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Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 13, 1999

The House met at 10 a.m.

PRAYERS

Introduction of Guests

Madam Speaker: Prior to commencement of Orders of the Day, I would like to draw the attention of all honourable members to the public gallery where we have this morning 32 visitors from Travel Manitoba under the direction of Ms. Lori Schmitt. These visitors are the guests of the honourable Minister of Industry, Trade and Tourism (Mr. Tweed).

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

ORDERS OF THE DAY

Hon. Darren Praznik (Government House Leader): Madam Speaker, I would move, seconded by the honourable Minister of Education (Mr. McCrae), that Madam Speaker now do leave the Chair and that the House resolve itself into a committee to consider of the Supply to be granted to Her Most Gracious Majesty.

Motion agreed to.

* (1010)

COMMITTEE OF SUPPLY (Concurrent Sections)

EDUCATION AND TRAINING

Mr. Chairperson (Gerry McAlpine): Order, please. Will the Committee of Supply please come to order. The committee will resume consideration of the Estimates of the Department of Education and Training. When the committee last sat, it was considering item 16.1(b)(1) on page 46. Shall the item pass?

Ms. Jean Friesen (Wolseley): I was asking about the ADAPs and whether in fact there had

been a change as I believe in government procedures to not necessarily now require the ADAPs to be submitted to the department. This change came before the submission of the special needs review which has recommended that the government track more closely the kinds of programs which are being followed by divisions in special needs education. So I think the minister was in the middle of responding to that. Maybe that is where we should start.

Hon. James McCrae (Minister of Education and Training): Good morning, Mr. Chairman. Yes, we were talking about the ADAPs yesterday. I have a little bit of information I can share with the honourable member today. The role of the ADAP is changing as a result of recent initiatives such as school and divisional planning and the review of special education. In 1998 school divisions were invited to participate in a program review process. Divisions who participate in the programs review will no longer be required to submit an ADAP. The pilot process will begin in 1999-2000. This will eventually result in a program review process occurring in divisions on a three-year cycle. This transition to a programs review process will allow school divisions to focus on student and program outcomes.

In addition, staff from Manitoba Education and Training are working with school divisions to incorporate the planning for students with special needs into their school and divisional plan. This is in keeping with our support of inclusive educational programs. School divisions and districts use the ADAP process to systematically survey the special needs of their population, review their policies and plan for future activities. All ADAPs include the following information: planning process; division statement of philosophy and policies; needs survey; comprehensive service delivery system; outline of divisional programs; community agencies and services collaborating with the school division; and professional development activities.

The ADAP is a public document and provides meaningful information to parents. The process of reviewing and updating encourages divisions and districts to utilize best practices for the benefit of all students. The final reports from the new program review process could include much of the above in order to provide contextual information as well as results. Since May 1991, school divisions and districts have been required to submit an ADAP in accordance with departmental guidelines articulated in special education in Manitoba 1989.

Departmental policy guidelines request that school divisions and districts develop and keep current a board-approved annual division action plan. Since their initial submissions, many school divisions have revised and added to their plans in response to feedback from Manitoba Education and Training. The review of ADAPs has offered opportunity for discussion. The ADAPs have highlighted school divisions' areas of concern or need. The ADAPs have provided a means for community, parents and educators to discuss concerns and plan for the future. ADAPs have provided Manitoba Education and Training with a province-wide picture of services, policies and needs. The focus of the ADAPs has in most cases evolved from the more severe special needs students to include a division-wide plan that includes high incidence special needs, gifted and, most recently, students at risk.

The ADAP provides opportunity to review the divisional staffing requirements for special education. Most divisions and districts have formally and informally shared information about their ADAPs at regional meetings. I hope this is helpful to the honourable member.

