients. Even at the end of it all, when we put into place a three-year implementation program, we made it clear that should administrations in some hospitals, for one reason or another, find that they are not able to implement the staffing guidelines without negative impact on patient care, just let our consultants know.

The honourable member for Thompson (Mr. Ashton) was asking when the Manitoba Health consultant would be available to the Thompson General Hospital personnel for consultation purposes, and I told the honourable member that I would pass that concern along to the department, which I have now done.

Mr. Jennissen: To the same honourable minister, I would like to quote this Dr. Stefan Harms one more time. Dr. Harms, on the same page of this article entitled, Doctor Addresses Hospital Concerns, states: However, in order to establish a feedback mechanism for ensuring that the interests of the public are maintained, I would recommend that we have an elected board.

I know before this second round of alleged cuts or slashes at the Flin Flon General Hospital, there were a lot of angry nurses. There was a public general meeting, and it was very difficult to pinpoint where the hurt was going to occur and who was going to take responsibility for it. There was quite a hue and cry for an elected board that the mayor at that point did not think was a good idea.

However, I think, since then, the Flin Flon City Council seems to be going in that direction. Basically,

for my own information, for the record, Mr. Minister, I was wondering if you would comment on elected hospital boards, just your own personal view on them.

Mr. McCrae: I have found, Mr. Chairperson, it is quite often that when decisions are getting made, that is the only time you get the call for elected boards, or if there is an issue of some kind.

In some communities there are issues. For example, therapeutic abortion comes up from time to time in some communities, and that is when you hear the call for elected boards. You can have a meeting, and sometimes nobody will come to it, but if there is an issue, you can get hundreds of people to come to it. So I have no personal problem or opposition to the concept of an elected board.

My main concern, which I have stressed many times to nurses, mostly in rural Manitoba, to this proposal about elected boards, is that the views of the staff of an institution be taken into an account in decision making. I think there is a conflict, very often, when it comes to salary issues that someone who can benefit from a vote on a hospital board respecting salaries or some such thing, I think that would be inappropriate. My bottom-line concern is, however your board gets there, that it be responsive to the community. That is who it is representing. I have run across a couple of places that, in my view, the relationship between the hospital board administration and the staff is not good, and I have also observed that it is sometimes not the staff's fault. When I have noticed that, I have passed on my concerns and, somehow, they have found their way to the so-called offending party, and sometimes relationships improve a little bit, sometimes a lot, and that is good, that is very good.

I should tell the honourable member that as part of the regionalization process, and Flin Flon is part of the so-called Norman region, we are going to be getting the report within days now, and I am going to see it for the first time, of the Northern Rural Health Advisory Council which has been going through phase two of its work which is to look at the governance of the various regions. I am not taking about individual hospital boards now, but I am taking about the regions, and, in the honourable member's case, the Norman region.

That council has been engaged in public hearings on the issues of governance of health regions and regional councils. I do not know what they are going to say yet. I have not asked for any hints about that, but they may deal with the question of how these regional councils came into being, whether there were appointments or elections or some combination.

You know, in many of our communities these boards are elected people to a large extent. They are our reeves, our mayors, and our councillors, and I often get the comment, well, they do not know anything about how to run a hospital. Well, you know, when honourable members came here, I suggest they did not know everything there was to know about every facet of government either. We are here to, and elected to be here to use our best judgment based on the best advice that we can obtain.

Sometimes there is a problem in a community with the administration of a hospital. That is in the hands of the board. The administrator is the servant of the board, not the other way around, and that is something I hear allegations about that the mayor and council do not really know what they are doing; they just do whatever the administrator says. Well, if there is something wrong with that and if the community is not happy with that, it is the communities' responsibility, also, to do something about it. That applies in good times as well as more challenging times when we are into reform mode in our communities.

That is the nature of some of the discussions that go on between me and hospital staff when we get to talking. I find it very useful because you get the sense of what is inside the heads of some of the people who work in our institutions. They are people whom we rely on day in and day out, and we have a lot of time for them. I want the boards to have time for them, too.

It does not answer the question the honourable member asked directly because it does not matter, I do not think, at this time, for me, to have an opinion about whether boards are elected or appointed, but it is important to me to know that boards are being sensitive to the concerns of staff especially at a time of change. That is very important to me, and, I think, it must be to the honourable member, too. Whenever I hear there is

a board or an administration where it is shown that there is an insensitivity there, I do my best to try to bring the parties together.

* (2040)

Mr. Jennissen: Regarding the Flin Flon General Hospital, I am sure you are aware that between 30 and 40 percent of the patients in that hospital come from the Peter Ballantyne Cree Nation in northern Saskatchewan, and one of the concerns that I have is that if there are major cutbacks to the hospital, then the Peter Ballantyne Band will no longer use that facility.

They have already made some threatening moves in the sense that they are willing to go much further to Prince Albert to take their people to a hospital there, because they are sort of unsure about quality. I guess what I am really worried about is if there is too much of a cut, that if they were to pull 30 to 40 percent of the patient load out, then we would really be in trouble in Flin Flon. I am just wondering if the honourable minister is aware of this.

Mr. McCrae: I am advised that the hospital traffic or patient load coming in from outside Manitoba was fully taken into account in the development of the staffing guidelines, in the same way that a large percentage of the hospital patients at the Churchill hospital come from the Northwest Territories. That is part of their business.

I think it is very unfortunate if a message goes out to people who normally do business with our hospitals in places like Flin Flon or Churchill that is incorrect, because you are really only doing a disservice to yourself as a community when you say disparaging things about your own hospital. I am not saying the honourable member is, but I am saying if that is the stuff that people are talking about in Flin Flon, they are really doing themselves a disservice, if that is the way it works, because I am advised, also, that the staffing guidelines at Flin Flon are more generous towards staff than the staffing guidelines at Prince Albert.

The people who do their business at Flin Flon maybe should be told that.

Ms. MaryAnn Mihychuk (St. James): I have a few questions and they are quite diverse, but I understand that the minister is providing us with an opportunity, and I am very thankful for that. [interjection] Thank you, I appreciate it, for our critic who arranged for it.

I am going to begin with a hospital, the Misericordia Hospital, and I speak on behalf of many of my constituents who use the Misericordia community hospital and from a personal experience. I recently had my second child who was born at the Misericordia Hospital—[interjection] Yes, she is a beautiful baby. [interjection] Yes, probably the most beautiful baby. That is on the side. [interjection] Oh, the third most beautiful baby?

Anyway, what I wish to ask the minister and the department was, I understand that there is some consideration being given that the maternity department there is scheduled to be closed. Could the minister confirm that?

Mr. McCrae: Mr. Chairman, as one who had the distinct pleasure of meeting personally young Sarah, I can certainly see what the fight is all about over there in the NDP caucus, over who has the most beautiful baby. It was a distinct pleasure for me to meet Sarah and to be told about the circumstances and the location of her birth.

I have heard that before. I have heard people tell me about the positive experience that they have had bringing into the world young lives at Misericordia Hospital as well as Victoria Hospital and Grace Hospital and St. Boniface Hospital and Health Sciences Centre and, I can speak from personal, well, almost personal experience, for the Health Sciences Centre as well. That is a credit not only to the staff at the Misericordia Hospital but also to the long-standing culture that has existed at that particular hospital.

I am coming around to confirming what the honourable member is asking. After long months of discussions with the administration and the board members at Misericordia Hospital, it was decided that they would close their maternity ward at an appropriate time in the future.

We discussed the role and mission of Misericordia Hospital and they have a long tradition of looking after women in maternity circumstances. We also told Misericordia Hospital people of our intention to set up a province-wide breast-screening program for women between the ages of 50 and 70 years of age.

It was decided that Misericordia Hospital should be the site of the Winnipeg location for that service in Manitoba, Brandon and Thompson being the other two sites. In addition, Misericordia Hospital will be assuming a role respecting prenatal services and one or two other services as well.

This was not an easy decision to make as the honourable member will understand, having recently been there. We should be proud of the kind of the dedicated service that staff at our maternity wards provide and, indeed, Dr. Frank Manning, the chief obstetrician in Manitoba, put out a report from which this decision flowed. He put out a report that said Winnipeg, Manitoba, statistically speaking, is the safest place in the world to deliver a baby, a child, and that is good news, but on the other hand, his report also told us that we are not quite as efficient as we could be in this whole area, and so Dr. Manning gave us several options, the so-called two-plus-two option, which was Health Sciences Centre and St. Boniface Hospital only, and then—did I say two plus two?

I meant two plus zero; then two plus one, which would be those two hospitals plus one other. Two plus two was the final recommendation, which was the two big hospitals plus two others, all of which left Misericordia in a position where it was going to be the one that would have to shut down its maternity ward.

The decision was taken after much agonizing on the part of the members of the board at Misericordia Hospital, who are extremely community-minded and very, very committed to the mission and the goals of Misericordia, and the sisters involved, as well, had to be part of that decision before I was going to be satisfied that we could go with that decision.

That nonetheless was the decision. It is not the most popular one in the world to make, but at the end of the day, it was felt to be an appropriate one.

Ms. Mihychuk: The Misericordia Hospital, as the minister has indicated, is really a community hospital, and there are a great number of inner-city residents, core-area residents, that use the facility, many of them First Nations people, of aboriginal ancestry, new immigrants and people of very low income.

One of the advantages of the Misericordia is that the staff there are familiar with working with the population and are sensitive to those needs. When you compare it to the St. Boniface and the Health Sciences, which are very large institutions, teaching facilities, this personal approach is somewhat, what would I say, compromised or is not as easily facilitated in those sites.

So I am wondering if the ministry has considered that option, and given that it is particularly close to the Health Sciences, so that if a child who went into distress or needed more acute treatment would be in close proximity—I would just like to inquire if, given the closeness of the Misericordia to Health Sciences and the sensitivity that the staff has, do they feel that any other hospital is able to provide an alternative to the Misericordia?

(2050)

Mr. McCrae: What the honourable member says is true. I have visited Misericordia Hospital, it must be four or five times now, and seen exactly what the honourable member is talking about, the community type of orientation of the Misericordia staff.

I had the pleasure and honour to be invited to take part in the opening of their Care-a-Van project, which was generated and initiated by the staff people at that hospital. One had to be impressed with that sort of initiative. The Care-a-Van project is a project that demonstrates that Misericordia Hospital is quite willing to be on the leading edge of recognizing the principle of hospitals without walls and reaching out into that community the honourable member talks about.

I have not received a recent report, but their job is to get out there amongst people who may not seek primary care to the extent that they should. They do things like checking your blood pressure and that sort

of thing in the community. I am very well aware of the community culture of Misericordia Hospital.

On the other hand—I just throw this out, well, for the sake of having it on the record—I am told that fully 25 percent of so-called normal births become complicated births. That is an important number to remember, in my view.

I would like to see us continue the tradition of being a safe place to deliver babies here in the city of Winnipeg, and I will certainly take what the honourable member says to heart when future decisions are being made about the role of Misericordia Hospital, but I do not think I can revisit the decision that has already been made.

Ms. Mihychuk: To continue, close to the Misericordia Hospital is the Villa Rosa, a facility that provides sanctity and a place for young women who are pregnant and need a facility to stay in. One of the reasons that it was located there was that it was very accessible to the Misericordia Hospital. Has the department considered the impact on Villa Rosa?

Mr. McCrae: Mr. Chairperson, yes, I am aware of the contribution the Villa Rosa makes and has made, and while it needs to be stressed that prenatal and postnatal services are still available at Misericordia Hospital, that is their specialty, it is the delivery part that we are talking about, and Villa Rosa is a Family Services department funded agency, and we do, indeed, recognize its role.

Ms. Mihychuk: Part of the attraction of the Misericordia Hospital maternity ward is that their rooms are outfitted into birthing rooms or family rooms where, I believe, each room is equipped with the facilities required to have the baby born in the room and can remain there for the whole period of time. That is a very wonderful experience.

That is not the similar situation, I do not believe, in other hospitals. Are those facilities going to be available in other hospitals? To facilitate that type of provision in all those rooms at the Misericordia must have incurred considerable financial investment. Is this going to be a significant loss?

Mr. McCrae: The concept called LDRP—labour, delivery, recovery and postpartum—is a process that starts from zero, and, says, who are we trying to look after here, us or the patient. It is really nice that the patient is becoming the focus of what we are trying to do. I thank the honourable member for the comments she made.

Misericordia Hospital, I understand, was able to make those changes without any extra infusion of funds from the department. If it is done properly, that transformation need not be a hugely expensive sort of thing. It has existed for some time at Victoria General Hospital and is planned to be available to all of our major birthing facilities. What it does is, as I said, put the patient first. It attempts to bring a more pleasant atmosphere to the birthing experience.

I have had occasion to visit the new moms and babies in their rooms, and those who had babies by the traditional hospital method speak very highly of the LDRP. What it does is it confines everything basically to one room rather than having to be shunted and shuffled and pushed around from the time you get into the hospital. It makes it into a more dignified approach to having a child that makes it possible for it to be more of a family experience than previously, so I can certainly support it.

