



Fourth Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 27, 1998

The House met at 1:30 p.m.

Mr. Clerk (William Remnant): Due to the unavoidable absence of Madam Speaker, in accordance with the statutes, I would call upon the Deputy Speaker to take the Chair.

Mr. Deputy Speaker (Marcel Laurendeau) in the Chair

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Winnipeg Hospitals Food Services-Privatization

Mr. Doug Martindale (Burrows): Mr. Deputy Speaker, I beg to present the petition of F. Pemkowski, A. McIntosh, G. Debuik and others praying that the Legislative Assembly of Manitoba may be pleased to request the Minister of Health (Mr. Praznik) to consider immediately cancelling the hospital food proposal and concentrate on delivering quality health care instead of using health dollars to provide contracts for private firms.

Ms. MaryAnn Mihychuk (St. James): I beg to present the petition of L. Creighton, J. Roy, S. Howgate and others praying that the Legislative Assembly of Manitoba urge the Minister of Health to put to an end to the centralization and privatization of Winnipeg hospitals food services.

Mr. Conrad Santos (Broadway): Mr. Deputy Speaker, I beg to present the petition of S. Genovy, D. Derhak, M. Canon and others praying that the Legislative Assembly of Manitoba urge the Minister of Health to put an end to the centralization and privatization of Winnipeg hospitals food services.

Mr. George Hicketts (Point Douglas): I beg to present the petition of S. Wilson, S. Holland, M. Bernard and others praying that the Legislative Assembly of Manitoba urge the Minister of Health to put an end to

the centralization and privatization of Winnipeg hospitals food services.

Mr. Gregory Dewar (Selkirk): I beg to present the petition of C. Bouvette, R. Bouchard, M. Bilodeau and others praying that the Legislative Assembly of Manitoba urge the Minister of Health to put an end to the centralization and privatization of Winnipeg hospitals food services.

READING AND RECEIVING PETITIONS

Winnipeg Hospitals Food Services-Privatization

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

An Honourable Member: Dispense.

Mr. Deputy Speaker: Dispense.

WHEREAS the provincial government has embarked upon a project in which it is closing hospital kitchens and having hospital food transported in from Toronto for reheating; and

WHEREAS this proposal will not improve the quality of food but will cost hundreds of jobs to the provincial economy; and

WHEREAS on December 8th of 1997, the provincial cabinet staged a photo opportunity for the media in which government MLAs were served chicken breast from a chef flown in from Toronto for the occasion while the actual meal served residents that night was macaroni and peas; and

WHEREAS this proposal will result in more health care dollars being spent on questionable privatization projects; and

WHEREAS in December of 1997, the provincial government was forced to drop a similar privatization

scheme involving home care which had been opposed by the clients, families and the public; and

WHEREAS once again the provincial government without consultation has committed itself to a privatization project which will likely cost taxpayers more money for a poorer quality service, thus forgetting the patients who deserve better care.

WHEREFORE YOUR PETITIONERS HUMBLYPRAY that the Legislative Assembly of Manitoba may be pleased to request the Minister of Health to consider immediately cancelling the hospital food proposal and concentrate on delivering quality health care instead of using health dollars to provide contracts for private firms.

Mr. Deputy Speaker: I have reviewed the petition of the honourable member for St. James (Ms. Mihychuk). It complies with the rules and practices of the House. Is it the will of the House to have the petition read?

An Honourable Member: Dispense.

Mr. Deputy Speaker: Dispense.

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

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

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

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

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

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

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

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

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

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

An Honourable Member: Dispense.

Mr. Deputy Speaker: Dispense.

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

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

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

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

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

THAT the announced savings as a result of the contract have been disputed, and one study by Wintemute Randle Kilimnik indicated that, "A considerable number of studies have compared costs of service delivery in health care between self-operation (public

sector) and privatization. Invariably, privatization is more expensive.”; and

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

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

* (1335)

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

An Honourable Member: Dispense.

Mr. Deputy Speaker: Dispense.

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

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

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sector) and privatization. Invariably, privatization is more expensive.”; and

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

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

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

An Honourable Member: Dispense.

Mr. Deputy Speaker: Dispense.

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

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

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

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

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Committee of Supply

Mr. Ben Sveinson (Acting Chairperson): Mr. Deputy Speaker, the Committee of Supply has considered certain resolutions, directs me to report progress and asks leave to sit again.

I move, seconded by the honourable member for St. Vital (Mrs. Render), that the report of the committee be received.

Motion agreed to.

TABLING OF REPORTS

Hon. Bonnie Mitchelson (Minister of Family Services): It is my pleasure to table the Supplementary Information for Legislative Review of Expenditure Estimates for Manitoba Children and Youth Secretariat.

Madam Speaker in the Chair

INTRODUCTION OF BILLS

Bill 30—The Pharmaceutical Amendment Act

Hon. Darren Praznik (Minister of Health): Madam Speaker, I move, seconded by the honourable Minister of Highways and Transportation (Mr. Findlay), that leave be given to introduce Bill 30, The Pharmaceutical Amendment Act; Loi modifiant la Loi sur les pharmacies, and that the same be now received and read a first time.

Motion agreed to.

Bill 31—The Regulated Health Professions Statutes Amendment Act

Hon. Darren Praznik (Minister of Health): Madam Speaker, I move, seconded by the honourable Minister

of Culture, Heritage and Citizenship (Mrs. Vodrey), that leave be given to introduce Bill 31, The Regulated Health Professions Statutes Amendment Act; Loi modifiant diverses lois sur les professions de la santé réglementées, and that the same be now received and read a first time.

Motion agreed to.

Bill 34—The Public Schools Amendment Act

Hon. James McCrae (Minister of Environment): On behalf of the Minister of Education and Training (Mrs. McIntosh), seconded by the honourable Minister of Family Services (Mrs. Mitchelson), I move that leave be given to introduce Bill 34, The Public Schools Amendment Act (Loi modifiant la Loi sur les écoles publiques), and that the same be now received and read a first time.

His Honour the Lieutenant Governor, having been advised of the contents of this bill, recommends it to the House. I would like to table the Lieutenant Governor's message.

Motion agreed to.

Bill 37—The Farm Machinery and Equipment and Consequential Amendments Act

Hon. Glen Findlay (Minister of Highways and Transportation): Madam Speaker, on behalf of the honourable Minister of Agriculture (Mr. Enns), and seconded by the Minister of Labour (Mr. Gilleshammer), I would like to introduce Bill 37, The Farm Machinery and Equipment and Consequential Amendments Act (Loi sur les machines et le matériel agricoles et modifications corrélatives) and that the same be now received and read a first time.

His Honour the Lieutenant Governor, having been advised of the contents of this bill, recommends it to the House. Madam Speaker, I would like to table the Lieutenant Governor's message.

Motion agreed to.

* (1340)

Introduction of Guests

Madam Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the public gallery where we have this afternoon seventeen Grade 5 students from River West Park School under the direction of Mrs. Lynn Butler and Ms. Kelly Waite. This school is located in the constituency of Charleswood.

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

ORAL QUESTION PERIOD

Personal Care Homes Medical Standards

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, we have been raising the issues that have come to us from patients and staff at the personal care homes and from families of loved ones at personal care homes that talk about the deplorable conditions that their family members are sometimes in and the kind of serious crisis that is in our personal care homes in Manitoba for their loved ones.

In 1995, the government had an interdepartmental report that talked about lack of medical standards, talked about varied standards from one personal care home to another, and the government stated that they would take action on this report that they made public at the time. I would like to ask the Premier (Mr. Filmon): why has this government not implemented the recommendations dealing with medical standards in our personal care homes in Manitoba?

Hon. Darren Praznik (Minister of Health): To be blunt, I think the Leader of the Opposition exaggerates greatly as to the state of care in Manitoba personal care homes. I visited many, many personal care homes around this province. Other members of this Legislature and this government have, and they are very stressful places and from time to time some of them encounter difficulties that are addressed by their regional health authority, by their owners, operators and by the Ministry of Health, but generally speaking, the level of care in our personal care homes across this province is excellent. Our personal care homes provide

a tremendous level of care, and for the Leader of the Opposition today to rise in this House to leave the impression that there is a crisis in our personal care homes, all he need do is visit many, many of them across this province. There are exceptions from time to time, but generally speaking the level of care is excellent, and the Leader of the Opposition, quite frankly, exaggerates.

Mr. Doer: To be perfectly blunt, the minister did not answer the question. The government provided an interdepartmental report in 1995 recommending medical standards so that we would not have varied standards across the province. I asked the Premier to tell us why they have not implemented that report. The minister did not answer the question. The government promised that they would implement that report in 1996. The nurses, in terms of the medical crisis, have indicated that the situation is more serious and more in crisis in terms of patient neglect in personal care homes than it is in our acute care hospitals, where of course there has been a lot of public attention to the situation on patient care in our health care facilities, our acute care health facilities.

I would like to know what has happened with the commitment this government made to the families of patients in personal care homes that they would implement the recommendations of the committee by March of 1996.

Mr. Praznik: Madam Speaker, during my tenure as Minister of Health we have certainly worked very hard to ensure that standards are maintained and kept and improved and unified across our personal care homes. In fact, we have done some revitalization in our own branch. Last year we reinstated the spot checks, the unannounced spot checks. One of the things we are in fact doing, as I have informed his critic in the Estimates debate, is bringing to this Legislature during this session a request for the legislative power to create the licensing scheme for personal care homes that has not existed in our legislation in past days.

*(1345)

I can tell the member, as I told his critic in Estimates debate, that if you look at the number of calls and complaints we receive on our complaint line—one of the

things that we have set up—they are a very, very small number compared to the literally thousands of people who are at our homes, so his comments about a crisis or lack of care, again, are exaggerated to the people of this province.

Holiday Haven Nursing Home Inquest Report

Mr. Gary Doer (Leader of the Opposition): Eighty-seven percent of nurses working in personal care homes feel that three areas of patient neglect have developed in the care home since 1995, a lot of that time under the so-called tenure of this Minister of Health and certainly under the responsibility of this Premier (Mr. Filmon).

I would like to ask the minister: does he have the inquest report on Julius Molnar, the patient at the Holiday Haven Nursing Home? Has the government received that report, and when will they be making public that report?

Hon. Darren Praznik (Minister of Health): First of all, the member quotes the report put out by the Manitoba Nurses' Union. I can tell him, as I told his critic, we had staff in who operate our information line where families of Manitobans who are in personal care homes can call us anonymously to provide any concerns or have their complaints investigated. The number we receive on that particular service is very, very small. So, again, it suggests that, although there are problems from time to time, they are nowhere near what the member suggests.

As the Leader of the Opposition should know—I believe he is referring to a coroner's inquest with respect to that death—the coroner is the person or the judge doing the inquest, makes the report public to all, does not provide it to the government beforehand. So I, like him, await the report on the same basis when the judge decides to make it public.

Personal Care Homes Medical Standards

Mr. Tim Sale (Crescentwood): Madam Speaker, would the Minister of Health then say that Mrs. Vicki Carabelas, that Georgina Carabelas, that others who were with us this morning are all exaggerating when they tell stories of open bedsores that were brought to

the attention of the staff of the homes by the families, older people who are halfway out of their beds because someone forgot to replace the pads on the sides of their beds that keep them from falling through?

Madam Speaker, is he suggesting that these people who have expressed their concerns are simply exaggerating, that they are the only ones in Manitoba with problems?

Hon. Darren Praznik (Minister of Health): Madam Speaker, first of all, I am not suggesting that individuals with their particular issues—but we do know when individuals bring issues to members of the New Democratic Party, the very real facts that they may have experienced tend to get exaggerated for other purposes, and that has been the experience of all of us in this Legislature in hearing reports from members opposite.

As we indicated, there are problems from time to time. Sometimes there are problems with the management of a particular facility in the way they address standards of care. That was part of the issue at Holiday Haven. We have put into place—we are building within the Ministry of Health the kinds of safeguards or check system that allows those complaints to be followed up. It is progressing. It is not entirely where I would like it yet, and that is why we are coming to this Legislature for the authority for the first time really in the history of this province to put a more intensive licensing system into place.

Mr. Sale: Madam Speaker, what has the minister done in reaction to the complaints of Vicki Macfadden and Georgia Kostakos in regard to their mother Photina who is a patient at Vista Park Lodge, who has lost more than half of her body weight since she was admitted to that facility, who has suffered serious bedsores which have had to be brought to the attention of staff by the family, whose windows are nailed shut because she is not allowed to have fresh air? They call it an air conditioning system; it is fans out in the hall. Has he done anything in reaction to this woman's concerns?

Mr. Praznik: Madam Speaker, I know that each complaint that comes in to the ministry, whether it be in our intake system we have across the province or through letters from opposition members or to myself, they are investigated, but I must say when an individual tells me that someone has lost half their body weight,

that there are obviously great medical issues here with the elderly that physicians should be addressing. So I will endeavour to get for the member what detailed information regarding this case I can and provide it to the member. I will give that undertaking today. I do not have that detailed information with me in the House.

* (1350)

Mr. Sale: Will the minister acknowledge that he has had in his hands all of the details required to investigate this issue since November 27, 1997, that his staff responded: we have got your letter, on December 10, and they have heard nothing back from the minister in the four months that have followed? This minister has a complaint system that does not work. I will table that letter, Madam Speaker.

Mr. Praznik: Madam Speaker, I was not sure if the member had actually asked a question. We literally get hundreds of pieces of correspondence—[interjection]

Madam Speaker: Order, please.

Mr. Praznik: I am answering, Madam Speaker—[interjection]

Madam Speaker: Order, please. The honourable member for Crescentwood is out of order. The honourable Minister of Health, to complete his response.

Mr. Praznik: I do not have complete information on that file, as I have indicated that we receive literally hundreds of pieces of correspondence into my office every day. They are provided to the appropriate individuals within the department. I do understand that as a result of that concern that was raised, there has been at least one unannounced visit of that facility to discuss their staffing issues and issues related to this case. I will be pleased, Madam Speaker, when I have more detailed information, to share it with the member for Crescentwood.

Wasagamack Airport Status Report

Mr. Eric Robinson (Rupert's Land): Madam Speaker, I have some questions for the Minister of Highways and Transportation.

Before I do that, I would like to extend the opposition's sincere sympathies to the people that died in the helicopter crash last week in Wasagamack: Flora Harper and Bernadette Harper and of course the pilot, Jacques Nollette, and also to their families and friends, our deepest sympathies, and of course we wish the survivors, Samuel Harper and Epstein Harper, a very speedy recovery.

My question for the minister is that the Wasagamack Airport Project has been discussed for quite some time now, Madam Speaker, and I do have a letter that was sent to me by the minister, which I would like to table, back in October of 1994. I would like to ask the minister precisely what is happening with the Wasagamack Airport Project, and I want to ask the minister particularly: how much money has been allocated for that airport this year?

Hon. Glen Findlay (Minister of Highways and Transportation): Madam Speaker, I would also like to, on behalf of this side of the House, extend our sympathies to the injured and to the families of the deceased of that tragic accident that happened a few days ago at Wasagamack.

Over the course of the last two or three years, we have negotiated a cost-sharing agreement with the federal government, some 70 percent federal, 30 percent us, for a project totalling about \$16 million for the airport and 28 kilometres of connecting road. Since we have negotiated that, the province has set aside approximately \$800,000 this year for survey and design and engineering activities associated with designing the airport for Wasagamack, and it will be a runway strip of 4,400 feet.

Mr. Robinson: Madam Speaker, there is some other documentation I would like to table, and that is a letter from Indian Affairs to the chief and council of Wasagamack essentially saying that the project has been deferred.

I would like to ask the minister whether or not he has received an explanation from the federal government as to why they deferred funding for the Wasagamack project days before the helicopter crashed last week.

* (1355)

Mr. Findlay: Madam Speaker, staff met with staff from Indian Affairs of Canada on April 16, when this project was discussed, a lot of detail of the project was discussed, and we were very shocked to find that the next day a letter was signed by somebody in INAC saying that the project was deferred. Any deferral of that project was not discussed at the meeting the day before, and at this point in time, we are trying to clarify whether the letter that we saw a copy of last week that arrived to us is in fact what they mean.

I will let the member know as soon as we get clarification from Mary Blais as to whether they really do plan to defer the project. We were shocked that they would send the letter the day after we met to carry on proceedings towards getting on with this year's investments.

Mr. Robinson: Madam Speaker, another issue that is stalling the completion of the airstrip, which is much needed not only in the community that I mentioned but indeed throughout northern Manitoba and other communities, is the resolution of the land transfer that the government claims is the reason why this project has been stalled.

I would like to ask the minister as to how he is going to tell the chief and council of Wasagamack and how they are going to resolve this matter and give assurance to the people of Wasagamack in northern Manitoba that indeed their concerns are being addressed by this government.

Mr. Findlay: Madam Speaker, to my knowledge, the dispute over land transfer issues is between the band and the federal government. Again, we will be asking the federal government how they are going to clarify it forthwith so we can get on with the project we all want to see happen.

Wasagamack Airport Status Report

Mr. Gerard Jennissen (Flin Flon): Madam Speaker, I would also like to ask some questions of the Minister of Highways and Transportation.

Since, according to the minister and his officials, the engineering design has not even started for the Wasagamack airport, could the minister explain why

year after year he has been using this project as an excuse for doing nothing for the rest of the northern airports?

Hon. Glen Findlay (Minister of Highways and Transportation): Well, Madam Speaker, I am disappointed the member would take that position, because we maintain some 22 airports in northern Manitoba. We spend \$4.5 million on airports in northern Manitoba in operating them 100 percent year after year. We respond as best we can to the emergencies that unfold.

But clearly, in improving these airports we must have a federal partner. It is critically important that we do, and in the case of Wasagamack, we have negotiated a 70-30 agreement with them and we want to see follow-up and action on that agreement. Our money is on the table.

Little Grand Rapids Airport Status Report

Mr. Gerard Jennissen (Flin Flon): Madam Speaker, if the Wasagamack project is not going to occur for at least a year or two, how long will it take the minister to commit to construction at Little Grand Rapids?

Hon. Glen Findlay (Minister of Highways and Transportation): Madam Speaker, the member is posing a hypothetical situation. We have indicated at Wasagamack our money is on the table. We are trying to clarify what the federal position is, which seems to be a complete reversal between April 16 and April 17.

We have a task force involving several members of the government of Manitoba, federal government, aircraft operators and First Nations individuals dealing with trying to determine what the increased safety activities are that are needed for the northern airports so we can have a list to get on with them. There have been two meetings held to date. A third one is scheduled with the idea of coming forward with the recommendations that we want to see action on.

Northern Airports Task Force Emergency Meeting

Mr. Gerard Jennissen (Flin Flon): Madam Speaker, my final supplementary: has the minister agreed to

hold an emergency meeting of the northern airports task force, and if so, will he make a public commitment to release how much additional funding of northern airports his government will fund in the current fiscal year?

Hon. Glen Findlay (Minister of Highways and Transportation): Madam Speaker, there is no need for an emergency meeting because two were held, one in February, one in March, and the next one is scheduled. Various pieces of information are being generated for discussion at the third meeting which will be held in due course. I expect all members of that task force to be present at the next meeting to review the information being generated so decisions can happen.

* (1400)

Video Lottery Terminals Community Referendums

Mr. Neil Gaudry (St. Boniface): Madam Speaker, my question is to the Minister of Finance. The candidates in the provincial by-election in Charleswood were asked to respond to a questionnaire as to where the parties stand on certain issues. Could the minister indicate to this House if this government's position is to allow communities to decide if they want to ban VLTs?

Hon. Eric Stefanson (Minister charged with the administration of The Manitoba Lotteries Corporation Act): Madam Speaker, we have been asked a similar question by other members of this House recently, and as we have indicated, the independent Gaming Control Commission is looking at the entire matter of referendums. They are obviously having various reviews of information available in terms of other jurisdictions, discussions with other affected groups, and we are expecting a recommendation from the independent Gaming Commission in the near future.

Urban Sports Camps Government Position

Mr. Neil Gaudry (St. Boniface): Madam Speaker, my question is to the Minister of Justice. In reference to the same questionnaire, can the minister indicate to this

House if the idea of new urban sports camps is a policy of this government?

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, the question relates to the urban sports camp. Of course this government has been very supportive of the urban sports camp. Indeed, I understand representatives of the B.C. NDP government were here looking at that particular success. We are committed to that project, and we are committed to additional urban sports camps.

Status Report

Mr. Neil Gaudry (St. Boniface): When can we expect to see them in place?

Hon. Vic Toews (Minister of Justice and Attorney General): Well, very, very shortly. I expect—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Mr. Toews: You know, Madam Speaker, if I say today that I signed a letter in fact authorizing that urban sports camp, then they will accuse us of interfering in this by-election. I have in fact signed that letter, and so I expect the announcement to be imminent. So there it is.

Hepatitis C Compensation

Ms. Diane McGifford (Osborne): Earlier this year the federal Health minister with his provincial counterparts reached a deal excluding tainted blood hepatitis C victims infected before January 1, 1986, from compensation. Tomorrow in the House of Commons a vote to extend coverage to all tainted blood hepatitis C victims will take place. To the shame of Liberals everywhere, Madam Speaker, the Whip is on and the PM is making this a confidence vote rather than a conscience vote.

I would like to ask our Minister of Health if he will put compassion before cold-hearted legal wrangling and deal making and offer a made-in-Manitoba

compensation package across the board for all hepatitis C victims infected through the blood system.

Hon. Darren Praznik (Minister of Health): Madam Speaker, what I find very interesting about the vote taking place in Ottawa yesterday is it confirms—

An Honourable Member: Tomorrow.

Mr. Praznik: Or tomorrow, pardon me, the vote taking place tomorrow in the House of Commons—is that it confirms exactly what I have been saying, that the national government who bears the lion's share of responsibility in this particular matter, who has avoided providing any share of the health costs to the provinces, is very firm in only providing a compensation plan for that particular group of people based on the potential negligence or responsibility of the system.

The fact that the Prime Minister of the country put the Whips on in this vote confirms again that the federal government was only prepared to put that amount of financial resources to make that plan happen. I know there was a lot of speculation about the role of Manitoba, but this latest action confirms federal intention from the beginning. I look forward to the next supplementary to discuss this further.

Ms. McGifford: Madam Speaker, I want to ask the minister once again if he will show some leadership, lead the way back to the table and if he will offer a made-in-Manitoba compensation package for all victims of hepatitis C regardless of the date at which they acquired the virus.

Mr. Praznik: Madam Speaker, the member for Osborne and I, along with the member for Kildonan (Mr. Chomiak) and several other members of this House, had an opportunity several weeks ago to discuss this whole area in great detail in Estimates. It was one of probably the better discussions I have been a part of because there are a lot of principles involved here. One, of course, is: does our medical system provide compensation for those who suffer some harm from the normal risk taking involved in that system where there is no negligence. If we are to get beyond the principle of compensating only where there is a negligence on the part of the system, we would take it into areas that could in fact be unaffordable for the Canadian health

care system. I was part, on behalf of this administration, with the original arrangement, and unless the federal government is prepared to come with a significant amount of money to take us beyond that principle, we certainly are with the original arrangement. We discussed that in the debate in Estimates a few weeks ago.

Ms. McGifford: I want to ask the minister to listen to Manitobans like Susan Wish, whose husband is dying and who has written to all of us, and I quote from her: I beg each MLA to put pressure on our Health minister. I pray that together we can finally do the right thing. I would like to table her letter for the minister.

Mr. Praznik: Madam Speaker, I appreciate the letter and the comments. It is certainly a difficult issue, as we discussed some weeks ago, but again, if we are to build into our Canadian health care system the principle that any ill or harm that comes in the normal taking of risk in the use of that system, if we are to provide compensation above what we already do—because let us not for a moment believe there is nothing there. We provide free health care. We have other methods of income replacement like the Canada Pension disability pension. I am not saying those are adequate, but this is really the top-up to that, and if we are going to provide that top-up, then we have to be prepared to provide it to everyone else who may suffer some intended outcome in the course of taking risk in treatment.

Ministers of Health right across the country could not recommend to their respective cabinets that we go down that path. If the federal government would like to and want to fund it with new dollars to the system and not take it out of existing transfers, that might be their decision and their course, but we do not have the resources to get into that level of insurance.

Security Guards Regulations

Mr. Gord Mackintosh (St. Johns): Madam Speaker, to the Minister of Justice. One can go from being an MLA today to a security guard on the front lines of public safety tomorrow, yet with no training whatsoever. But now this government, after fumbling around for a couple of years, has decided not to bring in even basic minimum standards, not even CPR or

self-defence, for example, for these peace officers, contrary to the demand of the industry and common sense.

My question to the minister is: with these private police often facing the same threats as our public officers, how can the minister explain this irresponsible and dangerous decision in this the most violent province in Canada?

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, I take issue with the comments of the member for St. Johns. Certainly his classification of Manitoba is incorrect. If he wants us to stop prosecuting domestic violence, which puts our rates way up, I disagree with him. We will continue to prosecute domestic violence and ensure that spouses and those types of situations receive the benefit of the law, as opposed to when his government was in power when they put abused spouses in jail when they refused to testify. If that is the kind of justice system he wants, I will have no part of that.

Mr. Mackintosh: I wonder if the minister would get serious with this serious question, recognize of course that we have the most violent province in Canada in every year since 1993. Why is he abandoning our safety for this government's blind ideology of hands off the private sector? It is ideology of an unregulated therefore untrained private sector insofar as security guards.

* (1410)

Mr. Toews: Madam Speaker, I understand that he is advocating on behalf of private industry to provide the training to the private sector, and I support private industry supplying that service to the private investigators and security guard companies. In fact, many companies have done that, if not all, provide their workers with an appropriate level of training.

Now I might indicate, if there are issues in specific situations, because the security guard industry is so varied that one cannot impose standards of the type that he envisages, if there are particular situations where there are concerns, we do have a very effective remedy and that is Workplace Safety and Health. I am sure that the Workplace Safety and Health Division would look at any specific complaints where the safety of these guards is in any way compromised and ensure that an

appropriate remedy is put into place. I know we have done that in the area of retail stores, small convenience stores. The same kind of an issue was raised, and Workplace Safety and Health responded very well.

Mr. Mackintosh: Would the minister please listen to people, whether it is Mr. Justice Oppal from B.C., whether it is the security industry in Manitoba, the security guards, the unions, the security companies in Manitoba, the training institutions, would he listen to them and listen to their plea for at least minimum standards to protect the safety of Manitobans and the guards and stop putting his ideology and the ideology of this government ahead of public safety?

Mr. Toews: Madam Speaker, perhaps the member is not familiar with The Private Investigators and Security Guards Act, which does in fact regulate the conduct of security guards to ensure that their conduct is appropriate.

In respect of the issue of workplace safety and health, as I have indicated, there is a very clear remedy for any specific workplace where these issues might be a concern. I know that senior staff in my department have reviewed these recommendations very, very carefully, and they have concluded for a variety of reasons that a uniform regulation right across the board simply is not workable and is not appropriate. So I would say rather than creating another regulatory scheme, let us use the regulations that are already available to address exactly the need that the member for St. Johns is trying to address.

Post-Secondary Education Tuition Fee Policy

Ms. Jean Friesen (Wolseley): Madam Speaker, last week I asked the Minister of Education to consider the relationship between the minimum wage and student fees and the serious deterioration that has happened in this province over the 10 years of her government.

Today I would like to ask the minister to explain to the House why she finds it acceptable that a student in Manitoba must find 19 weeks of work at the minimum wage to finance their program, whereas a student in British Columbia, for the same program, the same

student, needs to find 11 weeks of work at the minimum wage.

Hon. Linda McIntosh (Minister of Education and Training): I want to indicate a couple of things. First of all, I had indicated I would check through the department, which I do not yet have back, the correctness of her figures before I came back with a response, but I can tell you, Madam Speaker, that students in Manitoba are much more readily able to find a job. We have a tremendously good youth employment record here in Manitoba. We have amongst the best in terms of the number of students able to find employment to help them through school, and in testimony to that, I can indicate that students in Manitoba have an unusually low number of students having to borrow. We have fewer students needing to take out student loans, for example, because they are able to find work and work their way through college, instead of having to borrow. Those are very good records, and the record of youth employment and job creation that is here is directly attributed, in many respects, to the work of this government in ensuring that kind of economy.

Post-Secondary Education Council Tuition Fee Policy

Ms. Jean Friesen (Wolseley): Madam Speaker, could the Minister of Education confirm that far from having the development of a fee policy as a priority, that in fact her post-secondary education council in the past year has spent precisely 10 minutes on the issue of developing a fee policy, according to the information received under freedom of information?

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, no, I will not confirm that because that is not correct.

As the member knows, we set in place a tuition fee policy to be developed. An initial policy was put together by the interim transition committee composed of several people who are now on the council, along with students. That policy was referred to the council when it was formed a little under a year ago, and the council is now embarking upon a massive consultation, as they are obliged by law to do with the field. The member will recall that she herself was one who insisted that they must consult with students on

anything affecting them. We put that in the law, and that will take time. That will take place over the summer, and a recommendation should be coming to me sometime in the fall after the compulsory consultation has taken place.

I can assure the member that much more discussion than 10 minutes has taken place on this topic.

Post-Secondary Education Tuition Fee Policy—Public Consultations

Ms. Jean Friesen (Wolseley): Madam Speaker, could the minister tell us then where in this massive consultation that she is prepared to allow the citizens of Manitoba to have some input and some comment on a policy which is now already three years late?

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, as the member well knows because she was part of the committee at second and third readings where we were evolving the Council on Post-Secondary Education, the matter of consultation will be decided by the council. The member remembers those consultations. The member remembers those because that was something that she wanted very much, that the council have the ability, that indeed they have the mandate and the obligation to consult with the public, including certain key people, and they were specified. They must consult with students on matters affecting students, and they can consult with others as well. They have done a very good job, I believe, in consulting with boards of governors, with other stakeholders, and that is all according to the rules.