Ms. Friesen: Well, the basic point is, yes, ADAPs have been useful. Now they are no longer required to be submitted to the department. The department is moving to a school review process. The minister, I think, was using also divisional review. So I am not clear about the transition process. At the moment, as I understand it in terms of regulation, nothing is necessarily being submitted to the department on special needs programs in the divisions. So when does the alternative come into play, and how quickly is the government going to be able

to initiate these planning processes with all of the divisions of Manitoba? It seems to me to be a relatively complex new system. It may indeed be better. I do not think we will know until we see it in practice, but it is the transition period and the fact that the government appears at the moment not to be getting any information from the divisions on their programs.

Mr. McCrae: All I can say, Mr. Chairman, is the ADAPs are still required. They are all being submitted along with other activities related to the implementation of the Special Education Review.

Ms. Friesen: Let me just clarify that then. Divisions are still required to submit to the department, on an annual basis, their ADAPs.

Mr. McCrae: Yes.

Ms. Friesen: Thanks.

I want to ask the minister then what the timeline is for the transition to the new process.

Mr. McCrae: As I have stated, the ADAPs are still required for 1999-2000. Mr. Chairman, 1999-2000 is a developmental year with pilot school divisions.

Ms. Friesen: So that, by 2000-2001, the minister anticipates that the new process of review of programs on a collaborative basis, shall we say, with the department and the divisions will be in place.

Mr. McCrae: Mr. Chairman, this is a four-year process, and year one is as we have discussed. Then in the next three years, all divisions will be phased into the system. Once a division has been in the new process, the ADAPs will not be required.

Ms. Friesen: Mr. Chairman, that is part of the recommendation A(5)(1) in special needs review as well, which outlines that process.

I want to ask the minister about the next section of Special Education recommendations. The first one, which I think—I do not think it is a surprise to people who were involved in special education, particularly parents, because the

recommendation covers many of the difficulties I think that parents faced. But it does come as somewhat of a surprise to people outside who have not dealt with that situation. The idea that Manitoba Education and Training—I am looking at B(1)(1)—does not have a comprehensive handbook on policy and procedures I think is something which has made it difficult for parents.

I am wondering how quickly the government can move to that particular recommendation. One would assume that the department has most of the information, that it is a matter of collating, collecting and publishing in the appropriate format. I wonder: is the government giving a priority to that, and how quickly can that be accomplished?

* (1020)

Mr. McCrae: Mr. Chairman, I think that the comprehensive handbook that the honourable member is talking about is probably two years into the implementation of this in terms of making that a project. It would indeed be a project to have that in place. In the meantime, we do have individual education planning handbooks for developing and implementing in the early to senior years. That is there for all students.

Manitoba Education and Training has directed resources to improving regular education and on supporting teachers in developing a classroom that can address a wide range of student needs and learning styles.

Mr. Peter Dyck, Acting Chairperson, in the Chair

Effective special education needs to be built on a solid regular education system. Manitoba Education and Training has initiated several new direction documents in the area of special education: for example, Towards Inclusion, a handbook for modified course designation, Senior 1 to 4; Towards Inclusion: a handbook for English as a second language course designation, Senior 1 to 4; Towards Inclusion: a handbook for individualized programming in the senior years; Success For All Learners: a handbook on differentiating instruction; and

most recently Individual Education Planning: a handbook for developing and implementing individual education plans, early to senior years.

Manitoba Education and Training has introduced a program review process and is moving toward an outcome-based approach in special education.

Ms. Friesen: The recommendation is certainly directed at Manitoba Education and Training, but I think the context in which the recommendation is made is much broader than that. In fact, the summary of the recommendation does say: other government departments, agencies, divisions, districts, et cetera.

Yes, there are certainly things that Manitoba Education and Training has done, but I think what parents are looking for is a much more complete guide as to where they go for what, who do they see for what, how do they find out when things change. So it is government-wide. I think that the document needs to be drafted in a broader context.

I wonder if the minister is saying two years. Yes, you want a handbook to be good. You want it to be right. The last thing you want is a handbook that is going to introduce new difficulties. Is there any way, for example, that an interim guide for parents could be put on the Web, could be made in public access form so that it could be done quickly and it could be updated and changed, because I do think that parents, particularly those with new children who are facing difficulties, do need a central source of information that at least gets them moving in the right direction so they are not running from department to division back to department, to Family Services, to respite services, back to their municipality. When you are facing—I am sure the minister understands this—all the difficulties that you do face with a child with special needs, this is just seen as well, it is; it is an additional burden, and any way that you can make that simpler I think is going to be appreciated.