I would not want to overstate the expense to which Misericordia went. I do not know what amounts they spent, but it was done without any assistance from the Department of Health and without, I guess—approval? It was done on their hook, in any event. While we think it is a good thing to do, we will be seeing it happening in other centres as well. It has existed at Victoria for some time too.

Ms. Mihychuk: Is it my understanding then, from the minister, that he will ensure that the families that are used to this type of environment can find it at the Grace Hospital, which I understand will be the alternative for families in the west end and in the core of Winnipeg.

Mr. McCrae: Mr. Chairperson, where a patient is referred is between the patient and the patient's caregiver, the physician. In all of the birthing facilities in Winnipeg in the future, the LDRP concept will be

there for the patients. I do not think "patients" is the right word in this circumstance, but that is the plan.

Ms. Mihychuk: One of the things about motherhood or becoming a new parent is that people and families are able to access prenatal services, which I commend the Health Department for doing. We do have healthy babies and we can be proud of that tradition and we would like to lower the number of acute situations even further. It seems to me to be a little strange that we have sometimes up to 10 weeks of prenatal and virtually none after the baby arrives. I think very few families actually have postnatal care, besides maybe one visit from the City of Winnipeg Health Department.

* (2100)

What are the programs available to ensure that we have healthy children after we leave the hospital?

Mr. McCrae: I thank the honourable member for her comments about prenatal care, and I would love to take all the credit for it, but 25 years ago that was available. I know, because I was involved in it, when our first child was about to arrive. So I wish I could take the credit for that.

With respect to postnatal care, I think we are going to have another discussion about this, too, when we get to the line in the Estimates dealing with public health nurses. Postnatal care is available for people from our public health nurses, and I will be able to give the honourable member more detail at that time, if she either, through her critic or on her own, would like to raise that at a subsequent time when we will have the assistant deputy responsible for that area here with me. I know also, from personal family experiences as recently as last week, that public health nurses are available and do provide services at home after birth.

Ms. Mihychuk: As the children are going to move up a little bit in age, become a little older, they enter our school system. As a past trustee, it was my experience, unfortunately, to see some children come to school, not fed properly, not experiencing a well-balanced diet, not able to access what we would consider available to most families, such as vegetables, fresh fruits, and so

we know what the school system has done. They have resorted to providing food programs, because children require this, to be healthy.

Does the Department of Health have a vision to ensure healthy children, and what are those plans?

Mr. McCrae: Mr. Chair, I sometimes think I need to ask questions in this place too, in Estimates. It will be a question for the honourable member for Kildonan (Mr. Chomiak) to maybe make a note of for discussion at the appropriate time.

We have our Child and Youth Secretariat. The Leader of the Opposition has not spoken in glowing terms about that secretariat, but, it is headed up by a very, very high quality individual who enjoys a lot of support, and that is Reg Toews. That secretariat's job, I think the honourable member would know about this, is to bring together the various departments who deal with child health issues and the nutrition one the honourable member raised is certainly one of them. They have in their hands the child health strategy which we all borrowed lavishly from to prepare ourselves for the election campaign, put out by Dr. Brian Postl's committee on child health.

I am going to be asking the honourable member for Kildonan, at the appropriate time, I am just giving him notice today, how many acute care dollars is he prepared to direct, and does he have any idea where it might come from for this? I am certainly in support of addressing the kind of issue the honourable member has raised.

Surely she knows, very well—it was the Winnipeg School Division that she chaired, and would know very well some of the problems that kids come to school with, which, if they had a proper breakfast or proper nutrition, she knows probably better than I do, the impact that would have on the education system, on the rest of those children's lives. I very firmly believe in what the honourable member is asking.

I want the honourable member for Kildonan, at the appropriate time, to tell me how many dollars he thinks we should use and where we should get them out of the acute care sector. The reason I am asking this is a very

important reason. Up until now, every dollar we have taken out of the acute sector, we just got hammered royally by the honourable member for Kildonan. I want to deal with the problem that the honourable member for St. James has raised. I think it is an extremely important one, and I cannot think of a better place to start than at a very, very young age, in dealing with the kids.

My heart just breaks sometimes when I see what the kids—I am talking human terms now, never mind the school division's problems, I know they have them. The kids themselves, have they got a fighting chance like your kids or my kids? The answer is no, they do not. Is the honourable member for Kildonan going to be able to come across, in the sense of saying that he will support removing some dollars from the acute sector so that we can spend it in areas like the honourable member for St. James is suggesting, because I support it. For the honourable member's information, this is probably something we should discuss off the record, but it is the availability of Mr. Toews for discussion in this Chamber and we will talk to the honourable member about that later.

Ms. Mihychuk: I hope to be here when that discussion comes forward in this committee. It would seem to me that it would be highly unfair for the Department of Health to have to look at other very valued services they are providing to look at what I am talking about. Is the minister prepared to look outside of his budget, to look at other areas of revenue? The idea of cutting services to the sick to give to children seems to me to be defeating. Both groups need it. The acute care portion of your department needs the services and needs the resources as much as our children.

I think there may be, in a broader sense, other areas outside of the Department of Health budget that may be accessed through your government's—[interjection] Through the Jets. That is a good idea. On that comment, I am going to lead into another question on children.

My question is that not only are children coming to school undernourished, poorly fed, many children now in schools are severely handicapped, physically or mentally, and to various degrees of handicap, I should

say. Many of these children received services through other government agencies and now are receiving services in our local community schools.

* (2110)

Specifically to the minister, the children who are receiving occupational and physiotherapy services in schools used to receive them in a hospital setting, and I understand even now that if those children went to a medical facility, they would be covered under the Department of Health. Once they receive them in a school, they are not covered. Is the minister willing to address this issue?

Mr. McCrae: Sometimes when there is need for detailed information for me, I am a wee bit at a loss because we are not at the right line in the Estimates and we do not have the appropriate staff for that.

However, just days before the election was called, we released the Postl report on child health which had already been circulated somewhat. We know that. That same day we transferred money either to the secretariat or directly to the Education department to address some of the in-school health issues, perhaps not all yet, but some dealing with nursing. We made money available for that. I am quite willing to go into more detail when we have the appropriate staff with us.

However, what the honourable member said struck me when she said that we should not take from the sick to give to the kids and I agree 100 percent with that. I would not want to do that either. At the acute care end of it you cannot just leave people without acute care services. We are not. I would like to reassure the honourable member about that. The honourable member says we should go outside the department for these dollars, so that means that \$1.85 billion dollars on health, the highest percentage of budget anywhere in the country, is not enough.

That is where the honourable member gets herself and her colleagues into some difficulty because, other than the Jets, which comes up with every question and applies to every possible circumstance under the sun and even then some after that—that is fair ball. That is the way you make your point in politics. The point is,

at 34 percent of budget, that is the highest rate anywhere in the country. The honourable member is saying, that is not enough. I am saying it is enough. I have said it very publicly and I have said it many, many times. It is enough because it is more than anywhere else in this country.

I am saying that we can do a better job with the dollars that we are spending as opposed to always bringing in more dollars. That is what we always did. That is why we are so deep in debt. We took money we did not have. We took it from those very same kids.

The honourable member and I are wanting to help, and by keeping on doing that, we guarantee there will be no lunch program. There will be no free lunch or free breakfast or anything else in the future if we cannot smarten up with the finances. There is an area where the honourable member and I, with all due respect, are going to have to agree to disagree because I think we are spending enough on health and I think we should be doing a much better job and we need support for doing that better job.

All that being said, I want to get back to this acute care business. We are not taking money from the sick. Anybody who wants to suggest that, just has not been paying any attention. We are putting tremendous amounts of money into our acute care sector and are we asking ourselves are we getting our money's worth? Some people are, some people are not. We are asking ourselves, are we getting our money's worth; are we getting some outcomes that make any sense compared to the dollars that are going in; are we getting some outcome as a result.

We are beginning to show signs that we are knowing what we are doing in the whole area of the delivery of acute services, but I would refuse to accept any comment like that, that we would take from the sick to give to the kids. Goodness sakes, that is not what we are trying to do.

The issues that the honourable member is familiar with in the school system are indeed issues that have to be grappled with, and I think that is why it is important that we put that Child and Youth Secretariat together.

We did it with a fair amount of support even though we get disparaging comments from the Leader of the Opposition about a half-time secretariat, or whatever he calls it. It is not designed to be a very nice way to describe it. That is politics, I guess, but we are finding that if we can think in a more corporate way, we can do a better job for the kids. If we can work more closely with the school divisions, we can do a better job for the kids.

When it comes to services like these for children, provided by school divisions themselves, did the school divisions go outside the school division budget to raise the money? What happened? The taxpayer was the one that got hit again, right? Well, the taxpayer, some people accept this and others do not. The taxpayer says, enough. The honourable member knows this, I am sure, from her experience. Going outside the department means cutting somewhere else where we have been doing that for seven years.

You know, we have reduced public expenditures outside the social services departments very significantly. There does come a point where you say, well, you know, how much more of that can we do before the public begins to notice in a big way that we have gone far enough or too far. Yes, we keep an eye on that every single year, on expenditures outside the three major social services departments. Our budgets demonstrate very clearly that we also keep an eye on the inside of those departments because that is where the majority of new spending has gone.

Ninety percent of every newly spent dollar in Manitoba has been spent in health education or family services. That is a significant statistic. I do not know if it is rivalled anywhere else in the country.

That may be why, with the exception of the honourable member and a few others, we were not able to overcome the powerful, powerful campaign put on by the member for St. James, but we were able to win in 31 seats, including the constituency of Rossmere which returned the honourable member for Rossmere, our distinguished Minister of Labour (Mr. Toews), and I see that the honourable member for St. Vital (Mrs. Render) is also one of those, and I see a few others around.

But the point I am trying to make is that I think the general public says, enough of the tax-and-spend approach to politics and to public administration. Start learning how to spend the money that we work so hard to earn and that you have confiscated from us, and start spending it better. And that is what we have been trying to do, and it has not been easy. It has not been easy for staff of departments, it has not been easy for staff or administration of our health care institutions, but we have found that partnership. We are getting that partnership.

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

There is a recognition, not only in the institutions, but also in the population, that we should be able to do better with what we have got or less, because less is going to be available. It is a very, very bad sort of thinking that says, we can continue to take from the next generation to pay for what we want to have today. It is wrong, it is wrong-headed. It is certainly not justifiable over the long term, and we have reached the end of our rope as a country in that area, and the people said, we are not going to put up with that anymore.

* (2120)

So I hope the honourable member, when she says to go outside the department for the dollars for these programs, I want her to tell me where—besides the Jets, we already know about that—but to tell us where else. Because notwithstanding the fact that not a nickel is going to the Jets from this government—I am not going to get into that argument—but I would like the honourable member to tell us other sources, because the issue she raises today is not the only one that calls for another way of spending or additional spending. There are all kinds of them.

If you look back over the gray book, or whatever it is called, there is blue and yellow—no, the gray book. Was it gray?

An Honourable Member: Black and white.

Mr. McCrae: The black and white book, and the campaign commitments of the Leader of the

Opposition (Mr. Doer). I do not know how many times he spent that \$100 million that does not exist in the first place, to try to buy people's votes. Everybody's arithmetic should bear out that that does not work. You cannot spend \$100 million that does not exist, and that is what they were going to do. They were going to cancel the SmartHealth contract, which never has been entered into yet, but they were going to cancel that and spend \$100 million here, there and everywhere, and it was \$100 million that does not even exist. So I hope it is not that \$100 million that the honourable member for St. James (Ms. Mihychuk) wants us to go outside the department for.

So I would like her, because she wants to help out here a lot, because I think she cares about kids like I do, to help us with some suggestions that do not take us outside the department's spending. If the member for Kildonan (Mr. Chomiak) will not answer this—I do not think he will, he does not answer my questions—maybe the honourable member for St. James (Ms. Mihychuk) will.

Where in the acute sector, because there is support for that—removing dollars from the acute sector and placing it in the community—regardless of what the honourable member for Kildonan has been saying for the last two or three years.

Ms. Mihychuk: Madam Chairperson, well, I am not going to get into a philosophical debate about finances, although I can assure this minister that I am a fiscal conservative and having come out of a local government that indeed had balanced budgets, something that maybe this government is attempting in the future to do, I have had personal experience with balanced budgets and dealing with the needs of a community that was getting very short supply in terms of resources. I think that the government does have opportunities. I am sure that we can get into that at some other time, but I do not want to stray too far.

I wanted to ask a more specific question to the minister in terms of the LPNs. I have some knowledge, although I must say not very detailed, in terms of the LPNs. Recently, I believe it was last year that the school for LPNs at the St. Boniface Hospital closed. There was fear amongst many LPNs that that was

virtually the end of the licensed practical nurses in Manitoba. I would like to ask, what is the vision of the department for LPNs, for licensed practical nurses, and the health care that they provide?