The member speaks about a tuition fee policy that is three years late. Madam Speaker, three years ago we embarked upon the principle of a student fee policy which should have been in place many, many years ago, including during the period of time when her government was in power and student fees per capita were harder on students then than they are now. They did nothing. We are doing something.

Video Lottery Terminals Community Referendums

Ms. MaryAnn Mihychuk (St. James): Madam Speaker, in 1995 the Desjardins report recommended

community votes on VLTs. Since then, town councils have written to the government. There have been numerous petitions submitted to the government. There has been a recent poll of rural Manitobans who have indicated the majority of them would like the right to vote, and now the Conservative candidate in the upcoming by-election is calling on the government.

I ask the Minister responsible for the Gaming Control Commission if he supports the rights of Manitobans and that, to have a right to vote on VLTs.

Hon. Mike Radcliffe (Minister responsible for The Gaming Control Act): I would like to thank my honourable colleague for the question today. I can advise my honourable colleague and this Chamber and the people of Manitoba that in fact the independent Gaming Commission that had been recommended and set up by this government as a result of the Desjardins report—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. The honourable minister, to complete his response.

Mr. Radcliffe: Thank you, Madam Speaker. This government does not look so facetiously on the issue of gaming and the impact as members opposite who tend to discount it with the ribaldry that is bouncing off the benches in this Chamber right now. This matter is being considered by the Gaming Commission at this point in time. It is a complex issue. There are many facets to it, and it is not something that we would embark upon quickly or unadvisedly. When this matter has been completely thought through, a thoughtful and thorough document will be presented for consideration by the people of Manitoba.

* (1420)

Self-Help Groups Funding Criteria

Ms. Becky Barrett (Wellington): Madam Speaker, on March 27 of this year, the Minister of Health and, by copy, all MLAs in the Legislature received a letter from the Compassionate Friends, an international nonprofit voluntary self-help organization offering understanding,

friendship, grief education and hope to families experiencing their worst nightmare, the death of a child. This letter refers to a letter from Don Orchard, Minister of Health, who wrote in 1992 that the Mental Health division was in the process of developing criteria for funding for all self-help groups. I would like to ask the Minister of Health what the status is of that six-year-old criteria development.

Hon. Darren Praznik (Minister of Health): Madam Speaker, I would be delighted to discuss this area in greater detail with the member in Estimates debate that we will be in this afternoon. We will be able at that time to give the member a full account of the status of that situation as well as the resources that we may or may not have available for various self-help organizations. So I would invite her to our portion of the committee for that discussion.

Ms. Barrett: Madam Speaker, I would like to ask the Minister of Health why it has taken six years, since 1992, for the Mental Health division of the Department of Health to come up with, if in fact they have come up with, funding criteria for self-help groups. Why has it been six years?

Mr. Praznik: Madam Speaker, I do know that in the course of the last six years, under my two predecessors, a great deal of effort and resources were put into the whole area in Mental Health in bringing services to the community. Why, just on Friday in the good city of Brandon we opened a new facility worth \$3.8 million as part of that. We have under construction similar facilities today across the province. The specifics on this particular request I would be delighted to discuss with the member in Estimates.

Madam Speaker: Time for Oral Questions has expired.

Speaker's Ruling

Madam Speaker: I have a ruling for the House.

During Question Period on March 26, 1998, the honourable First Minister (Mr. Filmon) rose on a point of order respecting words spoken by the honourable member for Osborne (Ms. McGifford). The point of order disputed what the member for Osborne had stated in posing a question. The member said “. . . since the

Premier seems unwilling to listen to us, I wonder if he will listen to consumers . . ." In making the case for his point of order, the Premier stated "at no time did I say I was unwilling to listen to the member for Osborne."

In reading the Hansard record, it is clear to me that this is a dispute between two members as to allegations of facts. The honourable First Minister did not have a point of order.

MEMBERS' STATEMENTS

Deer Lodge Curling Club—Men's Wind-up

Mr. Gerry McAlpine (Sturgeon Creek): On the 24th of April, I had the privilege of attending an annual Deer Lodge men's curling wind-up. By all accounts, this past year has been a successful year for the club, and I am confident that their success will continue into 1998 and beyond. As we joined together in friendship and good times, many a story was told about the rock that would not spin and the game won in the last end, along with many other pleasant memories. Last Friday was not just a chance to visit and socialize but was a chance for all of us to formally recognize the club champions, the winners of the individual nights throughout the season and present a couple of honorary life memberships to some very deserving curlers.

We were also honoured to welcome some representatives of the senior men's provincial champions, the Clare De Blonde rink, who took the time to join and celebrate with us. Curling has come a long way since the humble beginning on frozen ponds using straw brooms and jam pails. Today curling has made its way to becoming the Olympic medal event, and the competition, both locally and internationally has become increasingly challenging.

However, despite curling's growing following, its true home will also be in community rinks where friends get together and play for the love of the game. On behalf of all honourable members, I congratulate Mr. Guy McLachlan and the board of directors of the entire Deer Lodge Curling Club for a successful evening and an even more successful year. Thank you.

Manitoba Literary Awards

Ms. Diane McGifford (Osborne): Madam Speaker, last week, members on both sides of the House rose to

congratulate Manitoba writers, publishers and booksellers on Manitoba Book Week and, as well, to recognize Canada Book Day. We noted the contribution these people make to our province. They help us to know ourselves and to define ourselves as people. They contribute enormously to the quality of our lives and to our pleasure, and, of course, they contribute to the economic development of our province.

Manitoba Book Week's grand finale was on Saturday night, the evening of the Manitoba Literary Awards. I know all members of the House will join me in congratulating Catherine Hunter, winner of the McNally Robinson Book of the Year Award for *Latent Heat*; Sheldon Oberman, the McNally Robinson Book for Young People Award for *By the Hanukkah Light*; Diana Wieler for *RanVan: Magic Nation*, another winner of the McNally Robinson Book for Young People; Todd Bruce, the John Hirsch Award for the most promising writer, a poet whose most recent book is *Rhapsody in D*; James Sherrett, winner of the Heaven Chapbook Prize for *Up in Ontario*; the Manitoba Association of Book Publishers for the best designed adult book, *Bread, Wine & Angels* and Taylor George Design for the best-designed children's book, *Juliana and the Medicine Fish*.

We recognize and honour all those who have made these awards possible, especially the John Hirsch memorial award trust, Heaven Art & Book Cafe and McNally Robinson Booksellers. Finally, we congratulate the two dozen or so book publishers who contributed to *Brave New Words*, the Manitoba Literary Awards.

Appreciation Night—Rosenort Evangelical Mennonite Church

Mr. Peter Dyck (Pembina): Madam Speaker, last evening the Minister of Government Services (Mr. Pitura), the Minister of Industry, Trade and Tourism (Mr. Downey) and I had the honour of attending the Rosenort Evangelical Mennonite Church. The evening was an appreciation night sponsored by the Mennonite Disaster Service for flood survivors and volunteers in the Red River Valley. It was one year ago that Pastor John Klassen was able to canoe down the church aisle to his pulpit, but now the church and its congregation

have repaired the damages and one would be hard-pressed to find any lasting signs of last year's flood of the century.

In the course of a very positive evening, appreciation was given to the Canadian Red Cross, the Salvation Army, Habitat for Humanity, Manitoba Mercy Mission and the CRWRC. As well, the Minister of Government Services presented Mr. Sid Reimer, Chair of Mennonite Disaster Service, and Mr. Paul Friesen, also with MDS, with plaques noting their outstanding services and assistance.

* (1430)

The flood was a challenging time for all Manitobans, and it was especially heart-warming to be at an event that allowed people to express their appreciation for all the untold effort completed on their behalf by countless individuals. The Mennonite Disaster Service, which is coming up to its 50th anniversary celebration, played a vital role last spring. In fact, it was 48 years ago that the MDS began work in Manitoba helping out in the Rosenort area during the 1950 flood. MDS has provided over 13,500 volunteer days of work with the Red River response, and they still continue in the process of rebuilding people's homes and lives.

So, on behalf of all honourable members, I extend my appreciation to the Mennonite Disaster Service and the Rosenort Evangelical Mennonite Church for yesterday's appreciation night. Thank you.

Anne of Green Gables—Transcona Collegiate

Mr. Daryl Reid (Transcona): Madam Speaker, on Friday, April 24, my family and I had the opportunity to attend the Transcona Collegiate drama production of Anne of Green Gables. This two-act play was performed in front of a packed theatre over a period of some two hours. The students, teachers and volunteers worked together long hours over some five months in preparation for these 10 performances in five days.

Judging by the audience's response, the tears, the laughter and the standing ovation, I would say that this play was a huge success. Congratulations to the 34 performers, the 13 musicians in the pit band, the sound, lighting and recording crew and, of course, to the band

director, Jackie Krowell, the musical director, Judy Ruchkall and the artistic director, Gary Matwichuk. Well done.

Together, all of these people did an amazing job with little resources. In fact, the Transcona-Springfield School Division has requested financial support for their drama program facilities from the provincial Department of Education, but the provincial Education department has rebuffed these requests over a number of years.

Nevertheless, this Anne of Green Gables production was a huge success and, to all of those young people who performed and participated in this program that added greatly to our quality of life, I say well done.

ORDERS OF THE DAY

Hon. James McCrae (Government House Leader): Madam Speaker, I move, seconded by the honourable Minister of Education and Training (Mrs. McIntosh), that Madam Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

Motion agreed to.

* (1450)

COMMITTEE OF SUPPLY (Concurrent Sections)

ENERGY AND MINES

Mr. Chairperson (Gerry McAlpine): Order, please. Will the Committee of Supply please come to order. This afternoon, this section of the Committee of Supply meeting in Room 254 will be considering the Estimates of the Department of Energy and Mines.

When the committee last sat, it had been considering item 23.2. Energy and Mineral Resources (b) Petroleum and Energy on page 47 of the Estimates book. (1) Salaries and Employee Benefits. Shall that item pass?

Ms. MaryAnn Mihychuk (St. James): Not quite. Gerry is pretty quick. I have seen him running.

Yes, I would like to ask a few Energy policy questions, and given the department's role at providing position papers and doing analysis looking at the overall future of the energy sectors, I would like to ask the minister what type of advice he has received in terms of the energy sector in Manitoba, specifically Manitoba's future in hydroelectricity.

Hon. David Newman (Minister of Energy and Mines): The question is so broad, I am trying to develop a framework answer which will give you some guidance responsive to your question. One area that is most recent and freshest relates to the climate change challenge that we have and, in addition, to the kinds of energy efficiency and conservation initiatives that we spoke to last day, both in response to questions from yourself and the honourable member for Dauphin (Mr. Struthers).

We are looking at the discipline that is going to be a consequence of the federal commitment internationally to the Kyoto agreement to place an increased focus on the importance of hydraulically generated electricity as an energy source increasingly transmitted east-west in this country. So that is one initiative that I have certainly been advised to pursue and maybe even have led pursuing. That is something that we even, I can say, brought to the table at the ministers' meeting in Toronto on Friday last. That is, the ministers of Energy, Environment, from the provinces and territories and federally.

Another area that I have been getting very considerable advice and updating on is the progress being made on the deregulation of the electrical industry, electrical component of the energy industry over the world but primarily in the North American continent. We want that updated, objective expert guidance on a regular basis, because we want to make sure that our province and its policy and Hydro, as a Crown corporation, are strategically positioned to be ahead of the developments and capitalize on them to the maximum for the benefit of Manitobans.

Somewhat in relation to that, another area that is served by strong extra provincial relationships both nationally and internationally with our American neighbour is the electrical reliability issue, also described as energy security issue in some parts of the

world. That is a matter of imminent concern because the deregulation process inevitably leads to a situation as to who and how you are going to make rules in an increasingly deregulated market to ensure quality and reliability within the system, and that has several components to it. The way I look at it, one is between countries, or between the industry members in two countries, and the other is within our own country. I happen to support quite aggressively an enhanced reliability within our own country, between provinces and territories, with more federal support, and the climate change discipline is enabling us, I think, to advance that initiative with more optimistic results anticipated over the next while. But the concept between countries, or industry members in two countries, focuses on, in effect, who is going to be the referee and how do you make the rules, and that kind of situation.

Another specific emerging out of the climate change initiative, which we brought to the table on Friday in Toronto, was a very specific, practical suggestion to make a significant impact on the CO₂ emissions. Given that we are looking at reducing those emissions from 19 percent to 25 percent over the period until 2008 to 2010, and given that we as a country slipped so that things got worse rather than better since 1990, that is the kind of percentage that we have to make up, so we as a province, which is not a major generator of CO₂ emissions, are looking at regional ways that we can make a contribution beyond even our own population, our industrial base in itself warrants, we are looking to make a contribution in ways that our peculiar advantages allow us to.

* (1500)

So one of the things that we suggested very specifically was that hydraulically generated electricity be used to be the energy source for our compressor stations, for example, along the TransCanada Pipeline. We looked at an area at the Alberta-Saskatchewan border to North Bay, Ontario, and did an analysis of, if we replaced what is now a natural gas energized compressor stations, what sort of an impact we could make on the carbon emissions. The analysis showed that we could effect a savings of emissions, a reductions in emissions, in the magnitude of 6.5 million metric tonnes per year if we converted all of those

stations within that area, which would be in the order—my understanding being that the climate emissions goal would be in the order of, I think, 200 million metric tonnes a year. So that would be a contribution to the whole Canadian obligation in the order of 3 percent a year, but another way of measuring the magnitude of that, my officials advise, would be almost equivalent to the total of Manitoba's carbon emissions from all activity within the province. So that is the kind of approach that I have been advised to take and fully support, and, in fact, I am leading together with my colleague the Honourable Jim McCrae from the Department of the Environment on a national basis.

The other kind of advice that will be ongoing over the next while is there are a number of tables that have been established pursuant to the climate change initiative. The \$150 million of federal money through the Department of Environment, federally, and Natural Resources, federally, that has been set aside to invest in addressing the climate change initiative, as I understand it, will be invested primarily in a process to do the necessary analysis under different headings, the most relevant to Manitoba, including electricity as one table, and the proposal that we brought to Toronto on Friday that I have just spoken to will be—well, indeed is the first concrete proposal which would be brought to that table for consideration, and both the Department of Environment and our department will be actively involved, in kind, in supporting that initiative at the electricity table.

Another area that I am very pleased to say that we made progress in involving electrical matters and generally energy matters is we have now on a national basis been able, with our persistent persuasive efforts and because of circumstances beyond anyone's control, to contribute to a deadline date commitment by all jurisdictions now in the country to the implementation of the effective date for the creation of the energy chapter in the Agreement on Internal Trade.

Saskatchewan and Ontario were holdouts for a long time, and they have now both committed in writing to dates for them to come on board. Manitoba's, of course, position was that we were ready as soon as The Hydro Act was amended in June of 1997. That, I think, generally outlines areas where we have been focusing

in terms of my getting input from departmental officials, from Hydro, from external experts.

Ms. Mihychuk: I understand that the minister suggested that there was potential for exports in both directions across Canada potentially for hydro. Is that correct?

Mr. Newman: Those were not the words that I used, but the potential for, with enhanced transmission capacities, hydraulically generated electrical power being available as a more environmentally benign substitute for fuels and other energies used in other jurisdictions to the extent that would be for the benefit of Canadians generally.

We have made the case that not only will this be of benefit to the international obligations that federal governments are likely to commit to by signing an agreement but we believe will enhance reliability and will enhance sovereignty of our own nation and also even contribute to national unity.

* (1510)

It is not well enough known, I think—I use the rule of thumb that about 60 percent of all power generated in and for this country is hydraulic, is hydro, and when we did an analysis of the relative federal support for natural gas transmission through pipelines and natural gas development and also in nuclear and contrasted that to what the federal government has invested in electrical, the figures were astounding. My recollection is a figure here in the order of 18 million for hydro, as compared—and this is from 1990—to 5.1 billion to the other much more utilized sources, so that is something that we do want to expose to public consideration and public debate, in all fairness. At this time, Manitoba Hydro does not pay federal taxes as a Crown corporation, nor would Hydro Quebec or Newfoundland and Labrador, but that is a more recent phenomenon since 1995, I guess, when the legislation changed federally, but that should be factored into the consideration.

Another thing that is not probably broadly enough appreciated is how the approach of our provincially owned Crown corporations over the years has been very parochial and very consistent with a mandate of

taking no risks which would jeopardize your obligation to service the people of your own jurisdiction. What is happening in the world today with the powers of the marketplace from Manitoba outside Canada is the risks are not just within. The risks are coming in very challenging ways from outside the boundaries of Manitoba.

In doing a risk analysis, you have to understand those forces. That is why exporting—enhancing the capacity to export and at the same time enhancing the capacity for another jurisdiction to support you during an ice storm or damage done by a wind storm are very positive things in the interests of the people of Manitoba. In addition to that, of course, because of our cost efficiency, there is tremendous value in selling power, which is surplus to our needs, at prices which will enhance the revenue into the corporation in such a way that we will be allowed to charge our consumers less. I tried very hard to get the message across that all Manitobans own Manitoba Hydro. To the extent that we can benefit from exports in the ways that I have described, whether it is between jurisdictions in our own country or even beyond, there are many benefits to all Manitobans.

Another feature of this is to the extent that the world sees it the way Manitobans do and the way that I am describing it, it may very well be that in order to meet what could be increasing demand from elsewhere, we will have to look at very major capital expenditures on enhancing transmission and potentially speeding up the already scheduled capital enhanced generation plans that Manitoba Hydro publishes in its annual kinds of reporting mechanisms. So, my answer is intended to indicate that there are significant and complex implications to enhancing the export to other jurisdictions, but we see almost all of them as being very positive things for Manitobans as a whole.

Ms. Mihychuk: It is indeed an exciting time when the minister talks about interprovincial co-operation, the opening up of barriers. Manitoba's potential for the export of hydro is well known and appreciated on our side of the House. As the minister knows, we are well on the way of constructing or preparing to construct Conawapa in looking at providing energy to Ontario, and the minister knows that I was supportive of providing export ability to U.S. markets.

So I see, or we see, Manitoba Hydro and our capacity to generate electricity as an opportunity for Manitoba and Manitobans in general. I am wondering if there are plans for the department to become involved in the marketing of our hydro capacities.

Mr. Newman: I think I am doing that in the climate change initiative. I think I am doing that in the interactions I have with my counterparts in other jurisdictions. I think we are doing that in the broad policy way, in a broad motivational way, showing the advantages of going in this direction, but we have no intentions at this time of building this capacity into government. We think it is better to have Hydro build that capacity into Hydro, subject to what is I think an increasingly entrepreneurial sort of approach by Hydro with a continued direct accountability to the diverse ownerships within our own province by the concerns of all of our different citizens so that the people in South Indian Lake, the people in Cross Lake, the people in Norway House, Split Lake, York Factory, Pukatawagan, the people in Pikwitonei and Thicket Portage as well as all of the people in Southern Manitoba are owners of Hydro. They have different levels of awareness and knowledge, different cultural perspectives.

I am doing the best that I can, and my department is and I believe Hydro is, to educate Manitobans about the kinds of things we are talking about now. I think that is the marketing capacity of Hydro. That is communicating and educating, in effect, the stakeholders, all Manitobans. I speak to you as candidly as I do because I value and respect this process, and I hope that when you get the same level of understanding as I do as to what we are doing you will become communicators and ambassadors to do that job for those owners as well. Your colleagues in the official opposition will as well. To the extent it is not done, we damage our own reputation as reliable producers and suppliers of hydro power to other jurisdictions.

That is why I get so concerned really for our aboriginal Manitoba citizens when a community led by a leadership like that at Cross Lake at this time in their history have chosen to, on an international basis, disseminate information which causes me very considerable concern, because unfortunately it has not

been based on facts. It has not been based on a fair or accurate account of history, and it does a disservice to I think the huge efforts of good will by this province under the government that I am part of since 1988 to reach out to resolve the damage done by Hydro development, particularly in the 70s, in ways that will cause all of the victims in the North to believe that now justice has been done, never perfectly but justice has been done and we can now move forward.

* (1520)

I look forward to the day in the very near future when the aboriginal population of the North join with all Manitobans to celebrate this wonderful Manitoba advantage that we have in the form of Hydro, and will, with appropriate scrutiny and maximum due diligence, see fit to endorse what will be relatively environmentally benign further development of Hydro. Your government supported Conawapa, for example, and it was virtually there. The advice that we get is that that will not involve more flooding. So, to the extent that the official opposition and the First Nations of the North and all Manitobans embrace that as a positive kind of thing, done in the right way, I think we will be able to demonstrate the best kind of marketing possible. That is a united universal commitment of our people to make that kind of thing, that kind of enhanced renewable energy source at low prices available to a portion of the world and contribute to reduce CO₂ emissions in ways that will make the whole world happy.

So, yes, that kind of marketing we are doing. I am hoping that we can do that together, both the government and the official opposition, and in terms of the technical aspects of making deals, when Hydro needs broader policy support, the kinds of commitments that governments need to supplement, we will be there to support them.

Ms. Mihychuk: Can the minister indicate whether natural gas produces, in its burning, CO₂? Is that a significant polluter?

Mr. Newman: I made that point using the replacement of the compression stations which are serviced by natural gas, so that in itself resulted in a replacement of natural gas with electrical, resulted in the 6.5 million

metric tonnes per year, and that was the compression stations between the Alberta-Saskatchewan boundary and North Bay, Ontario.

Ms. Mihychuk: It is a little surprising, natural gas is always sort of viewed as a clean fuel, I guess, by the layperson, or so it is marketed. It is important to note exactly that it is a significant polluter to our environment, and that type of information I think will be enlightening and enhance our strategic marketing ability for Hydro and its clean and effective way of producing power.

Will this have an impact on the government's policy for natural gas distribution in rural Manitoba?

Mr. Newman: Let me give you a more maybe useful answer to your last question which will help me in answering the question about natural gas distribution systems in the province and their expansion.

Coal has the most significant carbon emissions per unit of energy, and natural gas is one-half to two-thirds as much as that of coal, and hydro, through an enhanced generation at Conawapa has virtually no emissions whatsoever because in that situation there will be literally no—hardly any additional flooding. That is because there is four hectares involved in Conawapa, and it is all rocks so there is not the gases that are given by flooding of vegetation areas or the products of vegetation soil.

We have short-term needs and we have long-term needs, and there are situations where natural gas maybe for—who knows?—maybe several decades—maybe—will have relatively lesser prices, it will be relatively less costly. It is actually a very interesting decision that customers have to make and the philosophy of this government is to, for the most part, let customers make their own decisions and businesses make their own decisions. The shorter-term thinkers are going to look to—who want something, in whatever time horizon they see natural gas being cheapest, they will make that decision.

Right now in Swan River, you have had Louisiana-Pacific build a plant there with the expectation that they will be serviced by natural gas. There are other businesses that would believe that you have municipal

jurisdictions throughout the province that would welcome more ready access to natural gas, certainly instead of coal, and in some cases, instead of hydroelectric power because they would see it as being cheaper for certain purposes. Those are choices that they will make based on their own analysis. Then there are the longer-sighted people out there who are not as concerned about immediate viability or making a buck, and they are sort of experimenting with technology or prepared to make an investment now in the long term. That is why some people invest a significant amount in a technology like geothermal, the heat pump technology, which requires fairly significant capital investment initially, and they will be saying we do that because 20-25 years down the road we might be the winners for the next 50-100 years and, at the same time, believe that they are contributing with less negative impacts on the environment.

* (1530)

I believe that those kinds of free choices, and to the extent we can make them informed choices, and to the extent that the federal government, through the climate change initiative, chooses to encourage those longer-term informed decisions by giving a value to the negative impacts to the environment of natural gas or coal, will contribute to more people selecting hydro power—even though it may cost more—and more people selecting those alternative energy sources. That is why we also support in projects like the Ecovillage that, if they opt to experiment with natural gas as one portion of it and heat pump technology as another portion of it and they then monitor that over time, then we are going to get better answers.

We truly are in a very exciting time, because it used to be that people did not realize they had choices, and if there were choices, the relative merits of each were so different that they were not real choices. But, in this very exciting time of enhanced consumer choices, I think a lot of very conscientious citizens of the world are going to opt more for hydro and opt more for alternative energy sources that are more environmentally benign.

Ms. Mihychuk: I am prepared to move through this section and move into the Mines Branch.

Mr. Chairperson: Item 23.2. Energy and Mineral Resources (b) Petroleum and Energy (1) Salaries and Employee Benefits \$1,460,400—pass; (2) Other Expenditures \$491,200—pass.

23.2.(c) Mines (1) Salaries and Employee Benefits \$1,370,900.

Mr. Steve Ashton (Thompson): I am in the other committee on Health, so I think our critic—

An Honourable Member: We will pretend you are here.

Mr. Ashton: Oh, I am sure the minister would love to have me here in spirit, rather than in body and spirit as well, but it is a very important issue we are debating on the other side, also very important on this side.

I wanted to ask the minister, and I want to preface my comments by indicating that if I do leave it is no disrespect to the minister. It is to get back to the debate on the other side. We actually have a motion on the floor there, so there is a debate that is fairly significant as well. I will certainly—to follow up with the minister in person and obviously with the Hansard.

My concern is with the situation of mining generally, but more specifically in my own community with Inco. Inco is in a position now where it has laid off 45 staff people, as the minister, I am sure, is aware. That is fairly significant, because it is the first direct layoffs in quite some time in Thompson. Up until now, there have been layoffs through attrition and early retirement packages, but there were 45 people—many of whom I know personally, a vast majority of whom I know personally—who were laid off.

Inco has laid off 150 contractors as well. They are currently leaving the community. I met someone that has kids in our swim club who is affected by that, so it has a very direct personal impact. Also, there are a number of hourly employees who are going to be cut. We are not sure yet how many. There is talk of 100 positions. Either way, the bottom line is there are concerns in Thompson about the situation with mining.

Now there are two sides to the coin on this: one is obviously the price of nickel is down and that is a fact

of life. It is down significantly from last year. It is down from, I think, \$3.70 a pound down to less than \$2.50. It has been hovering around \$2.40 or even less the last little while. So obviously that has a real impact on Inco's revenues, and I think everybody in Thompson respects that.

Unfortunately, there is another factor that compounds it as well, and that is Inco's major investment in Voisey Bay. That was predicated on \$4 a pound nickel. When you are looking at nickel at less than \$2.50 a pound, it is obvious that Inco is in serious difficulty, particularly on the cash side, and a lot of it is a combination of the low prices and the impact that has had on the Voisey Bay investment. To put it more bluntly, I think a recent analysis indicates that Inco's value as a company is now less than what it paid for Voisey Bay. You do not have to be a financial expert to figure out that is a problem.

I guess one of the concerns that people have in Thompson is about the future of the Inco operation, both on the mining and the processing side. I want to put that in context, because we are also up against Newfoundland where you have the Premier of Newfoundland who has been very active in negotiations with Inco. They are taking the position there that they want to have nickel mined and smelted and refined—full production in Newfoundland.

Obviously, we are in a situation in Manitoba where presumably that is or should be the policy of the provincial government here. What I really want to ask the minister is whether he has met with Inco? What the position of the Manitoba government is in regard to the future with Inco, particularly, if there have been any discussions around whether Inco is going to be committing to long-term exploration? I want to stress that there are plenty of reserves in the Thompson area, but without exploration and capital investment, you obviously cut back on your mining side, and that is what has happened already with the cancellation of exploration and expansion at Birch Tree?

Obviously, there are various different scenarios that people are concerned about, whether there is going to be continuing production. I think most people are—we are realists, we are in it for the long haul. We think Inco, the mine, is going to be there for quite some time. The question is, again, if there is operation in

Thompson, will it include a significant amount of mineral production mining? There has been talk, for example, of bringing nickel in from Voisey Bay and other areas. That certainly gives a source to keep the smelting and refining operations going, but it raises questions about the value-added from our mineral resources here in Manitoba. So I want to get some indication on the record from the minister, what his position is and what the provincial government's position is?

If I could, just briefly, my recommendation to the government is to make sure it is directly involved and meeting with Inco. I would point out that there have been a number of significant changes made to the taxation system that have certainly benefited Inco in the last number of years. By the way, I would stress that as an MLA representing a mining community, I believe that we have to be competitive. We have to be competitive in the world arena, particularly, with some of the new productions taking place in Chile and other areas which perhaps do not have the advantages we have for infrastructure but certainly have cheaper cost, so I am not arguing against having a competitive mining industry but quite the opposite.

* (1540)

What I am suggesting is that we do have some ways in which we have worked with the mining companies in the past. I think now is the time to sit down and ask Inco for some indication of what is happening, some clear commitment to Manitoba, and at least do at a minimum what they are doing in Newfoundland, which I think is the appropriate thing, and that is making sure that they are discussing with Inco about the future of their resource. I am suggesting we do the same here.

So I am recommending the minister take a proactive role and particularly focus in on the question to my mind, not only the overall future of the Thompson operation but the mining side as well. I would add, by the way, that there has been a recently announced new development in Ontario, in the Ontario division. So they obviously are moving ahead on that end of it, on the Ontario division, but the bottom line here is we want to ensure a long-term future obviously for the Inco operation in Thompson.

I really want to just finish by saying I am concerned, too, that in some ways we are being caught here not only dealing with the price of nickel but with some bad investment decisions that were made by Inco. It has caused a lot of frustration, and a lot of people are suggesting that the people who made the decision should be paying the price rather than a lot of the people in our Inco communities whether it be here or Sudbury or Copper Cliff. There has been a lot of criticism. I know recently at the board meeting, a shareholders' meeting in Ontario took place, a lot of criticism around the stock market at those decisions, and I would stress it was not the first time we have been through this. We have a fairly thick skin in Thompson, because we faced the same difficulty in the early 1970s because of Indonesia and Guatemala.

But notwithstanding that, the provincial government does have a role. It has a role both in terms of being the steward of the mining resource. It has a role in terms of setting the economic situation, which mining companies operate, the taxation regime, et cetera. It has, I think, a responsibility at a bare minimum to be sitting down with Inco and finding out what Inco's plans are and trying to encourage Inco to maintain full processing here in Manitoba.