So, yes, two years; obviously, I would prefer six months, but two years, if that is the time you are going to take, surely there should be

something interim that you can do to make the pathway more simple for parents with special needs.

Mr. McCrae: Mr. Chairman, I agree with the honourable member. Parents want and need as much comprehensive information as we can make available to them. The department is already doing what the honourable member is suggesting with respect to an interim guide that might be made available on the World Wide Web, recognizing that not everybody has access to that or takes advantage of that, but more and more people are. So that is a good suggestion and it is something that the department is already at work on.

I agree also with the honourable member about the need for that complete guide just as soon as we can make that available. You know, if things could be done in six months, then they would be done in six months. I mean, if we want to be inclusive, there is no doubt in my mind that it will take a little more time. It takes a little more time to get it right, and that is the one thing that needs to be said. I am interested in moving as quickly as is humanly possible.

We have the right people doing the right job here, and I am confident that this type of material will be available at the earliest possible opportunity. We will be developing a comprehensive policy handbook for children and youth with special needs. It will promote communication, information sharing, and informed decision making. Areas to be addressed include: departmental and inter-sectoral policies and practices that support inclusive learning communities; identification; assessment; IEP planning; placement; collaborative planning; appeals processes; respective responsibilities of parents, administrators, teachers, students, support staff, and clinicians will all be outlined.

We are going to be looking to do hot links of other sources to information on the Web so that parents can access a variety of information that is already there on the Web. So I guess the Web, if people know how to use it, can be an extremely useful tool, and we want to be on the leading edge of that in terms of information availability to people. So the honourable

member's suggestion is a good one. Maybe she made it last year, because the department is already on top of that.

Ms. Friesen: No, I did not make it last year. I look forward to seeing it.

Mr. Chairman, I wanted to ask about—moving through the Special Education recommendations, (B)(3)(1) asks the government to, or asks actually Manitoba Education and Training to take steps to clarify confusion over perceived contradictions in provincial directions. Can the minister explain why that recommendation was necessary? What are the perceived contradictions in provincial policy that are reflected in this report that were presumably presented in many different forms by people in the field to the reviewers? I am interested in what perceived contradictions the minister believes have been perceived in the field and what steps are going to be taken to deal with that.

Mr. McCrae: Having been in the Legislature for 13 years and in government for 11, a lot of things that government is involved in can be perceived by people as pretty confusing. There is no doubt about that. I think it is the nature of public efforts and institutions that the ordinary person, in fact the extraordinary person cannot be expected to know what is going on in every corner and in every office and in every workplace and in every school.

* (1030)

So I think what I am detecting is that there is a perception on the part of the honourable member perhaps that the report is there to be critical of what is happening in the special education system and in the education system generally. I suppose that is one way you could take any report that has recommendations. Recommendations suggest change, suggest improvement.

Well, you can conclude from that, if you are of that particular persuasion, that everything was terrible and wrong before, but that is not what we are doing, and I do not think that—I mean, there is a tendency for some people to think with New Directions generally that there was an

implied criticism of the school system as a whole, and that certainly is not true either, not on the part of the government.

I do not take from proactive that we have a criticism. They were asked to do a job so that we can address special education. If there is a recommendation that talks about a perceived confusion or perceived contradictions in the system, that would not surprise me in the least, simply because there are so many things going on.

When you are spending \$111 million to provide special education services and a parent comes along with a child who has special education requirements, there is no doubt in my mind there are going to be a lot of things to learn in order to get it right for the benefit of that child. So I can understand that. The only thing is, I would think maybe a more positive construction could be put on these recommendations in the sense of the expectation, anticipation of improvement in special education in Manitoba as a result of these recommendations. I guess it depends how you look at things. In the view of some, there is no confusion whatsoever, in fact there is relative clarity, but we do need to impart information to people so that they can be assisted in understanding. Since change obviously is complex and always requires dialogue, there are those who simply have a problem with change. I think we need to help people like that, because we could wish that nothing is changing and everything is going to be the same and everything is going to be okay, but the world is not like that. In fact, the world is changing very rapidly. Technological advances provide us with opportunities.