Mr. McCrae: Madam Chairperson, I would like to congratulate the honourable member on the achievement of balanced budgets. I believe that is a very laudable goal, and if it can be achieved without raising taxes it is just fantastic. Now, the only thing about it is I do not know if the honourable member did it without raising taxes. [interjection] Just a little bit, right? Well, I will tell the honourable member that for the most part here in Manitoba the provincial government, for the most part—because I know the honourable member has a comeback—we did it without raising major taxes. So, touche on that one, I guess.

There are other ways to do it. You could do it like Saskatchewan did, by raising taxes, by cutting out \$185 million to the farmers under the GRIP program, or you could do it by closing 52 rural hospitals. That is the way they did it in Saskatchewan. I will compare my government's way of balancing budgets with even Winnipeg school divisions or the Saskatchewan government, any day of the week, including Sundays. [interjection]

The honourable member for Inkster (Mr. Lamoureux) reminds me that we are looking at NDP administrations here, and I was trying to avoid being so blatantly partisan about it, but the honourable member for Inkster brings that sort of thing out of me sometimes. It is a habit that he and I have developed over the years sitting across the aisle from each other.

The honourable member asks an important question about the licensed practical nurse, and I think that in all of my travels in Manitoba visiting nursing professionals, the LPN is the one most often I hear from. Right now in Manitoba enrollment in LPN training is down, at a time when there is a shortage of LPNs in Manitoba. One would think with all those layoffs and everything there would be all this big surplus. What people do not do is follow up what happened, where-are-they-now sort of follow-up. The fact is that I am told that the private sector agencies cannot find LPNs. They are having a problem. I think

we are going to have to look at that situation because I am not certain but I do know for a fact that enrollment is down. There are not very many LPN students right now, and that is going to create a problem because we do have a need for LPNs in Manitoba. I think that is what the honourable member's question really is about.

(Mr. Chairperson in the Chair)

When you put into service over 500 new personal care home beds and when you have another 500 or so coming through our capital program you know that you are going to need more LPNs in the future. When you know also that staffing mixes in rural hospitals include LPNs almost everywhere in Manitoba you know that there is going to be a continuing need for the LPN.

We have an ongoing working relationship with the Manitoba Association of Licensed Practical Nurses that deals with issues like education and role of nursing and LPNs. It has been a troublesome issue, as a matter of fact, the whole issue of the role of LPNs because there is a sense among some LPNs that there are people out there trying to get them out of the system. Well, a couple of years ago there was—I guess it is a little more than a couple of years ago now—a labour settlement, I think the one that followed the nursing strike in Manitoba which left LPNs not very competitive. Now that is not just me saying that. I hasten to add that because there have been independent studies done that make the point very clearly that the licensed practical nurse in Manitoba is paid at a rate which makes it difficult for hospital administrators to hire LPNs in the numbers that they used to. The Licensed Practical Nurses Association accepts that fact; the union does not. We have had problems with that.

We have had problems having a civilized discussion about it with the union, but we do not seem to have that problem with the association. So we are asking nursing professionals, LPN professionals and the union itself to look at that issue. They have so far not done it. They have basically said, we are worth every nickel, and I say, you are probably worth every nickel and more, but, in a competitive environment that we have to become, if we are going to run our health system properly, you are going to have to look at that issue with us. I do not mean to dwell unduly on that point.

It is one of a number of points that needs to be made, however.

With respect to the role and education issue surrounding LPNs, there is sometimes a little bit of overlap and sometimes friction between issues related to LPNs and issues related to registered nurses and issues related to nurses' aides.

* (2130)

A year ago I personally had a role in setting up the Manitoba nursing profession's advisory council and it is made up of representatives from registered nursing, from licensed practical nursing, nurses' aides and psychiatric nurses. It was established in May. That is just over a year ago, and this briefing note says that it was at the invitation of the Minister of Health, so that is kind of nice that they have noticed that. I appreciate it.

This council consists, as I said, of the representatives I mentioned, but also the MCHCO, which is the council of health care unions. I am very pleased that we now have representation from that group as well. We are not sure exactly when that happened.

It did not happen at the beginning when the MNU was invited to take part and refused, and that was very upsetting, because I think that the MNU does have a role in these matters and certainly, I think, wants to have a voice when it comes to nursing, but they refused to start earlier on, but I was pleased, during the election campaign, to drop in on one of the meetings of the council and there was a representative of the Manitoba Nurses Union. I was delighted to see that was happening. Regardless of the fact that we have our moments, sometimes, with the union, I am still pleased to see that they were taking part.

The first phase of nursing resource planning is completed, and that is a review of the existing supply and demand. We expect by the end of this year to see a completion of a future vision and a nursing resource plan. I think it will have some credibility attached to it, because all of the nursing groups are part of this nursing profession's advisory council.

The trouble was that I was getting different stories from different groups. I should not say different stories, but a different perspective from different groups, and I said, well, you know, I think what we need to do is have all of us around the same table, so we are not talking in the absence of the other party all the time.

I am very hopeful that we can achieve something with this council. I am very happy for the performance, or the role, being played by Carolyn Park who is our Provincial Nursing Advisor, who is taking part in all of those meetings.

Ms. Mihychuk: I have only two more questions, and these relate to specific families that I met in my constituency during the election.

One family, and I mentioned this in my inaugural speech, was an elderly couple. The woman was in her eighties, and her husband had been struck by a stroke or some illness that left him seriously ill. He was at home and she was in desperate fear that their life in their home on Banning Street would soon come to an end, as they could not afford to upkeep their home which they had lived in for many, many years. She said, MaryAnn, what can I do, we have spent \$800 in noninsured medical expenses since January.

For a family like that, are there some supports? Is there a cushion that will help this family, this couple, who has put in many years into Manitoba's economy in terms of paying their taxes, doing their fair share. Now that they need our help, is there something that we can provide for them?

Mr. McCrae: Mr. Chairperson, I am always interested in these kinds of cases that honourable members from all sides bring forward. I think in a province like ours, where we have only a little over a million people, that the government can be responsive when these kinds of matters come up.

I did not get all of the words the honourable member said, but it is the kind of case where I need some more details, so we can do more of a review. If the Home Care part of our service is involved, there are things we

can do to make sure this family is getting all that we can make available.

When the honourable member refers to \$800 worth of noninsured medical services, it would be good if I could know the details of that, so that I can know how much of this is happening and whether maybe this family has not been made aware of everything that is available, or maybe it is otherwise. Maybe there is help from some other sector, i.e., the Social Services department or Family Services department or some such thing. If the honourable member wants to put on the record more information, that is fine. If she wants to share with me in writing a detailed concern or question we would be happy to look into the specifics of the case.

Ms. Mihychuk: I appreciate that. I will be providing more information. I do not want to reveal too much on the public record. I appreciate your co-operation and I will get you the information.

My final question is in regards to new immigrants. In my constituency, we have many new immigrants that have settled, and many of these—and one was highlighted in the paper in fact, I believe it was today—come with a great deal of experience and expertise. In fact, there are some that were medical doctors in their home country. They come here, unfortunately they are not able to practice.

I am familiar with communities in the North. When I was a geologist we worked out of communities that did not have access to any physicians that lived in the community. It seems that something should be done, or perhaps I could ask the government, is there the intent to somehow review the accreditation process? Are there plans to speed up the system so that we can put these people who have all these skills to work—and they are willing to do so—for Manitobans?

Mr. McCrae: Mr. Chairperson, this question is very much like questions raised earlier today by the honourable member for Inkster (Mr. Lamoureux), and I certainly can understand how an immigrant with significant medical training must feel. However, I tell the honourable member what I told the member for Inkster, when these immigrants arrive on Canadian soil,

or even before that, they are advised of the unlikelihood—if that is the word—of their being able to practice medicine in Canada based on the training they have received in their country of origin. That is something that is told to them early on in the process.

I have met with a number of these so-called IMGs, they are called. Right? Immigrant medical graduates, IMGs, yes. I have met with them and their organization to talk about their concerns. There is a credentials process whereby right now, if the foreign doctors resident in Manitoba were able to meet the requirements of the federal accreditation process as well as the requirements of the Manitoba College of Physicians and Surgeons—I agree with the honourable member—we have communities that need physician resources.

* (2140)

The honourable member, as a former professional—I think she said she was a geologist—would know that in order to be a professional person and practise your profession, you have to meet certain requirements. And this is where the difficulty arises. How do you draw a balance between a need that exists in our communities with the need for us as legislators and for regulating authorities to make sure that services provided are being provided by professionals who have the required level of training and skill? That is the issue. I have the same wish that the honourable member has, that here we have a talent pool, notably or mostly in the city of Winnipeg, but for the most part I think those foreign-trained physicians cannot yet meet the requirements of the Manitoba College of Physicians and Surgeons.

So you ask the question—I do, and the honourable member perhaps too—well, should they look at their requirements? Well, that is unfortunately something that—I do not want to have them reduce the standards to a point that my fellow Manitobans might be provided medical services by people who are not yet able or not yet accredited to a high enough level to provide services to Manitobans.

Our standards in Canada might be a little higher than standards in some other country. They happen to

coincide well with most of the Commonwealth countries. Doctors from Ireland or Great Britain or Australia or New Zealand or South Africa do not have the same difficulty as doctors from other countries. That is not a negative comment about those other countries. It is simply that the medical schools there do not bring the students or the graduates to the level that we require in the aforementioned Commonwealth countries.

So I was very disturbed when one of those foreign doctors made the allegation that there was a racial sort of bias on the part of the college. I said, well, if there is any evidence of that, I want to know about it, because I would not support that, not for a minute. Neither would the honourable member, I know.

We are, even so, attempting to make some adjustments that will allow people to get the kind of experience, that will allow them to meet the requirements of the college, and that also, at the same time, would benefit communities because of the five-year commitment on our part.

So that little by little I expect—unfortunately, I wish I could wave a wand and fix the problem for the immigrant doctors, fix the problem for our underserved areas. I wish it was that easy, but nobody seems to make it that simple for us.

Mr. Gord Mackintosh (St. Johns): I have some questions for the minister following correspondence between our offices in January and February of this year. It regarded a quite moving experience for me as a result of work that I had previously been involved with in the Patients Rights Committee in Manitoba.

One of the committee members went on to patient advocacy and discovered the difficult case of a Sister Rolande Dufault, who after serving the Manitoba community all her life and, of course, having taken the vow of poverty—and I believe she worked at Villa Rosa; we talked about that institution earlier tonight—lost her ability to speak as a result of illness, I believe it was Parkinson's.

She, of course, wanted to continue to communicate with the world and went to MTS to find assistance, so

that she could obtain a telecommunication device. She was told that such a device was available. It is called a relay system through the Manitoba Telephone System. She then discovered, unfortunately, that there was no financial assistance available to her to obtain the telecommunication device.

Upon further investigation, it was discovered that Manitoba Health, in fact, insured people who were profoundly deaf but not those without speech for such telecommunication devices. As I recall, the insurance was an amount over \$75 covering 80 percent of the cost to a maximum of roughly, I think, \$425. For someone in Sister Dufault's position, living in poverty, the amount required, although not significant to many Manitobans, was certainly significant to that individual.

The result of our inquiries led to two pieces of correspondence to the minister, one from my former colleague in the Patients Rights Committee and one from myself. The minister took the position that the regulations had strictly limited the insurance to persons who were profoundly deaf, and that given financial considerations, persons in the position of Sister Dufault could not be covered and she would have to pay for the telecommunication device out of her own pocket or seek other private means of payment.

Just as a footnote, there was a television news report on the incident, and the television station which aired that report was apparently flooded with concerns from Manitobans about the unfairness of the application of the government's insurance regulations and ended up in the offer from, I understand, several organizations or individuals to cover the cost of the telecommunication device for Sister Dufault.

The alumni of St. Mary's Academy, I believe, did deliver a telecommunication device or funding for one to Sister Dufault, and I was there at the presentation. I thought it was very commendable on the part of that organization but it left me with a real concern. We had the example, I think, of charity rather than fairness in the system, that yes, Manitobans were moved by the circumstances of Sister Dufault. What if they were not as moved by someone else's circumstances? Is it right that each individual in need of such a device, for example, be put in the position of having to solicit from

the general community assistance? I think that is demeaning. I think it is irrational and it is discriminatory, particularly considering that those who are profoundly deaf are entitled to the insurance.

* (2150)

My question to the minister is, is he aware of the number of persons without speech who would be affected by the government's insurance regulations and are being prevented from obtaining such service as a result of the government's position in this matter?

Mr. McCrae: Mr. Chairperson, I thank the honourable member for his indulgence in waiting while I discussed this matter a little bit with senior departmental officials. The case to which the honourable member refers is one that we have a recollection of, but it is not as clear as it should be.

We are trying to provide in our province as comprehensive a package of insured services as we can afford to provide to our fellow citizens. Unfortunately, at end of the day, I dare say, there might be services that are not covered by our insurance program. In fact, from its beginning I would say the insured services have grown very, very substantially over the years.

Our recollection of the case to which the honourable member refers is something we need to refresh, and we would undertake to do that and report again to the honourable member on the particular case. However, I hear what the honourable member is saying and I have the same sorts of human responses that the honourable member would have.