My view is we can work in a very co-operative way with Inco. In fact, if you go back to the origins of Thompson, there would not be a Thompson or an Inco without the joint venture between the government and the corporation of that time. We provided the hydroelectric power which is essential to Inco. Once again our hydro system provides the cheap hydro that is fundamental to the operation at Inco. The development of the town site in the early days, Inco played a very significant role; in the latter days, the provincial government and the local government played a key role. Mining has very much been a co-operative venture between government as its owner and steward of the resource on behalf of the people of Manitoba and the private company Inco which has been a long-term player in the mining industry.

What I want to make sure is that we do not end up with some drastic decisions made over the next period of time that will impact on the Manitoba operation. I am sure I do not have to add to the minister that over the years, the Thompson operation has produced a lot

of revenues for this province, both mining royalties, not so much the current time period we are in. I go back to '88, I think there was about \$130 million produced in one year. We certainly provide a lot of money in terms of income tax, sales tax, other revenues outside of mining per se, so we feel we are a very significant part of the provincial economy. My arguments are really not just on behalf of Thompson but, I think, for the best interests of Manitoba.

I appreciate if I put a fair number of comments on the record. My apologies for having to go back to the other committee, but I would appreciate the opportunity to read the minister's comments.

I will certainly want to offer my assistance in any way, shape or form. I have written already to Inco. I will be meeting with the president over the next period of time to express my concerns. I can tell the minister there is a lot of anxiety in the communities. He can understand. It is not that we have not been through it before. We have been through tough times as well as good times in Thompson, but we are concerned about the very difficult situation Inco is in, and I think the minister is fully aware of that. I guess the bottom line is that people want to make sure that there are not any drastic decisions made that are going to impact on the community of Thompson and the province of Manitoba.

Mr. Newman: I will be providing quite an extensive commentary to the points you made, and they will be on record in Hansard and, hopefully, shared with the people that are part of your constituency and maybe even beyond that to anyone who has concerns about the Inco situation.

Whenever we are dealing with a private company, I like to have the private company, by which I mean a nongovernment-owned company—this is a large multinational public company, of course—but when you are in the private sector, I like to have the people who are the voice, the responsible voice of that entity, speak for themselves, and I took advantage of the opportunity to ask for and obtain a copy of the most recent remarks that I was aware of that Mel Wyshynski for Inco had made to a public event. The public event was speaking to the Thompson Chamber of Commerce.

As a past president of the Chamber of Commerce before I came into politics and knowing Tom O'Brien and the local chamber people there, I know that they wanted to bring Mel to that meeting to get from him what the story was from the company perspective. I might say it is probably very desirable that somebody like Mel Wyshynski is in this position because, as we all know, he is someone who came up through the ranks in Inco, is well known and trusted, respected by the people of Thompson who know him as a wonderful community person, human being as well as a very competent manager. So, in this very difficult time when he made these remarks, they probably have more credibility than someone coming in from the outside and giving the news. Mel, in his remarks, the transcript of his remarks which I have—I will summarize some of what he said, but I think I was invited by the honourable member for Thompson (Mr. Ashton) to put on the record some information that could be utilized by the people to judge for themselves where things were going and where they are and whether our government is doing appropriate things working with them and whether the company indeed is doing what it should.

He said that he would briefly discuss the world nickel market and ultimately how this is affecting the Inco operation and the community, and he indicated it was especially important to a frank and honest discussion with those in the room. He indicated that he was well aware that what happens up on the hill is important to the local economy and is also how important to how you as business people plan for the future. I am now just going to quote him. He said: Yes, I do believe that the Thompson nickel operations have a future. I also believe everyone must recognize that it is a future that we can and must create for ourselves.

I am continuing to quote Mel Wyshynski. He said: It may not be the same future that many of us envisioned, but it is one that will provide for a healthy nickel-producing operation in Thompson and a self-reliant community. Indeed, as you will see, the challenges faced by Inco will force us all to change our expectations for the future. We will not be the same Inco as in the past, and this will have an impact on the community. I understand that the message I am delivering is less than positive, and this, in turn, may evoke some less than happy responses.

On the other hand, I am strongly convinced that people want to be told the facts, and I also believe it would be irresponsible on my part to paint a picture that does not match reality. So what is the reality? The reality is that we must continue to take aggressive actions to secure our future, and, as much as I would like to tell you differently, these actions will create some pain for all of us. However, at the end of the day, we believe our operations here in Thompson will emerge as a much stronger, leaner and more competitive player in the world nickel market. We will not employ as many people as we have in the past; but, if we significantly reduce our costs, we will be able to invest in our future here and still be producing nickel, providing employment and contributing to the economy.

If we cannot achieve these cost-reduction goals, our future will be determined by the global market forces. We cannot allow this to happen. I have spoken to many of you over the past few months, and I believe you are in tune with much of what is happening in the nickel business. I sense that what is unfolding is a source of great anguish. Before showing you a few transparencies, allow me to paint a brief word picture of what is happening. In a few words, the problem has not been with nickel demand, but rather it has been with nickel supply and its effect on nickel prices. Demand has remained strong in most parts of the world, and, in spite of some problems in Asia, 1997 saw the highest demand for nickel on record. Prices have been negatively impacted by the much higher than expected exports from Russia, the increased recycling of nickel and stainless steel, and, of course, the emergence of new low-cost producers onto the world scene.

* (1550)

Talking about prices, on April 7, 1997, the price of nickel on the London Metal Exchange was U.S. \$3.26. Yesterday, the selling price was U.S. \$2.40 a pound, a drop of 26 percent. The harsh reality is that we are faced with what I call a \$2 to \$2.50 nickel world, and in the final analysis we do not know how long prices will be at these levels, but we expect them to be in this range for a number of years.

I want to point out that Inco's purchase of Voisey Bay has nothing to do with the problems we are

experiencing in the nickel industry. It is a simple case of economics. We cannot stay in business if we produce a product at a price higher than the market will bear. Therefore, to stay in business we must continue to reduce our costs of production. Blaming Voisey Bay will only detract us from what must be done. Let us now look at some of the fundamentals in the nickel industry in 1998.

Then after going through the transparencies, he summarized his message. My message today is threefold. First, Inco has embarked on a path of major change; secondly, this change is not an option if we wish to secure our future; and, finally, this change will impact the community of Thompson. We would only be kidding ourselves if we thought these problems would magically disappear. This will not happen and turning our back on these new realities would be done at our peril.

Some of the actions we have taken and others that we will take in the future will be accompanied with some pain. As we all know any change, even ones for the better, are accompanied by drawbacks and discomfort. No matter where we are in life, we cannot ignore the need to change with the times. As I have previously stated, we are now in the midst of changing times and with this must come changing expectations. We, therefore, need the support and understanding of a wide range of stakeholders in the months and years ahead. This includes all our employees both staff and hourly, the union representing our unit employees, local and provincial government authorities, the business community, and anyone else anxious to see Inco continue as a cornerstone of this community.

Many of us have watched the community change over the years as it prepares for a future where mining activity will not be as prominent as it has been in the past. We applaud all those organizations, the City of Thompson, Chamber of Commerce and others who are working hard to diversify the local economy. The progress made has been encouraging, and I urge you to continue with these efforts.

That was presented on April 8, 1998, and, again, to put in some historic context, I had my staff obtain for me some historical statistics on monthly nickel prices in U.S. dollars per pound. Mr. Wyshynski's speech has

referred to some prices, and I want to put this in a historic context. I think putting things in a historic perspective sometimes helps us to at least have the confidence that this is not necessarily the worst of the days.

The figures that I had went back to 1985 and through 1997. The average nickel prices, U.S. dollars per pound, throughout the calendar year 1985 were \$2.22, and the range for that year was from \$1.83 up to \$2.54. In 1986, the average was \$1.76, a range from a low of \$1.62 up to \$1.87. In 1987, average \$2.20, a range of \$1.60 up to—in the month of December 1987—\$3.47. The rest of the year was all \$2.70 or less.

In 1988, the average \$6.27, a range of a low of \$3.66 to begin the year; it went up to a high of \$8.21. In 1989, the average was \$6.05; in 1990, the average was \$4.03; in 1992, the average was \$3.17; in 1993, the average was \$2.40 with a range of \$1.97 to a high of \$2.73, an average of \$2.40. In 1994, the average was \$2.87, which is a range of a low of \$2.45 to a high of \$3.88. In 1995, the average was \$3.73. In 1996, the average was \$3.40. In 1997, the average was \$3.14, a range of \$2.70 to a high of almost \$3.59. So the 13-year average, 1985 through 1997, is \$3.46 overall. So that is a context which may be helpful because there is a reference point. You can contrast it back in your own experience in the community to the years 1985, 1986, 1987.

So what are we doing as a province? We have shown our flexibility to work with mining companies, and just as we have been doing with Hudson Bay Mining and Smelting recently in their Project 2012, we have an ongoing communicative relationship with Inco, primarily through the Mining Association of Manitoba who is their voice in their interaction but also meet personally, people in our department, with senior management of Inco. There is just a very effective, communicative, frank exchange of factual information and relationship.

* (1600)

The kinds of things that we have been doing consistent with our approach to encourage investment in new mines, encourage exploration to find more cost-effective operations, the Thompson nickel belt has been

a focal point of our efforts, mainly because that has been the focal point of the efforts of industry. They still see enormous potential in the Thompson nickel belt, so our major efforts in the Thompson region are being carried out in conjunction with the industry-sponsored Thompson nickel belt CAMIRO project, which is now entering the second year of a three-year program. The program delivery draws on the collaborative efforts of our department, the Geological Survey of Canada and five Canadian university geoscience departments and represents the first integrated study of this world-class mining camp.

Industry support for this program averages approximately \$130,000 a year over a three-year time frame with matching NSERC funding. Total program funding averages \$230,000 per year. Participating companies include Inco, Falconbridge, HBED, Western Mining Corp., and Teck. In addition to funding, several of these companies are also providing access to confidential data that will significantly improve our understanding of the belt. The program is directed by Manitoba Energy and Mines and will develop new exploration tools that will yield long-term benefits to nickel explorers in the province.

As part of the department's contribution to this initiative, we are funding five field programs and one office GIS compilation project. These activities comprise 20.6 percent of the total branch allocation for field activities and 33.6 percent of the total number of days to be spent in the field by branch geologists. Specific objectives include production of 1:50,000 scale geology maps for the nickel belt, definition of lithostratigraphy structure and geochronology, refining geological, geophysical and geochemical exploration methods, aid in the identification of new exploration targets. The project also targets the relatively unexplored southern extension of the Thompson nickel belt beneath Paleozoic cover. Another statistic showing our focused and supportive effort as a government is that under the MEAP program 24 out of the 190, or 12.6 percent, of our approved projects are in the Thompson nickel belt. This translates into \$2.6 million of committed program funding or 24 percent of the total MEAP allocation.

Through our most recent budget, the very tangible and specific tax measures that are benefiting Inco

significantly are the exemption for motive fuel tax on propane fuel used in drying mineral ore concentrates and for heating processing plants and underground mines. This exemption represents an estimated savings to the mining industry of \$1.3 million on a full-year basis. The payroll tax rate, which we know Inco pays, will be reduced from 2.25 percent of taxable payroll to 2.15 percent of taxable payroll effective January 1, 1999, and this reduction represents an estimated \$250,000 savings to Manitoba's mining companies. Just as those measures benefit Hudson Bay Mining and Smelting significantly, they contribute significantly to Inco as well.

Those remarks are responsive, I believe, to the kinds of concerns expressed by the honourable member for Thompson (Mr. Ashton) and what would be and are, I know, concerns of members of the community.

That is why the Northern Round Table, for example, thanks to the initiative of Mayor Bill Comasky of Thompson, being the representative of the northern Urban Industrial Communities; thanks to Sonny Clyne, the president of the Northern Affairs community council; thanks to George Muswagon and then his successor, Francis Flett, for the MKO in becoming involved in the Northern Round Table and then working with my ministry on behalf of the province in looking for ways to contribute to the development of healthy, sustainable northern communities, including Thompson, in ways that are not as significantly dependent on mining and the successes and fortunes of mining and realizing that there may be a day when mining is not nearly as significant a contributor to the economy; thanks to the efforts of the Norman Regional Development Corporation and the chambers of commerce in putting together tourism programs, programs like the Mid-Canada Mining Corridor Conference to be held soon, in fact, June 1, 2, and 3, which is designed to encourage companies to be of service to mining companies generally and entrepreneurs to become more aware of and more involved in providing services to operating mines.

All of those are very healthy ways to address the challenge and that strong northern regional multifaceted leadership, representative of the communities of the North, the existence of the Community Futures program in the area that are working co-operatively with

everything from our Communities Economic Development Fund to the local chambers and the municipal and other mayors and councils.

Those are all, I think, the very proactive things that are happening to address the challenges that the honourable member for Thompson has alluded to. Another very positive thing is, I think, the aboriginal community of the North with the major influx of dollars, hundreds of millions of dollars through settlement of the Northern Flood Agreement, comprehensive settlement through Treaty Land Entitlement, their enhanced land bases, their growing populations. There are new markets growing up in the North and Thompson, I know, through the northern round table and other initiatives, is responding to these changes.

The most current example of that which really makes a big point is the sale of the Mystery Lake Hotel to Nelson House First Nation and all of the implications of that. The First Nations communities, the aboriginal communities of the North are going to play an increasing role in the future of Thompson. Again, in anticipation of that and our desire to have all peoples in northern Manitoba benefit from mining, we have our nine-point mining strategy, which is to work towards an accord to provide reciprocal understanding between aboriginal people and those engaged in mining exploration and development. All of these are the proactive, change agent kinds of things that are in progress now and are addressing the Inco challenge.

Ms. Mihychuk: I want to thank the minister for that lengthy response, and I am sure that my colleague who represents Thompson will study his words carefully as many of the people in that area are very concerned about the future of Thompson and Inco and will be anxious to hear the minister's comments.

In terms of the Mines Branch, I would like to discuss some of the impacts of MEAP and its direct benefits to Manitoba. I wonder if we have, for example, seen an increase in the number of mineral leases or mining claims since the MEAP program? My statistics indicate that we have not actually seen an increase in mining claims, but my numbers end in 1996. Just for the record, mining claims in 1992, we had 6,700; in '93, 7,900; '94, 11,400; '95, 10,400; then in 1996, 6,100.

Would the minister confirm those numbers are accurate and perhaps provide us with the more current numbers in terms of mining claims?

* (1610)

Mr. Newman: The number of claims may or may not be reflective of anything of significance. As you know, I just asked my staff why there were 4,724 claims in 1994, which stands out as a very large number. It was because of someone staking a very significant number in southeastern Manitoba which have not born fruit.

The numbers that I have for mining claims is 2,257 in 1993; 4,724 in 1994; 1,112 in 1995; 692 in 1996; and, 1,664 in 1997-98.

Ms. Mihychuk: The reason I ask is we look for indicators for the program's effectiveness, and it seemed to me that having people actually take out mining claims may be an indication that they were successful in an exploration program and look at making a commitment to Manitoba. The record has not born out in terms of mining claims. Has there been an indication from the MEAP programs of a significant find, and when can we expect to see a mine open because of the MEAP program?

Mr. Newman: Responding, first of all, to your comment about indicators, the indicator that we think is a very positive measure of the renewed attractiveness of Manitoba as a place to invest, induced by the enhanced goodwill factor of MEAP overcoming the negative goodwill of the past, is the number of active companies in Manitoba in exploration. In 1995, the figure was 49; in 1996, the figure was 58; in 1997, the figure was 61; in 1998, the active companies in exploration is 71. So that is an important indicator.

The other way we determine the contribution of MEAP is to ask the industry. We had a survey of the industry, and the response indicated that 75 percent of all respondents to the survey express satisfaction with MEAP and would like to see the program continue.

Point of Order

Ms. Mihychuk: Mr. Chairman, is there not an obligation or at least an impression that the minister

should be answering my question? My question was related to when would we expect a mine to open in terms of the MEAP projects that we have funded? I do not believe that the minister is answering that. He is putting statistics on the record which are trying to, I believe, justify or make the MEAP program look good. I have mixed feelings. There are good indicators and, for example, the mining claims which I have cited would indicate that we have not seen a direct correlation, so there are statistics and statistics. But my question was: have we seen a finding, and when can we expect to see some real development in new mines in the North?

Mr. Newman: On the point of order, I am in no way trying to do anything but be helpful. If this is not the kind of information that the honourable member for St. James considers to be relevant or helpful for herself, her party or the public at large, I have no desire to persist. So I will simply respond directly to the question asked, and my—

Mr. Chairperson: Order, please. I will deal with the point of order. The honourable member for St. James did not have a point of order, and we will just leave it at that. The honourable minister to complete your response.

* * *

* (1620)

Mr. Newman: I feel only comfortable answering that question by sharing with you and with the public what any particular explorationist has expressed in writing to me or people in my department. We received a letter from Canmine Resources Corporation, December 30, 1997, that said: It is my opinion, being the person within our company who was largely responsible for raising of exploration and development capital, the company's growth and success would not have been possible without the availability of the MIAP or MEAP programs from the Manitoba government that were implemented during a crucial stage of our company's growth. Certainly, our annual exploration budgets would not be nearing several million dollars and the advancement of our projects would not be happening as quickly as they are today.

That letter was signed by Edward Ellwood, E-l-l-w-o-o-d, president of Canmine Resources Corporation, and that company has been saying that—and this is why it is so difficult. What do you know what a company is going to do with nickel prices as they are, but they were certainly purporting that they had a near-mine, thanks to the kind of supportive programs that this government had provided?

But I do not think it is appropriate, frankly, for me to speculate or guess as to which of the 71 companies active in Manitoba investing \$32.6 million in 1995 in exploration, \$41.2 million in 1996 in exploration, and an estimated \$41.7 million in 1997, which of those expenditures, which of those mining companies, explorations companies, spending that aggregate amount of money is going to become a mine. That is something for prospective investors in mining companies to ascertain for themselves without my purporting to have any knowledge or expertise in this very challenging area for investment, which has befuddled even Inco, who did put a lot of money into Voisey Bay and spent a lot of money and made a lot of commitment in relation to that property. If they are not expert enough, investing that kind of money, how can you expect me to offer anything useful at all? I find it a very difficult question to deal with, and I have answered it by telling you how difficult it is, and I think how inappropriate it would be to attempt to answer it and have anyone place any reliability in anything I said at all. I would offer a disclaimer, in fact, for anything I have said that would induce anyone to invest or not invest in anything.

Ms. Mihychuk: Well, the provincial government has decided to invest in MEAP and has now decided for the past two years to invest the money from the Mining Reserve Fund into MEAP, so not only have we looked at general revenues going into MEAP to support, which we do endorse that method of financing the MEAP program. It is good and it is bad and it is effective and it is not.

However, the decision to move money out of the Mining Reserve Fund raises a number of concerns, and because the Mining Reserve Fund is so specifically identified to help the people in the North, the miners, those families, the businesses, I ask how many miners will be moving their homes from Leaf Rapids to

establish in a new mining community that is going to be open? And that is not in 10 years, we are talking about people losing their incomes today. The crisis is today.

So that when we look at the effectiveness of the MEAP program, those people are not looking in the long term. They need something right now. The crisis is here today and what options are available to them because the Mining Reserve Fund was established with a specific purpose, and I know that the minister and the government, the Minister of Finance (Mr. Stefanson) have found a way to comply with the act and take the money out and use for various items.

So I think it is particularly relevant to talk about MEAP and its effectiveness because what we are searching for are real jobs for real people in mining communities and how they are going to sustain themselves and their families. So although my question was somewhat rhetorical, because it is very difficult to tell when the next mine will open, it is particularly relevant because people are losing their livelihood right now in Thompson, in Flin Flon, in Leaf Rapids, in Bissett, so it is a very troubling time for many miners, and when we look at the effectiveness of MEAP, it is in the long term. If something would even open in the next 10 years, that would probably be called a very speedy project in terms of a mining history and the amount of work that is required to get a reserve or a deposit into production.

So the questions are leading to an evaluation of MEAP, its direct impact on the workers in the North and its availability for these very trying times which have impacted on those persons. In fact, when we look at the effectiveness of MEAP, one of the other measures that we can look at is the overall exploration expenditures of companies. That is a useful tool and the minister often cites how much money has been spent on exploration, and since 1995 we have seen an increase in those three years, but when you look at the amount of exploration expenditure when compared to the percent of national total, Manitoba has been a loser.

* (1630)

In 1992, although overall exploration expenditures were \$32 million, our share was 8.3 percent of the national average. In 1995 we had 32.8 percent and our

share had dropped down to 4.5 percent of the national average. In 1996 it was only 4.6 percent; in 1997, this based on forecasted exploration expenditures of \$41.7 million was still disappointingly low, 4.8 percent.

Can the minister explain why Manitoba is not getting its share of exploration when it is one of the, I would say, few, a minority of jurisdictions, which provide such an incentive program, and why we have seen the drop off in terms of the national average from a high in 1992, which are the numbers that I have to now, 4.8 percent?

Mr. Newman: I am well aware of those figures and made it a point of trying to get an understanding satisfactory to me as to why those figures were like that. There is a variety of reasons for it in some detail.

In any event, in my remarks I had indicated that no matter how much of an effort you make to create a positive environment for doing exploration, mining and investment, the magic of having a major find is what seems to attract a disproportionately large amount of investment. I use the illustration of Voisey Bay in Newfoundland-Labrador and why they, as a jurisdiction that traditionally has not attracted a whole bunch of investment, attracted an enormous amount after Voisey Bay. In Northwest Territories, things have gone wild with diamonds, and Alberta, recently diamonds have become big, so it is the magic of major finds. That is why the marketing effort on MEAP.

There are other reasons, and I have explored them. One of them is the habits of companies who during the period they were discouraged by the NDP from investing in Manitoba, the habits of having gone elsewhere. When you get used to something, you have to change the habits, so that is why the more active companies we get here, the more new companies we get coming in here, the more old companies coming back—because the environment now is more secure for investment and more understanding from a government perspective, the more they are coming back. So we had to overcome that handicap, and I have already shared that with you.

Another factor may very well be the concern that an NDP government might ever come back and get re-elected in the province of Manitoba and put them at risk

of lack of security of investment, put them at risk of greater expropriation, the aversion that is always expressed by the official opposition to private ownership of things, the demonstrable lack of understanding of business, the one-sided and often blind support of unions and interest groups who oppose business, the identification with organizations like Choices, all of those kinds of concerns. They know that there is an option in terms of philosophy here, in terms of official opposition which has a remote possibility, perhaps, but a chance, given it is the official opposition, of replacing the current government. So that is another factor.

But in British Columbia—I find sometimes the best evidence as to whether or not we are doing the right things in terms of creating that environment is reliable third-party endorsements. In my speech in Toronto on March 9, I spoke to the excellent relationship that our government has with the mining industry in Manitoba, and I cited the Manitoba Mining Association's belief, express belief that our regulations in administrative procedures are the most efficient and effective in the country with delays unheard of and that they should be considered a model for Canada. I also take note, when I look at whether we are doing the best that we can, as to what recently happened in B.C. when it announced its new mining initiatives in a press release of April 21, 1998, headed: government announces new mining initiatives to spur jobs and investments.

I had my staff review that, as I always do, to make sure that when there are new initiatives in other jurisdictions that we are still competitive and are still doing all of those things within our control that make Manitoba the best place to invest in mining. What I found reinforcing was that the British Columbia minister, the one there responsible for mining, has—it is obvious—taken a look at our Explore in Manitoba publication used by myself and staff in promoting the Manitoba advantage, and it is very clear that B.C.'s new mining initiatives, the NDP government in B.C.'s mining initiatives, with enormous pressure from industry to change those initiatives of the past which were antibusiness, antimining, antiexploration, can be traced back to programs that have been promoted in Manitoba for the past several years. What the message is from B.C. is that Manitoba's approach to creating a positive business environment is contagious, and the

NDP government in B.C. has seen the wisdom of doing it to compete with Manitoba.

In fact, what was somewhat amusing having walked the mining districts in the city of Vancouver with staff going from office to office—and there are quite a collection of mining offices in one area of downtown Vancouver, so you can do it by walking, even though it rains and the umbrellas sometimes blow inside out—but walking from office to office, you see the mining, the explorationist owners, the people on the street and in their vehicles and they wave and you get to know these people.

It is very amusing because they are so congratulatory to Manitoba for making this effort to go out and market the Manitoba Advantage, and every time we do it, a large number of them communicate with their government in B.C. and say get your act together. Manitoba is beating you guys. We have never seen the minister come to our office before and the Manitoba minister is here. So what they did, they put an enormous amount of pressure on the B.C. government to get with it, and so they have very much adopted many of the Manitoba points of the nine-point strategy and are now adopting those as policy.

When we were in Cambridge Bay at the mining symposium there, The Northern Miner was represented there by Vivian Danielson, the one regular writer in The Northern Miner and here we were, the Manitoba Mines staff and the minister—I was the only minister at the mining symposium, and at the speech to the conference, the reporter, she was the featured speaker at the dinner, at the closing feast, made reference to the fact that Manitoba continues to lead the way in the way we go about marketing Manitoba as a place to mine.

* (1640)

So having said all of that, I really do invite you, as I have every time we have met in these kinds of meetings, come up with your best and your most helpful ideas to increase investment in mining in Manitoba. My staff are here waiting anxiously and with great anticipation to the constructive ideas that you are going to bring forward. You know what, we will even give credit, I will give credit, I will give credit to you for your ideas. I will not claim ownership for any

new idea you come up with that I have not come up with. My staff will give you credit and Manitobans will give you credit, so now is your chance to really list every one of your good ideas now, you put them on the table and I will celebrate them as soon as we adopt them.

Ms. Mihychuk: I have a question as to the amount of money that is being spent on MEAP. Can the minister explain why the Estimates have identified \$3 million, and yet in a press release issued February 6 it announced \$4.5 million. Are these different fiscal years or what is the difference between those numbers?

Mr. Chairperson: Order, please. It has been brought to my attention that that question comes under 23.3.(a) Mineral Exploration Assistance Program. So would the honourable member like to wait for that section to come up or rephrase her question or is there unanimous consent to move ahead on this? What is the will of the committee? Is there unanimous consent to proceed forward to 23.3.(a) Mineral Exploration Assistance Program with the understanding that we revert so that we can deal with this question from the honourable member for St. James? Agreed. [agreed]

Ms. Mihychuk: To repeat my question?

Mr. Chairperson: Please.

Ms. Mihychuk: My question related to the budget allotted in the department which identifies \$3 million and the press release announcement of \$4.5 million. So I am wondering why there is the dichotomy between the two amounts.

Mr. Newman: That is the magic of my department. They are very resourceful, and they can increase \$3 million into \$4.5 million with the magic of their persuasive abilities. What that is, is the \$3 million is the MEAP budget. The additional \$1.5 million is an approved overcommitment by Treasury Board and cabinet in anticipation that not all of the dollars will be spent by the companies and, therefore, the provincial contributions will not be utilized. Based on past experience, there has been a differential between the budgeted amount or the applied-for amount approved and the actual expenditure, but if every cent were spent, then we would have eaten—we would have exceeded the

original budgeted amount by \$1.5 million, which could be taken out of the next year's allotment if we continued with the program. Just a final point is that the reason it is not spent is in some cases the projects do not go ahead for whatever reasons. That has just been our historic experience.

Ms. Mihychuk: So the \$6 million that was taken out of the Mining Reserve Fund will presumably cover this \$3 million, and then the other \$3 million would end up going where?

Mr. Newman: The \$6 million was and still is the committed amount that was, whatever way you want to call it, whether it was declared redundant over the minimum or whether it was, you say, it was taken out of the Mining Reserve, the \$6 million was and still is the amount committed to fund a three-year MEAP program of \$2 million a year. I think I indicated last time that my information was that less than \$2 million of that had actually been paid out, which means there is something over \$4 million that will be paid out to all of those people that had spent the appropriate percentage on projects funded by MEAP to the percentage representing the MEAP obligation.

* (1650)

Ms. Mihychuk: I, at this time, would move, seconded by the member from Flin Flon (Mr. Jennissen), that this committee condemn this minister and the provincial government for the transferring of \$6 million out of the Mining Reserve Fund into general revenues, instead of directing the funds for the needs of the miners and their families and the businesses in Manitoba's mining communities.

Mr. Chairperson: Just for the clarification of the committee, I would ask the mover of the motion if this is the motion that was read into the record verbatim that I have before me.

Ms. Mihychuk: Procedurally I was not aware that I had to have the motion verbatim. It is on the record. I have added that the monies be directed to the miners and the mining businesses but, in essence, the motion is intact and condemns the minister and this government for their actions.

Mr. Chairperson: The honourable member for St. James, I would—it has to be verbatim, so I would ask the honourable member for St. James to rewrite the motion and then read it into the record before I can proceed with it.

Ms. Mihychuk: I move, seconded by the member for Flin Flon (Mr. Jennissen),

THAT this committee condemn this minister and the provincial government for transferring \$6 million out of the Mining Reserve Fund to general revenues instead of directing the funds to the needs of the miners, their families and the businesses in those mining communities.

Motion presented.

Mr. Chairperson: I find the motion to be in order.

Ms. Mihychuk: Well, I make the motion regrettably, because the minister has tried to be co-operative in many senses. However, I feel that this is a serious betrayal of the purpose of the Mining Reserve Fund, that at a time when we have seen significant layoffs in mining communities, the closure of a mine and the need for an active government that is there for the miners, the workers, the support people in mining communities, he and his government have decided to take almost 30 percent of the fund, which is there as a safeguard, remove it from the intended purpose, which is those communities that are mining communities presently, and put it into what seems to be a very ill-defined fund.

We understand that the MEAP program is actually only expending \$2 million a year. They have chosen to take \$6 million at a time of crisis. The need has not been established. The effectiveness of MEAP is in question. The number of direct mines as a result of it has not brought forward the availability of the transference of those workers into a new site, and there is absolutely no justification that we can see for the minister to withdraw monies from mining communities into general revenue. For those reasons, we call for the vote.