In fact, I think it was the honourable Minister of Industry, Trade and Tourism (Mr. Tweed) who brought to my attention that the Japanese do not even have a word for change. I have an auntie who spent 30 years in Japan, and she could explain this to me if she was nearby, but she is not. But the fact is, according to the Minister of Industry, Trade and Tourism, the Japanese translate the word "change" to mean opportunity. I guess it is, is the glass half full or is it half empty? There is the optimistic outlook for the next millennium, or there is a less

optimistic one, and I choose a more optimistic one, knowing the support that I have as the Minister of Education and Training for change in the area of special education. I know that some of the questions that come forward tend to reflect a lack of willingness to address changes that provide tremendous opportunities for students and parents in our system.

You know, this is an ongoing thing. The acting assistant deputy minister for School Programs is meeting with special education administrators. I guess it is a constant job for officials in the Education department to be in contact with the people in what they call the field out there to ensure that we can be of as much help to them as we can possibly be. That is what we strive to do all the time. I have been quite impressed with the attitude of people at all levels, both in the department and outside the department.

My goodness, if you read the headlines all the time, all you would ever think is that there is nothing but trouble all the time. Yet to get out there and get into the classrooms, and you see the smiling faces of those children and their teachers, I do not know of anybody more positive. Mr. Chairman, you know a little bit about this, too. I guess I was led to believe, before I took this responsibility, that there was a lot of negativity out there. You know, sure there is always negativity, but the general outlook is very positive. I see members of the teaching profession as being extremely forward-looking people. They simply want it clarified.

Mr. Chairman, you and I, the member for Gimli (Mr. Helwer) and the member for Wolseley (Ms. Friesen), all of us need to be out there encouraging members of the teaching profession and people involved in special education. We need to be encouraging them that they are really on the right track. We want to continue the very useful dialogue that goes on with members of the department, members of the Legislature and, to the extent that we can do so, keep it positive. I know there are negatives out there, and there are areas where improvement is needed. If we did not think that, we would never have asked for the Special Education Review and would have gone on merrily spending \$111 million and increasing

that by another 100 percent or so in the next 10 years without knowing for sure if we were getting the best value for our investment. It is an investment. These youngsters have so much to offer the world, the future and their children. If we can get it right, right now, what a wonderful investment that is.

But I had to sort of bring that into the discussion this morning. There is a tremendous, positive feeling out there, a feeling of hope and opportunity to embrace the future. At the same time, I think there is a lot of recognition that the government of Manitoba has been very much supportive of assisting people to take advantage of technological and other advances that are there, that we can now utilize. The honourable member for Wolseley I am sure is part of that whole scene, having raised the issue of the World Wide Web just a few minutes ago. I mean that is not the be-all and the end-all, but it certainly brings the world closer to everyone, and all of the assists that are there come clearly to us if we know how to use these tools. I think we need to get everybody, to the extent that we can, using all the tools that are available in Manitoba.

* (1040)

Manitoba is a wonderful place. We have always traditionally placed a very high value on education in this province. I think that shows in statistics which suggest that we are succeeding. The only way we do succeed is by paying attention to the kind of detail that the honourable member for Wolseley brings to us in these discussions. Even though, in my view, there are people better able to engage in a discussion of the technical aspects of education than I, I believe I am well qualified to be a Minister of Education because I am quite committed to a brighter future for our children and making them ready so that they can be confident as they move forward and address the opportunities that there are. As a parent of children ranging from the school system to the post-secondary system and to the workplace as well, I feel that I have been able to benefit from that experience as so many of us have.