I always reject any suggestion that somehow there is a different type of sensitivity that exists on one side of the House or the other. I reject that very much. Because of the work that I have been involved in, even before I got to politics, I think I have a relatively well-developed sense of caring for my fellow citizens, and I would reject any suggestion that honourable members opposite might make and have made to the contrary.

So if the honourable member would indulge us just a little longer, we would research this particular file and report again to the honourable member.

Mr. Mackintosh: I wonder if the minister could also tell the committee the number of complaints or applications made by people without speech in the last year for this insured service. I wonder if he has such a statistic with him tonight.

Mr. McCrae: Complaints or applications?

Mr. Mackintosh: Applications for insurance coverage for this purpose.

Mr. McCrae: Mr. Chairperson, I do not know if we are able to judge from the number of requests how many out there there might be who, except for not requesting it, still exist, you know. We will gather together all the information that we have in regard to this particular matter for when we make a more complete response to the honourable member.

Mr. Mackintosh: I wonder if the minister has any information as to the number of persons in Manitoba who are without speech and who would benefit from such telecommunication devices.

Mr. McCrae: We do not know that, Mr. Chairperson. I think we could do a lot of searching of our files and still not be able to come up with a number like that.

Mr. Mackintosh: I wonder if the minister has any estimate of the cost of providing an insured service.

Mr. McCrae: Mr. Chairman, not knowing the number of people in Manitoba who might benefit from that if it were an insured service, then we do not know what it would cost to be an insured service.

Mr. Mackintosh: I wonder if the minister can provide the committee with the government's rationale for not insuring telecommunication devices for persons without speech.

Mr. McCrae: I think that really goes with my previous responses. I do not know how long it has been the policy not to insure this service. It may have been the same policy since the beginning, and that is something I need to inform myself about. It may not have been an insured service when the Pawley government was in office and one could ask, well, if it

was not, why was it not then too, or you could go back to the government before that or before that or before that, right back to the birth of medicare and ask oneself why was this, that or the other thing not covered. You could say how come home care was not an insured service when medicare got started because it sure would have been a good idea if it had been. We would not have placed so much reliance on the more expensive institutional care that we have done in this country.

* (2200)

These questions are always valid. I would not want anyone to think that we do not want to know what the needs are out there, but I do not know the answer as to the rationale any more than it would be for any other service that is not an insured service.

If it had been addressed, there must be some rationale on file somewhere. If it has not been addressed, then I suspect there would not be that rationale. As I said though, we will be reviewing this file, and maybe we can learn more about the issue by doing that.

(Mr. Mike Radcliffe, Acting Chairperson, in the Chair)

Ms. Diane McGifford (Osborne): Mr. Chairman, my constituency of Osborne includes Osborne Village. As you may or may not know, Osborne Village has a, relatively speaking, high percentage of people living with HIV or AIDS. Prior to my election to this Chamber, I had the honour to work in the AIDS service community. Over a period of three years, I watched 36 people die—women, men—and although no children died, there are children living in Manitoba with HIV-AIDS.

Mr. Chairman, death from AIDS is painful, miserable. It takes a long time. It is made worse by the fact that there is a stigma attached to this disease. It is made even worse in the province of Manitoba by the fact that the health and social services that would make death easier, would make it easier to die from AIDS—or to live with AIDS, I suppose I should say—are simply not in place. What I am saying is the province of Manitoba has no AIDS strategy, and it is one of the few

provinces in Canada that does not have an AIDS strategy.

There was some hope in the AIDS service community last November when Manitoba Health initiated a series of meetings called The AIDS Service Community Together, including people who were living with AIDS and obviously including service providers.

Mr. Chairman, it is now June 1995, and my contacts tell me that nothing is happening, that there is still not an AIDS strategy in Manitoba. Furthermore, I have read, though I must admit I have not thoroughly combed this document, the 1995-96 Departmental Expenditure Estimates, Manitoba Health, and I do not see the word "AIDS" in this document. Actually, I must say, it makes me extremely cross. My question for the minister, actually I have several, but the first one is, I would just like him to comment on what I have said.

Mr. McCrae: Mr. Chairperson, I appreciate the experience the honourable member has had with this disease and people suffering from it. I cannot say that I have had the same experience, so obviously I am not going to have the same kind of human reaction that the honourable member might have.

I think however looking for words in a document may not be the appropriate measure or yardstick by which to measure one's or a government's concern about a particular issue. I suggest to the honourable member that it might be akin to making something so serious trivial by using those kinds of measurements. I hope we could get a little more serious about this. I speak with great respect to the honourable member when I say that, because I recognize the experience she has had.

Manitoba Health continues to encourage AIDS-related prevention programs and activities at the community level. We realize the community can best identify its needs and offer suggestions on how best to meet these needs.

A little while ago, before supper time, I discussed with this committee the makeup of the Minister's

Advisory Committee on AIDS. I think the honourable member is right in that others have expressed a need to get on with the development of another AIDS strategy. We did have a five-year AIDS strategy, and we are embarking soon on another multiyear strategy to deal with this disease.

As one who knows people, myself—as I say, I do not have the same experience as the honourable member, but I know people who have been touched by this disease personally, and to talk about the disease without mentioning the utter loneliness that goes along with it—and that is part of that disease—is not to give the matter its full dimension.

The honourable member mentioned the November round table. There were March and May '95 round table meetings convened by Manitoba Health. We brought together 40 participants with knowledge and experience in the areas of prevention, care and treatment of HIV-AIDS. The purpose of the round table was to identify the needs of HIV-infected people, review the current services and identify the gaps in services. The participants made recommendations on how these needs should be met.

* (2210)

As a result of the round table, there will be further discussion to ensure the strategy that comes forward properly reflects the proceedings of the round table meetings. The discussion will involve a broad cross section of stakeholders, and that is the process that will result in the development of another provincial AIDS strategy.

I certainly respect the honourable member's view and understand why she would be cross and tell her that through the efforts of the people on this committee and the round tables we expect that we indeed will be part of a network of provinces that have an AIDS strategy.

Ms. McGifford: I think that the minister's suggestion that I am trivializing AIDS is extremely insulting, and I am extremely hurt. I just said earlier that I have lost 36 friends to this disease, and to suggest that I was trivializing it is extremely insulting.

However, to get back to the matter at hand, what my question is really is can the minister tell me when the strategy will be ready and when it will be implemented?

Mr. McCrae: I apologize to the honourable member because I certainly had no intention of insulting the honourable member on the point. I just think that there are better measurements, that is all, to make a point about the lack of an AIDS strategy. It is simply good enough for me to say there is not one, and I accept that.

I have asked people who know better than I do about AIDS to assist our government in developing a strategy to deal with it. So I do sincerely regret any insult; none was intended for the honourable member.

But I do say, when we are dealing with something as serious as this, I guess I am a little oversensitive sometimes because I do not want anybody to think that under my leadership this department is not just as concerned as the honourable member or anybody else about the issues. So again I would apologize to the honourable member.

Ms. McGifford: I certainly accept the apology. I was present at the November 1994 meeting that the minister made reference to. At that meeting the then, I believe, deputy minister of Health promised, or all but promised, the gathered group that the AIDS-strategy would be funded from a 2 percent cut to hospitals, and that it would be ready to go in the fiscal year 1995-96. I would like the minister to comment.

Mr. McCrae: If the honourable member is referring to the previous Deputy Minister of Health, that would be Mr. Frank Maynard, if that is who it was. Many of our community programs are financed out of savings achieved in the acute care sector. That is what health reform is all about. It is not an effort to try to spend more money but to spend it better.

We had this discussion with the honourable member for St. James (Ms. Mihychuk) a little while ago who wanted us to spend more. I have resisted that, and maybe it does not meet with 100 percent agreement, but I think that we have to be able to provide health and health care services from the budget we have been

working with. It has grown and grown and grown. It is at very high levels as a percentage of total spending. That is for health only.

When you take into account the discussion we had with the member for Crescentwood (Mr. Sale), and if you look at other expenditures of government that go to the promotion or preservation of health, it is probably a lot more than 34 percent once you take in infrastructure expenditures on clean water and those sorts of things.

So I do not know exactly what Mr. Maynard said on that occasion, but it would not surprise me if he suggested that money for an AIDS strategy would come from money saved from efficiencies brought about in the acute sector. That would not surprise me. In fact, there is unanimous support for that approach to health care reform.

Ms. McGifford: Mr. Chairman, I feel that my question as to when the AIDS strategy will be ready still has not been answered. I wonder if I would be correct tomorrow when I phone AIDS service organizations in the city of Winnipeg to tell them that there will be no AIDS strategy in 1995-96.

Mr. McCrae: I am not sure if I heard everything the honourable member said. It sounded a little intimidating. It was not meant to be. Good. Because you see to operate that way would be to provide knee-jerk sort of responses to issues and I cannot work that way. The reason our health system—if it is in trouble—the reason it is in trouble is because of governments that operated that way in the past.

I go back to my previous response which refers to input from people who know more about this matter than I do—community agencies and representatives of people who advocate in the area of AIDS awareness and so on—and when those consultations are done, then we will have a policy. I hope it is soon. I hope it is very soon because I share the same concerns as the honourable member.

Ms. McGifford: Mr. Chairman, the Village Clinic is changing its service mandate from a clinic specializing in HIV AIDS to a geographically responsive clinic.

Does Manitoba Health have a plan for dealing with this change?

Mr. McCrae: I hope that the honourable member can use this information. Right around the time of the federal budget, representatives of the Department of Health here in Manitoba met with the Village Clinic representatives to give them some assurance about federal cutbacks, and that we would fill in where the feds left off. Indeed, the federal government has made life difficult for all of us, but we told the Village Clinic that we would be filling in the funding, that shortfall created by the federal government, until the AIDS strategy is in place. I hope that approach will be of some assistance. We value the services being provided.

Mr. Dave Chomiak (Kildonan): Mr. Chairperson, I wonder if this might be an appropriate time to take a small break before we resume questioning, perhaps five minutes?

The Acting Chairperson (Mr. Radcliffe): So be it.

The committee recessed at 10:15 p.m.

After Recess

The committee resumed at 10:23 p.m.

The Acting Chairperson (Mr. Radcliffe): Committee will come to order.

Mr. Steve Ashton (Thompson): Mr. Chairperson, I would like to ask a number of questions to the minister in regard to a number of health issues, some of which I have raised in previous sittings of this committee and some of which I have actually raised in Question Period, as well.

I would like to begin with a question to the minister further to what I was asking earlier today in terms of the situation at the three northern hospitals. As the minister is no doubt aware, the original guidelines, the rural guidelines, were announced in 1993. The minister was in Thompson at the meeting that was arranged. I appreciate the fact he came to Thompson

and met with members of our community and surrounding communities.

What took place was a process afterwards whereby those guidelines were reviewed and subsequent guidelines were brought in. A number of problems have been identified with those guidelines. Incidentally, some of those problems have been identified by participants at both the subcommittee and the committee level of that review process.

For example, in the case of Thompson General Hospital, there are concerns related to the emergency ward, the special-care unit, and one I would like to highlight is in obstetrics, where the College of Physicians and Surgeons in August of 1993, at that time, prior to these guidelines, indicated that there was a potential for a serious mishap because of reduced staffing levels that had already taken place at that time because of the cuts that were brought in because of the deficit that the hospital was faced with.

So, in other words, we are faced with a situation whereby the cuts that have already taken place have had an impact. We have a warning from the College of Physicians and Surgeons. I know this concern has been raised with the consultant from the Department of Health that came to Thompson. It was raised by both hospital administration and by staff at the hospital.

So my question further to what I was asking this morning is to find out when the revised guidelines will be announced, because every indication I have received from the minister and from the Premier (Mr. Filmon) is that where concerns can be documented and where the government accepts that—and we may argue over what is a legitimate concern, but, obviously, the government itself has said if those concerns are accepted, the layoffs will not take place to that degree.

Thus far, the cuts are still on hold. I am being asked on a continual basis. I know it is a concern in all three northern communities. What we want to know is, when are we going to get some final announcement on what cuts are going to proceed, when they are going to proceed, because there is a two-year phase-in and what cuts will not proceed from the revised guidelines because of the concerns expressed by the hospital?

Mr. McCrae: Mr. Chairperson, I believe the honourable member has a pretty good grasp of how the whole matter has unfolded since September of 1993, when I was appointed Minister of Health and the staffing guidelines, as they then were, were put on hold, and the implementation pursuant to those guidelines was put on hold.

* (2230)

Since that time he is aware, too, that we have spent a good deal of time on the issue which I suggest demonstrates pretty clearly that, where patient care is concerned, the imperative to save money has not been the priority. I think we have demonstrated that amply and demonstrated that, as a government, here in Manitoba, we are quite prepared to place resources at the disposal of hospitals and other health care providers throughout Manitoba at levels which are virtually unmatched anywhere in the country.

That being said, there is no way I can justify to my colleagues or to hospitals in Manitoba which have been able to work within appropriate guidelines, there is no way I can justify an indefinite moratorium on implementation of legitimate staffing guidelines. I recognize the difficulty faced by some facilities because, for whatever reason, over the years, some facilities have allowed their staffing complement to exceed, and in some cases exceed significantly, levels in other facilities whose job it is to do the same thing, i.e., to provide care to Manitobans wherever they live.