Mr. Newman: I appreciate that, in the interests of trying to get some politics out of what has been a very candid dialogue, through your approach in Question

Period and through your approach with this motion, you are under the impression that, by taking this approach you are going to be representative of sufficient body of opinion in the North, in northern communities, you will somehow make them more popular and your party more popular in their eyes with a view to getting perhaps, having a better chance of getting re-elected next time round.

I am under the belief that you are dead wrong and that this approach will only serve to bring additional discredit on the policies and approaches that you and your party take. I invited you to share some constructive ideas about what should be done in relation to encouraging investment in the mining exploration and mining development in the province. You chose not to do it and rather have chosen to go through this exercise.

The MEAP program, as I have said in the House and I say here, I believe has served a very positive purpose in overcoming the negative good will engendered by the policies and practices and philosophy the NDP government passed, and it has had the effect of bringing people back into Manitoba and showing them what the new Manitoba is like under the Filmon government since 1988.

The issue about the use of these expenditures, your assertion in your motion is that the money should be spent on the needs of miners and families and the businesses in the mining communities of the North, and we respond to applications. We do not have an application that I am aware of from Leaf Rapids or communities of Leaf Rapids. We do not have applications from Thompson or Flin Flon or other communities that are expressing what you are expressing here, and the reserve responds to applications. So where are the community-based ideas that I have challenged the communities of the North and the official opposition to bring forward so that we can proactively invest in these alternatives to mining, these community development projects?

Again, what we have here is an issue of philosophy. You are saying hand out this money; give it to those families and those people and the miners or the unions, whatever you mean by that, when Inco is saying the best future of Inco in Thompson and in the North is to

reduce costs and to get new attitudes, to do community development. Hudson Bay Mining and Smelting went through the same process in its Project 2012. Where is the official opposition in all of this? Where are you, as the critic of this ministry? You are just following the give us a handout. You are following, paternalistically, we will pay this money out in ways that we think are best, rather than being—

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

When this committee resumes, the minister, with regard to this motion, will have 25 minutes remaining. Committee rise.

* (1450)

HEALTH

Mr. Chairperson (Ben Sveinson): Order, please. Will the Committee of Supply please come to order. This afternoon this section of the Committee of Supply meeting in Room 255 will resume consideration of the Estimates of the Department of Health.

When the committee last sat, it had been considering item 21.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits on page 71 of the Estimates book. Shall the item pass?

Mr. Steve Ashton (Thompson): No. We have a fairly important matter we will be dealing with. We are not in a position of passing that. My colleague for Osborne—

Mr. Chairperson: I was just going through our little script here. We have been in general discussion all along, and I dare say we will resume that for some time yet.

Ms. Diane McGifford (Osborne): Mr. Chair, in view of the questions in the House this afternoon on hepatitis C, and also in view of the very important vote that is taking place in Ottawa tomorrow bringing up the hepatitis C issue again, I wanted to ask the minister some questions about hepatitis C, or at least bring hepatitis C to this committee, and the whole topic has—

know we have discussed it before, but we would like to bring it up again.

I would like to read from a letter which I tabled today in the House. I am sure the minister has a copy. The letter is from a woman named Susan Wish, and I would like to read that letter into the record.

Dear Ms. McGifford: I am writing to you to urge you for your help and support regarding the issue of compensation for hepatitis C victims. My husband is one such victim. He suffered a brain aneurism and required a blood transfusion. He made a complete recovery from the stroke but was left with hepatitis C from the poisoned blood he was given. All his adult life he was a blood donor, and this virus was detected immediately after the blood transfusion. There is no question as to where he got this virus from.

We have since watched him go from a strong, hard-working, athletic man to one who is constantly ill. He has lost 29 pounds. He has nausea, fever or chills, severe muscular pain and flu-like symptoms every day of his life. His greatest joy was coaching our children's sport activities. He is no longer well enough to do that. Needless to say, our children feel the loss. My husband feels a death sentence was handed to him. Through sheer willpower, he continues to go to work. Our sad hope is he will be able to work till retirement and not be too deathly ill to enjoy what few remaining years are left after.

Money will not bring back the most important thing, my husband's good health, but will ease the burden of worry about our children's future in case of his failing health and the result being him not bringing in an income. This virus has destroyed our future. We were once secure and happy, looking forward to a long, healthy retirement. It is not so anymore. All Canadians are supposed to be equal; therefore, equal compensation should be given to all victims, regardless of the time of infection. It was so with HIV victims. Canadians are a humane and compassionate people. Compensation is a small gesture after destroying these poor people's health. It is the least we owe them.

I have collected 518 signatures over a two-day period. Not one person I spoke with disagreed or had any objections to equal and fair compensation for all

victims, regardless of the time of infection. They strongly disagreed with the Honourable Allan Rock's—I guess I might make some comment here, Mr. Chair, the "Honourable" has several question marks after it; I think the writer of the letter takes opposition to the title "Honourable," anyway—with the Honourable Allan Rock's proposed compensation package. Please show these signatures—I am actually reading from a different copy—to the House of Commons and try to persuade all Health ministers to reject the proposed package. I pray you will be able to do something. Thank you in advance. Yours very sincerely, Judy Wish [phonetic].

The points that Judy Wish [phonetic] makes in her letter are ones that we have tried to make in the House, and I know that the minister has presented many legal arguments. I think the point that I try to make today is it is probably time for the good of Manitobans, for the good of people like Susan Wish's husband and Susan Wish's family, perhaps it is time to put aside legalese and deal cutting and start dealing with the people of Manitoba with some compassion.

I think it is clear that the majority of Manitobans do support an across-the-board compensation for all people living with hepatitis C acquired through tainted blood. If I can just refer to the House of Commons briefly, it seems to me that the reason the Whips are on is simply because people have heard from their constituents. Liberal backbenchers have heard from their constituents, and they know that Canadians, like Manitobans, support compensation for all victims of hepatitis C, again acquired through tainted blood.

This was, I think, something that we did with HIV. I have never quite understood why it cannot be done with people living with hepatitis C. I know the minister has mentioned money time and time again, but the question of money does not begin to deal with the ethical questions. I think that the compensation for hepatitis C, people acquiring the virus through tainted blood, is medically sound. It is legally compelling. It is, of course, necessitated by federal regulatory failure. I do not understand, Mr. Chair, that compensation would be a threat to medicare funding. I do not think it would set a precedent. I think it is socially just, and of course we all know that it was endorsed by Justice Krever.

Therefore, Mr. Chair, I move that this committee recommend that the Legislature and the House of Commons hold a free vote on whether to extend compensation to all victims who have contracted hepatitis C from contaminated blood.

* (1500)

Mr. Chairperson: Yes, the motion is in order. The motion reads that this committee recommend that the Legislature and the House of Commons hold a free vote on whether to extend compensation to all victims who have contracted hepatitis C from contaminated blood.

Is there any debate of the motion?

Hon. Darren Praznik (Minister of Health): I appreciate where the member is coming from on this particular issue. I appreciate very much her reading into the record the letter of that particular individual. There is no doubt that the hepatitis C issue, like the AIDS issue and Canada's blood system, has been one of—shall we say it has been a great shame I think on our whole Canadian medical service. We have always prided ourselves in providing good quality care as a nation, and yet in a very important part of our medical care system we saw, and Mr. Justice Krever certainly confirmed, an area that had gone astray with resulting injury to thousands of Canadians of which we now deal on this portion of the hepatitis C issue. I appreciate, as well, the comments or the raising of this issue by the member for Osborne (Ms. McGifford) as we await the results of the House of Commons vote tomorrow in Ottawa.

But I think it is important for us in looking at this motion to put this motion and this issue into the context of what, in fact, happened, and I do that from a provincial perspective because that is the area of which I have been a part and have responsibility for to the people of our province. The Canadian blood system, which bears responsibility for blood issues, up until now when we as provincial governments are taking that over through the Canadian Blood Services which is an organization that we are creating as provinces working with the federal government to, in essence, replace the Canadian Red Cross Society—up until now the blood system, its operation and its regulation, has not rested with provincial governments. It has rested with an

independent organization, the Canadian Red Cross Society, which has a long history in other fields in our country, a very proud history which has literally thousands of volunteers who raise money for it, who work on blood donor clinics, et cetera. There is a great deal of history and pride in those people who have served the Canadian Red Cross Society.

But during the course of the last number of decades, the way in which that society has managed the blood system in Canada, which has been their responsibility—and we as provinces, I must point out again, have only really been the purchasers of their services. We have purchased by way of grant, but, in essence, have been the purchasers of the products they produce which are blood and blood products. That agency, the Canadian Red Cross Society, that society, independent with its own board, with its own organization and mechanisms and the financial wherewithal, was responsible for the production of blood and blood products for Canadian hospitals and medical services. It was regulated, though, by the national government which has responsibilities like ensuring safe product as they do with pharmaceuticals but also having that responsibility to establish the standards and regulatory regime in which those standards were to be created and enforced and monitored for the Canadian blood system.

So during the course of the last number of decades, those who ran the system and those who regulated it whom we entrusted to ensure safe product, as safe a product or product supply as possible, quite frankly did not perform the job that we expected. The result was tainted blood, blood tainted with hepatitis C, with AIDS, moving into our health care system, and the result has been damage to Canadians, who, of course, want to be compensated, and rightly so, for that.

Well, where has Manitoba been as we have moved through this? Well, our position and the one we have been strong on, despite media comments to the contrary from time to time, is that in providing compensation for injury that resulted from the system, we wanted to ensure that those players who operated the system and regulated it paid their fair share of that compensation. That has always been Manitoba's position, that Manitoba taxpayers and the Manitoba health care system did not have the wherewithal or responsibility to be compensating those who suffered from injury that

was the responsibility of others, whether it be the Canadian Red Cross Society or the federal government as regulator.

If think if you look at Mr. Justice Krever's report, he firmly indicates that the lion's share of any responsibility has to rest on the shoulders of the providers of blood and blood products, the people who developed, ran the system, produced the product, and those who regulated it. All of the discussions that we have had and the research we have done as provinces, because we have been working together as provinces to deal with this on a national basis, has indicated that the provinces have virtually no liability here or responsibility because, again, we were and have been in the old system the purchasers of blood and blood products used by our citizens. We have not been the parties that have developed those products, collected those products, processed those products or distributed them, nor have we been the regulators. Our Constitution places that responsibility with the national government.

So when we came to the table to discuss a national approach, what we found was this. The Canadian Red Cross Society, who was responsible for the decision making and operation of the blood system, was virtually, for all intents and purposes, bankrupt; their net resources were zero. The liabilities against what they possessed were far greater than the assets that they in fact had. So here were the providers of blood products by and large unable to meet their responsibility to those that they had harmed, as Mr. Justice Krever identified.

What is interesting, and I just add this as a bit of an aside, is that their lawyer I believe is a former Premier of Ontario, Mr. Bob Rae, and the comments that he makes about the generosity or lack of it by others for compensating victims I find very hypocritical, because he represents—I do not blame him personally, not any politics, but his comments that I have seen in the media are very hypocritical when the agency he is representing (a) ran the system and (b) has been arguing with the provinces and the federal government for well over a year now, as we attempt to buy their assets, that they are not prepared to dedicate all of what they have to compensating those they have harmed.

In fact, in the course of those negotiations with the Red Cross, which have been very, very frustrating, they have been insisting that their contribution would only be sort of what was left after about \$30 million that they wanted to keep to continue their operations and meet some other obligation, but they were not prepared to dedicate everything they had to compensating those that they harmed. If anything, in any other world, one would have lost it all, in essence, to pay for the damage.

So we estimate that at the end of the day they will have the very small sum of some \$100 million with which to put towards compensation. So that leaves it to the federal and provincial governments. Well, where was the federal government in all of this? When we started this process to come to the table the federal government made a number of points. One is that their assessment of compensation packages was based on dealing with the class action suits that had been filed in a number of provinces. They had believed that there was a potential case against them obviously because they were named in those cases, the Red Cross Society. The provinces had been named even though we believed our of liability, if any, would be very, very small, because again we were the purchasers, we did not operate the system.

* (1510)

The federal government believed very strongly that they would lose in those cases and that because their partner, the Red Cross, was in essence bankrupt that the lion's share would fall on them. Of course, the provinces, if even 1 or 2 percent of some responsibility were found on us, would also have to share and we would have to pick up that cost.

So they wanted to move towards a national compensation plan as well, and the research that they brought to the table and the premises that they brought to the table—and I would think more importantly because this indicates how real their view was—the money that they brought to the table was only sufficient to deal with, ultimately, those individuals for which a negligence may have been committed.

I agree with the member. I do not want to get caught up in legalese, but one still has to deal with that principle. For those that this package that the federal

government started with, the premise was that we would be compensating those who had been negligently harmed by the system, in which the system could have done something, reasonably expected to, could have done something that could have prevented it.

So the federal government came to the table with that principle and the provinces joined them. That was not a principle, I must admit, that was debated greatly. It was accepted because provinces, certain sister provinces were dealing with class action suits. Our federal government was part of those and came on that principle: let us deal with the suits that are there and the group of individuals who may in fact have been negligently harmed by the system. And most importantly, the dollar value that they were prepared to put on the table to make this happen was only sufficient to deal with that group of individuals and not to have a wider program.

So, quite frankly, the federal government from the beginning—and this is what I find somewhat an irony in, because I know Mr. Rock in his public statements, walking out of meetings he held with us. A few minutes before he faced the cameras—he was putting the case, the legal work that had been done, the dollars that the federal government had based on dealing with the matter of negligence—he would walk out to the cameras and talk about compassion in dealing with everybody. Well, I think that has come home to haunt him. He has been inconsistent with the media and the public, and that has come home to haunt him big-time.

But, Mr. Chair, if I may go on, so here was the national government with that level of commitment, those principles, and I know the member has asked some interesting questions around the time frame that is involved in this particular plan. As I have told her before, that was developed by federal government lawyers in terms of the period of time in which they believed that a negligence may have been committed by the blood system, and that those who may have received hepatitis C outside of that period, that the standard of care yet in North America, indeed probably the world, had not yet developed to include the hepatitis C test. In fact the test, in the course of development, may not in fact have been sufficient to warrant being included in the standard of care, but as things turned out, did. But the exact timing was

determined not by Manitoba lawyers, or by me as Minister of Health, but by federal government lawyers who had worked on this particular proposal. So that is where the federal government was coming from.

Now, what was very interesting in all of this, is that the hepatitis C issue, or tragedy I think is a more apt word, has added to provincial health care costs across this country, which we pay and make no bones about that. That is our responsibility, some \$1.6 billion, it is estimated by the provinces in today dollars, to be spent over a number of years.

What we said, coming back to our principle and the one that Manitoba was very strong on, was that whatever package is put together that the federal government would have to bear its fair share of that responsibility, and that would have to be the lion's share. We said to them not that we should put health care into a package—that is not how health care will be provided—but that because those dollars we are expending, particularly for the group between 1986 and 1990, and our numbers are based on that group, not those outside of it, that our \$1.6-billion estimate of health care was based on that group for which there may have been a negligence by the Red Cross and the federal government. We said that we should have credit as provinces for that expenditure, because every dollar we spent as provinces was at the margin, that federal transfers to Manitoba or any other province would not increase by that expenditure if there had not been a negligence. Had there not been the hepatitis C cases, we would not have had that \$1.6-billion expenditure as provinces.

Now, Mr. Chretien and Mr. Rock and the federal cabinet, we are told by Mr. Rock, said no, that they would not even acknowledge that we had an expenditure level. In fact, they had a hard time even acknowledging that our non-insured costs should receive some credit. So at the end of the day they were not prepared to carry anywhere near their fair share. At some point we as provinces said, well, we have to get at least something here because that is unfair to the people who are suffering. We did reach agreement on a package for the group for which there may be a negligence between 1986 and 1990 that involved some \$800 million on the part of the federal government, \$300 million shared by the provinces, and about \$100

million coming from the Red Cross, that to be concluded.

Now, that is where we got on this particular area. By the way, it is pointed out to me by my deputy that even the \$100 million that the Red Cross is contributing is by and large money or equipment and capital goods that they received through the grants in essence that the provinces had provided. So those dollars that are certainly making their way back are by and large dollars that the provinces provided in the first place.

So where are we today? Well, we reached that agreement. It was announced. We have discussed it in Estimates before about extending this beyond that point. Today in the House of Commons this motion is on the floor of the House or on the Order Paper of the House and must be addressed.

Well, there are a few interesting things that I must say. After listening to Mr. Rock blame other provinces in trying to escape his responsibilities, at the end of the day the federal government position is blazingly clear. The federal government was never prepared financially to go beyond compensating those people who are in the area for which there may have been a negligence. That is eminently clear, and for the Prime Minister to put the Whips on his M.P.s that this is now a matter of government policy confirms exactly what I have told this committee and I have told the people of Manitoba, that from the day the federal government came to the table, their intention was only to deal with this group of people, that there was not an argument that any province could make that would get them to budge from that. I think that has been borne out by time. That is a very firm decision, and if Mr. Rock's comments to us as ministers of Health are accurate, that decision in fact is with the Prime Minister.

So we will see tomorrow whether or not this government is defeated, if its backbenchers defeat it and indicate that they would like the federal government to come to the table with more dollars to expand the plan. If they do that, if they put more dollars on on the same kind of basis and are prepared to live up to their responsibility, the provinces certainly, I am sure, would be prepared to meet with them to discuss this further. Certainly I would be.

But let us be very blunt around this table and with Manitobans. This is an issue that has to rest with those who are responsible for it. It has to rest with the Canadian Red Cross Society, who ran the system, and the federal government, who in fact regulated them. But the provinces, in essence, are already having to bear a huge cost of the hepatitis C tragedy, both for those for whom there may be negligence and for those where there may not be a negligence. We are getting no assistance whatsoever from the national government in bearing those costs.

In fact, as I indicated, I would find it very interesting to know if we in fact can take our partners in this blood system—I do not want to even say partners, because I do not think we are partners—but certainly the regulator and the purchaser for our share of those dollars, which would of course allow us to do more things.

If there is going to be an expansion of this plan, it has to come from those who bear the responsibility. Primarily that is the national government, and tomorrow we will see that result. So if the House of Commons gives instruction to its government, then we will see what happens from there.

But I can tell members that a province as small as Manitoba, with only 4 percent of the total package, is not going to influence that decision. It has never in the past and it will not in the future, because our contribution, our share of the total package, is relatively small.

* (1520)

The last point I want to make though is one of principle and not legalese, because the issue on which the federal government has made its decision and one in which all provincial ministers of Health, including provincial ministers from the New Democratic Party in British Columbia, Saskatchewan, Yukon Territory, have been part, fully a part—in fact, our chair is a New Democrat, Clay Serby, from Saskatchewan—all of which all of us together in dealing with this issue have shared in common that concern, and it is a legitimate point, I think members must acknowledge, that concern over the principle of for what injury our health care system will compensate.

Because one thing that has been missing in this debate is the fact that each and every day when people use our health care system, there is risk involved with that system. There will be risk again in the blood system, because we know that as viruses evolve and develop, particularly if they are blood borne, that we again may have a blood borne illness in our blood system and not know about it, and may not even have a test developed to find it, and others may be injured.

So do we as a health care system, because the provinces will be now running the blood system later this year when we finalize that arrangement, where people every day of the year enter, where there is risk to their treatment, allergic reactions to drugs, potential other viruses carried in the blood system, higher rates of infections in hospitals by their very nature, do we every time someone is injured or made ill through what are the normal risks of running a health care system provide a compensation top-up above the social safety net we already have?

That is a very fundamental question or principle that has to be addressed here, not just in the context of hepatitis C. It is easy. You can point to victims and say, let us compensate, but there is that greater principle. Do we provide compensation in those cases? Do we provide compensation to people who suffered polio because they had entered a hospital for other treatment and there was a higher possibility of infection and, as a consequence, developed polio and was left injured decades ago?

Do we compensate individuals who may have an allergic reaction to a medication and suffer injury or attend at a hospital where we know certainly that there is a higher rate of infection and perhaps become infected with flesh-eating disease or some other ailment through no fault of the hospitals but just the nature of their operation, and they suffer injury? Do we provide compensation where the system has done what it reasonably can be expected to do and not have been negligent?

If in fact we do that, how are we going to pay for it? Because that happens every day, and we would have to work that into the cost of running our health care system. That was of great concern to health care ministers right across the country, and it was just as

much a concern to New Democratic Party health care ministers as it was to health care ministers of other political parties. It is a concern to the national government, and I suspect that is why they in fact have taken the position, part of the reason they have taken the position that they have. So it is a very important issue. It is one that is difficult to deal with. It is one for which we have, I think, great sympathy for those who have suffered or come in contact with hepatitis C through the blood system and are not in the potential negligence period.

I also want to say to members of the committee, a point that must be noted because it is often lost in the public reports, that we as a society do not leave people who are injured or suffer injury through whatever means solely on their own, that we have built in Canada a fairly extensive social safety net, provincially and federally. On the provincial side, we provide health care, supports in home care, supports through Pharmacare. I know there is an issue of deductible that some have raised, but still we, by and large, provide for the lion's share of medical and care costs no matter how anyone is injured.

In the cases of Workers Compensation and Autopac, we at least get it back from those insurance pools, and I would like to be able to say those who have been negligent here in the blood system compensate us for those costs, but that is not where we are today. That is a little off point, but it is still an important issue that at some point may have to be addressed.

The second point on other supports, the federal government. through the Canada Pension Plan, disability pensions also has income support, so whatever we are talking about in compensation is the top-up to that. Even those who are going to be on the current hepatitis C compensation plan, it is expected, as I understand it, that this plan will pay out as a top-up to those other parts of the social safety net that are already there. So that is really what we are talking about is that top-up to it. Is that top-up important? Yes. To anyone who receives it, yes, it is very important. I do not belittle it, but I think it has to be put in the context.

So, Mr. Chair, a difficult issue. I think we all await the vote in the House of Commons tomorrow, but if there is to be an expansion of this plan, one, as I have

said before, would have to be prepared to deal with the issue of ensuring any injury in our health care system for which there is no—no matter how it is caused, negligently or not, which is a significant issue because there will be people who come to us, to all members of this Legislature, who say I was made worse by my contact in the health care system, that I had an allergic reaction to a drug, I have had something else happen to me that is part of the normal risk of treatment and want compensation. We will also have, I am sure, in the future, no matter how hard we try to have a safe blood system, a mutated virus going through that system—is going to find its way again into the blood consuming population. There may have been, likely to have been, nothing that anyone could have done necessarily to prevent that. Will we compensate again?

If we are going to do that, where there is not a negligence, where the standards of care have been met to the utmost and that accepting the risk injury has resulted, it raises another fundamental issue for us as provinces. Can we afford then to run the Canadian blood system? Because that risk is part of running the Canadian blood system. If that starts to work into the calculation then, one really has to consider should we as provinces be taking over that system or should we just be buying blood in the market, in essence, with others who assume that risk. That is part of the thinking through which Health ministers went in accepting this position and reaching this agreement.

The last point I make is if there is going to be an expansion of this, the national government has to be there with those national dollars. We will not know that until the vote in the House of Commons tomorrow, and I am looking forward to that vote with great interest.

Hon. Mike Radcliffe (Minister of Consumer and Corporate Affairs): Mr. Chair, I would like the opportunity to put a few comments on the record with regard to this issue as well. I have listened with interest to the review advanced by my colleague the honourable Minister of Health (Mr. Praznik) and, in fact, I too concur that to date the thinking has been one based on tort liability and that the federal government and the provincial governments have been looking at compensation for these victims based exclusively on tort liability.

As you know, Mr. Chair, tort liability is a reasonably new concept in the common law system. In fact we know that it started with something as prosaic and insignificant as a snail in a bottle of ginger beer in about 1896 in the case of Donoghue and Stevenson, where Mrs. Stevenson drank the ginger beer not noticing the snail, found that when she got to the bottom of the bottle that there was a snail in the bottle and that she suffered severe gastric results and nervous disorder and it impacted significantly on her life.

An Honourable Member: How was the snail?

Mr. Radcliffe: How was the snail? The snail was dead. The snail was perhaps the first victim in the situation.

* (1530)

But up until that case, which I think hit the House of Lords in Great Britain, there had been no compensation and no provision in the law for compensation to victims other than if they had fallen under a specific head of loss which was very confined and strict. This opened up a whole new concept of liability. Liability then, I guess there were tenets or rules that were laid down for liability, which was that one must have a duty of care to the individual victim before there was any compensation that was to be paid to the person who was hurt or offended. After the concept of a duty of care, there must be a foreseeable victim and the test must be an objective test, and in fact the test that was applied is that of the average or reasonable man on the Clapham omnibus, which means the average individual expressing common sense, the average citizen in our community.

Mr. David Faurschou, Acting Chairperson, in the Chair

At that point the extent and nature of the loss which was suffered by the victim had to be something that was foreseeable. So in this case I can see that the respective ministers of Health have applied these well-known standards and rules of law—

An Honourable Member: All we are asking for is a free vote.

Mr. Radcliffe: The honourable member for Osborne says, all we are asking for is a free vote, but in fact I would suggest, Mr. Chair, that we have to know what we are voting on before we commit ourselves to a course of action, and in fact before we commit ourselves to a course of action one must know where one has come from on the particular issue. I do not think there will be a member in this House who does not feel desperately sorry for the victims who suffer from hepatitis C.

In fact, I had an opportunity this morning, in the morning press to read a description of how many victims feel, how it attacks their health, their emotional outlook, their ability to perform functions, their daily life.

In fact, it is a very debilitating disease that these people suffer. From an emotional point of view, I think there is not a person in this House who would not vote to compensate these people.

In fact, I think the honourable Minister of Health touched upon a number of issues which basically look to principle. I think that we must do more than just vote with our emotions. One must know exactly what it is that we are going to be compensating these victims for. There is no doubt that these people have suffered; they have suffered horrendously. There is no doubt that the cause of the action is the use of the tainted blood, and we have people in our community who are victims of HIV who have been compensated.

In fact, the law has now been so expanded that if a person who knowingly has HIV indulges in sexual relations or in any way communicates or shares any bodily fluid with another person and that person is then put at risk, that this is, in fact, manslaughter or potentially an assault on the potential victim, so that, in fact, the law is moving very quickly on these issues, Mr. Chair, but we must know, we must direct our minds I think, firstly, I guess, to the principle involved here.

So are we going to be looking at the issue of tort liability, and is that what we are going to be compensating these individuals for, or, in fact, is this something of strict liability, and as the honourable Minister of Health (Mr. Praznik) said, are we going to be absolutely guaranteeing compensation to individuals

as a result of an experience that they have suffered at the hands of the health care system?

The issue then becomes, is this a precedent that we are setting, and if we are establishing this precedent, is this something that the community is prepared to live with; is this something that the citizens are prepared to live with, as I said earlier, the reasonable man on the Clapham omnibus? So, Mr. Chair, what we have to do is say if there is a precedent, that there will be absolute liability arising out of compensation to victims of the health care system.

An Honourable Member: A more important question, is there a reasonable man on the Clapham omnibus?

Mr. Radcliffe: Or a more reasonable person, I guess, to be more politically correct these days, as the honourable member for Crescentwood (Mr. Sale) is inquiring whether there is a reasonable person on the Clapham omnibus. Having ridden the Clapham omnibus, as well, I can attest to the fact that the last time I looked there were reasonable people on the Clapham omnibus, but, more particularly, I think the principle at stake here is something that should be considered further.

Too much, I think, we are developing a nation, we are developing a mentality, we are developing an attitude where when there are tragedies that occur—and life is fraught with tragedy and life is fraught with disaster—many people in our communities then look around to see whether somebody is responsible, and, in fact, we go to great lengths now in much of our judiciary, much of our judicial system, much of our health care system to attribute or to blame, and, Mr. Chair, I wonder whether this is, in fact, a path down which we should be going. I think that before we vote on this issue and before we have a free vote on this issue, this is a principle which we should be addressing.

We can look to the United States, to the litigation system which they have there. They indulge, of course, in a system which involves juries awarding general compensation for pain and suffering to individuals who have suffered some sort of loss, and as the honourable Minister of Health (Mr. Praznik) has indicated, this has caused—the result of this excessive litigation and fault-finding and causal connection to originating facts, the

nova causa interveniens, for example, would cause individuals to become liable for actions which might very innocently have been instigated or started but have great monetary penalty attributed to them. So this is something, I think, that we should be mindful of before we willy-nilly dive into this issue with in fact the best of intentions. I think that nobody quarrels for a moment with the good faith or the good will which the honourable members opposite have brought forth or which is underlined in this motion or resolution, but in fact as government one must be responsible and have as wide a view as possible to see what all the permutations and combinations of such an act should be before we commit ourselves to this issue.

In fact, one can only look to what has happened to the Red Cross institution itself. The Red Cross institution was, in fact, a venerable and honoured institution in our communities, proffering blood supply for trauma, for operations. In effect, Mr. Chair, I can advise that I was a member of the pheresis program, which was a process where one would go to the Red Cross, would have a needle inserted in one's arm, the whole blood was pumped out of your arm, it was spun around and the white blood cells were extracted. The red blood was handed back to you, was put back into your system. This was donated then to burn victims, to people who had immediate needs for blood.

Mr. Chairperson in the Chair

The Red Cross has a bone marrow donation system that—I have had the opportunity to view the advertising or the promotional material on this—enables people who are suffering from leukemia to have a new chance at life. I think that we have all too quickly overlooked all the good that the Red Cross has done in our community in this principle of trying to affix blame and trying to impose penalties, which is the other side of the composition of awarding compensation to victims.

* (1540)

The next point I think that we have to address, Mr. Chair, is: What are we going to compensate people for—not for the cause—but what is the extent of the compensation which is going to be given to victims? In fact, having come from a civil litigation background, I can tell this committee that in fact if you

are going to compensate people and put them back in the position in which they were prior to the event happening, one must take into account many heads of loss. You can look at the medical loss that they have suffered. That is probably quite ascertainable. In our system today, having a Pharmacare system, which this government has advanced, and the reasonably, relatively free health care system which we enjoy in Canada, probably many of our health care losses or penalties which are imposed on these victims are covered by the community as a whole at large.

However, there are many other heads of loss which one could look to for compensation, Mr. Chair, and one of them would be a diminution in your ability to earn a living. There would be a loss of enjoyment of life. There would be compensation for pain and suffering. Even spouses or partners of victims would have a head of compensation in that their marital relations might be diminished, their family relations would be diminished. Children of victims could potentially have a head of loss to which compensation could flow.

So, Mr. Chair, one must be very, very careful about what level and what extent of compensation we award to victims of hepatitis C. We can only read the articles which were put in the newspaper this morning to see how invasive and how debilitating hepatitis C could be to a particular individual and then look at the motion which has been put before this committee right now to say that the Legislature and the House of Commons hold a free vote on whether to extend compensation to all victims who have contacted hepatitis C from contaminated blood.

So the issue is do we look at compensation, and if we are going to vote intelligently, if we are going to vote reasonably, if we are going to vote responsibly, we have to know what is the level of compensation that we are committing our public purse to, because as legislators and as administrators, we in fact are holding the public purse as a trust, and we must vote these funds reasonably and carefully, having in mind all the competing issues and claims that are against that fund, and we must bring a balanced view to the community before we spend people's money.

The compensation that we are to award, as well it does not say in this motion, whether the compensation

is to be a lump sum settlement to an individual victim, and if there is a lump sum settlement that is involved, then how does one compensate for the fact that our funds that are voted today will be eroded by inflation in the years to come? Should there be a multiplier or a discount factor involved in a compensation feature? Should there be actuarial skills involved and brought to the table to compute what would be an adequate level of compensation? Or, in fact, should there be a monthly stipend donated to these individuals that have suffered from hepatitis C who have not been addressed at the present time? These are, I think, some of the issues, Mr. Chair, that we would have to consider and investigate.

Further, would this compensation that we are proposing to give to these victims of hepatitis C, would it be taxable? If it was in lieu of income, should it be based on a flat rate or should it be based on—

An Honourable Member: What was the term—should it be what? Tensable, kensable—

Mr. Radcliffe: Well, perhaps the record—my honourable colleague opposite has missed one of my points, and—

An Honourable Member: Yes, your words; what was the word, Mike?

Mr. Radcliffe: I think it was compensable.

An Honourable Member: I want simultaneous translation.

Mr. Radcliffe: I would urge colleagues opposite that they should pay close attention to these remarks, because I do say them earnestly, even though I do at times enjoy some—

An Honourable Member: What do you mean by the word here? An old lawyer's habits, always getting a bonus.

Mr. Radcliffe: That is right. I do enjoy wordsmithery and—[interjection] But nonetheless I think that there are some very important issues that are at stake here, and whether we should be looking as I say at whether this compensation level is taxable or nontaxable. If it were

nontaxable, then should we, for example, if we were giving money to these individuals for compensation by virtue of the fact that they were unable to work at their full potential that they had prior to suffering as a victim of tainted blood, would it be appropriate then to compensate them at the full level at which they could achieve?

Should we speculate as to what level they could achieve in the way of employment income, whether we ought to give them a discount for taxes which they—[interjection] Whether it would be for full employment rate or whether there should be a diminution of the award on account of taxes and business expenses that they should be facing. So these are also issues, Mr. Chair, which in the civil courts were often addressed when we talked about issues of compensation for victims of motor vehicle accidents, victims that were involved with tort litigation. These are issues that I think before we vote should be addressed, should be thought through carefully, and I am sure that some of these discussions are issues that will be handled in the federal House with regard to many of the members of government.

The other alternative that we could have, of course, is that there could be strict liability and that there would be direct compensation on a fixed rate, and of course this motion does not indicate whether that is the case or not, whether if we are going to introduce strict liability into our health care system as the honourable Minister of Health has indicated, does that mean then that we strike a precedent and that—oops.

An Honourable Member: That is a message.

Mr. Radcliffe: That is a message, that is right, well, the wind is blowing.

And I would indicate that, Mr. Chair, this could cause a very dangerous precedent because other litigators could then be looking at saying, well, if we have awarded compensation to individuals for HIV or, sorry, for hepatitis C on the basis that there was potentially a notional loss or level of negligence that we then should be doing this for issues with regard to pain for people at childbirth, whether there should be—[interjection] Well, exactly. My honourable colleague for Crescent-

wood is sort of looking somewhat incredulous at this suggestion.

An Honourable Member: Askance, even.

* (1550)

Mr. Radcliffe: Askance, yes. But I would invite his perspicacity in this issue and say that once one introduces an issue or a principle of this nature, then one must accept the full application of it, and these are issues which perhaps we do not know where it would take us. We have in fact a doctorate at law, that of *res ipsa loquitur*.

An Honourable Member: I think Hansard is going to need some written—

Mr. Radcliffe: Well, for the benefit of the reporter, I would say, *res* which is the thing, *r-e-s*; *ipsa*, *i-p-s-a*, the thing speaks for itself; *loquitur*, and that is the verb to speak, and it is a well-known principle of law of strict liability. The example which I would cite—[interjection] Ah, that is right. It is a strict example of law that there is strict liability arising out of an individual's actions. [interjection] Okay, I am sorry, Mr. Chair.

Mr. Chairperson: I am sorry if I interrupted, continue, please.

Mr. Radcliffe: No, that is all right. I wanted to make sure that I had the attention of my honourable colleague opposite to these issues because when one starts talking about compensation, compensation is a wide realm of activity and one must know before one commits government and the public purse to compensate victims which victims we are going to compensate, how much, what is the nature and extent of the compensation that is going to be awarded, and what are the principles that are going to be used in the application of compensation, and where is it going to take us in the future. My honourable colleague the Minister of Health said that this has been a top-up to date, but is this in fact the thin end of the wedge and in fact should it be full compensation to individuals who have suffered this devastating loss? Before I think the governments get into this, we have to know, Mr. Chair, whether if in fact we are going to do it for hepatitis C, do we do it for tonsillectomy, do we do it for viral infections, do we do

it for nervous loss, emotional loss? Are we going to be a nation of people who automatically, strictly award compensation for any foreseeable or traceable loss to individuals who have suffered, or, in fact, are there limits to the compensation that we will be awarding? Can we afford to live at this level?

I do agree with my colleagues opposite that it is a humane and very laudatory position and principle to try and adopt.

An Honourable Member: Are you in favour of the resolution?

Mr. Radcliffe: Well, I think before we address our minds to it, we should look at the nature and extent of what we are actually being invited to vote upon. I think that all the members of our Legislative Assembly, Mr. Chair, being reasonable people, and I am sure they would fit in very easily on the Clapham omnibus, and, in fact, they would want to know these principles and the nature and extent before they were to raise their hand either in favour or against it, and I am sure that these are issues that our Prime Minister and the party Whip in the federal House will be addressing today.

I have read that there was correspondence being circulated amongst the backbenchers, that there were members of church organizations who were commenting on this, and, in fact, I can tell members opposite that I have had citizens from River Heights, the district that I represent, come to my constituency office and tell me and urge that we should vote in favour of compensating victims and not just have a strict legal, objective standard and a tough cut-off date which is the issue that has been promoted to date.

In fact, one could suggest that our federal Minister of Health probably has not looked at the issue from a totally compassionate point of view. I think that, in fact, what the federal government and the federal Minister of Health, and especially deducing from the remarks from the honourable Minister of Health (Mr. Praznik), they have only been looking at a tortious liability perspective, and—[interjection] Tortious. [interjection] T-o-r-t-i-u-s.

An Honourable Member: For Hansard's benefit.

Mr. Radcliffe: Yes, that is right. Oh, no, no, absolutely, I would acknowledge to my honourable colleague opposite that his remarks are based on the finest of motives, that he would never descend to heckling speakers when they are speaking on something. But, in fact, you know, apart from the good-natured ribaldry which we exchange from time to time on various issues, I think this is a serious issue, Mr. Chair, something that deserves a reasonable amount, an extensive amount of research, an extensive amount of consideration and an extensive amount of thought before one is to commit oneself or one's government or one's public purse to handing out money willy-nilly.

I think that there is no doubt, not on the slightest hesitation would I say or do I want to denigrate the extent of the suffering that individual victims of hepatitis C have experienced, and, in fact, that it, in fact, permeates every aspect of their lives, but what is the level of compensation, what are the rules by which we would compensate, what is the extent to which we would compensate, not just something, perhaps, that was from an artificial chronological experience, but if we are to compensate, are we to compensate because they have suffered, and if so, are we to compensate individuals, all individuals who have suffered at the hands of our health care system, at the hands of our government, at the hands of our society at large, because, of course, as you know, Mr. Chair, there are many citizens in our community who are victims, institutional victims. By that I mean people who, because of poverty, because of lack of education, because of poor health, are marginalized and do not have the opportunity to take advantage of the benefits of our community. I think that the Canadian society, the Canadian nation has been one which has been a caring nation and a softer, gentler place, as to cite the comments of a previous President of the United States.

An Honourable Member: And look what happened to him.

Mr. Radcliffe: That is right, he passed on. But I think all Canadians take great pride in the fact that this is a more thoughtful and compassionate place. With these remarks, I would conclude my address on this issue and say that I think this is a matter that deserves great care before we vote on this issue. Thank you very much.

Mr. Chairperson: The honourable Minister of Natural Resources.

Mr. Tim Sale (Crescentwood): Point of order, Mr. Chairperson.

Mr. Chairperson: I would like to make a point, and then I will recognize the honourable member for Crescentwood. When this discussion started, the notice was from the Minister of Natural Resources (Mr. Cummings) that he wished to speak. Then the member for Turtle Mountain (Mr. Tweed) came right up to the Chairman and said he wished to speak. The member for Thompson (Mr. Ashton) then raised his hand and got my attention that he wished to speak, and then I asked the member for Crescentwood if he wished to speak or to get on the list. That is just the point that I wanted to make. I wanted everybody to know that in fact as people request, I put them on a list here.

Point of Order

Mr. Sale: Mr. Chairperson, you and I were elected at the same time, and I think we have sat in probably about the same amount of debates. I have yet to see a debate in the House where if members on both sides of the House wish to address an issue that it did not go back and forth from opposition to government. I do not know how many hundreds of hours I have sat in the Chamber as you have, or in committee as you have, and witnessed that kind of back and forth with no problem. I have no problem with the speakers list. I have no problem with as many people speaking as possible.

* (1600)

Obviously government's intention is to speak for some time on this, and that is fine, that is their right to do that, but I do not believe that establishing a speaking order by an informal process of waving of hands and coming up and speaking to the Chair changes the fact that in the normal course of events all Chairpersons that I have experienced, with the exception of this issue, have rotated, alternated back and forth across the floor. So I am puzzled by this departure, and I would ask you to review the procedure that you have set forth. I do not believe it is in conformity with our tradition.

Mr. Chairperson: The honourable Minister of Justice, on the same point of order.

Hon. Vic Toews (Minister of Justice and Attorney General): I do want to speak on this particular matter. I think it is very important and what seems to me to be an abuse of the system. Government members who are very interested in speaking of this matter and are here today will be prejudiced by any going back and forth. If members—you know, they only put up two speakers, and then they expect to have a right to speak after every government member speaks personally. We are here as individual members, and therefore it would be unfair to go back and forth between party lines.

Mr. Chairperson: Order, please. I might give this one more thing. First of all, I will rule that the honourable member for Crescentwood does not have a point of order, but with some clarification also. As a Chair—and I know that the member for Crescentwood has chaired many meetings also, not just here but in many other areas in the time that he has been in public life. When you are sitting here as the Chair of committees and you see a motion put forward, you watch both sides of the table, if you will, for indication as to what it is that they would like to do.

The indication that I saw on the opposition side of the House was that—and they were nodding to each other—they wished to hear what the government side had to say. That is the feeling that I got. Now I try my best as Chairman to run it as fairly as I possibly can. I will continue to do that.

Mr. Ashton: Mr. Chairperson, I wonder if I might be of assistance here. The normal practice is to rotate back and forth, and I point out on the record that we have now had two government members in a row who have spoken. This would then make it three. We would then have been basically, if this continues, run the risk of being blanketed from speaking on our own motion this afternoon. I have chaired these committees. There is a standard process of trying to balance that. The reason we did not put up a speaker initially is, quite frankly, we were hoping it would go to a vote when the minister finished his comments and the Minister of Consumer Affairs (Mr. Radcliffe) spoke.

Obviously, there are errors that we wish to respond to, but I really think we can accommodate this by rotating back and forth. I think we have been fairly cooperative in this committee thus far. That does not

always happen, and I am just suggesting that, whether we do it by point of order or by consensus in the committee, I am sure we can have a fair balance.

Mr. Chairperson: I am allowing these points of interest to be brought up. They are not points of order. I will allow one more.

Hon. James McCrae (Government House Leader): Mr. Chairman, I would like to discuss the subject matter of the point of order as I understand it. In my view, the way our parliamentary system works, there is a time and an opportunity for everyone.

On that basis. I think that it is not really a question of how many from one side get to speak before somebody from the other side speaks so much as that everybody who has something to say gets their words spoken. In that regard, I have quickly canvassed the matter with some of my colleagues, including the Minister of Justice (Mr. Toews), and in the interests of co-operation, shall we say, it might be appropriate to allow the honourable member for Thompson to speak next, to be followed by somebody from the government's side. That is just a suggestion. I entered the discussion late, I acknowledge, but, Mr. Chairman, it might make your job a little easier if we just simply agreed to let the honourable member for Thompson make his contribution, and then perhaps if you see fit to alternate if speakers are lined up on both sides.

Mr. Chairperson: Am I to understand this then: that it is the will of the committee to allow all those people who wish to speak at this committee the time to speak? Is that the will of the committee?

Some Honourable Members: Oh, oh.

Mr. Chairperson: Order, please.

Mr. Ashton: Mr. Chairperson, what you are saying does not reflect anything that the government House leader said. My understanding was he was referencing my speaking next, and I, you know, I appreciate the—

Mr. Chairperson: Order, please.

Mr. Ashton: Well, can I just finish, Mr. Chairperson?

Mr. Chairperson: You brought up a point of order—
[interjection]

The honourable member for Thompson, okay. Now you have the floor to bring up your point of order which I was going to rule was not a point of order, but go ahead. Finish your point of order.

Mr. Ashton: Mr. Chairperson, the government House leader just made a suggestion. I think it was the will of the committee. Your summary of the suggestion had no reference to what he had suggested. I heard him say that he thought it would be the will of the committee that instead of, I think it was, the Minister of Natural Resources (Mr. Cummings) to speak next that I speak next. That may help us get along to resolving; then the member for Crescentwood (Mr. Sale) could be recognized in turn. So all I was suggesting is we seem to have consensus on that. Rather than sort of restarting this whole thing again for another half-hour, why do we not stick with what we have consensus on.

I agree with the government House leader (Mr. McCrae), and by the way, that is not all that usual. So I suggest we take that and move on.

Mr. Chairperson: Order, please. Is it the will of the committee that the honourable member for Thompson be allowed to speak now on this motion? [agreed]

* * *

Mr. Ashton: I appreciate the co-operative approach in the committee and there may be times when we are not as co-operative, when we have disagreements, and that, I think, is quite legitimate. Certainly, I look forward to the contributions of members opposite on this resolution, as well as the member for Crescentwood.

I want to suggest by the way, to the Minister of Consumer and Corporate Affairs (Mr. Radcliffe) that I suspect that, when he came into the committee, he may have been not properly advised as to the resolution that we are dealing with, and I would just like to read to the minister, and to both ministers, that this deals with the question of having a free vote on the hepatitis C issue. It follows, I would explain, by some questions and comments that were made by the minister, our critic for this area, the member for Osborne (Ms. McGifford),

and the minister earlier—the minister expressed concern in the House about the fact that there was not going to be a free vote in the House of Commons. I would say that we felt it was important to put on the record that we feel, as a committee in this Legislature dealing with Health, that there should be a free vote, particularly in the House of Commons tomorrow.

Now, given that, I think it would be entirely hypocritical of us not to suggest that a similar free vote be held in our House. I would point out by the way that it is the government in Ottawa, the Liberal government, that has declared the vote on what is essentially an opposition motion to be a matter of confidence. So the motion would not have been a matter of confidence if the government had not declared it to be so. That, I think, is really important because what the government is doing in Ottawa, it is using the Whip to get the vote rammed through because it knows that four opposition parties oppose the government's position, will support the Opposition Day motion, which, as I understand it, is being brought in by the Reform Party; therefore, they are using the government Whip in this case, to ensure the defeat of the motion calling for hepatitis C compensation for all victims.

That, I think, is highly unusual in this particular case. It is rare for a government to declare a matter of confidence on an issue that is not normally anywhere close to being a matter of confidence. Our rules in this Legislature, for example, on Opposition Day motions, clearly state that they are not confidence motions. Obviously, it would be highly embarrassing to a government to lose a motion, but they are not in that category. So what we did when we moved this motion is that we want this committee to be on record as being in favour of a free vote, both in the House of Commons and, by extension, in the Legislature. Our main concern and focus is the vote tomorrow in the House of Commons, obviously to send a clear message.

* (1610)

I would be surprised if members opposite—and I did not hear any comments in their debate back and forth that indicated they are anything but equivalently concerned about the fact that the government in Ottawa is treating this as a vote which the Whip is on, and as a matter of confidence. Understand what that means. It

means any Liberal backbencher who votes in favour of this motion in Ottawa is treated as voting against the government by declaration of the Liberal government itself. John Nunziata is a good example of what happens to Liberals who show some degree of independence in speaking their conscience—

Mr. Radcliffe: They only have 11 people.

Mr. Ashton: They have a very small majority. I am absolutely convinced that if it was not a matter of confidence, I think everybody will agree to this, the motion would fail. There are four opposition parties and, I think, a substantial number of Canadians who are saying that the current package that is in place does not go far enough. I would stress, too, that I would recognize on the record that, by and large, the majority of the compensation is federal. I believe the proportions are about 800 to 300 in terms of the—except for the health care cost which I accept, by the way, from the Minister of Health (Mr. Praznik), which are significant.

I want to put on the record, too, that I have a constituent of mine who is a victim of hepatitis C, acquired hepatitis C infection, and I talked to him quite significantly about the impacts this will have. If you understand what this person is going through right now, he is a former King Miner. People would not even know, given the circumstances, the impact this will have on his health, because it is a slow process of degeneration. It can lead to complications such as liver disease. In fact, it is interesting, James Earl Ray, the person who was convicted for the killing of Martin Luther King, recently died. There is some controversy over that. Of what? Of cirrhosis of the liver that was acquired from hepatitis C infection. I believe he was stabbed by an inmate and acquired hepatitis C, and this led to cirrhosis of the liver and the death of that individual. That is how it happens. It is a slow process initially, but it can lead to a very precipitous decline in health once it leads to any of those side effects. I know the government House leader, who I know is now I guess the acting Health minister, knows of that, will know of that from his sojourn as Minister of Health.

So let us put this in perspective here. Tomorrow there is going to be a vote. The government is going to use its majority. It is going to say to the Liberal

members that you vote the other way on this, you vote in favour of compensation for all victims, you will be voting against the government. After what they did to John Nunziata, essentially that is a threat to kicked them out of the government caucus. I have no doubt that they will do that, because they have done that in the past, and this is a government that has done that on issues ranging from the C-68, the gun registration bill. They are doing it now on hepatitis C, and that is really what this is all about.

An Honourable Member: What would happen if there were 12 of them who voted against it?

Mr. Ashton: Well, if there were 12 of them, as the minister says, the government would be defeated. But this does not have to happen. If the government would just say this is not a confidence motion, allow members to vote on this, the government would perhaps be defeated on this issue in the House of Commons but not as a government per se. I remind members, the same rules apply in this House. If there is a resolution in this House, a government resolution that is defeated, or a bill, it does not necessarily lead to the defeat of the government. It depends on the circumstances.

Well, there is long precedent of this too. If one looks back to the late 1960s, I believe in 1967-68, the government at that time was defeated on a matter in the House. The government then went and put a matter of confidence to the House, it was a motion of confidence, and received support on that matter. The only motions that are clearly matters of confidence without any debate are on the budget and on the throne speech, and in fact we have a precedent obviously just over 10 years ago with Manitoba where a defeat on the budget leads to the defeat of the government.

So here you have a government that instead of saying, well, we will just have a vote on this, they did not even say to members of this committee that, yes, this is an important vote to us and we want our members to vote against this opposition motion on hepatitis C. They went one step further. They are using the double threat on their own members, both the Whip being on and also it being a matter of confidence. That is very significant, because that is the ultimate sanction they can take. Daily we see government backbenchers in the House of Commons going on

television and saying, well, you know, my conscience says this, but I have to do that because it has been declared such a matter.

So we want to send a clear message to the federal government, have a free vote on this matter. I know there is a lot of concern out there. I recently spoke to Glen Clark, the Premier of British Columbia. I spoke to him just a couple of days after the comments that were in the national media on his own discomfort with what has happened. I think that what he did then at that time was speak for the discomfiture of a lot of people. I think if you were to go back right now and look at what has happened in the last few weeks, there would be a lot of people who would review the initial decision that this was going to be capped off, that only certain victims of hepatitis C were going to receive compensation and others were going to receive nothing.

Now why would we want to get this matter dealt with on its own merits? I would suggest because—and I would like to take issue with the Minister of Consumer and Corporate Affairs (Mr. Radcliffe) because I think he used some examples that were not appropriate examples. I would say he mentioned labour, various other things. I think he was using them as debating points—[interjection] Labour, child bringing and various other aspects. The minister talked about the flesh-eating diseases. I would refer the member to the report of Justice Krever, page 1045, and I would like to read it into the record: Until now our treatment of the blood injured has been unequal. After years of suffering devastating financial losses many persons affected from HIV with blood or blood products or the surviving family members finally did receive financial assistance. Other Canadians who have suffered injuries from blood therapy have not received any compensation, yet the needs of those who have been harmed are the same regardless of their cause and whether or not fault can be proved. Compensating some needy sufferers and not others cannot, in my opinion, be justified.

Think the logic of the Krever report through, Mr. Chairperson. Justice Krever said, we have compensated some HIV sufferers. We should compensate others. Hepatitis C can be just as devastating for families that are now suffering the kind of huge dysfunction that results from hepatitis C and

can lead to early deaths, significantly premature death—[interjection] Or protracted ill health, which can create more difficulty, indeed, for the families. So I think what Justice Krever has said is that, if you are going to compensate any of those who have suffered from tainted blood products, you should have a process that deals with all of them.

Some members say, what does that mean financially? I would suggest that the model of what has been adopted is the Irish model, because the Irish model takes into account the specific needs of the patients and families involved. The Irish model does compensate all victims, but it is based on need. It is not a flat formula. It is based on the specific needs. [interjection] His comments—well, the needs are the health needs, the specific health needs, to the minister. Some people face far more significant health difficulties because of hepatitis C, medicalwise.

I would suggest to the Minister of Consumer Affairs (Mr. Radcliffe) that that is the kind of model that could be looked at here. I believe we are in a situation now where the degree of compensation has been adopted by the ministers is really hard to justify. I understand why they have done it. I understand all the arguments about cost and precedence, et cetera, but we have done it already. We have done it already with HIV. We have done it in other areas as well. Thalidomide is a good example where you have a compensation package now being brought in, I think, in fairly good faith, perhaps, on one level, but also obviously trying to deal with the potential for class action lawsuits. [interjection] We have breast implants.

We have a number of provinces in this country that allow for class action lawsuits. It is interesting that I think a large part of this is very much being triggered by the fact that, if it is not resolved outside of the courts, it will be resolved inside the courts. As the minister will know, that can be a very lengthy and costly process, so I think the ministers of Health collectively—and I say this to the current Minister of Health (Mr. Praznik) of Manitoba—started out, I believe, in good faith, but I believe the decision they have made is a wrong decision in the sense it limits far too greatly the amount of compensation that is available.

What else can we do, Mr Chairperson, but support this motion? If we do not pass this motion, I think what we will be doing is saying on the record that we see no problem with this being dealt with as a government vote, and I point out that all it says is a free vote. I mean, we are arguing from the opposition that it should be more expanded, but the first step is let the members of Parliament and let members of the Legislature decide on this issue based on its own merit, not on the government Whip being on it. What I would suggest we do, if we pass this resolution, is what we will allow is for, first of all, a clear message to the House of Commons. I think that is the first step, and I would hope we speak for all because the Minister of Health, I thought in the House today, indicated some criticism of the Whip being on.

The second thing is yes, it would require a vote of the Manitoba Legislature, and I am quite willing to work with the government minister. I would prefer it to be a government motion. Obviously, we can look at other options, whether it be opposition motions, private member's motion on a similar text to what is before the House of Commons current. That we can do.

I would suggest the way we can precipitate that is to pass this vote. Obviously the House of Commons vote will take place first. We can then obviously determine the results of that vote, look at our options here, but I am willing to work in a co-operative way with the government House leader on behalf of our caucus. I am sure the Liberal members in this House will follow their own conscience, and the independent members, and will not be dictated to by the federal Liberals. I have every confidence of that.

So this is what the motion deals with. We could have said—I want to put on the record—that this committee urges complete hepatitis C compensation. I would support such a motion. I would suggest that it would have been appropriate. Bottom line is though we felt it would be a more constructive approach if we followed through on this, which allows for the process to take place in the forum that we would like to see it in. We would like to see a matter dealt with in the House, not a procedural matter, but a substantive motion.

Coming out of this committee, we felt this was the degree to which we could go without putting the

government too much on the spot. I realize it would have been very difficult if there was a motion saying that this committee recommends complete coverage for hepatitis C. That would have put the members in a difficult position. But they can vote for this motion; they can vote for this motion today. They can vote for this motion before the House of Commons vote. It will be a statement of this committee, which is fairly significant, the Health section of Estimates. It would be an all-party vote obviously. We cannot pass it ourselves. We would be in a position I think of sending a very clear message. The reason it mentions a free vote in our House is because I do not believe we can be hypocritical. We cannot say, yes, the federal government should have a free vote but not us. I do not think that would be on, and I think members have to understand the logic of it.

So I would suggest that the minister, I think, probably came here debating the bigger issue that we were not intending to debate the bigger issue per se. That is the backdrop of this. I really think that there is a—[interjection] But I say to the member, he could support this motion and then go and vote against compensation for all hepatitis C victims just as easily as he could support this motion and go on and vote in favour of it. This motion calls for a free vote. We are quite prepared to see where the result will come from, what we will end up with if we have a free vote in the Manitoba Legislature. I know what will happen in the House of Commons; it will not pass. The government's position will not pass. The opposition motion will pass if there is a free vote. I am convinced in this House if there was a motion before the House that stated that there should be compensation for all hepatitis C victims, which is something I would strongly urge, that that would happen too.

But you know, if members opposite are sitting here—and I sense this from the minister's comments—perhaps they are saying you know, we are in a difficult situation here because we do not want to extend hepatitis C compensation to all victims. You know, if we pass this motion, that is going to end up with there having to be a vote on that in the Legislature. But you know, I want to suggest, Mr. Chairperson, if the government stalls or votes against this motion, what they are going to be doing is no different from what the federal Liberals are doing. Think about it.

You know, I note for the record that before we started this motion there was rather a sparse attendance in this committee room. There was one person. I should not mention the name of the person because one should not reference the absence of members, and I do not want to get him in trouble with his colleagues. He was sitting here attentively and I am looking at him right now. He was sitting here attentively, and I think he is a legislative assistant to the Minister of Health (Mr. Praznik), if I am correct, or certainly works closely with the Minister of Health, but as soon as we moved the motion, messages were going out of this committee in a rather rapid manner, members were scurrying into the committee. They were looking at the motion. They were lining up to speak. In the time the Estimates committee has been sitting, Mr. Chairperson, I look to you, has that happened on anything else? No, I strongly suspect—

An Honourable Member: The Whip is on.

Mr. Ashton: Oh, Mr. Chairperson, I think it is obvious the Whip has been put on here. I think the messages went out to the Conservative members the NDP has moved a resolution—

Mr. Chairperson: Order, please. The honourable member for Thompson did—[interjection].

Order, please. The honourable member for Thompson asked the Chair a question, and I believe that I should give him an answer. In the Health Estimates here, I have seen congeniality; I have seen co-operation, understanding, good conversation, good discussion, so I am not sure how you would want to interpret that, but that is what I have seen.

Mr. Ashton: Mr. Chairperson, when I ask a question rhetorically through the Chair, that is because we cannot talk directly to members opposite. Chairs do not answer rhetorical questions or direct questions, and I would suggest that my point is made even more by your comments, whether they are indeed in order or not, because I pointed out that all of a sudden the members scurried in when this resolution was brought in. Is the Whip on or is it not on? That is the question, and I am not asking you for that because you are not even supposed to know that. You are our Chairperson, and you are supposed to be above the—

An Honourable Member: Nonpartisan.

Mr. Ashton: Nonpartisan indeed. But the bottom line is: is the Whip on on the government on this motion on hepatitis C?

Point of Order

Mr. Chairperson: Order, please. The honourable minister, on a point of order.

Mr. McCrae: Yes Mr. Chairman, with due respect to the honourable member for Thompson, for whom I fought so hard for the opportunity to speak this afternoon, I think in committee, like anywhere else, there are rules of relevance and the resolution is before us, the motion is before us, and the honourable member is on all kinds of, engaging in all kinds of rhetorical flights of fancy and whatever else. I suggest that there is an issue here of relevance, a very serious matter that is before this committee. There are members who do want to engage in discussion about the important subject matter of the motion before us, and if the honourable member for Thompson wants simply to delve into everybody's motives and all of that, which is not relevant, maybe he should stand aside and let someone who wants to speak to the matter—

Mr. Chairperson: Order, please. The honourable minister, I am ruling, did not have a point of order, and I would suggest that I have allowed some fairly open discussion on this motion.