It is true, I did visit the city of Thompson and, thanks to the honourable member and his organization of his community, I was able to take part in a meeting there, with people representing various aspects of the community. It was a positive experience. There were no untoward activities or anything like that. I give the credit for that to the honourable member for Thompson, who, I believe, approached the issue in a way that I felt was reasonable and fair.

Since that time, as the honourable member knows, we have engaged in an extensive review of the guidelines, and the honourable member has set out that there was a committee and several subcommittees, and I remind the honourable member that representatives

from the North were on all the committees. The guidelines, it is expected, will be implemented over a two-year period, and consultants from Manitoba Health are having ongoing discussions with facilities. As I said, in answer to the honourable member for Flin Flon (Mr. Jennissen), if there is a legitimate reason why a facility cannot initially meet the guidelines, exceptions will be made until a satisfactory solution can be found.

I think the specific part of the honourable member's question is one I am not able to answer tonight, and that is, when is the next contact with Manitoba Health consultants? I do not expect it will be long. I do not know exactly the date for that. I hope that as soon as we ascertain that we could let the honourable member or other members of the community know about that, especially the hospital administration. I do not wish to, in any way, make insignificant the impact this kind of implementation will have on a community like Thompson or Flin Flon, where, unlike in other communities, the concept of part-time or casual-type staff, you do not see as much of that in northern communities, as you see in some of the others.

However, there are a number of rural communities who have the same situation as that. So that when you do reduce positions in a hospital like that, it might be a little more difficult to make the voluntary separation approach work as well as it might work in a place like Brandon or Winnipeg. I recognize that.

I understand that, because during the election campaign, some of the proposals put forward by some of the hospitals were delayed or put off, or whatever happened, because there was an election campaign on, and that is perhaps understandable. Still, we do need to see the proposals coming in from the facilities. Sometimes a proposal for implementation will come in that is not acceptable to the department, and, as the honourable member has pointed out, that may be a subject for disagreement or for negotiation or whatever.

All I can tell the honourable member, if he wants to make a report back to his community at this point, is that we will continue in the time that we have to be as sensitive to the local needs as possible. We will attempt to, of course, be reasonable with the people with whom we are dealing in order to bring about the

savings that can be achieved by adherence to guidelines that have credibility built into them.

I realize the honourable member said there are problems still and all after all of the process. Well, that is something I can perhaps understand, and it will be up to the administration at the Thompson General Hospital to put that case to our health consultants. The honourable member says they have. I guess that means they have already put in their plan, and I guess there are aspects of the plan which have not yet received agreement from the Department of Health.

So, I fully acknowledge that the process is going to be difficult no matter how you try to humanize it, no matter how you try to make it sensitive to the labour issues that, of course, are part of this. When you are dealing with a facility that has been staffed at higher levels than other hospitals, there is a period of adjustment, no doubt, for those who are left to run the facility.

I did want to say that the questions being raised should also take account of the fact that in Thompson, as well as everywhere else, there have been new technological advances and surgical advances that have had the effect of reducing lengths of stay in northern hospitals as well as everywhere else. You cannot argue on the one hand, we need more all the time, and accept and acknowledge that, yes, indeed, technological advancements are having the effect of leaving our hospitals with more capacity than they have had in the past.

That is another way of saying that some of the directions in reform are indeed working in the way that it was expected they would. It does not take away the human dimension of change, but it needs to be said that without change we run a very real risk of losing our health system as we have known it and as we might have it in the future. If we do not get our act together in health care, we are going to lose it, and I refuse to subject my fellow citizens to that kind of risk.

(Mr. Chairperson in the Chair)

Mr. Ashton: I appreciate the minister's comments, but even in his comments I think the minister is buying into

what has been the problem with this process from the beginning. I will tell the minister that people who are part of the process have described it as a farce. They felt their views were not listened to. They felt, in fact, there was agenda to begin with that went beyond an open process. I hope the minister would look at the fact that the process itself ended up producing very much the same guidelines that had been brought in in the first place, in 1993, with minor revisions. They are marginally better in the case of Thompson.

The second point I want to deal with is the minister talked about other hospitals living up to guidelines. The minister should be aware that it is only rural and northern facilities that face guidelines. The hospital in his constituency, in Brandon, and hospitals in the city of Winnipeg are part of a different process where there are no guidelines in the same way that you are talking about rural and northern facilities.

* (2240)

The third point to the minister is that the issue in this particular case relates to the specific, unique circumstances of northern Manitoba. I will give the minister some examples of how unique northern Manitoba is in that circumstance. In the Thompson General Hospital, in obstetrics, 37 percent of patients are high risk. In the Thompson obstetrics ward is the highest infant morbidity rate in the province, and it should not come as any surprise, Mr. Chairperson, because when you look at what has been happening in northern Manitoba—this is something that my colleague, the member for Rupertsland (Mr. Robinson) has pointed out many times—is that aboriginal people face specific health circumstances that are leading to much higher rates of illness and morbidity.

People are literally dying in northern Manitoba, aboriginal people. In fact the member for Rupertsland shared some statistics with me. I want to put these on the record because it points out not only the need for recognition of these facts in any hospital guidelines, but for an aboriginal health care strategy. The number one leading cause of death is injury and poison. The suicide rate for aboriginal people in Manitoba for men is twice as high as the rest of Manitoba, for women 2.5 times higher. Violent deaths are three times higher for

aboriginal people than the rest of Canada. In 1987, and there is more recent information available, the Thompson region had the highest death rate amongst children aged 28 days to 14 years. A large majority of these children were aboriginal children. Aboriginal children in Manitoba were 4.4 times more likely to have a congenital condition than non-aboriginal children.

You can continue in virtually every other measure of health care. That is very much why, when I talk about northern hospitals, I am talking about not only the communities served by those hospitals, the immediate communities, the surrounding communities as well. I am talking about, in particular, aboriginal health care.

The next thing I want to deal with is, the minister talks about, well, we have to deal with change. The hospitals have dealt with change. The Thompson General Hospital has reduced the number of beds from 100 to 85. By various calculations, these guidelines will result in further decreases anywhere between 68 and 72 beds. There are various estimates, in terms of the impact it will have. I use the bed measure not as even the only, or certainly even an adequate measure in terms of what is provided in terms of health care by a hospital. I want to point to that because that is one easily documented statistic in terms of that.

The reason I documented the circumstances in obstetrics is because the College of Physicians and Surgeons have said because of the reductions that have already taken place there is potential for serious mishap, because of reduced staffing levels. I can provide the information on that to the minister. I can say that the review process, because of the way it was handled, a lot of that information was not available to that review process. That is one of the concerns that took place with the process, and I can tell you that in fact the hospital did send the information and extensive report and that was one of the points that was pointed to.

I want to go one step further and concentrate on the reductions. The minister will know that with the emergency task force and various other reports that have been in place. The minister will know that in

terms of the planning of the Thompson General Hospital. The minister will know that when his own former ADM who was in charge of health care reform came to Thompson, all of them point to one thing. That is, as part of any real health care reform some of the significant regional facilities should be used as regional centres which will involve an increase in resources in certain areas. The emergency task force is a good example of that. How can we look at greater regionalization of emergency cases when we are going to reduce the emergency ward in the Thompson General Hospital down to one nurse and cut the special care unit down to one shift a day? It just does not work.

Similarly, in terms of obstetrics, I pointed there to some of the problems where reductions have already taken place. What is happening now increasingly with obstetrics and other areas in terms of northern hospitals is that doctors are referring patients to Winnipeg, both out of Medical Services and doctors in the provincial system. As the minister knows, that adds additional costs in terms of transportation. I really am concerned about that because every study that has been done has pointed to the need for greater regionalization of many areas particularly involving the Thompson General Hospital.

So I look at this whole spectrum. The hospitals have reduced already, warnings have already been given, not just from members of the Legislature or from staff or from administration of the College of Physicians and Surgeons. I point to the significant difference of the profile of populations in northern Manitoba.

There is a real problem out there facing many aboriginal people, in terms of health care. It should not come as any surprise to anyone. There is no sewer and water in a lot of aboriginal communities. There are high rates of unemployment, high rates of poverty. There is a lack of even the most basic facilities, even line power does not exist in many northern communities. There are inadequate or no roads, and there are many people in northern Manitoba who feel they live in Third World conditions.

It shows up in our hospital system. To my mind, to deal with that, there are a couple of things that need to

be done. The first thing is not to further cut the northern health care system, because the people who will suffer, many of them will be the aboriginal people who just cannot afford to suffer anymore.

What we need to do is go beyond that, not just regionalize to improve some of the specific hospital services, but it is to develop an aboriginal health care strategy. I want to suggest to the minister—I will make a number of what I would consider concrete suggestions here on how to deal with it. When you are dealing with northern Manitoba, in terms of aboriginal health care, you are really dealing with three different types of communities, First Nations communities, Northern Affairs communities, and the urban communities.

First Nations communities, certainly one would have to involve Medical Services, but I think that is one area that definitely needs to be looked at because there needs to be greater co-ordination with Medical Services, the federal government and the increasing role of First Nations communities in terms of health care.

In terms of Northern Affairs communities, we can talk about jurisdiction all we want, those are communities under the jurisdiction of the Department of Northern Affairs, and I can say to you, Mr. Chairperson, that their health care is absolutely inadequate. Many communities, even large communities, do not have doctor visits, they are often isolated, have difficulties in getting to medical treatment, often have difficulty in dispatch of ambulance services. A lot could be done if the province would acknowledge its role in those communities clearly in terms of jurisdiction. We can get into that if the minister wants, but these are under the jurisdiction of the Department of Northern Affairs, in terms of improving the medical care in those communities.

Such a medical strategy would include having some of the services that we take for granted in urban communities, home care, for example. That is something that is not available in many remote communities, but also I think should look at other things such as sewer and water. I mean, this is 1995.

We are going to be entering the 21st Century in five years and there are communities in northern Manitoba that have no sewer, no water, no roads in terms of access to outlying communities. The end result, as the minister will know, is an impact on a lot of things in terms of the quality of life but particularly in terms of medical care.

In terms of concrete suggestions, I would start by suggesting that the minister call a meeting with northern communities, with the NACC, the MMF, with MKO, Swampy Cree Tribal Council, other organizations and also the urban municipalities, because I think health care should be put first and foremost on the agenda at this point in time in northern Manitoba. Believe you me, it was a major concern throughout the election. I do not just mean the partisan political aspect, but it was something that was raised in every community that I visited, as a major concern.

* (2250)

I would suggest it should be a problem-solving meeting, not just dealing with the question of hospitals, but how can we make the medical system work better? How can we deal with the tremendous medical problems that are facing many aboriginal people?

I mentioned some earlier, but I could mention many others, many on the mental health care side. There have been six suicides in Oxford House. Six suicides, young people. Surely, that in itself should call for some bringing together whatever ideas and resources we can put together. I want to suggest that the minister consider doing it, perhaps in conjunction with aboriginal organizations, the urban communities, perhaps in conjunction also with Medical Services in the federal government. But somewhere along the line we have to recognize there is a major problem out there and deal with it.

There are some other things that can be done to improve it as well. In terms of Northern Affairs committees, I believe the Department of Health could look at co-ordinating the provision of medical services. Many of the communities are fairly large communities. I represent the community of Wabowden, for example; it is one hour away from Thompson. It used to have a

visit from a doctor a number of years ago; my brother, who is a physician, also was part of the practice in there, which was done by a private clinic. But private clinics often do not have the time or ability to co-ordinate that.

Why can we not co-ordinate physician visits to Northern Affairs communities? Physician visits do occur in many First Nations communities of similar sizes because Medical Services co-ordinates it, deals with it in terms of contract provisions. By doing that, Mr. Minister, you not only improve access to health care, but you also can cut down on transportation costs. If you bring one doctor to a northern community, it stops the 10 and 15 and 20 patients from having to go to visit that doctor. I believe over time you can establish preventative health care. That is one suggestion.

I have some other suggestions as well in terms of the operation of nursing stations. Right now, there is a whole series of gaps between how we operate nursing stations and how we educate nurses. For example, we have a Northern Nursing Program through KCC in Thompson. Last year, many of the graduates were unemployed, could not find employment. I will give you an example of how unfair that was. In one case, when a woman applied for a job at a local health facility, there were two positions. One of them was a person who was hired locally; another was person who was hired from outside. This is the same woman who told me she has contacted virtually every hospital and every health care facility across the country to be told in each and every case that they hire local residents first.

Even when the jobs fit the qualifications of graduates, they do not get the employment necessarily. Some Northern Nursing graduates are working in Wal-Mart in Thompson. That is how difficult it has been for them. I want to go one step further because we have various requirements for the nursing stations in terms of Northern Affairs communities and the nursing stations in the First Nations communities. I do not know if you are aware of this, Mr. Chairperson, but to practise in many of those communities, it is not sufficient to graduate from the Northern Nursing Program, or even a bachelor's

program. In fact, there are two remote nursing programs in Canada. One is at Dalhousie University in Nova Scotia, the second one is at McMaster University in Hamilton. So, to get this, I think, sort of straight for a second—to get the additional training for the remote nursing, you have to go to Halifax or to Hamilton. Somehow, that does not quite make logical sense to me.