* * *

Mr. Chairperson: The honourable member for Thompson, to continue his remarks.

Mr. Ashton: Mr. Chairperson, indeed my comments are directly relevant because the question here is: are we going to take a stand as a committee of this Legislature and as a Legislature both on hepatitis C and the question of putting the Whip on on the issue of hepatitis C? I am suggesting we send a clear message to the federal government not to put the Whip on, not to have this as a matter of confidence and to allow for a free vote in the House of Commons. I am suggesting also that this happen on this resolution as well in the Manitoba Legislature. I am suggesting, to begin with,

it should start with the government not putting on the Whip on this matter or attempting to stall this matter.

We are prepared to have this matter go to a vote, and we are prepared, indeed, to listen to debate on it. We have no difficulty, we can do that, but you know I think to be consistent—you cannot stand up like the Minister of Health (Mr. Praznik) did and criticize the federal government for having the Whip on and then the same afternoon come in and put the Whip on when the opposition is suggesting on behalf of all Manitobans that we speak out on hepatitis C. You cannot have it both ways. What I am suggesting is what is good for the House of Commons is a free vote; what is good for the Manitoba Legislature is a free vote. If we pass this resolution, we send a clear signal for tomorrow's vote, and I think what we do is then set in motion a process whereby we can have a motion in this House that is, I hope—will be not only a free vote but perhaps an all-party expression of the need to extend hepatitis C coverage.

I say that on behalf of people I know personally, and this constituent in particular. I know other members have people who are affected by this in their constituency, but I have been talking to him for quite some time about this. I know the personal impact it is having on him and his family, through no fault of his own. I know the burden it is going to create for him and his family on medical purposes. The question should not be whether he was infected in 1986, or 1984, or 1990, the question is: are we going to deal with hepatitis C victims? I believe the answer should be yes, the same one we have with HIV. Are we going to deal with them? I believe, in the spirit of Justice Krever, yes, and that spirit indicates that we should bring in a compensation package that applies to all victims based on the need of the victims. That should be the only consideration in this particular case, the need of the victims, not some legal niceties that have been brought in as to who should be covered and who should not.

* (1630)

That is why I am suggesting, Mr. Chairperson, as I conclude my remarks here, let us pass this resolution as an expression of this committee. Let us set in process that motion, and I want to indicate on the record that I

am quite prepared to sit down with the government House leader and work out any way, shape or form in which we can have this matter dealt with by the Legislature as a whole either in a private members' resolution, a motion, and I would prefer, by the way, that it be a government motion because a government motion does have, obviously, more standing than an opposition motion.

Either way, though, Mr. Chairperson, we believe strongly enough on this matter, and I apologize to members opposite if they felt my comments were not on the line. I am hoping that they will speak out, too, do the same kind of thing that we are suggesting the federal government do, and that is take a stand on this, and in this case, a stand on whether we have a free vote or not.

I do not think that we should have the Whip extended in all matters. We often have matters which are matters that involve moral judgment on conscience and listening to our constituents. I think this is appropriate. I think this is the kind of resolution we should have that on. I cannot think of anything more appropriate than having a free vote on this particular issue, both in the House of Commons and in the Legislature, and that is why the member for Osborne (Ms. McGifford) moved it.

I look forward to other comments, but I hope the government is not, as a strategy, putting the Whip on or trying to stall this. Now is the time to pass this. We can pass this resolution today. I would suggest we get this resolution passed before the federal House of Commons deals with the matter, so we can send a clear statement and not be seen by Manitobans as being hypocritical, criticizing the federal government for one thing and then sitting back in the Manitoba Legislature and doing the exact same thing.

Thank you, Mr. Chairperson.

Hon. Glen Cummings (Minister of Natural Resources): Well, Mr. Chairman, this is not an easy debate on either side of the table. I would suggest, however, that it is even less of an easy debate for government, whether it is this government or the national government or any government in this country of any stripe, at any time, frankly, when you are talking

about the very essence of life for many of the people who are suffering from hep C and who are now looking for some relief to the system.

Of course, there is always the issue that arises at a time like this, are we talking about some kind of attribution of negligence and ultimately punishment of those who have been responsible for that negligence, or are we talking about trying to deal as openhandedly as possible with those who are finding themselves most disadvantaged through no fault of their own?

Yes, the member for Thompson (Mr. Ashton) makes some legitimate points, but I can say after 10 years, 12 years of sitting in a caucus on this side of the table, that it is surprising how many times people say the Whip is on when, in fact, there is a meeting of the minds and a unanimity of position without anybody talking about the Whip being on.

But more importantly than that, very often those responsible for making decisions are judged because they may or may not be seen to be making those decisions in as humane and as openhanded a way as possible, and it always increases the difficulty of making a decision. Mr. Chairman, when no matter how you view it you have a responsibility to separate what is a fair and reasonable way of dealing with a problem and yet knowing that there are always reasons to go further in any kind of a decision, and I suggest that this is one of those situations.

Any input into this debate from anyone in the Legislature or the House of Commons, for that matter, I am sure it is needed for there to be a full airing on behalf of those who are so traumatically influenced by this situation of the unintended infection with hepatitis C. As the Minister of Health has stated on a couple of occasions, and maybe more than that, the original template on which this offering is made is based on being able to get as much money, I think, into the hands of those who need it, as possible, as opposed to wrangling our way through the courts.

I think we all learned a lesson—I know the Red Cross learned a very expensive lesson—during the course of the Krever review and the results of that. The Red Cross is a veritable shell of what it was. Its reputation is in tatters. The ability of it to continue with many of

its programs is probably—well, no question—is significantly weakened, and yet I am not one, and I do not think there are very many people in this room or in this Legislature that would be unwilling to say that the Red Cross did an enormous amount of good over the years in its responsibilities, that it always, in fact, was seen as a leader, but it eventually had to take responsibility for decisions that were made internally that Justice Krever felt were not appropriate.

What I worry about with this debate is the solution that is proposed—and, goodness knows, all of us, as believers in the democratic system, have talked about the pros and cons of free votes and what they really mean, and I am not going to poke a stick any sharper than it should be at the opposition. They certainly have a reason to put forward this concern, not only on behalf of those that have come to them for assistance, on behalf of making a statement. We are all concerned about what has happened to these people who are not included in the package that is being offered, as well as the ones who are. But no matter what we do, and I am equally sure that whether it is this government or the federal government, eventually there is some kind of boundary that is struck in terms of how a program will be seen to be distributed, and this leads me to a concern about ad hoc responses such as this.

We have a situation today, it seems to me that the—and I am not here as an apologist for the federal government, that should be pretty obvious—but in debating whether or not this is an appropriate approach and response to whether or not we can increase the pressure on ourselves and on the federal government to deal differently with this issue. There certainly is some indication on the part of the national government house leader that reconsiderations are being given, probably as we speak, to the position that they have put forward.

So if I can push the politics a little bit aside for a moment and talk about the reality of what we are all trying to deal with, no matter what our political stripe, this move, in and of itself, is not going to answer the concerns and, in fact, the pleas for further consideration by infected individuals out there across the country. I am fortunate inasmuch as I do not have—if I have anyone, there are very few people within my constituency who have been directly affected by this blood issue, this one or the HIV one, but I also suspect

that is because a lot of the people who, once their health begins to deteriorate, locate themselves closer to larger, more competent health facilities. So in terms of having to face these individuals one by one and the problems that they are dealing with, I have not had very much of that personally in my constituency. Certainly as a government, we have had to deal with this from day one.

* (1640)

I am going to use a little bit of my time to just talk about the fact that the relationship between this and the HIV situation are obvious because of the manner of spread or the lack of ability to predict the possibility of spreading disease when blood products are being used and to identify the problem early enough to protect those who are ongoing and significant users of the system, particularly those affected with hemophilia. But I want to assure anyone who cares to look at the record that there has been a lot of serious soul-searching that has gone on, on the part of various ministers of Health in this government going back to day one, and no matter what you think of our politics or the positions taken by those ministers of Health as their thinking evolved, there has never been a harsh word said about the predicament the people find themselves in when they are dealing with this disease, and of course with HIV.

So I am quite prepared to see this debate carry on, but I am also prepared to be on the record as saying that I do not, as a matter of principle, believe that the solution that is being offered is the only one that will continue to keep the pressure on the federal government. I would acknowledge that the opposition may well feel that this is a good position for them to be in. It is never the opposition that has to worry about whether or not they can answer to the demand of a vote. When it is a free vote, it is the government that eventually must deal with whatever the results of that are. It is easy enough to say, well, it is not a matter of confidence, therefore it does not matter. I will leave others to judge that in the long run, but there are issues at stake here that go far beyond whether or not we are going to have a free vote in order to send a message to anyone.

There is an issue of how far can any government go in Canada as a caring society. So I suppose that is part

of what drives this debate and will drive it for the next decade as well, no matter what the outcome of this type of debate might be or what the ultimate, if any, changes might occur in the settlement that is being offered and the manner in which it will be administered.

Canada is a caring society that, by and large, will try to look after those who are severely disadvantaged whether it is through this type of misadventure or whether it is through something more sinister or more careless. That is why we do have already a safety net in place that is intended to pick up some of the problems for people that are severely affected by the condition of their health. It is one thing to no longer have the ability to work. It goes even beyond that when you have no longer the opportunity to enjoy quality of life. I mean that is very simple.

I am not going to degrade the problems of the hep C infected people by making comparisons with other diseases. That is certainly not the intent in making these comments, but we have a system out there that is intended to help all of us if we fall on hard times with our health and are unable to support ourselves or our family. There is an element here of trying to provide some additional quality of life to not only individuals who are affected but those who are supporting them from a family point of view and for those who are dependent on them as a family. There is an element of whether or not they were inadvertently involved in contracting the disease. So I think there was a lot of good will at the table when we talked about—and our Minister of Health (Mr. Praznik) referenced the fact that it was important that some kind of quick implementation of this program be accomplished.

I think we saw decades of debate around the HIV issue, more than a decade of where there was a lot of knowledge out there that perhaps was not being acted upon. We do not need to go through a revisit of that part in our history. Nevertheless, while I think there are reasons to be skeptical and be critical of governments over the years on how they have perhaps reacted to the concerns and the lobby of those who find themselves in this severe situation health wise, by and large, society has not been guilty of being unresponsive to the needs of health care. That leads into very much the bigger health care debate.

I mean we have seen what happens to the health care system south of the border, where it does become very litigious in a number of ways, so that is a direct reason why I mentioned the nonlitigious aspect of what is on the table here. That is why I still solicit the urging to use whatever means we have at our disposal to make sure that the program that is put in place is seen to be fair. Those who are not part of the present program believe that there is an unfairness and that further consideration is needed. I know in listening to the discussion and listening to the results of the work that was done by our Health ministers across the country, this was intended to deal directly with what they felt was the most difficult portion of the population who were directly, negatively and severely impacted.

When Herb Gray—and I guess it is okay to use the House leader in Ottawa by name in this case—begins to reference that they are reviewing their position on this, I think that means that the system as we normally see it is functioning, that they are receiving concerns, as some of us are. As I say, I, myself, am not directly a recipient of a lot of concerns from people so impacted because of the location of my constituency. But what we saw when Justice Krever's report came down was that there was a real shakedown that I, for one, had not seen or had not anticipated being quite as deep a shakedown as it turned out to be when Krever had reviewed all of the aspects of the system. So I am pretty confident that everyone who was at the table when we went through this, as governments across Canada, that people were conscious of the fact that we need to deal expeditiously and as openhandedly as possible with the people whose medical situation—somebody referred to it here earlier—was protracted, was deteriorating on an ongoing basis.

Everyone knows there is an enormous cost to the system. I think every day we answer that argument in the House in one form or another. A health care system such as we have—and hep C is only one of the debilitating and very costly concerns that we have to respond to—there is simply always going to be pressure on the system. Characterize it any way you want, there is either going to be pressure on the system or there is going to have to be ongoing growth on the system and that growth probably will never lead the demand, no matter how you break down the demographics of your society.

We are seeing that evidenced here as well, because I fear, and, Mr. Chairman, I want it on the record, I fear that there is a view of some people that this offer that was put out was not put out in good faith, that some are willing to characterize governments of the day as being only half generous. That, I know, and I can assure anyone that any knowledge I have of the argument, that that was never the case. It was meant to take it as far as is reasonable to move this program on behalf of those. The cutoff dates were established based on what was the known system, what was the known exposure when the system was not operating as it should have.

* (1650)

If I were beyond that window, if I were a part of a family that was beyond that window, I would have very much the same reaction that we are seeing out there, but I think we want to make sure that we put the federal government and ourselves, for that matter, in a position where we have a reasoned response always to the issues that are brought forward. If there is something that has not been appropriately dealt with, the reflection of Canadian society, by and large, and this has become more and more reinforced to me, I have been in this Legislature a while, but there are others who have been here longer and there are others who have had more experience before and who will have more experience later, our governments generally act as a direct response to the type of society that they represent, either that or they are not governments for very long.

I believe that the issues such as this that come forward are the ones that give leaders all the way up to the Prime Minister gray hairs about what is a measured and reasonable response to people who are genuinely in a very bad situation.

So on the one hand it is easy for me to argue procedure, and that is what a prevote argument is. It is very heartwrenching for anyone who has to make the decision, notably the ministers of Health, as to how you design a program that is seen as appropriate for those who are unable, in some cases, to adequately speak on their own behalf.

I see a system here in this country that has been designed for people who are not necessarily able to be given a response under special needs or under special responsibility of government, that there is a safety net

out there to help, and that safety net, if it is in question, then we should say so. But most people outside of the country who are looking at us as well will acknowledge that we have a pretty decent safety net in this country. When you look at it in the big picture, let alone just setting aside for a brief moment the issue of special compensation under cases such as this, we are acknowledged worldwide as being one of the more caring and one of the more forgiving societies in how we answer the call of situations such as this.

I for one, as I said earlier, was not the first to quickly recognize the weakness of the system when the HIV issue was being debated but, given that, is it not very possible that we have other systems which we are working within today that are going to be held in some significant question down the road. Because you get the same debate both ways in certain treatments, and I know that it may be hard to make this analogy parallel to the blood-carried diseases and the very easy transmission of diseases if you cannot detect them using this method of treatment or assisted treatment, but we may well have to debate in the not-too-distant future other areas in health care where, too late in some cases, we realize that there are things that we did which inadvertently exposed the patients to damages that were not anticipated. It strikes me, being a layperson, that that is the very nature of health care as well. There are times when any of us, given certain debilitating and life-threatening problems, may well want to say to the health care system, I am willing to take some risk.

But part of this debate is about whether or not there was a period of time, and the offer that is on the table acknowledges a period of time, that when that risk could have been better prevented and there were some technologies that should have been applied. But I do appeal to members on all sides of the House, when we debate this issue, to remember that this is not just a political issue, it is not just a health care issue, it is also a societal issue about whether or not people within our society have been treated fairly.

If we are to continue that debate—and not draw lines in the sand about where neither the government nor the opposition can withdraw from—then this debate has to be about fairness and whether or not there is a way in which this proposal could have or should have been expanded, or whether this is fair and whether there are

other ways, as Herb Gray acknowledged, there may be other ways that he can, through the leadership of the federal authorities, look at these additional years. I am in no position to know whether that is blowing smoke, or whether that is a real statement, and I am certainly not suggesting that neither he nor I nor any elected member in government across the country has a handle on making that statement in any kind of a concrete fashion. But the analogy of neither side being able to back away from the precipice is important for this debate, and I am looking directly across at the members who raised this debate.

It is a good debate, but if we draw lines or if we set up walls that we cannot break from on either side, or if we divide our House in such a way that we cannot move either direction, then we set up a situation where the very people we are trying to help may not be helped as generously as all of us would like. So, while this is not meant to pull at people's heartstrings so much as it is to reflect on the fact that—well, it is always a good argument; I could probably make an argument for an hour as to why free votes are important, but this is not necessarily the kind of argument that is going to help the people who are out there infected with hep C passing that 1990 or 1992 year that concerns were seen to be then less onerous on, or responsible to, the system—that was the thinking that went into it.

So, Mr. Chairperson, I am sure this debate is going to continue for a period of time, but the issue is not whether or not this House sends a message to Ottawa in and out a free vote or otherwise. The message is whether or not this House in its totality, government and opposition, is prepared to listen to the discussion and provide reasoned advice to the federal system. What I said earlier about governments, whether or not they are able to reflect the reality of their electorate, applies at this time no more so than anywhere but in Ottawa. They are under the spotlight on this question. They know that their members on their side of the House have been lobbied heavily. They know that the Reform opposition, in particular, has raised this concern and has made some strong statements in support of those who are not, in their mind, being fairly treated.

So if I were to want to send a message to Ottawa, if anybody down there is reading Manitoba Hansards,

then the message is that everybody has to remain reasonable in this argument and look at it in a reasonable fashion. I have not been unconvinced that the position that is presently offered is unreasonable. I have not been close to that debate, but I know well enough how you influence governments and how you work in support of those who in some way feel they have not been fairly treated, and it is not necessarily to draw hard lines between the two sides of this House or any other House in the province but to make sure that our ministers of Health and our national leaders have continued opportunity to examine all the information because Krever was—

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

When the committee next meets, the honourable Minister of Natural Resources (Mr. Cummings) will have three minutes remaining in the debate of this motion. Committee rise.

EDUCATION AND TRAINING

Mr. Chairperson (Marcel Laurendeau): Would 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 Education and Training. We are on Resolution 16.1.(e) Financial and Administrative Services (1) Salaries and Employee Benefits.

Chairperson's Ruling

Mr. Chairperson: Before we proceed for the day, I have for the committee a ruling on the matter I took under advisement on April 20. The honourable member for Wolseley (Ms. Friesen) had raised a point of order that the Minister of Education (Mrs. McIntosh) was imputing unworthy motives to her. I ruled that the matter was not a point of order but was a dispute over the facts. The honourable member for Wolseley then sought clarification of the ruling and asked whether impugning motives was in order. I then took the matter under advisement to review Hansard.

Having now had the opportunity to look at the written record, I stand by my ruling that the minister's comments did not impute unworthy motives. The

disagreement between the two members was a dispute over the facts.

I would also like to take this opportunity to remind the honourable member for Wolseley that the correct procedure, if she is not in agreement with a ruling of the Chair, is for her to challenge the ruling, not to ask for clarification of the ruling. Thank you.

* * *

Ms. Jean Friesen (Wolseley): Mr. Chairman, the minister had undertaken to find out whether the Manitoba Measures was confidential or not, and I had asked her to table that. It refers to an earlier line that we have voted on, but the minister made that undertaking. Before we lose sight of that, I wonder if she could respond to that.

* (1440)

Hon. Linda McIntosh (Minister of Education and Training): Mr. Chairman, I have some tablings as well, responses to questions put last week.

The question the member has just asked right now, we have checked and the document that we are working on is an internal document in progress, so it is not yet complete. The standard procedure in situations like that is that until a document is complete and ready to be made public, it is considered an internal and not yet finalized document and therefore is normally confidential because it is work in progress; it is not complete. That would be the response to that question.

I have for tabling—on Thursday I took a series of questions for notice and to provide answers. The first I would like to table is the Integration of Aboriginal Perspectives into Manitoba Curricula, which the member had expressed interest in. I have several copies here, one for me and then there are three for Hansard, and whoops, here we go, on the table, on the floor and into your hand, Sir.

Then I have staffing issues that the member had asked—that is all for the tabling, and the other is a verbal response. The member had asked for the reason for the shift from 34,000 to 106,000 this year, and the other—it was operating supplies, materials, office supplies. I am

just doing some double-checking here, Mr. Chairman, excuse me. Operating supplies, materials and office supplies, that is up by 71,500, primarily due to an increase of 73,000 for the sustainable development initiatives, offset, as well, by a decrease of about one and a half thousand due to the Planning and Policy Co-ordination Branch being reorganized. That was a question that was asked concerning Other Expenditures under the expenditure category of Supplies and Services the member had asked on Thursday. I believe that is all for now in terms of questions that were taken under notice.

I have some information, as well, that was requested regarding staffing for the fiscal year April 1, '97 to March 31, 1998. There were some 66 appointments that took place through competition. Sixty-three staff were hired by open competition and three by closed competition, and I believe we talked about what we mean by that, one being open to anybody and the other three closed for department staff, government people. Mr. Chairman, 298 staffing actions took place including new appointments, lateral transfers, transfers into the department because of the federal devolution, conversions from term to permanent status, secondments and classification actions.

There were a total of 32 direct appointments. The majority of these, of course, were under Section 504 of the government employees' master agreement. There are currently 90 term employees within the department, and 15 staff have been appointed by Order-in-Council, but none of them in the last year. The ones who are O/Cs, most of them have been here for many, many years. They are John Carlyle, the deputy minister of Education; Tom Carson, deputy minister of Training and Continuing Education, who while he has not been that long with Education and Training has been a long-time deputy with the government; Carolyn Loeppky, ADM, School Programs Division; and Jim Glen, ADM, Administration and Finance; Guy L. Roy, assistant deputy minister, Bureau de l'éducation française; Connie Hall, special assistant to the minister; Brett Lockhart, executive assistant to the minister; Leo LeTourneau, executive director of Council on Post-Secondary Education; Bob Knight, director of Systems and Strategic Initiatives and Stevenson Aviation; and Bob Gorchynski, executive director of Management Services; Bob Goluch, executive director of Public

Schools' Finance Board; Pat McDonald, director of Program Development Branch; Norbert Cenerini, director of Student Services Branch; Gerald Farthing, director of Schools' Finance Branch; and Brian Hanson, director of Education Administration Services Branch. Those are the O/Cs, Mr. Chairman.

Ms. Friesen: I understood the minister to say that she was tabling some other documents.

Mr. Chairperson: Did you not just receive one?

* (1450)

Ms. Friesen: I received one, but I understood the minister to say she was tabling others. Did I misunderstand?

Mrs. McIntosh: Yes, Mr. Chairman, the staff very kindly gave me many, many copies, so I actually had seven copies of the document the member has received, three of which I have tabled and the rest I have retained here. I just wanted to check to make sure they were one and the same document and not two different ones, and they are just extra copies of the same document.

Ms. Friesen: I thank the minister for tabling this document. I note that it is dated Saturday. My guess is that the staff worked on Saturday to produce this, for which I thank them. I would like to go back to the Manitoba Measures and to ask the minister how it is she would put this into the Estimates and ask people to vote on something which is confidential. What is the principle behind that?

Mrs. McIntosh: We had talked about this a little bit the other day, but just for clarification, this identifies that there are staff people assigned to work on this project. This is their activity. One of their activities is to work on this plan that we are developing, and it is not completed totally yet so they are continuing to work on it. Part of the approval that the Estimates has identified here is that we are identifying that we are paying people to work on this initiative. The work is in progress. It is not complete yet, so they do not have—it is like they are carving a statue. They are being paid to carve the statue. The statue is not complete yet, so we cannot walk down the street and say, oh, my goodness, look at the statue. It is still being carved. I do not

know if that is a very good analogy or not, but it might help indicate why that is in the Estimates. We are not asking people to vote on something that is complete and articulated; we are asking them to support work on this endeavour.

Ms. Friesen: Does the minister intend for there to be any public input into the department's Manitoba Measures plan? I am thinking particularly of examples of other provinces and states which have done this, at least the ones that I am aware of, where there has been extensive public consultation and reflection upon departmental business plans.

Mrs. McIntosh: No doubt as our abilities to plan in a business planning context grow and expand we will see more detail included in our Supplementary Information to Estimates because we will have more information and we will have more detail to provide. She is asking, are we going to have province-wide consultations? We do not have plans for that at present. Our department is piloting a government project and our future methodology is still being developed. Of course, we are checking with those people with whom we will be making an impact, trying to get ideas and advice and so on from them, feedback, input, and that will certainly continue, but the methodology is still being developed. As I indicate, it is difficult to talk about this as if it is a totally completed, long-established item when it is still being developed.

Ms. Friesen: But other provinces and states have developed such programs. I am not quite sure why the minister thinks this is so unique. It has been done in Minnesota; it has been done in Oregon; it has been done in Alberta. New Brunswick is looking at something similar. I mean, this is not a major invention.

I wanted to ask the minister two questions about it. One was, I think she said just now that this department is piloting for the government this project. Is that the case? Is that what she meant to convey, that this is the pilot for the government? Secondly, she said that consultations were ongoing or were continuing or were in place with various stakeholders. I wonder if she could tell me what those consultations are and whom they are with.

Mrs. McIntosh: The member will have to forgive my background working its way to the surface. I am a military brat, and we often refer to working our way through something as piloting our way through something. In that sense, we are working our way through something as opposed to how the member might think of the word "pilot" as generally used. We are following the education renewal plan, which is a key driver and which involves much input and consultation, and a lot of our ideas come from consultations that have already been done with other committees that we work with extensively.

Ms. Friesen: I do not think that that really answers the questions. Consultations with other committees—I asked, which stakeholders? The minister said that she had done the consulting or was consulting or intended to consult, so I am interested in what range of people are going to be consulted, have been consulted in connection with Manitoba Measures.

I am still not clear what the minister means by piloting. Most people mean by piloting, if we are going to use military metaphors, the naval metaphor, piloting a ship, deciding on where the dangers are and taking things through there and being the first through, of leading, of guiding; that is what is meant by piloting, I think, in the administrative sense. So is the department the pilot ship for Manitoba Measures within the government? Is that what the minister intended to say, or was there a different meaning she was attributing to piloting? Secondly, who is being consulted in this?

* (1500)

Mrs. McIntosh: Mr. Chairman, in terms of the official definition of the word "pilot" or the colloquial definition or the current use of the word "pilot," I think maybe the clearest way I can say it is that all of government is working its way through this initiative. When I was speaking about us working our way through it or piloting our way through, I was not referring to an official definition as she sees used in the context that she as an historian or an educator or a politician might make it. I was referring more in a colloquial way, meaning that all of government is working its way through this initiative.

Mr. Peter Dyck, Acting Chairperson, in the Chair

I do not believe I said I was planning to have specific consultations in the context of Manitoba Measures. I believe I said that we would continue to follow the educational renewal plan, which is a key driver for all that we do and which involves a lot of input and consultation. I believe that is what I said. If I have said something different or if the member has interpreted me as saying something different, then let me repeat it in what I hope will be plain language, and that is that we in the course of our work through education renewal do a tremendous amount of consulting.

This morning, for example, I spent my four hours, as I do regularly, with the implementation committee which has the presidents of many educational stakeholder groups on it who advise me on things they would like to see to make the department and the whole education system in Manitoba in the K to 12 branch run more smoothly, run more efficiently, run more effectively and so on.

We have all kinds of groups like that with whom we regularly consult. We receive many useful ideas from them, many helpful ideas from them. We also receive incidental issues from them, such as the request from that committee to ask the field to take a look at our patriotic exercises and remember that that regulation is there, and the member has referred to that particular one quite frequently because she and her caucus do not wish to see the singing of God Save the Queen in our schools, and that came out of an incidental consultation with the groups.

Point of Order

Ms. Friesen: Mr. Chairman, the minister has just attributed something to me and my caucus that I think she needs to provide some evidence on. Would you ask her to do that?

The Acting Chairperson (Mr. Dyck): The honourable member for Wolseley does not have a point of order.

* * *

The Acting Chairperson (Mr. Dyck): The minister, please, to continue.

Mrs. McIntosh: I am surprised by the member's comment, but I certainly draw to her attention that which she well knows which may not be in Hansard because it normally comes by way of interjections from members opposite, particularly she herself or the member for Thompson (Mr. Ashton) who have made many comments about the inappropriateness of me having reminded people of the regulation on the Queen, who challenged me to stand up and sing God Save the Queen, who talk about heavy-handed intervention in reminding the field that the regulation about the Queen is there and who call me Queen Linda and things like that, that led to the impression for me to receive and for those in the gallery watching that they are very much opposed to the singing of God Save the Queen, and the taunting seems to reflect that.

Now, perhaps the member's caucus would like to take a public position. In fact, I would challenge them to take a public position and tell Manitoba whether or not they believe that God Save the Queen should be sung in our schools, because they have very carefully avoided the issue publicly themselves except for the endless taunting that comes this way, to me for having taken the advice of the implementation team, which is back to what I am talking about here, an implementation team consisting of the presidents of MASS, MAST, MTS, MAP, two principals at large, several teachers, an independent school board chairperson, the president of the parent councils of Manitoba, an independent parent at large.

That group raised the issue of God Save the Queen. They raised the issue of patriotic exercises, not specifically the Queen, and suggested that I send a memo reminding the field which I did. Now, in that case there was a consultation. The group itself raised the issue, not me, and I responded positively to the issue by sending out the requested memo. If that is, and as members opposite clearly object to me having responded positively to the consultation, I am wondering if, with the kinds of input we get from those sources for Manitoba Measures, if the member would like me to also reject other advice that we receive if it is advice the members opposite do not care for, or is the member feeling I should accept the advice because of the source from which it comes? I would appreciate some clarification. She wants me to consult. Is it because she would like me to accept the advice of those

with whom I consult, or is it because she wants to make sure that the NDP get a chance to tell me to reject the advice if the NDP do not like it, as with the Queen, when they chide me for having followed that advice from that committee? I am not sure.

I do say, though, that we get those kinds of inputs and they are all included, and of course we also work with those in the branch, within various branches of the department, to ensure that their input is sought because they are oftentimes the deliverer of service. So maybe the member could clarify: does she wish me to accept the advice that I receive through consultation or vet it through the opposition so they can accept or reject it as opposition members? I am not quite sure of the motivation for the question in terms of how to provide a correct answer that will meet the member's needs.

Ms. Friesen: Mr. Chairman, we have a couple of issues here, the issue on Manitoba Measures is that when other jurisdictions, and I am thinking specifically of Minnesota and of Alberta have developed programs like the Measures program, that they have included in that public consultations on the creation of business plans, reflections on business plans.