To my mind, to have the appropriate training, why can we not do it in Manitoba. We have got remote communities. We have got remote nursing stations. We have got hospitals. I want to take this opportunity to lobby. Certainly, I know the minister is involved in discussions with the proposal for the bachelor of nursing program that is being put forward by the MKO because I think that would be the first major step toward achieving that.

We took one step with the provision of the R.N. program, the Northern Nursing Program in Thompson, through KCC, originally with Red River. That is another step that could be taken.

But there are a lot of concrete things that could be done in northern communities, and I would suggest that it is not just a question of service. I already believe, in many cases, if those kinds of provisions are taken, we can improve the long-term health of people in the communities. I can talk about a lot of other things, too, in terms of preventative health care. I think there is a lot of potential in northern communities.

I will give you a quick example of something that should be replicated in community after community, and it is in the constituency for the member for Rupertsland (Mr. Robinson)—Berens River, the Berens River Ikwewak food co-op which produces food in that community.

You know, many northern communities, and I am sure the member for Rupertsland can provide much more information on this than I can—20, 30 years ago many northern communities did have significant production of local food. I know, talking to the elders in the communities I represent, they still reference the fact that there was significant food production in terms of vegetables, berries, et cetera. We do not do enough

to promote that, and that is probably another area of preventative health that could be dealt with.

I could continue—I mentioned about home care. There is a need for home care, and the minister talks about some of the changes in hospital policies. We turn people out of the hospital quicker, and in northern Manitoba we send them back to their communities where we have no home care. There have been numerous problems of people ending up with severe difficulty when they have gone back to their community, including infection.

In some cases, people at risk of infection were being sent back to their communities which do not have sewer and water, so they are more susceptible to infection, and ending up back in the hospital for much more difficult infections and much more difficult situations to treat.

I realize that I could continue in terms of a number of other items. I will be providing this in documentation to the minister because I think a lot of these issues that we are dealing with here require that sense of bringing things together. I mentioned this when I referenced some of these issues in the throne speech, and I have written to the Premier on this.

There is a big gap that is developing in this province. Some of it is political, but some of it is also just in terms of what we receive in terms of basic services. I think there are many people in urban communities, in this city, and many other communities in Manitoba that have no idea what it is like for people living in northern Manitoba.

But, you know, it does not always have to be that way. There are things that can be done, and in some cases what we need to do is not spend a lot more money; in some cases, we do not have to spend any more money.

In some cases, we have to be more focused, more creative, and we have to bring people together to solve the problems. Because, you know, a lot of times we will spend money out of one budget, transportation to send people to Winnipeg for treatment, instead of spending that same money and providing better

services in northern Manitoba. It is wrong not only in the sense the way the system operates, it is wrong for the people themselves.

So I realize, Mr. Chairperson, that there are many issues I have raised. I do not expect the minister to respond to all of them at this point in time. I would certainly welcome the response to the letter I will be writing to him, because I will be documenting these. By the way, many of these suggestions are not my own suggestions. They are coming from many of the organizations, administrations of hospitals, staff at hospitals, patients. I think pretty well everything I have listed falls in that category.

But I would particularly hope one thing, quite apart from the specifics of the hospitals which I will continue to raise with the minister, and that is some sort of a commitment to an aboriginal health care strategy. The member for Rupertsland (Mr. Robinson) raised in Question Period, I believe, the fact that we were the only province that did not send a person to a Canada-wide meeting that took place in terms of aboriginal health, and I realize the minister said that the aboriginal health consultant was not in place at that time, that is why that took place.

Presumably, now that we have the consultant in place that no longer applies. What I would like to suggest to the minister is that maybe that Manitoba should take a lead role. We have the highest aboriginal population in the country. We have got a lot of significant health care problems. We also have a lot of expertise. So perhaps we can take the role, bring that expertise to Manitoba and get some constructive solutions to many of the real challenges we face in terms of aboriginal northern health care.

* (2300)

Mr. McCrae: The honourable member did indeed cover the proverbial waterfront with his comments this evening, and I know that my response will pale in comparison to what the honourable member has had to say. I felt that he came well prepared to make his comments tonight and covered issues that, to a large extent—I can certainly see the thoughtful homework he

must have done in order to bring forward the comments tonight, so I commend him for that.

Of course, there are a few areas I would take issue with, but for a good part of what he had to say, I appreciate and identify with—and indeed many of the things he said fall well into line with the basic reform policies we have been trying to encourage here in the province of Manitoba.

I do not know quite where to start, so I hope my response will not be seen to be insufficient, but I fear it may be insufficient, so therefore I look forward to the honourable member's correspondence so that I can be given an opportunity to respond fully to each and every matter that he raises with me.

He takes issue with the process with respect to the northern and rural staffing guidelines, and that is alright. That is his right to do. To say, though, that—I mean, I have heard this so many times before. To say that, yes, I was involved on a committee, and there was a foregone conclusion, there was a hidden agenda, and the deal was done before the committee ever got started, I think does a disservice to those who worked very hard on the staffing guidelines review to do a good job.

I do not think I have said often enough that I genuinely appreciate the work that was done and the efforts that were made by those involved in that process. I should say that more often, because I think it was a very important process.

To say what the honourable member said also may do a disservice to the—[interjection] Yes, the honourable member was reflecting what some members of the committee had to say. I do not lay this at the honourable member's feet. He is repeating what he has heard said by some others. So I say to those people, anonymous though they may be to me—[interjection] The honourable member will provide me with names, and they will provide me with this information straight to my face, and I hope that happens. When it does, I will say to those people who feel that way that they do not speak very highly of their professional colleagues who are professionals serving on these committees.

[interjection] Some members of this committee claim they did not like the process, and I accept that.

All I say, if the honourable member will hear me out, is that if somebody wants to allege that the process was flawed should tell that also to their colleagues who also took part in the process. I am talking about colleagues representing professional organizations whose mandate, by law of our province, is to protect the patients, i.e. the Manitoba Association of Registered Nurses, who had representation on these committees, the Manitoba Association of Licensed Practical Nurses, who had representation on these committees, and the Manitoba College of Physicians and Surgeons.

The representatives of those agencies, if we believe what the honourable member's correspondents are saying, threw aside their lawful mandate in order to participate in this process. I accept that somebody might feel that way, Mr. Chairperson, but I also have to stand by what I have said. We, in our province, have a job to do in our facilities. We have people who are willing and prepared to go the extra mile to take part in this sort of process and then at the end of a year, year-and-a-half process to be told that the process was the same as other processes that are not right, Mr. Chairperson, it just seems all too convenient for me to participate for a year and a half on a process and maybe not be able to face one's colleagues at work with the report, and then at that point to say, well, the whole process was not very good anyway.

Mr. Ashton: They did not agree with the report, period.

Mr. Chairperson: Order, please. Could I ask the honourable member to allow the minister to finish and then he can come back with another question.

Mr. McCrae: My honourable colleague says there are people who do not agree with the report. I would like to hear their response to my question about the fact that we had professionals involved on those committees, people whose legal mandate is to protect patients. That is all I am saying. I am not saying that it was a pleasant process or that politically anybody agreed with anything. I am not saying any of that sort of thing. I am saying that for the honourable member, at this

point, long after the reports are done and we are into the implementation phase, to say, oh, but it was all wrong. [interjection] He said it at the time, my honourable colleague is helping, Mr. Chairperson. All I am saying is that if we listen to the honourable member, I suggest we would never do anything, and never to do anything is to signal the destruction of our health care system.

I hear and appreciate what the honourable member is reporting to me. I also am one who has to take some responsibility. On this side of the House that is what has to be done, and I think it is wise for us to operate on advice-giving. I met with some groups, notably union bosses, associated with the APM project at the big Winnipeg hospitals.

They said to me that even though they were participating in the process, they felt that they were being outmaneuvered or whatever in that process, and so therefore no recommendations really, or some major ones certainly, ought not to be followed because they were flawed, because they did not agree.

The thing of working in a consultative process is there has to be, we hope, consensus arrived at. In order to arrive at consensus on a committee—any committee I have ever been on has involved some give and take, has involved some compromises. I might walk into a room with a very clearly set agenda because I worked for a union or I am a union rep. I was a member of a union once; I paid the dues. The point is, it has become clearer and clearer to me with each and every public message purchased by unions in our province that there is more than one agenda out there besides pure concern for one's fellow citizens.

There is more of a vested interest involved. That is where, in an environment where we no longer have the luxury of just saying yes to those people who have vested interests all the time, we now have to say, we respect your views, but will you please join with us in putting the patient first. That is the kind of point that we are at in Manitoba. We can no longer say, well, it's all right, we can just go and tax the people some more or we can just go and borrow some more money.

* (2310)

Those days are over and the honourable member, in his heart of hearts, in his private moments, I know agrees with that. But I am not with the honourable member in his private moments, so we cannot have the kind of discussion I would like to have. I sincerely believe the honourable member knows what I am talking about and knows that if he were in my place, he would have to grapple with the issues that I have to grapple with, but I sat on that side of the House for a couple of years and I know how it works over there.

I think those two years of my life were good experience because I can understand what the honourable member is attempting to do. As the honourable member points out, I even got kicked out of the House once for my beliefs. Not one of my stellar moments, I can now say with delicious hindsight, it is true, but I still believe in the things that I got kicked out for.

I believe in an end to hooliganism on picket lines. I believe in an end to the kind of intimidation practised by some union bosses and their supporters, but I digress, and I get into the thing that got me kicked out in the first place, so I better stay away from that.

I know the honourable member for Thompson (Mr. Ashton) remembers that, and I know that the chairman of this committee agrees that I ought to get away from that particular discussion, in case I run the risk of getting kicked out again, and I do not want to do that. Like I said, that was not one of my stellar moments.

Mr. Chairperson, I think that it would be wise if I could be relevant to the topic here. [interjection] Come into my house said the spider to the fly, and I believe the honourable member for Thompson is portraying the role of the spider tonight. But, oh, what a tangled web we weave when we practise to deceive. I do not think the honourable member is doing that. That would not be relevant.

I think the later the hour, Mr. Chairperson, the sillier the discussion seems to become, so I will try to get myself back to the point at hand, but it is amazing that at a little after 11 in the evening, when the members of the Legislature might not be counted as legions, how much distraction there can still be in the Legislature.

I think I have tried to deal as best I can with the process of the staffing guidelines review, and I think maybe the member and I will have to agree to disagree on the point.

However, he has invited me to go eyeball to eyeball with the people he has been talking with, and that is something I am up for. I can tell you that, Mr. Chairperson, because I have done it before. I am prepared to do it again because I want to ask detractors what it is about the process that has been so flawed, from their point of view, because it seems only in the honourable member's case that I hear that, unless the honourable member for The Pas (Mr. Lathlin) wants to echo the same point of view.

But, you see, the member for The Pas represents an area where an aboriginal leader put out an emergency press release to allege that the cutbacks at The Pas General Hospital have resulted in an incident in the emergency room, even though there had been no cutbacks to the emergency room, and demanding an emergency meeting with the minister, even though there had been no cutbacks in the emergency room of The Pas.

So one has to begin to try to ascertain what may be behind such a press release, the timing of it being what it was and so on, and what was it that was being attempted to achieve.

I am quite prepared to stand in my place, Mr. Chairperson, and address reductions in funding where reductions occur and talk about the responsibility that I have, and my colleagues on this side of the House have, to spend the largest budget, as a percentage of budget, on health anywhere in the country. I am quite prepared to do that, but it is so much more meaningful when it is based on facts and not on something somebody made up.

So, in response to that emergency press release, I expressed some frustration with people who would, in the name of health care, put on the public record incorrect information in order to try to achieve some end or motive or objective that seems to have nothing whatever to do with quality health care but something to do with something else altogether.

The honourable member asked about Winnipeg and Brandon not being part of the rural and northern staffing guidelines, and it is a legitimate point, and I accept that.

We have embarked upon a secondary care review for all the community and tertiary hospitals providing community or secondary care, and I dare say a review of use that is made of these facilities and the staff who is there to deal with that use would be relevant to a review like that.

I know, coming from Brandon, that I hear—because I know so many people there and many of them in the health care field, people talk to me about how busy the staff at the Brandon General Hospital can sometimes be. I hear from patients from time to time who make the same claim, and I like to be very responsive and sensitive to those things when they come up because it is my job, I feel, to be concerned about the health of the patients that are in our care when they are in our facilities. So each and every time an allegation comes forward, I follow it up and I satisfy myself that in real terms either the concern was not justified or if it was justified that appropriate measures are taken by facilities to deal with the issues.

However, concerted attempts by unions to outspend governments and everybody else combined when it comes to advocacy during an election campaign—there are times when you use actors to portray things on public messages to people about something so important as health care. That, for me as a Manitoban, detracts from the message that they are trying to get across. [interjection] Yes, sometimes canoes get used, and I really do not know what that has to do with using actors to portray the concerns of a health care worker. I fail to see the comparison.