This government appears not to, and I am really asking the minister as I have several times now and basically I know it, their answer is no, they are not going to, like so many elements of this government, the government has no intention of asking the public. So Manitoba Measures will be something which is developed within government for government and that is fair enough. That is a different kind of program. It is not one that has the involvement of the public, so it seems to me that that has been answered and the government is going in a different direction, and although it may be using the same terminology as Minnesota, it is in fact developing it in a different way.

I would like to continue with 16.1.(e) and to ask the minister the question I was asking at the end of last time which dealt with a line in 16.1.(e) which was under Other Expenditures. I believe it was a difference in the shift from \$34,000 in Other Expenditures in '97-98 to this year's Estimate of Expenditures under Other Expenditures of \$106,000. I believe I had asked the question a number of times, and I was not clear about the answer the minister was giving. I think that was

where we ended last time, so I wonder if the minister has had the opportunity to find the answer to that.

* (1510)

Mrs. McIntosh: Mr. Chairman, that was the answer that I provided when we first sat down at the beginning of today's session. I gave a very clear, concise answer to that when we first opened today. Before we began our questioning, I indicated I was providing that information. I tabled three documents and I provided the answer to that question before we began our questions and answers today, so I have given that and I am still needing to find out, I am not quite sure what the member is looking for in terms of an answer here.

When she talks about, I believe what she is saying is she wants us to consult the way Alberta does and take the time to do that, but I know earlier today when I indicated we were taking the time as prescribed by law to have the council consult with students that that was not something she wanted because it was taking too much time. So sometimes I get a little confused, and I am quite sincere in this, as to whether or not the opposition wishes to have us take the time to consult as with the students because when we take the time to consult we are criticized for taking too long. If we are not consulting, we are criticized for not consulting the way that there is always some other province that gets quoted, which is fine, because all provinces have their own ways of doing things, and sometimes it is beneficial to do things the way other provinces do them. But I am still not quite sure on that. If she wants us to take the time, as we are with student tuition fees, or if she is wanting us not to, because it takes too long as with student tuition fees, as I say, I did provide the answer to the question she asked right at the beginning of the session today.

Ms. Friesen: When we receive Hansard, I will certainly check that response. I had understood the minister was going to table something, and that is why my question was on, was there anything to table? I gather it was a verbal response, and now I will check Hansard when it comes.

The minister wants to talk about consultation and timing, and we will certainly get into that when we get to the Council on Post-Secondary Education, because

it has been a considerable length of time, and I think the minister perhaps did not understand my question today, which dealt with public input and public consultation, not student consultation. But that is the minister's choice in the way she answers these questions and, obviously, that is the way she has chosen to answer it, and we have chosen also a different route, I gather, in Manitoba on developing business plans and measures plans within government.

That is something, obviously when the next election comes, that people will be interested in seeing the comparisons between the Manitoba route and the routes that other jurisdictions have taken.

The end of last time also, we were discussing sustainable development. I had asked the minister what, since this particular line has I believe responsibility for sustainable development leadership within the department—I am just finding the right line here. Oh, yes, it is under Finance and Administration Branch: supports the department's sustainable development initiatives.

I had asked the minister if there was a departmental sustainable initiative that could be tabled, and I understand, as I read her response, that the answer is actually no. There are government sustainable development objectives, but there is not a specific document that can be tabled for the department.

I wanted to ask the minister why sustainable development has been given to the Finance and Administration Branch. Looking from the outside, it appears as though, in a sense, this is a lot like the Native Directorate. This is something which applies to the whole department. The answer I got for the Native Directorate was that it was being given responsibility to report to the deputy minister directly because it applied to the whole department.

In a sense, this Sustainable Development Initiative, that is, the application to all areas of the department, the application to all areas of curriculum, seems to me to have a parallel. I wonder why it has been put here, why it is simply included under Finance and Administration. It seems to me an odd place. What is the rationale for that?

Mr. Chairperson in the Chair

Mrs. McIntosh: I would not want to leave the impression on the record that there is no strategy or plan available for sustainable development. It is an extremely high priority of the departments, and we have been working on it for quite some time with the Round Table on the Environment and Economy which is now called the Round Table on Sustainable Development. A concept paper will soon be ready because the department has been working with the round table on that, and that concept paper will, as we have done with the sustainable development strategy with the Capital Region and so on—there will be the workbook *What You Told Us* and the applications document.

We are integrating sustainable development into the kindergarten to Senior 4 curriculum as well as into post-secondary studies where appropriate and requested, but that is a different level of involvement—as the K to S4 which is highly concentrated.

* (1520)

You recall that last June the province gave Royal Assent to The Sustainable Development Act and that legislation now mandates departments such as ours and school boards and universities and colleges to have regard for sustainable development in all of their activities. That has been a great and good guide in this fall term and now into the winter and spring. That act establishes guidelines for evaluating the sustainability of all activities and programs. It also covers sustainable development procurement guidelines which even go beyond what we are doing in terms of schools and universities. So it is well underway. We have indicated very clearly that the environment, the economy, and societal health and well-being are interdependent. We have emphasized and are striving to show through curricular changes and all other aspects of education that a change in one has a significant impact on the other. Education has a vital role to play in promoting an understanding of this integration. So that is all part and parcel of what we are doing. As I say, that concept paper should not be too much longer until it is complete and ready for perusal by those province-wide consultations that take place on that type of thing where we get booklets that end up saying what you told us so that we can do applications.

The resources are housed in Administration and Finance, but the sus dev grouping reports through both deputies, and that is illustrated in the organizational chart on page 9 which should help provide some clarity in terms of a visual guide as to how the reporting sequence goes. The resources for that are housed, as I say, in Administration and Finance.

Ms. Friesen: I am looking on page 9 for a Sustainable Development Initiative, and it seems to be vacant. It is listed as parallel to the Native Education Directorate, which is where logically, it seemed to me. It is listed as a vacant position and it does report, as the minister suggests, through two deputy ministers, as does Native Education. So I wonder if the minister could tell me when that position would be filled and how the concept paper has been developed, if it has not come through that particular section.

Mrs. McIntosh: The position has been filled. It has been filled with a person by the name of Christina McDonald, who is a Ph.D., completing a Ph.D. in Natural Resources, Natural Resources Institute at the University of Manitoba. Her thesis is on sustainable development and she also has a teaching certificate. She will be invaluable to us in this task. Her background knowledge is quite extensive in this area. It is her area of specialty. Hard to find a lot of people at this stage with Ph.D.s in sus dev, as it is such a newly developing field, and so we feel very, very fortunate to have obtained this person.

The concept paper was developed in the department by existing staff and in concert with the staff in the sus dev co-ordination unit and under the auspices of the round table.

Ms. Friesen: Could the minister give us an approximate date when that paper will become public and the workbook *What You Told Us*, et cetera? Are we looking at the fall or are we looking at next spring?

Mrs. McIntosh: I do not have a specific date, so I am always a little apprehensive about pinning people's expectations to a particular date, but I think I am on pretty solid ground to say that we should have this out before or early in the fall—could be sooner.

* (1530)

Ms. Friesen: I wanted to ask about the Systemhouse contract in this area. Could the minister tell us what the cost, the department's cost or charge of the Systemhouse contract for desktop publishing has been?

Mrs. McIntosh: The answer to that is \$1,561,900.

Ms. Friesen: Could the minister tell me how much of that is capital and how much of that is in services? Is the contract broken down in that way? Is it possible to tell us those numbers?

Mrs. McIntosh: Mr. Chairman, there are no capital costs. That money that I have just indicated is for services.

Ms. Friesen: Can the minister tell me then whether this—I understand this Systemhouse contract is a three-year contract, so is this \$1.5 million anticipated to be in each of the next three years, or in each of three years of the contract?

Mrs. McIntosh: The \$1.5 million which has already been cited was for services in '98-99. The entire contract lasts five and a half years, includes 1998-99, and the breakout goes something like this: for '98-99, \$1.56 million; for '99, 2000 and beyond, not forever, but for those five years it would be about \$2.5 million per year. The total amount would be \$11.5 million over five and a half years. That, of course, is an estimate, because these are Estimates, and we will be able to provide more specific figures later on as they become evident. Probably in the fall, we should have some early accurate figures or actual figures, as opposed to estimates.

Ms. Friesen: I understand that this is a contract, and I am curious as to why the minister cannot give exact numbers for the whole contract. I can understand that there might be some difference from year to year, but are we clear that the full contract to the Department of Education is \$11.5 million? I assume that there would not be a change in that.

Mrs. McIntosh: Mr. Chairman, I am trying to figure out how to explain this so that it will be clear to the member. We have talked about likening it to outfitting an entire enterprise with telephones where you would know the cost of the phone, you would have a rate

schedule and you would know what the rate would be for voice mail, what the rate would be for call display, what the rate would be for having an extension or all of those services that the phone company could provide, and you would have a pretty good sense of what your final request would be. But at this point, you have not yet put in specifically what each office is going to utilize. I do not know if that analogy helps explain how this works.

We have a rate schedule. We are part of an overall government contract. The rate schedule is quite specific, and we are pretty sure that it is going to cost us this amount, but maybe they are going to order different components. Maybe it will not be—maybe they will order things when we do have the firmed up rate schedule, just as you would if you were trying to outfit a building with telephones. I do not know if that helps or not to explain.

* (1540)

Ms. Friesen: The minister indicated a considerable jump from this year to next year, which I gather is not the case in every department. So I wondered what will be the difference between this year and next year, \$1.56 million this year, \$2.5 million next year. What is the department planning in that context, and is the minister able to table a copy of the rate schedule?

Mrs. McIntosh: To put it simply, this year we are only paying part of a year. We are not paying for the whole year. Next year, of course, we will be paying a full year, the full 12 months, and so would we be in the following years. But this year we are only paying a portion of the year.

The rate schedule works out to about \$2,800 per work station per year. We do not have a clean copy of something we could table here, but we can get one and return it to the member today or tomorrow and provide her a copy of some information that we could table on this topic for her.

Ms. Friesen: It is possible that some of the questions I ask will in fact be answered in that rate schedule, and if so, the minister can tell me and we will see it when it comes.

I wanted to ask about the number of personnel who are involved in the desktop initiative. How many are involved in the department, and have any been seconded elsewhere to deal with this?

Mrs. McIntosh: We had one permanent employee who moved to MERLIN from MIS and one term employee who moved to the private sector. Both the positions have been retained and have been redirected into Applications Development and Training and Continuing Education. As for the impact, well, from that you can see there have been no net cuts. Period. Just no cuts. In terms of the net impact, I imagine that we will all be impacted, I would hope, as we go through this, because it should have impact and ramifications for all of us. That is our hope and desire because it is a new initiative that we hope will better the way in which we do things and that should have very positive impacts throughout, but it is too early to say exactly. Impact by impact on person by person, we do not have that yet.

* (1550)

The member had asked about the rates, and staff has just handed me some figures which I am pleased to provide for you. The basic costs, which are mandatory, are the annual per-seat charge for basic cost of the managed environment, and that totals up to 2,385; and then the e-mail, which is an annual per-seat charge for e-mail and the managed environment, and that totals to \$163; and the employee training, which is optional at a per-unit charge in the managed environment, is \$112, and that is three persons. The moves, the additions and changes per service charge in the mandated environment, \$128, and that includes the PST in all instances. I will not take time to go through other extraneous detail because I think those are the figures she was seeking, and they are as stated, and as I say, it does include the PST on all of those examples.

I do have a chart I can table. I do not, unfortunately, have three copies, or maybe I do. Staff has found extra copies, and I do have three copies that I can table on the desktop management costs for '98-99 by unit, and I think that breakdown might be interesting for the member. It provides some of the detail that might save her having to ask for too many details. It is all in here. So I will provide that.

Ms. Friesen: I thank the minister for that. Just two things to check for the record, and one is that the costs the minister was giving me were costs per station, and is the document she has tabled now, is that temporary? Is there going to be another document tabled or is this it?

Mrs. McIntosh: Mr. Chairman, if the member takes a look at that table, she will see the first column which is darkened somewhat. That provides the direct link back to the Estimates book, so wherever it says desktop in the Estimates book, that column that has got the darker gray on it can be linked directly back.

These are figures that—it was asked if they were permanent. They will be firmed up over the summer as we begin identifying exactly what we will be doing, so I do not know if they are permanent or not. They could be, but we will be firming them up over the summer to know exactly, and the other question the member asked was is this what we are tabling. We are tabling this. I had read those figures which are per unit, by the way, just for clarification, and those were the figures we were going to seek out clean copies of to table, but this other piece of paper that I have just tabled is one that we happen to have here. That was not the one I was meaning we were going to table, but we just thought it had useful detail that might be of some assistance.

Ms. Friesen: Mr. Chair, my earlier question dealt with secondment, and I am not sure I understood the minister's response. The minister responded that one person had gone to MERLIN, one to the private sector.

My question actually dealt with secondment for desktop services. How many people in the department had been seconded this year, and could the minister tell us who will be paying their salaries?

Mrs. McIntosh: One person from Administration and Finance has been seconded to Supply and Services, Government Services desktop unit. That is it.

Ms. Friesen: Mr. Chairman, I wonder if the minister could tell us who is paying the salary for that person, and what the plan is for next year, including the cost of salary.

Mrs. McIntosh: They are paying, not Education, and I imagine they will be next year also. But that is the short answer.

Ms. Friesen: I understand the minister to say that Supply and Services, Government Services is paying the salary this year and she anticipates that the government Supply and Services will be paying the salary next year.

Mr. Chairperson: The honourable member for Wolseley, to repeat her question.

Ms. Friesen: Thank you, Mr. Chairman. Yes, I wanted to confirm, because the minister said them, and I wanted to confirm that it was the government Supply and Services who will be paying the salary this year and next year.

Mrs. McIntosh: Yes, Mr. Chairman, as long as our person is seconded there. If we get her back or something, that would not apply.

* (1600)

Mr. Chairperson: Just to remind the members, you have to wait till the light comes on. The mike takes a few seconds to energize.

Ms. Friesen: I think earlier I had misunderstood the minister's response. I had asked whether there were capital costs involved in this; the minister said no, and I think mistook that to mean there were no costs for actual equipment, but in fact there are costs for equipment in this, are there not? When the table says, desktop cost, that includes the actual desktop computer or whatever equipment is being provided.

Mrs. McIntosh: Mr. Chairman, there are no capital costs included. That is as I have stated to the member. There are no capital costs. That is services that we pay.

Ms. Friesen: Well, could the minister explain then and give us a detailed account of what is meant by services, desktop services?

Mrs. McIntosh: Services include, for core services, help desk support, e-mail, standard office software, provincial data network costs, employee training on

desktop products, service charges, reconnecting charges for moving people from one office to another, asset management and desktop management in terms of its scope. It is defined to include all management acquisition and support activities related to microcomputers, common personal productivity software, local area networks, and all the network-enabling software and hardware. This includes the management of file or print servers, network servers and hubs, the development, management, and operation of application, and application servers is by definition out of scope for this initiative.

The definition of government-used for the desktop management agreement includes all departments except Family Services, the Legislative Assembly, the Provincial Auditor, the Office of the Ombudsman, and the Legislative Building, as well as SOAs, special operating agencies. Family Services currently produces desktop management services from ISM through its Partners in Progress agreement. Hospitals, Crown corporations, and other agencies that fall into the broader definition of government will be afforded an opportunity to opt into the desktop management agreement via a contract agreement or an amendment, rather, and all participants would benefit from the increased economies of scale. I think that is all for now, Mr. Chairman.

Ms. Friesen: So this does not actually include any equipment.

Mrs. McIntosh: No. It is just as I said. There is no cap.

* (1610)

Ms. Friesen: Mr. Chairman, the minister confirms that it does not include any equipment. I wonder if the minister could tell us how many desktop units there are in the department at the moment.

Mrs. McIntosh: Just doing some figuring here, the rough estimate would be about 900 to 1,000 desktops.

Ms. Friesen: Could the minister give us an idea of how old the department's supply is? Are we looking at five-year-old desktops? Are we looking at two-year-old? Could the minister either table an analysis of that

or give us some general idea of what the department's equipment is like?

Mrs. McIntosh: Mr. Chairman, it breaks down into 25 percent for each, sort of 25 percent or a year old, 25 percent or two years old, 25 percent or three years old and 25 percent or four years old. So it is easy to recall. I thank my staff for that information.

Ms. Friesen: It sounds, given those numbers, as though the department has had a regular plan for upgrading its equipment. I wanted to ask the minister about the core services that she listed a few minutes ago. One of them was Employee Training, and another one was a kind of service charge, and I was not quite clear what the function of those were. Since Employee Training is listed separately under the list she gave me earlier, as a separate service available, I wonder if she could also tell me what that service charge was for.

Mrs. McIntosh: Employee Training should not have been listed as a core service, but it is a service, not a core one. It is a service and the cost is part of the figures that I have tabled. Training is for use of standard office software. We also pay a fee to move computer equipment if people are moving from one office to another or to an added application to a unit, that type of thing.

Ms. Friesen: Could the minister tell me what the department's plans are for expanding its desktop computers? I got the sense, very clearly, that there was a three-, four-year plan for reprovisioning, for updating computers. What are the department's plans for the next few years, two years, one year?

Mrs. McIntosh: Mr. Chairman, we do not have plans to expand in this area.

Ms. Friesen: Mr. Chairman, another core service that the minister mentioned was asset management. Could the minister explain what is meant by asset management, and how that is dealt with in the contract? Is this asset management of the government's own equipment? What exactly does it mean?

Mrs. McIntosh: In terms of asset management, it is the notion of managing the equipment in the department, buying equipment and planning for its

management, but maybe using other people rather than its own staff so that its own staff can concentrate on doing what it does best and leave the management of the asset to a person who does that best.

Mr. Peter Dyck, Acting Chairperson, in the Chair

This is a government-wide thrust, and if the member is wanting to get a lot of details on the overall contract and the overall understanding, it maybe should be done through the appropriate department, which would be Government Services, Supply and Services.

* (1620)

We can answer questions pertaining to Education on it, but in terms of the details, in terms of asset management, which would be right across the board, we will not necessarily have all the fine detail on that because we are not the lead department on it.

Ms. Friesen: Then, in terms of the department, what route would the department follow for the upgrading of its equipment?

The minister said they had no plans at the moment to expand, but presumably the department will have a plan and some contingencies for upgrading equipment, for taking advantage of new software that might come along that might be specifically useful to the Department of Education. Can the minister tell us how that is managed within this contract?

Mrs. McIntosh: Mr. Chairman, we use a tremendous amount of software in the Department of Education, especially curriculum software, a tremendous amount. That is excluded. That would be about 5,000 to 10,000 titles, so it is very substantive. Systemhouse will provide local area networks, work stations, building wiring, wide area networks, that type of thing, and this summer all of our equipment, it does not matter how old it is, will be replaced by desktop units. It will all be brand new this summer. All of the existing equipment—it is our hope and expectation—will be delivered to schools under the Computers for Schools Program, so it will be made good use of. Some of it is, as we indicated earlier, relatively recent. So that is how we see that evolving.

Ms. Friesen: Mr. Chairman, so this summer, all the department will have new equipment. I assume—and maybe the minister could check whether this is the case—the 900 to 1,000 units that the department has now will be replaced by desktop units. Could the minister tell us who is going to replace that and what the cost is? Is that cost being paid by government? Is it reflected, for example, in the departmental accounts?

Then I want to come back to some issues of curriculum. There are two parts to this. The minister said that curriculum software is excluded, and that is a useful thing to know because, yes, that is a rapidly expanding area, but my question actually dealt with departmental program software. For example, there will be a large amount required for individualized cases such as in student records, as well as in post-secondary education student loans, as well as—and I am giving examples here obviously—in what has been carried over from the federal government in employment and training services.

There are many areas there where I would think—as well as in communication, desktop publishing itself—there are likely over the time of this contract to be new software programs available. So the second part of my question is is the department going to be able to have access to those as it chooses, or is it going to have those as part of its managed services, and is that the kind of thing, that selection and the training in those areas, that will be managed and directed by Systemhouse under this contract?

Mr. Chairperson in the Chair

* (1630)

Mrs. McIntosh: There were a couple of questions there, a series of questions. One, who pays the capital? The answer of course is Government Services. How much? There is a budget line in the Minister of Government Services' (Mr. Pitura) Estimates that should answer that.

The member indicated it was good to know the curriculum was excluded, but what about other software like schools finance and labour market, et cetera, or must we use only the Systemhouse software? The answer is that we will buy only basic software

from Systemhouse, and any other we will develop on our own or obtain elsewhere. We had indicated there were some 900 to 1,000 stations in the department. Not all of those are in scope, which is I think an important thing to make note of. Some are under discussion, some may be excluded. The maximum exclusion would probably be around 200 or so. I do not know if there were other questions. I think we got them all.

Ms. Friesen: So it is possible that only 700 new workstations will be delivered by Government Services this summer, and the department may still be left with 200 or comparable numbers, relative numbers, from elsewhere.

On the software, I wonder if the minister could give us a definition or what the contract definition is of basic software. I think that was listed under Core Services as standard office software. Is there a contract definition of what that is?

My other question under this whole issue of the actual equipment itself is the disposition, the disposal of the existing desktops, however many are to be disposed of. If the minister could give us some direction on how that is to be accomplished, is it to be done by the department? Is it to be done by Government Services? Will it be given to school divisions? How will they have access to it? How will they know about it? How does the minister intend to divide up four-year old equipment and one-year-old equipment?

Mrs. McIntosh: The basic software is standard office software. There is a contract definition that we would use: Microsoft Office 97. This can change. That is the standard one, and she had asked is there a contract definition, and the answer is that this could change, and the disposal, of course, would be again prime matter for Government Services, although we do have a commitment that maybe not all but a goodly sum, goodly majority of these, will go to the Computers for School program. Exactly how many, et cetera, we are not certain. The disposal in terms of that contract, Computers for Schools—there is a system in place that is used for school divisions to identify their needs and for us to supply them with available computers. For those that may not go that route, again, that would have

to be decided, or the answers to be provided, by the Minister of Government Services (Mr. Pitura).

* (1640)

Ms. Friesen: I am a little puzzled as to what the department is gaining by this. Microsoft Office 97, I would assume, is in many parts of the department now. Training is extra. I assume that the department is connected to some elements of the provincial database. I assume that most elements of the department are on e-mail, that there is already a help desk included with, for example, IBM systems, and that the department is managing its assets now and that some parts of the department presumably are wired. Some have LAN; some have WAN. I would think they are all wired actually. So could the minister actually tell me what the department believes it is getting in this contract?

Mrs. McIntosh: The member had asked what we gained from this initiative. There are many things that we gained, or we would not be into it. Clearly, we would not be into an initiative if we were not gaining something from it because that would be irresponsible, and we do not work our government that way.

We will be getting new equipment much faster, which is nice. We have asked that management free our staff so that they can concentrate on doing the things that they are best at doing, freeing them to concentrate on the delivery of education and the various things that go into that for Manitobans. It will give us common platforms across all departments so that we will have an improvement in government communications which we think is rather important, and, of course, most importantly, we will be in compliance with the year 2000 and ready for implementation of Better Methods. So those are four off the top of our heads here that staff and I feel are obvious benefits that we think will greatly enhance our ability to do our jobs and—there may be others, but those are the short answers.

Ms. Friesen: Well, if half of the department's equipment is two years old or less, I would have thought that the year 2000 would have been dealt with in that; perhaps it is not. I wonder if the minister could tell us how many staff are being deployed elsewhere to concentrate on things they do best as a result of this

initiative. I understood her earlier to say that one had gone to MERLIN and one had gone to the private sector. Are those the staff savings that she would be talking about?

And the minister said “new equipment much faster.” Yes, I understand that the department will be getting mostly new equipment this coming year. What are the provisions for new equipment much faster in the succeeding years of the contract?

* (1650)

Mrs. McIntosh: The member had asked me what advantages I saw, and I gave some examples. I think what we have is just, clearly, she does not agree that those are advantages, but she made comments about each of them in terms of, say, the year 2000, for example, and she is correct that we would have complied on our own naturally. But the issue is that we are now having the corporate application that all departments have to buy into, and that requires common applications.

That is the real issue, not just the simple compliance which we are going to do anyhow, but we will get it done through this method, which is an advantage, because we will have it done with a corporate application. The member, I think, has to agree that that is a true advantage if you just look at how long it takes sometimes to do things, integrated payroll systems, trying to integrate them, procurement, and so on, accounts receivable, those, if you have got a corporate-wide application and you are bringing in new initiatives such as becoming year-2000 compliant, you could do them so much better.

The member talked about staff—it did not really sound like a very nice statement; it sounded a bit sarcastic, but I do not think it really was—where the member said, what are we going to do with all our staff now? How are we going to redeploy them? Once we save all this time they will—what on earth will we have them do? We will have to obviously redeploy them elsewhere.

Well, no, as I indicated, this will now free up staff to be able to concentrate on the things they do best, for which they were hired, and which they are currently doing. But they do from time to time get bogged down

with other things that take time off task in ways that they would prefer to have changed and that we would prefer to have changed.

So this is one advantage for those people. It will enable them to get their assigned tasks done in a more timely fashion so that the member opposite will have less ability to complain about how long it takes us to get things done in the department. They will have more time. They do not move slowly, they move very quickly, but, as I say, this will enable them to concentrate on the duties for which they have been hired and for which they have been trained and which they do best. They certainly are not going to be redeployed. They will just be able to do things more efficiently and in a more timely fashion for the good of the students of Manitoba.

So I think maybe I still see those advantages as being very real and valid advantages and we will just have to agree to disagree that I see those as advantages and the member opposite does not.

Ms. Friesen: It is difficult to see in the future how the future in the department will be different from what the department indicates it had planned for itself in terms of upgrading its equipment and in training and in staff work. What I was doing was trying to figure out from the elements the minister had offered to us was what the department was already doing. It seems to me that for \$2.5 million, I am not convinced that the department is getting \$2.5-million worth, on an annual basis, of improved service, but if the minister believes she is then certainly we will have to leave it at that and we will look for the evidence in later years.

I wonder if the minister could—I am sorry, did the minister want to put something on the record? Is she interrupting? I cannot believe the minister is interrupting. I just could not believe that.

Mrs. McIntosh: I thank the member. I was just nodding agreement from my seat and saying that is true. I agree that the years hence will show the results and I very much appreciate her—I was not interrupting; I was just nodding agreement with her, agreeing with her, but I very much appreciate her providing me with the chance to put that on the record. That is very gracious, and I thank her very much.

Ms. Friesen: Mr. Chairman, I want to ask the minister about security issues, confidentiality, and the records of the department. What part of the contract refers to this? Could the minister table sections of the contract or perhaps something which gives us her understanding of how confidentiality is to be maintained?

I am thinking particularly of the sections of core services that the minister mentioned: the connections with the provincial database, the provisions of local area management, the moving of people from office to office, all the things that would link departments with departments across government. Obviously, there are some advantages to that. One of the disadvantages, of course, is the issue of confidentiality and the layering of information, the adding of information in different sections of an individual's record with government. Could the minister give us some indication of how those issues will be maintained as separate issues?

Mrs. McIntosh: Mr. Chairman, we maintain our databases, and they are not transferred through any other vehicle.

Ms. Friesen: Mr. Chairman, well, what does the minister mean by core services connecting with the provincial database? Are the departmental databases not part of a provincial database?

Mr. Chairperson: I think we are going to leave that answer for tomorrow. The hour now being five o'clock, time for private members' hour. Committee rise.

Call in the Speaker.

* (1700)

IN SESSION

PRIVATE MEMBERS' BUSINESS

Madam Speaker: The hour being 5 p.m., time for Private Members' Business.

PROPOSED RESOLUTIONS

Res. 21—Value Added Diversification

Mr. Peter Dyck (Pembina): Madam Speaker, I move, seconded by the honourable member for Gimli (Mr. Helwer), that

“WHEREAS the farming sector is a vital component of Manitoba's economy; and

“WHEREAS the Manitoba farming industry has been the most severely effected of all the provinces by the Federal Government's decision to eliminate the Crow Rate; and

“WHEREAS Manitoba's farmers have continually shown their ability to respond, adapt and prosper through the opportunities that change creates; and

“WHEREAS value-added diversification results in the farming industry producing greater profit, creating more jobs and securing a stable sector of the international agricultural market.

“THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba support the Minister of Agriculture in his continued efforts and initiatives to foster a farming industry in Manitoba that possesses a strong value-added diversification component.”

Motion presented.

Mr. Dyck: I believe it is very appropriate that at this time of year, when farmers are out there and starting to put their crop into the ground, that we are discussing the resolution here regarding value-added diversification.

Madam Speaker, I had the opportunity this morning—in fact, it was six in the morning—to assist on our farm and help the fellows get ready for the week and to start off with the planting and the seeding of the crops for the year.

Diversification has been something that I, having been involved in agriculture, have been involved with for many years, and I believe that certainly it is something that has added to our community and I know to many of the communities within the province of Manitoba. Indeed, the agricultural sector is vital to Manitoba's economy, making an important contribution to the gross domestic product in jobs and general wealth in our province. The other factor, I think, that is important for us to realize as we look at diversification and value-added is that one in nine jobs in Manitoba is a result of agricultural production with

approximately 60,000 individuals directly or indirectly employed in agriculture in 1996.

Madam Speaker, when I look at value-added, especially looking at the area within southern Manitoba, the items that come to mind in our area are specifically those to potato production, to wheat, to oats, to peas, dill oil and buckwheat, and those are just a few of them, but I would like to highlight just a few of these crops as they are grown in the southern Manitoba area and how value is added to these crops. [interjection]

Well, the honourable member for Gimli (Mr. Helwer) asked about the crop hemp, another product that is, of course, new and is being looked at within the province this year and will also be added to production and the opportunity for producers to add value to their farms.