In any event, I hope that that secondary review will reveal for us a number of improvements that are possible for us, as we try to develop a network in a big city like the city of Winnipeg, or a small city, depending on how you look at it. But I think of Winnipeg as a small city when it comes to the issue of health because I know that we have seven acute care facilities that, if they were more appropriately coordinated, I think there is room for lots of

improvements for patients in the Winnipeg area. I would like very much to have the support of honourable members in moving forward to bring about improvements in our system here in Winnipeg and in Brandon too.

* (2320)

The honourable member came around later in his comments when dealing with aboriginal health. He started out to try to make a case for hospitals when really what he was talking about was conditions in communities that really need to be addressed as much as or more than the focus of his comments. He is still working in the world where the acute care facility is still the focus of everything having to do with health care. Right?

An Honourable Member: No.

Mr. McCrae: No, hear me out, because I am not trying to put words in the honourable member's mouth, but he started out with all of this focus on hospitals. Well, that does draw people's attention. I grant you that. That is a fact, and that is a way to do it. If you want to make political points, point to the acute sector where reductions are happening. Go ahead, that will work.

An Honourable Member: If you are having a baby, or you need emergency care, where do you go?

Mr. McCrae: You go to a hospital when you are having a baby or needing emergency care. As a rule, that is where you go, and no one wants to stop that because that is what we need to do.

But, if the honourable member will let me complete my thinking process here—granted, mine might be a little slower than his—I would like to develop my theme here, which rounds out what the honourable member was saying, because he did get to the point of communities and the developing of communities. I think it was appropriate for him to do so.

I would like him to put more emphasis on that because we are not going to develop communities in addition to adding and adding and adding to the acute

care centre because, at 34 percent of government spending on health, there is no province that does better than we do.

His government certainly did not do as well as we are. His government was not committed to health care. Is that a fair statement for me to make? Of course not. His government was committed to health care, but just not as committed as this government is, that is all.

What he says about the development of communities is absolutely true. Absolutely true. But why does he not give it some real meaning by working with us, to say, well, at the levels of spending that we are doing on the community development and social services, we are going to make some improvements? We are going to make a real difference to health care for the future by working together to bring about the changes.

How are we going to get Northern Affairs communities and reserve communities to respond to the call in the action plan which talks about the development of communities? How are we going to do it if all we are ever going to do is attempt to score political points in the debate? I know there is room for a reasoned debate and lots of legitimate disagreement. I know there is, but to what end? Is it to help win elections or is it to help us build a better society?

Well, I have been working for seven years on this side of the House to try to build a better society, and I have found that much of the time in this place, rather than being encouraged or assisted by constructive criticism, I am hounded, I am badgered, I am faced with an onslaught of unfair, artificial, fake, made-up accusations and allegations and criticism. That is not helpful.

An Honourable Member: Which one of my comments was not real?

Mr. McCrae: Okay, the honourable member wants to know which ones of his comments are a concern. I was not accusing the honourable member individually, because I started out my comments by saying I thought a lot of the things the member was saying were right on the mark. I guess my comments are directed perhaps a little more to the official critic for the NDP party,

sometimes the Leader of the New Democratic Party, who are most often the spokespersons for the party on matters of health care.

This is one of the few times I have been able to hear the honourable member's comments. I know that he speaks often in his community on these issues. I know he writes in his community on these issues, and I know he does his job. All I am trying to do is appeal for some reason. The election is over now. We have got an opportunity in Manitoba to be a model to the rest of this country. In some ways we already are, but in some ways we could be. We could do so much better by working together on health care issues.

I get it from the Liberal Party. I get my fair share of criticism from the Liberal Party—[interjection] Very funny, very funny. The honourable member says, not as much any more, a reference to the reduction in the strength of the Liberal forces here in the House. Well, out in the rural, maybe not even in the rural areas, we have an expression. It is called rubbing one's nose in it, and I really do not know that it is going to achieve anything more for honourable members in the New Democratic Party to continue to rub the three Liberal noses in it, because it is pretty clear what happened in the election campaign. The Liberal Party did not come out the big winner. It is a fact, it is recognized. How much longer are we going to keep rehashing that aspect of things? [interjection] I guess it is never going to go away, Mr. Chairperson.

We know, too, what happened to the federal Conservatives, and one could include in that list the federal New Democrats, I suppose, too. [interjection] I guess those federal New Democrats just did a wonderful job, did they not, Mr. Chairperson? They got six seats, or seven or eight or whatever it was. [interjection] Maybe it is the hour. I do not know how long we are going to be going at this here tonight. In my own inadequate kind of a way I am trying to respond to some of the points that the honourable member raised.

By the way, when he spoke about obstetrics at Thompson General Hospital and the 37 percent risk rate, that is high, and that is acknowledged. The guidelines for obstetrics were increased in Thompson

as a result. The point I make with the honourable member is that Thompson is the only normal northern hospital recognized Level 2.

Anyway, I do not want to belabour my comments unduly, but just on the vein that I was on a little bit about constructive approaches and so on, why did the honourable member not make reference in his comments to the very, very significant efforts by this particular government in the area of claims in northern Manitoba? Why did he not make some reference, while he was talking about physician visits, to the concept of nurse resource centres that we are planning in Manitoba? We have got the first one under way in St. Vital, and there are plans for Thompson and northern Manitoba, two other locations.

Physician visits, I take what the honourable member said, but why did he not say that I think this nurse resource concept and an integration of the health professionals in delivering services in communities is a good idea? Why did he not say that? Is it beyond his ability?

The honourable member talked about conditions amongst the aboriginal population. It is the closest I have heard—[interjection] Oh dear, maybe the honourable member will grant leave for me to carry on. We will see you in two minutes. The closest he came—[interjection] Yes, right. The honourable member was talking about the circumstances of aboriginal people and compared those circumstances with other people. He comes closest in the caucus of the New Democrats to addressing the real issues, and I will give the member credit for that.

* (2330)

I have found that all you do is end up getting in trouble if it is me doing it, calling attention to the high suicide rate, the high levels of alcohol and drug abuse amongst aboriginal people, the high levels of abuse of women and children on reserve and other aboriginal communities. Those are real problems, and they require something that goes well beyond the traditional health system that we talk about day in and day out in this place in terms of solutions. It requires a much different working relationship with the aboriginal

leaders than the kind that you see when they put out emergency press releases complaining about something that is not a fact. That is a problem.

The aboriginal people are suffering because they do not get good representation from their aboriginal leadership, and they do not get representation from the other leadership either. That good representation would bring them together. I think that the kind of thing that the honourable member wants to see is exactly the kind of thing I want to see.

Why is it that aboriginal women, and children especially, have to suffer for more generations because their leadership and the other political leadership in this country cannot seem to come together and solve problems and work together. I was not able to respond to all of the comments made by the honourable member simply because his comments were so well put together and mine are a little bit on the fractured side, but that is because he obviously was well-prepared for this discussion tonight. He talked about food production being commonplace 30 years ago. How come it is not commonplace now? I do not know the answer, but I would like to know the answer to that.

The honourable member also did not make any reference to the major advances in mental health care delivery services being provided. He points out he has done it before. I appreciate that. He is right; we could do more of that too. No matter what good you do, Mr. Chairperson, I will never question that you could always do more, but to simply use that as a criticism is not good enough. There are things we are doing today that we have never done before and we are doing it in northern Manitoba and we would like the honourable member to remind his constituents about that, too.

Mr. Ashton: I want to indicate to the minister, and I think he knows me well enough and I know him well enough, that when he talks about not giving credit for areas that I feel are positive—I have done it before, and I will do it again. I have said this many times. I did it on the mental health care. I did it as Health critic for the New Democratic Party.

At the time there were some major initiatives taken by the then-minister Don Orchard. I, quite frankly, did

not agree with him on many things. I agreed with him on the mental health care. I certainly supported that.

He made reference to the nurse health care centres. I have spoken for many years in favour of that concept a number of years ago as Health critic for our party. In fact, I believe that, if anything, some of the proposals we had put forward, some proposals that we put forth in the election, are far more the model that should be followed in terms of establishing complete community health centres. I think that is the route to go.

By the way, in the case of my own community, one way that would take some pressure off the emergency ward that has been pointed to, and I have pointed to it myself many times, is by having a community health centre where people who perhaps do not require the most severe emergency care can be diverted to go there because a lot of the cases that are dealt with in Thompson are in that category, a significant number. There is no other place for people to go. This is not the city of Winnipeg. We do not have walk-in clinics, for example. So it is a matter of being restricted by the hours of operation.

I have been very clear in that and, quite frankly, I make no apologies for being critical of the government in terms of what is happening with the hospital care. We have gone from 185 beds at Thompson General Hospital. We have done our bit; we have reduced. Quite frankly, I think in some areas it has probably affected patient care. But, you know, that is the point. That is what frustrates people in the facility. It is the fact that the reductions have already taken place internally and now further reductions are being pushed forward.

The concern about the process again was not any of the credibility of any of the individuals in the process, but I am sure the minister knows, it depends on how you set up the process. If the minister sets up a committee with a certain mandate, it produces one result. If he sets it up with another kind of mandate, it is going to do totally different work.

The fact is I do not believe, and I documented it earlier, that the kinds of cuts that were proposed and the guidelines can be put into place without affecting

patient care. Period. Not just my words, the College of Physicians and Surgeons has referenced that in obstetrics. I can run through the whole list again.

I want to mention again too, because I think the Department of Health is playing games with words here, because I received a letter from the Premier (Mr. Filmon) talking about this reference to the guidelines having been affected.

Let us compare apples and oranges. The fact is, in the case of obstetrics, the case of the special care unit and the case of the emergency ward and other areas of the Thompson General Hospital, and in a similar way in Flin Flon and The Pas, what you will see is reductions in staffing. For years, the so-called rural guidelines have not been followed because in many cases, I believe, Mr. Chairperson, they are not practicable, to use a term that has been used in this House in other ways. You cannot follow them. You cannot follow them without affecting patient care.

So what has happened in the case of the obstetrics ward is the final round of guidelines as compared to the previous guidelines that were in place, the ones we were dealing with in '93, are marginally better. They still result in reduction, and they still result in reduction when the College of Physicians and Surgeons has said that will lead to a potential for serious mishap. If the minister wants that quote, I can provide it to him—August of 1993 prior to any of these cuts.

So, that is what I am pointing to. That is a concern that was expressed. You know, that is why I phrased my initial question in terms of the health care consultants, because I disagree with some of the process that took place, fair enough. I do appreciate the fact the minister came to Thompson. The end result is, I believe that the process ignored a number of the concerns that were expressed. The minister himself, the Premier (Mr. Filmon) has said that those concerns will be listened to and if the hospital can make the case, the cuts will not proceed.

I am saying that the hospital has made its case in a number of areas. In fact, if the minister wishes to see the analysis by the Thompson General Hospital of the impact of the original guidelines in 1993, a document

that was produced when this process was ongoing, a document which I have been told by a number of people who were part of the process who felt it was not considered because of some various aspects of the process, I can show the minister.

I really get frustrated because, and I am not saying this so much even with the minister, but the fact is that when the college of physicians says, very clearly—this is the College of Physicians and Surgeons—how far do we go down the line before this process picks it up and says you cannot do it? How far do we have to go before we get out of this mental trap of saying, well, the guideline is slightly better than the previous guideline.

The actual is what the college looked at, the actual staffing. It said there is a problem. In 1993 it said there was a problem because of cuts that had already taken place. Now we are proposing further cuts. It does not take too much to flag that as a concern.

* (2340)

The same thing with the intensive care unit and the emergency ward. You cannot handle the number of emergency cases in Thompson with one nurse's shift. That is what the guidelines propose. You cannot operate a special care unit in a facility that serves the population that Thompson does on one shift a day. That is what is being proposed by the guidelines.

Repeatedly the hospital has made the argument, and the staff has made the argument, and all of the hospitals have made the argument, that one of the difficulties we are dealing with is balancing the fact that you do not have a constant flow of patients. There are ebbs and flows, and the problem is when you hit that crunch. When you hit the crunch at emergency, what do you do? With one nurse you have a major problem. And also, by the way, the guidelines take out the float which provided some flexibility. The supervisors' positions, the two positions, are still being reviewed. They may or may not be cut.

I mean, I can get into details. I can provide the documentation, and that is the way I wanted to start this discussion because I am not getting up here and

slamming the minister for cutting and not backing it up with the evidence. That is not my point. We can get into broader debates about health care policy. My point is, there is clear documentation this goes too far and that is where I am hoping that somewhere along the line it will get picked up.

I appreciate when the minister came to Thompson in 1993. I think it was a dramatic change in style. I do not think that it would have happened before. I do not mean that as a shot at the previous minister, but I think the minister knows, and anybody in this House knows, that the previous minister would not have taken that approach. I think it was very constructive he came.