But, Madam Speaker, on our farm, specifically, in the last few years we have been growing oats, and this was not a crop that was commonly produced over the years, but with the value that has been added to it through our oat-processing plant within the province in Portage, certainly this has helped to add dollar value to the product, and so the buyers can become more competitive as they seek to buy this product and create different products out of it. So this is something that has certainly been beneficial to our area.

Madam Speaker, I mentioned that one in nine jobs in Manitoba is the result of agriculture production. If I could revert now to the potato industry within the area, certainly this is something that has helped to increase the workforce within southern Manitoba. Manitoba's potato acreage has steadily increased from 50,000 acres in 1991 to 72,000 acres in 1997. Most of this increase can be attributed to an ever expanding market for French fries. In 1991, farmgate value of Manitoba potatoes was around \$51 million. By 1996, farmgate value had increased to \$110 million and value-added estimated at greater than \$206 million to \$208 million. So just in the potato industry alone, we have added dollars, we have added increased value, and certainly this has been reflected in the area that I represent in the Pembina constituency.

Many of the potato producers that I know—and I mentioned the other day as we were debating another

resolution—Kroeker Farms were the ones who originally started the production of potatoes within southern Manitoba. Of course, after that, it grew and has expanded to many different areas within the province.

Another company that I had contact with on the weekend was Southern Manitoba Potato Co. They are specializing in red potatoes and also in the chipping potato industry. They are adding value to their product by selling them directly to processors, who then of course process these and put them into vacuum packed bags and distribute them throughout the province, throughout Canada, and part of the United States.

This adding of value is something that is reflected in the fact that different types of machinery are needed to produce this crop, so therefore the machinery dealers are able to benefit from this crop. Also, the fact that being a high-intensity crop, of course more jobs are needed, in fact, that people are employed to sort potatoes. They are employed in the driving of trucks and of course in the planting of the crop. It is a labour-intensive crop and something that certainly we appreciate within the southern Manitoba area.

* (1710)

Another crop that I would like to highlight today is the sunflower industry. A company in Winkler known as Keystone Grain, who are buying the product from farmers and are processing this product, in fact, what they are doing is they are dehulling the sunflower seed; then, ultimately, they are packaging it. They are putting it also into vacuum packed bags and selling it directly to the consumer.

As they are dehulling these seeds, in fact they are going two ways with the seed. The one side of it is the raw material which you can buy, which you can eat—it is an edible product—and I know that many of the consumers are using it as they bake their goods within the house. It is a high protein. It is a very healthy food, and I know it is being used extensively in the baking industry. In fact, our local bakery, Valley Bakery, is using it in the baking of his bread and also in some of the other commodities that he is producing.

The other area that I found very interesting—and this is the adding of the value to the product—is that the

hulls, which several years ago were being thrown away and simply dumped and burnt, are now being sold to local people who are using this for a heat source. They have found out that the hulls from sunflowers can be used in a very effective way to generate heat and, in fact, a good friend of mine is using this. He set up a heating mechanism where, through the use of a stoker—and this of course is something that was used years ago heating with coal. He is now using this in a furnace that he has converted and is able to use this as a heat source.

So, rather than throw away the material and just burn it and put it into the landfill sites, they are using this product. So the total product that is being bought by Keystone Grain is marketed and shipped out the door, and I am told—in fact, I was in the plant just a week ago—that 100 percent of the product that they get is sold and is used in some way.

So this is another area of value-added diversification where everyone benefits by this. It is the farmer who is producing the product and selling it, and of course the consumer is benefiting by it as well because everything is saleable, and consequently this can be reflected in the price that they get.

In regards to other value-added areas, and again I think back to our own farm. We operate a cattle feedlot, and over the years we have been feeding, basically, screenings and straw, again products that at one point in time were—well, people felt there was no value to the screenings that were taken from the grain that was cleaned. What we have found over the years is that as long as the grain and the feed that is being consumed by these animals is analyzed and the protein levels are there, certainly this is something that can be fed to animals.

Again, rather than as has been done previously, the screenings thrown into some of the landfill sites and simply buried, we are able to add value to the product and put it in the form of beef, and of course ultimately the consumer picks it up and it is known as an edible food.

The whole area of being able to add value to the product in grain—of course, the grain is used initially,

whether it be wheat or barley, but wheat is cleaned and sent out to the milling industries and the screenings are then used and used as a supplement in the feedlot industry.

Madam Speaker, I mentioned the word straw, which we are also using as feed and value in cattle, but the province has, of course, been very instrumental in luring and in tracking some industries into the province, and it reminds me of this pamphlet that I just received in the mail regarding the Isobord plant. Again, this is a resource that until now was looked at as something that farmers needed to discard, and in many cases they burned the product. Now the Isobord is being made.

In fact, I would just like to read a few excerpts here and that is, the Isobord is a revolutionary product made from wheat straw and a synthetic resin containing isocyanates. Within 50 miles of the plant at Elie, Manitoba, there is enough wheat straw to produce 144 million square feet of Isobord every year.

Then just a few sentences down here, Isobord is proud to be a part of a solution by taking 200,000 tonnes of straw off the land every summer to make a superior-quality composite board, and for the first time there is an alternative use for surplus straw. Three hundred and fifty farmers in Manitoba received additional income as a part of a co-op that guarantees the annual supply of straw needed to manufacture Isobord.

Now, I know that this has been an issue for a number of years where, in fact, the City of Winnipeg was very concerned with the smoke that was moving into the city as a result of the burning of straw, and it has been great to see how this company has been able to add value to that straw. Rather than burn it, they are now able to create a product that is being sought after by many people within North America.

Madam Speaker, I must move on. I realize I am running out of time, but the other area I would just briefly like to touch on is the production of beans within Manitoba. This is a product that 10 years ago there were only a few people within the province of Manitoba who were growing beans. I am talking about the edible beans, black beans, kidney beans, navy beans. There are a number of others, but these are

beans that are used as edible products. It looks as though this year, with the production that we are seeing within the province, that we will be surpassing Ontario, who till this year was the highest-producing province within Canada in bean production. So it is gratifying to see that within Manitoba we will now be able to surpass the bean acreage that they had in Ontario. In fact, the prediction is that we will be producing approximately 120,000 acres of beans in this province this coming year.

These beans are, of course, exported throughout North America and overseas. I am also told in having marketed this product that the beans that are produced in Manitoba are some of the best and the highest-quality beans that are produced in the world. I guess if you are a connoisseur of beans and you enjoy eating them, certainly you would be able to determine a good one from a bad one.

So, Madam Speaker, I am extremely excited about the fact that we have been able to add value to many of our products within the province of Manitoba, which is beneficial to all people within the province as we need to create and, in fact, get more money in the province in order to support our education and our health care within the province.

Thank you very much, Madam Speaker.

Mr. Stan Struthers (Dauphin): Madam Speaker, spring is always an exciting time in rural Manitoba when farmers are talking about getting out onto the land and discussing their plans, and they are discussing all the things that they are going to do over the course of the summer to try to make a living and to try to make rural Manitoba a better place in which to live and to raise a family.

For years and years and years, farmers have had the ability to grow and to adapt, to respond to changes. Farmers have always had that sense of how to turn a change into an opportunity. They have always had that ability to kind of roll with the punches, and over and over again, either through Mother Nature or through decisions made by Legislatures or governments in Ottawa or local decisions at times, farmers have always been able to land on their feet. They have got that

ability. They have got that determination to work in rural Manitoba and do a good job at what they do.

So, Madam Speaker, it was no surprise to me this weekend when I spent some time at the Kinsmen Trade Fair in Dauphin, the morning of which was spent watching the rain come down—so there ended up being a lot of farmers in the trade fair who were able to speak with me about the issues that they are facing today in Manitoba agriculture.

* (1720)

Madam Speaker, the farm community these days—and I saw this at the trade fair on the weekend. The conversations were about how much seeded acreage each of the farmers would have. The discussion was about what crops they were going to grow on this acreage. The discussion was: How much am I going to plant in wheat? How much am I going to plant in canola? How much am I going to plant in barley? Am I going to just stick with grain? Am I going to expand the number of cattle that I have? Will I expand the number of hogs that I grow?

Madam Speaker, the discussions that I had on the weekend with farmers tell me that the farm community takes diversification very seriously. The discussions also told me that not only do farmers think that diversification on their own operations is a good thing, but they want to see the province diversified in a general way like we always have been in this province. This province, I do not care what government you have on the government side, this province should never take a second seat to any other province when it comes to diversifying not just their agricultural economy but our provincial economy as a whole.

Now, this could be as a result of several different factors, but nowhere in the country can other provinces brag that they have done any better job than Manitoba in diversifying either the provincial economy or the agricultural economy specifically. Certainly no farmer in any part of this country can claim that they are any better than Manitoba farmers at diversifying their own farm operations.

Madam Speaker, this statement that I have just made about our ability to diversify holds true whether you are

talking post-Crow benefit or pre-Crow benefit. That spirit of diversification has always been there. I would say the same about value-added. It is my belief that the concept of adding value to the produce that we have, that we grow in this province, has always been something that the farm community and others have valued.

What we need to do, as well, is instead of debating over and over in this House the type of private member's resolution that we have today where the government simply tries to pat itself on the back for some political purpose, I suppose, we need to actually sit down in a framework of consultation and look at ways in which we can move towards actually adding value to the produce that we grow in this province.

I mean, it is all peaches and cream when this government stands and congratulates itself for the initiatives that it claims to be supporting and the support that it claims that it is giving farmers in Manitoba. Well, Madam Speaker, I want to draw the attention of the House to an attempt, I guess, on the part of this government to add value in the Portage la Prairie area. Last spring, Manitoba taxpayers were left holding the bag for somewhere in the area of \$970,000. This occurred after a pea processing plant that had to be bailed out by the province in December of 1996 was sold at a loss.

On the one hand, Madam Speaker, I am willing to say that nothing ventured, nothing gained. I am willing to say that you have got to take a little bit of a risk sometimes in order to encourage along the agricultural sector in the province. But this does not add up when you look at the rhetoric that this government spews out to the people of Manitoba.

On the one hand, this government brags about its laissez faire, hands-off kind of a policy. We are going to set the proper environment so that the farm community can take off. On the other hand, I suppose maybe they should have that attitude, because when they try to get involved, you end up with the results like we had with the pea processing plant in Portage la Prairie. Again, here is a situation of this government being stuck with \$970,000 because of the interference of this government.

The money for this pea processing plant was originally paid after the processing company defaulted on its Grow Bonds. It is our belief that the loss could have been avoided if the government had followed proper procedures in assessing the risk to begin with.

Now, Madam Speaker, I realize that you are not going to hit the ball out of the park every time. You are not going to succeed every time, but you have got to give your chance to win every now and then. You have got to give yourself that chance to hit the home run. In this case, the government was never in the ball game. The government did not have the bat in its hands to hit it out of the park, and it ended up costing Manitobans almost a million dollars.

So it is fine for this government to spew out the rhetoric about adding value and spew out the rhetoric about diversification, but at some point it has got to step up to the plate and hit that ball out of the park, and it sure did not on this occasion. Now, I know the government will talk about all kinds of other different plans and different strategies and dreams that it has for this province in the area of adding value onto the products that it produces, and that is all fine and well, but I want everybody to remember that on this occasion with the pea processing plant, this government botched it up. There are some real opportunities out there for Manitoba farmers. The member for Pembina (Mr. Dyck), I do want to congratulate for bringing forth a private member's resolution to deal with this important issue, because it is an issue that is an opportunity for Manitoba farmers and for all those people who depend on the agricultural sector for their employment.

The one area that I am especially interested in is the move made by the federal government in the decriminalization of industrial hemp. This is a plant that I think represents a lot of opportunity for Manitoba farmers. The amount of research that has gone into the uses of hemp, not just the uses of hemp but the amount of research that has gone into developing a strain of hemp that could be decriminalized without the ability of allowing people to get a good buzz on, the amount of research that has gone into the uses of hemp, I think, has really progressed in a very positive manner.

There is a group of my constituents who are very much interested in the production of hemp for legal

purposes. I am positive that this group of constituents that I represent have nothing but the best intentions with the hemp that they intend to grow. I may add, Madam Speaker, that if their intentions were not good, they would pretty much have to smoke the whole quarter section of this hemp in order just to get a buzz on. [interjection] So the Minister of Highways and Transportation (Mr. Findlay), knowing that the minister knows the research that has gone on and the improvements that have been made, understands that this hemp is not of the same category as the illegal hemp that he refers to.

* (1730)

Another area that I think is prime in our province, another area that I think we really should be taking seriously is organic farming. This government has done nothing, I mean, at best very little, to promote the growing of organic produce in the province of Manitoba, and Manitoba, I think, is an excellent place in which to start getting serious about organic farming. I do not expect that the majority of farmers would go into organic farming. I do not expect that the majority of hectares in our province would ever become seeded to organic produce, but there is a market out there for organic produce in Manitoba. It is something that I think if we do not move seriously on soon, we are going to miss out altogether. It is an opportunity, and there are people who are trying to get started in the field of organic farming. There are some hurdles that organic farming has to overcome. Some of them are very natural. Some of them make sense. Others do not. But a hurdle that makes sense is the amount of time, the period of time that a farmer has to prove that he is organic, that he is chemical free, before he can become certified to grow organic farming.

The years have changed from one figure to the next. At one time it was six years. At one time it was five years. I understand that it is somewhere less than five years now, two or three years, that it takes to become certified to grow organic produce.

Madam Speaker, I think there is a role for this government to play in bridging the gap between a farmer going from chemical dependence in growing his produce to a point in which he can grow organic

produce and still collect the bonuses that come along with organic farming.

I am very certain that if this government was serious about diversifying the agricultural economy then it would look very much more seriously at helping out those who want to become organic farmers, those who want to fill that market that is out there. If not, I think we are going to miss out on an opportunity to provide more revenue for those out in rural Manitoba who are into the agricultural sector in Manitoba.

So with those words, Madam Speaker, I am very glad to be able to put a few remarks on the record concerning agricultural diversification and value-added.

Hon. James Downey (Minister of Industry, Trade and Tourism): Madam Speaker, I can defer if we can have a vote on this excellent resolution that is brought forward by my colleague for Pembina (Mr. Dyck). Well, I will try and convince the members opposite that we should vote and vote the right way of course.

I think it is not only important to speak to the question of diversification, why it is essential. I think it is important to put a little bit of history on the record as to why we are where we are at today and some of the things that have taken place in the last few years as it relates to the removal of the Crow rate. Madam Speaker, I do not think there is any question that in the long-term interests of economic development in western Canada that the removal of the Crow rate was needed, it was necessary, and it was essential. But I think it is also important to put on the record how it was done, by who, and what situation it has caused for some particular individuals.

First of all, Madam Speaker, when I first gave one of my first speeches in the Legislature some 20 years ago, one of the things I was told by my father when I came in here as a representative of the agriculture community was to fear the Lord, and secondly was never talk about the Crow rate or the removal of it or it would be the end of my political career. Well, I still fear the Lord, but I did talk about the Crow rate. In fact, it was on several western Canadian premiers' agendas, and we talked and we of course realized that some of the problems in the movement of grain off of western Canada was the sheer

fact that the railroads were not being paid adequately for the movement of grain off of the Prairies.

In fact, that was a major initiative by the Lyon government to bring together all the participants right here in this Legislative Building when a man by the name of Otto Lang was the minister responsible for the Canadian Wheat Board, when Premier Lougheed and Bennett and a man by the name of Blakeney from Saskatchewan all came with the industry and, quite frankly, broke the logjam to get on with some of the activities. In fact, at that particular time, Alberta made a commitment to buy several hundred hopper cars. I think they bought a thousand. Saskatchewan bought a thousand. I could not, quite frankly, see, Madam Speaker, why the Province of Manitoba had to buy any hopper cars. We did not. We, in fact, filled the short-term gap with hopper cars by leasing some from the United States, so the Province of Manitoba does not have a long-term investment in hopper cars or did not, but the Province of Saskatchewan and Alberta do. Of course, I think it is wrong that the taxpayers should have to invest in rolling stock.

Another point I want to make, Madam Speaker, is that under Charlie Mayer, who was, I think, an excellent representative for western Canadian agriculture, did, in fact, propose the removal of the Crow rate, but he advocated it with a payment of \$5 billion to the farmers of western Canada. The Liberal government got elected without even talking about the Crow rate, came along and they bought the farmers of western Canada off with \$1.2 billion or \$1.5 billion, a substantial shortfall.

Madam Speaker, one of the issues and one of the problems and concerns that I have is I am not against the removal of the Crow; I am upset that the farmers and western Canadians did not take the offer of Charlie Mayer. Another concern that I had—and this is where the NDP have to carry some of the responsibility—is that the wrong persons were paid the shortfall. The Crow shortfall should never have been paid to the railroads of western Canada. It should have been paid directly to the farmers. That would have given the farmers an opportunity to build into the infrastructure, to build into their farm operations an investment in diversification at that particular time, but what we have seen for at least 10 years was \$700 million a year paid to the railroads.

That adds up to \$7 billion that went to the rail companies of this country, Madam Speaker, and what do we have for it today? We have railroads being rolled up throughout western Canada. We have not maintained a rail system. We have not got low-cost freight rates; we have high-cost freight rates. We do not have a rail system other than the main lines being maintained, and I do not think the railroads really, quite frankly, thought it was the right way to do it either, but when somebody puts \$700 million in front of you, are you going to refuse it?

I maintain that that money should have gone directly to the farm community, and over the last 10 years we would have had \$7 billion distributed throughout the western Canadian agriculture farm community, and they could have been prepared for the day when they would have lost the Crow rate, but, no, the federal Liberals gave \$1.2 billion, a \$20-per-acre payment three years ago, let the increase in freight rates go up and now—and the price of wheat was not bad, Madam Speaker. Nobody felt the shock the first year.

Well, I will tell you, they are feeling the shock today because, I will tell you, every farmer who hauls a load of wheat to the elevator, if you haul three loads of wheat, you have to give one up to ship, transport the grain. It means one-third of a wheat cheque today has to go to the movement of grain, the elevation and the shipping. No one, Madam Speaker, no one is that wealthy or is able to maintain a business in giving that kind of money to the system to pay for the movement of grain.

The grain industry, Madam Speaker, is in an extremely difficult situation. So what are the alternatives? I have to take a minute to talk about a recent meeting that I was informed about in my constituency. The alternative is for people to diversify, to create markets in their home communities, whether it is the development of feedlots, whether it is putting the pulse crops in their land or going into the hog industry.

There is a so-called, self-proclaimed expert by the name of Harold Taylor who sat in this Legislative Assembly who was defeated by the member for Wolseley (Ms. Friesen). If there is one thing that I compliment the member for Wolseley on, it is that she

defeated that individual, but I am not so sure she did the country a favour by allowing him to have the time to go around as a self-proclaimed expert scaring and using misinformation about the development of the hog industry.

* (1740)

I have to ask him the question—first of all, he is a Liberal, defeated in this House, the same Liberals that took away the Crow rate from the farmers of western Canada, so we, in fact, are losing money growing grain. He is the same Liberal vintage or the same Liberal stripe that disallows farmers moving their grain for the higher value into the U.S. market forcing farmers to have to pay a third of the cost or a third of the income they get for barley or wheat into the transportation system, again forcing them to lose money. Yet, when it comes to responsible development of an industry under strict regulations under the Environment department, he is out there denying by innuendo and without fact, scaring these communities as to what the hog industry will do.

I ask individuals like that, what are the alternatives for these communities? Does he want them to continue to lose people, to have to move out of those communities to larger centres, to erode those communities? I do not know what he would say, but I know that the communities are going to start to pay a lot more attention to the kind of irresponsible presentations that they are made.

Madam Speaker, I would like to take a few minutes and take the members for a little tour around Manitoba as it relates to some of the diversification and some of the things that are happening, because I think it is important to do so. When one looks recently at the development in Manitoba, and of course this has happened over time, we have, for example, two operating canola crushing plants. They have had some very difficult times. When the Crow rate was there, they were competing against subsidized transportation of whole canola seed being moved out of the province. As that has changed, the economies now of moving processed oil and product from those plants make it a lot more efficient, and we are seeing the improved health in the CanAmera crushing plants at Harrowby.

Again, I go back to say I was pleased to be the minister when that was initially built in 1977 to '81, but importantly, it adds security to the plant at Altona, which again is a very major part of the development of the oilseed industry in our province.

To see Manitoba's first flour mill in some 40 years being built at Elie, Manitoba, is a tremendous compliment to the people who have some vision and to see in the long term that we will in fact be able to add value and process product right here in our province of Manitoba. Again, there is a new oilseed processor at Ste. Agathe that is in the process of becoming commissioned in the next short while using a nonchemical process. It is using a cold press system to extract the oil out of the meal, again a \$40-million to \$50-million investment creating many jobs in that community.

The most recent announcement of Maple Leaf Foods in Brandon to put in a \$112-million plant will have a significant impact on the employment for the people of Manitoba, for the spinoff jobs. In fact, I believe there is something like—well, we know there are 2,200 jobs going to be directly in the plant. There will be thousands of additional jobs in the feedmill industry, in the development of the infrastructure to support that kind of an investment. Those are the kinds of things we are seeing take place when we talk about value-added processing.

I can tell you there are numerous farmers and farm corporations and companies that are establishing themselves as processors of pulse crops. As farmers diversify from the traditional cereal crops going into other activities, there are the needs for the expansion of the processing of pulse crops. Those are all major shifts that are taking place because of the removal of the Crow rate.

It is also important to point out that as these kinds of developments take place, it causes again a responsibility to the taxpayers of Manitoba to make sure that we have the infrastructure in place, whether it is natural gas, which, by the way, we are seeing that development taking place in many communities to support the processing of the goods that are in fact grown and the further processing of them.

Madam Speaker, another challenge that we have, and one would read the Free Press today, the challenge that we have as it relates to the road infrastructure, and I cannot help but lay this at the foot of the federal government that if we do not have some support for them, we are going to continue to see the deterioration of our highway system. Can you imagine the federal government take \$180 million—\$180 million, I believe, the figure is in road tax off the fuel, off the people of Manitoba, and do not invest any of that money back into our province? Not one penny.

So I would hope that the members opposite, based on the fact that, yes, we have to diversify, yes, we have to work together to get money out of the federal government, that they would vote on this resolution and support it. To deny a vote on this would put the New Democratic Party in opposition to what I am saying that they do not support us in getting money from the federal government to pay for the roads. If they do support us, then let us vote on this, because if they do not, it is a clear indication that they do not support the farmers of western Canada and of Manitoba particularly.

Madam Speaker, do I have five minutes left? Just two minutes? Or is that 20 minutes? Two minutes.

One other point that I will say, and I am talking about roads and finances, I have recently heard a proposal come from the president of the United Grain Growers that when the federal government sell their hopper cars—and, quite frankly, I do not think many taxpayers know that they have a lot of money tied up in hopper cars. Saskatchewan have, Alberta have, and the federal government have, and the Canadian Wheat Board have. You know, quite frankly, we have given \$7 billion to \$10 billion to the railroads to haul the grain, and they do not own any equipment. I mean, they own the locomotives, they have to pull those cars, but, quite frankly, it has been all loaned by the producers or the taxpayers of western Canada.

The president of United Grain Growers has advocated that the money from the hopper cars go into the road system. That is an interesting proposal and deserves serious consideration. Again, those are the kinds of issues that I would hope would come forward, because if we do not get the kind of support for road

development, if we do not get the kind of support for the infrastructure development for all of the diversification that is going to have to take place, we are not going to have the survival of a farm industry.

No one, and I will conclude with this, no one can lose a third of their grain cheque today when they take it to the elevator to have their grain shipped to Thunder Bay or to the West Coast. No one can lose that kind of money or pay that kind of an expense, so diversification has to come. So I would ask the members opposite to put aside their political rhetoric at this particular time and support the resolution that was very timely brought forward by my colleague from Pembina (Mr. Dyck) and very well thought through, and we would appreciate putting the question now so we can get on with the task of helping the farm community.

Mr. Clif Evans (Interlake): Madam Speaker, of anything of interest that we heard from members opposite as part of this resolution that they want us to support, and we do support the idea of what the Minister of Industry, Trade and Tourism (Mr. Downey) said about the road taxes and the fuel tax that is being taken out of this province and not put back in, but lest he forget that this government has ignored the roads and highways of this province for the last 10 years, totally ignored them.

Point of Order

Mr. Downey: I wonder if the member would submit to a question, and the question being that: Is he aware that it was the NDP, prior to us getting in, that cut the highways budget from \$100 million to \$80 million as a New Democratic government? That was the budget in 1988, Madam Speaker. I would hope he would deal with the facts, not with fiction.

Madam Speaker: The honourable Minister of Industry, Trade and Tourism does not have a point of order.

* * *

Mr. Clif Evans: In responding to the Minister of Industry, Trade and Tourism, we are now living in the 1990s under 10 years of this government that has done absolutely nothing, regardless of what happened before. We thought about supporting this resolution for about

two seconds, and the reason I say that is that this government seems to always want to be able to pat itself on the back for things that they allegedly say that they have created. Well, that is not the case. The producers, farmers in this province, are put in an awkward and terrible position with the elimination of the Crow rate. We all know that, and we all support the idea of having to now go into diversification, value-added and other products that we have seen our producers and our farmers in this province have to go through for the last few years.

* (1750)

I listened with interest to the minister when he talked about diversification and how infrastructure was an important part for the producers of this province. What we have seen is a lack of co-operation, and I say a lack of co-operation by this government in providing the infrastructure in areas that farmers can get into value-added products, can diversify. We have seen a lack of support.

All this resolution does, Madam Speaker, and if I may quote from it: "THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba support the Minister of Agriculture in his continued efforts and initiatives to foster a farming industry in Manitoba that possesses a strong value-added diversification component." If this resolution had said THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba support the producers and the farmers and the people of this province of Manitoba, then we would consider supporting this resolution, but it does not. What the member for Pembina (Mr. Dyck) took the opportunity was to be able to take the opportunity and pat himself, his government and his minister on the back and tell us all about the wonderful things that are happening.

Yes, there are good things happening in the farming industry, but we on this side cannot support a member bringing forth a resolution that emphasizes the fact that a specific member of cabinet or a specific member of his party is the cause of this whole wonderful thing that is happening, that he is the one that went out with—he, himself, King Harry himself, went out with a vision. The same minister that when people want to get some much-needed assistance because of flooding on their

haylands, because of elk depredation on their haylands, the same minister does not support these people. Not everybody can diversify or get into diversification or get into producing a product that could be used for value-added production. Not everybody, not every producer in this province—and the member for Pembina (Mr. Dyck) should know that, should know that everyone in this province is different when it comes to the availability and the opportunity to be able to grow the types of grains or do whatever that is able to get into value-added. He should know that, but he talks about the wonderful things happening that the Minister of Agriculture (Mr. Enns) initiated.

Madam Speaker, as I said earlier, had this member and had the Minister of Industry, Trade and Tourism (Mr. Downey)—as a matter of fact if the Minister of Industry, Trade and Tourism had suggested that we vote on this resolution with an amendment, the amendment that I said, that I suggested, and that was: support the people and farmers and producers of Manitoba whose continued efforts and initiatives, the initiatives and efforts of the producers and the farmers and the people of this province. It is not an initiative of the minister of this government; it is the people.

Let me just say a few words about some of the things that are diversifying in my communities. We are in the process now of attempting and working with—and the member for Gimli (Mr. Helwer) is a part of this and the member for Lakeside, the Minister of Agriculture (Mr. Enns). Hopefully, we will have his initiative and his support in the initiative to have natural gas brought into the Interlake.

Madam Speaker, what the member for Pembina has said is partly true, partly. But what I am saying and what we are saying on this side is there are other ways and means that this government and this Agriculture minister should be helping and supporting these initiatives that our producers and our farmers in this province have implemented. Natural gas: farmers, producers, cattle ranchers, grain farmers, hog producers—I even use hog producers—are all in support, are all in support and have worked very hard to get natural gas into the Interlake area, hopefully, and what we need from this government is a resolution and support that the Legislative Assembly of Manitoba encourage the Minister of Agriculture and the

government of the day to support and provide the resources for natural gas in the Interlake area, so that the producers in those areas would be able to have that opportunity with natural gas to diversify and get into products that are value-added. [interjection]

I am sorry, the Government Services minister, I did not quite hear what he said, but I am sure it was positive to my comments. I am sure the Government Services minister would not say anything not positive to any comments that I would make. But, Madam Speaker, what we have in areas—and I must say some of the specifics that the member for Pembina (Mr. Dyck) indicated and read out that are positive, I cannot say that I would not support, not for one minute say that I do not support what these people have been able to provide and do for the farmers and for the producers of this province, not one bit, but, again, it is our belief, my belief, that it is the initiative of farmers, the producers and the people.

A good example that natural gas will provide for us, it will provide for us the opportunity for a group of farmers and producers, grain producers, who have formed a co-operative for a dehydration plant—actually they are hoping to start sometime this fall, hopefully, but there, Madam Speaker, I am saying it was not the initiative of the Agriculture minister to go to them and say I have a vision again; why do you not build this plant.

An Honourable Member: And they will come.

Mr. Cliff Evans: The Minister of Housing (Mr. Reimer) says they will come. Well, they will come. They will come. But it is them, the producers themselves, who got together to get this initiative going, not the Minister of Agriculture (Mr. Enns) and not this government, not this government either.

Madam Speaker, the other important alternative that we have in our area that natural gas will provide is the peat moss industry. The peat moss industry just north of Riverton will provide and has the availability and the capability of providing 75 years of peat moss. Seventy-five years. Two hundred jobs. Two hundred jobs for 75 years.

There is diversification, but one of the problems is that we need the infrastructure, not only for the peat

moss industry, not only for the dehy industry but for industry and economic development as a whole, that this government is not listening to people. To be able to have all these value-added products and to be able to grow all these, to be able to transport the grain, Madam Speaker, we need infrastructure. We do not have that from this government.

Madam Speaker: Order, please. When this matter is again before the House, the honourable member for Interlake (Mr. Clif Evans) will have four minutes remaining.

The hour being 6 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 27, 1998

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