I am asking him now, at sort of the back end of this process, to take one more look at it. His consultants have met with the hospital, and I can sit down, and I can document it. I have got the documentation from the hospital. I can put him in touch with people who can explain it to him directly. I have met with people in The Pas and Flin Flon, as well.

You know, the sad part that has come out of this constantly is many of the grassroots people involved in the health care system have said, involve us and we can show you how to save money. It may not be the way that you are bringing in the guidelines, and I have heard that from people in Thompson, I have heard it from people in Flin Flon, and I have heard it from people in The Pas. So that is the approach I am taking.

I also want to make one more comment on the minister's comments because I was quite disappointed in the comments on the aboriginal leadership. I do not know what the minister has against the aboriginal issue. I know he had some fights with the Minister of Justice, with some of the chiefs, and I know there was some hard ball both ways.

Mr. Chairperson, I represent eight communities. I represent three communities of First Nations and a fourth that has attained First Nations status. I represent four Northern Affairs communities, in fact five if you include the one which is in transition and I represent an urban community. I will say to you, I have the utmost respect for the leadership in those communities. They are in touch with their communities. They are elected.

When they speak, they speak for their communities. When they speak on health care, they speak for their communities.

I realize the minister may be sensitive about one particular press release that took place, but I think he has to understand the concern of people in The Pas. People in The Pas were very concerned about the cuts that have been announced under the guidelines, which have yet to be implemented. We are very concerned about that. Some of the cuts have already taken place. We can talk about whether they were necessary cuts or whether patient services have been affected or not by those cuts. There have been cuts. I mention Thompson. We have gone from 185 beds in the space of two years because of the deficit situation.

Mr. Chairperson, I hope the minister will put that aside. I recognize we just went through an election campaign and maybe some of this may have some reflection on that result. I think the minister would be the first to acknowledge that there was not much support of First Nations communities for the government. I hope that the minister is not referencing that in terms of his comments. I do not believe he is, because I am sure that he agrees with me that when he is elected member for Brandon West he does not check someone's party membership or how they voted when they walk into his constituency office. In fact, I know the good people of Brandon well enough to know they would not have re-elected the member three times, now being on his fourth term, nor would they in Thompson. If I had said to anybody who walked in my door, I am not going to work for you, you did not vote for me. I do not do that. I do not ask for party cards. I do not care how people voted. I have even had people say to me, "I did not vote for you," and they are almost surprised when you go to bat for them. I say that is not the point, I represent everyone.

I think that has got to be the spirit how we approach this because, quite frankly Mr. Chairperson, I will say to the Minister of Health that if he thinks the aboriginal leadership is not going to play hard ball with him, you bet they are, and so they should. When we were in government, the aboriginal leadership asked us a lot of tough questions. He kept us on our toes. I think he maybe even asked a few questions, certainly, at the

request of some aboriginal leaders, many groups in society. I think it is unfortunate that we get into suggesting that people do not represent their communities, because they do. The people are always right. Even if we do not like it, the people are always right. I must admit, I was a little bit disappointed in the 1995 election result, but the people are always right. You accept that and you respect that.

I think that has got to be the first step with the health care situation for aboriginal people. You know, it is hard to say what is the No. 1 priority when there are so many priorities. What is it? Poverty? Unemployment? Self-government? Education? Health?

But I can say that one of the most significant ones is clearly health, because people are literally dying. That is how serious it is. You know, I will say this to the minister before asking a number of other related questions, apart from all the politics of anything. Every minister has the opportunity to—we all do as members of the Legislature, but ministers of departments have an opportunity to leave something of a legacy. I did not agree with much that the previous minister did. I agreed with him on mental health, and I am sure if you would ask for his legacy, it would be seen as some of the mental health reforms that took place.

I would suggest to this minister, if he is looking for an area that needs some work that he will be remembered for, it is aboriginal and northern health generally, because that is where the greatest challenge is in this province. I just say that as a comment, not as a criticism or a critique.

I have some further questions, and I would like to get into the \$50 user fee for northern patient transportation. I am not going to get into a debate over it. The minister knows my position. I believe it is wrong. I know his position. He supports it.

I can tell him that it was a major concern that was expressed in my constituency. It certainly was raised many times in the election. I think the results in northern Manitoba reflect that to a large degree, but, you know, I do not want to get into the overall issue. I think we have a resolution on the Order Paper where we can deal with the overall issue.

What I want to deal with are some of the specific incidences that have happened with the application of the fee, because the minister knows when the fee was first announced—and he did not announce it, it was the previous minister—there was an indication that it would certainly not apply to what was called elective surgery, but in terms of other medical procedures, the fee would be waived.

What I found, Mr. Chairperson, is there is a review process, an appeal process, put in place, but I want to give you some examples of people who have been hit by the \$50 user fee.

I received some correspondence from an individual who has cancer. He has been told by the Department of Health that the severity of illness has nothing to do with whether he pays the \$50 fee or not. I feel, Mr. Chairperson, that borders on the inhumane. He was very frustrated by this—very, very frustrated. He has had to go repeatedly for cancer treatment, and the ironic part is, if you go for chemotherapy, you are covered; if you go for follow-up treatments you are not.

Another example—a women who had breast cancer. Fortunately, her health has been fine after five years. That is the most important thing. Each and every time she goes for a visit, she pays that particular fee, and it is not easy with the kind of pressures that people go through to have that additional burden.

I will give you another example, Mr. Chairperson. A young couple in my constituency, they have a child that has a condition that only 300 kids across the world have. Every time they go, they have to pay the \$50 fee, every time, and they have had to visit up to nine times. By the way, other facilities are not available in Thompson which creates additional pressures on them. If she lived in Winnipeg, there would be child care facilities available for her child so she could continue working. She has been told, basically, for her to be able to give proper care to her child in Thompson, unless she moves to Winnipeg, she has to quit her job, so she is already faced with those kinds of financial pressures.

I had another example of a person who was borderline dialysis. Once again, if he was on dialysis,

he would have had the \$50 fee, and it was not until some questions were raised that the \$50 fee was waived. You know, I think his comments summed it up, Mr. Chairperson. He said to me, I am unemployed right now. I have to pay the \$50 fee. I am on UIC. He said, eventually it will not matter. When I am on welfare, I will not have to worry about the \$50 fee. But it frustrated him, nonetheless, that that was the case.

So what I would like to ask the minister on that particular question is if there is going to be some review of the \$50 fee, to look at cases like that.

* (2350)

As a supplementary to that, I will give him another example. It is appropriate I should ask this today because this is a family who has a son who had treatment at the Mayo Clinic, and it is the same condition that we were referring to earlier today when we were talking about Lorenzo's Oil. They ran into all sorts of problems because—and a very similar problem came up, as well, with another constituent of mine who had to have a treatment that was only available in Ontario, and basically was told that she could not get northern patient transportation to come to Winnipeg to have her blood banked, even though the doctor said he would not operate unless that was the case.

So it deals with the real pressure that people often find themselves in, having to go to other jurisdictions for treatment that is not available here. One of the difficulties is often they have to go through a whole fight just to get the northern patient transportation to get to Winnipeg, because, technically, the northern patient transportation covers you to get to Winnipeg for treatment in Winnipeg, but if you have to go further afield to the Mayo Clinic, for example, what it ends up doing is putting pressure on the physicians to have to arrange an appointment with a specialist before they are seen further by somebody else.

I am saying this in full knowledge that I can mention another case where this occurred. In this case, it was mental health care, where this was the specific proposal put forward at the time by the deputy minister. We met with the deputy minister, the constituent and myself. The minister may be aware of some of this,

may have received some profile, but, you know, that is the kind of situation that is developing.

People are often having to have secondary medical appointments to get coverage, so that they can then access the primary reason why they are going. I am not saying it is an abuse, because perhaps they do need to see the specialist at some time, but I am wondering if we cannot improve the handling of the situation in terms of dealing with people in those kinds of circumstances.

I just want to ask one more question on an unrelated issue. I realize it is getting late, and perhaps it might be easier to bring some of the answers back tomorrow on some of these. It is related to the blood contamination question. With the Krever commission meeting—in fact, there is further media coverage today on the Krever commission indicating there are more questions being raised about contaminated blood.

I met with a constituent this past weekend who had an operation in 1983, had severe bleeding. It was for a hernia operation. He ended up nearly dying and had to receive a significant amount of blood. Now, fortunately, he survived, probably in large part because of his good physical conditioning. This person is very active, King Miner, he has won various King Miner events. Anyway, in 1991 he was diagnosed as having contracted hepatitis from contaminated blood.

Now he is fortunate in one way—this is what he told me—in the sense that some of his medical needs, the pharmaceutical drugs that he requires are covered by his employer, INCO. He has a fairly good benefits package. Also, because it was related to the hernia, which was work-related, there were prospects of continuing workers compensation coverage, certainly in terms of a pension. But he has a family to be concerned about, and he is not alone. There are other people that contracted severe medical conditions—we have heard a lot about AIDS but also in terms of hepatitis C—a number of things that have happened because of contaminated blood.

What I would like to ask the minister—and I do not expect that tonight, I realize it is late—would be if he could give some update on federal-provincial

discussions on the contaminated blood situation and particularly if there has been any discussion in terms of some form of compensation for such individuals to help them deal with the very real concerns they have. In the case of my constituent, he is concerned that he is not going to be around to the same extent he would have been. His life span has been shortened by this, and, you know, it is tough enough to deal with that on a personal basis, but his concern is with his family, to make sure that they have some adequate care. His concern is also for the many other people, as he said, who do not have the employer drug programs that he has available to him.

So pretty well any information that the minister could provide on that issue would be appreciated. I do not expect that tonight, and if the minister wants to answer even some of the questions on the \$50 user fee, I am quite prepared to listen now. If the minister would like to adjourn and come back tomorrow, I would certainly be agreeable on that.

Mr. McCrae: Mr. Chairperson, I wonder if honourable members will be in a position to advise their colleague the member for Kildonan (Mr. Chomiak) that if they want to raise issues related to children and aboriginal health issues, Mr. Reg Toews we expect would be available in the afternoon of Thursday. That might be of interest to the honourable member for Kildonan in planning his approach for these Estimates. If the honourable member would pass that on, I would appreciate that.

I think many times the honourable members opposite have put their position on the record very clearly with respect to the northern transportation \$50 fee. I think each time we look at the preparation of our Estimates as a department, we look again at the concerns raised by honourable members and the examples they have raised and put on the record.

I do not doubt but that would happen as we head toward our next year's Estimates as well. I will not venture to give a response tonight on the issue raised by the honourable member about the latest revelations regarding the Krever inquiry. Perhaps my staff could do some work on that point and give me some advice that we could bring forward to the Estimates review.

I would like to explain myself just a little bit. I did not mean to single out a particular group of leaders. Each time I raise this frustration, I do not do it to condemn everybody. There are some that I am highly critical of, not only in aboriginal governments but also in our own governments, the rest of them as well. It is not meant as a general criticism and I hope it is not taken that way unduly. Maybe I am just not as good at being politically correct sometime as I ought to be. Even this explanation, I am attempting to give now, does not give the comfort that I would like to see given to the rank and file aboriginal population in this country.

I feel a deep and abiding and lifelong frustration on that issue, and I just think it is so avoidable. There are so many circumstances which do not have to be the way they are. I guess I am expressing some outrage and frustration because I, acting by myself, or even part of one provincial government, have not made the kind of progress that was one of the reasons for my getting involved in public affairs as I felt strongly about that issue. I remain of that view, that somewhere along the line, somebody does not have the priorities straight.

I remember as Justice minister, getting involved in a major tussle with aboriginal leadership on the issue of abuse of children and the interference of aboriginal politicians in child welfare issues. I was asked to resign by a noted Manitoba chief over that particular comment. I guess my skin is as thick as anybody else's around here, but there are times it gets a little on the thin side. On an issue like that, I get a little bit thin-skinned because I do not even approach this as a partisan. I approach it as a Canadian who has a genuine concern about the first peoples of this country and what their future might be. I have to agree with the honourable member; it does not look very good from where I sit.

Here I am in a position of government, reputedly in a position to be able to do something about it, and all my efforts thus far have been stymied. As a Justice and Constitutional Affairs minister, I worked very hard, thinking, well, now, here that I am in a position, I can maybe hopefully make a difference for some aboriginal women and children especially. We made some progress in areas of abuse and areas of family violence and things like that, but not enough in reserve communities to suit me.

There is a point at which I cannot go further as an individual player in the piece. I do feel frustration from time to time, so I share that with the honourable member. It is not directed at any one individual. It is a systemic problem we have in our country. I think in some ways the treaties do positive things for aboriginal people and in some ways the treaties hold them back from the kind of progress that could prevent the kind of abuse that occurs in some of those communities.

Maybe it is not fair to make this an aboriginal issue, because where you see the poverty you see some of these horrible cases of abuse going on, and it is not always in the aboriginal community.

* (0000)

Mr. Chairperson: Order, please. The hour being after 10 p.m. committee rise.

Call in the Speaker.

IN SESSION

Mr. Deputy Speaker (Marcel Laurendeau): Order, please. This House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, June 5, 1995

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