So, in terms of confusion and contradiction, those sorts of recommendations are—I guess if we do not get recommendations like that, we are

then allowed to go merrily along, perhaps not doing it the right way. So we welcome those kinds of recommendations. I do not put the negative construction on it that some people might. I simply say these recommendations offer us a great opportunity to do a much better job for the kids, to take that \$111 million and add some more money to that, which we are going to have to do, already started, to take that and get maximum benefit. That is a lot of money, and we ought to be able to show that we are achieving some pretty significant benefits as a result of that investment. If we always remember that it is an investment, then we never have to feel badly about spending the money for the children because we will be rewarded many times over for that kind of investment in the future.

Ms. Friesen: I am looking for elements of the Special Education Review which can be done relatively quickly and with a great deal of direction and initiative from the department. That was why I raised the issue of the tracking mechanism, the issue of the handbook, and the issue of clarifying confusion. It seemed to me those are three things that the government could move on relatively quickly, and I am not clear in my mind what the minister is actually saying about clarifying confusion and perceived contradictions in provincial directions. It is not always education. Is education going to take the lead in this? What steps are actually going to be taken to deal with this, and how will it be made known to parents?

Mr. Chairperson in the Chair

Mr. McCrae: I really appreciate what the honourable member is trying to do. I mean that quite sincerely. I respect that the honourable member has considerable experience in the field of education, and so I figured when I got this job that I could benefit from the input of the honourable member for Wolseley. I think she knows that I respect her background and her knowledge, so that is why I and all of the officials in the Education department, many of whom are very well versed in these things themselves, are probably like that from having listened to all kinds of knowledgeable people.

So that is why I do not mind the honourable member slipping in lots of suggestions as she

goes through her questioning in these Estimates because we are listening, and no doubt we will be able to learn something from her along the way as well. But I do want to remind her that this is a collaborative thing. Manitoba Education and Training is one partner here. We certainly are not here to take all of the credit for all of the successes that happened, and neither are we here to take all the criticism for those areas where there are contradictions and where there is confusion and where we can do better.

So it is our job to try to take a lead position here and bring all our collaborators together so that we can come up with some good results. We need to take steps to clarify confusion over perceived contradictions, and sometimes they are only perceived contradictions, and sometimes there are contradictions. I hope not very many, but if there are even perceptions of contradictions, then something has gone wrong, so that is an area of communication. So we need to communicate more. That is okay. That is exactly what this should be about.

I am just reminded of one perception that is out there that should be cleared up. I met the other day with some parents and school administrators and trustees from the Fort Garry School Division. One of the people raised the question that the information related to the standards tests is not being shared and that that is because it does not exist. Well, that is not true. That was an opportunity for me to point out that, yes, that fairly detailed information about testing results is available, and it should be made available to parents and to teachers and anybody who can make good use of that information. There is an example of a perceived problem, and it is something that needs to be straightened out. But again I say we are talking about a collaborative approach.

We have Student Services Administrators Association in Manitoba that our assistant deputy minister and others in the department work with to collaborate and to work out programs and to share information and to get rid of incorrect perceptions that might exist. The honourable member knows, I am sure, that perception can be very important. Some people say it is bigger than reality. Well, I do not think that is an honest approach, and wherever that

exists, then we are not finished with our work. We simply have to keep working away at clarifying perceptions. When there are realities that are not appropriate, we also have to work on that. Anybody who is going to say they are doing everything right is not a very credible person or a very credible organization. Perfection is such an elusive thing, but we think we are doing very well in Manitoba judged by virtually anywhere else. I say again, we will continue to do well as long as we remember we are not finished our work, that we are never quite as good as we think we are. If we can keep that attitude about what we do, we will continue to be on the leading edge, probably better than most, but never perfect. So I do not think the honourable member will have any problem with me on that particular point.

Ms. Friesen: Mr. Chairman, the context of that recommendation dealt with the comprehensive handbook Best Practices and then two additional areas, the Charter of Rights and Freedoms, making changes to legislation to achieve consistency with the Charter of Rights and Freedoms. I think that partly is seen as a remedy to the perceived contradictions, only partly. Obviously there are much bigger issues involved in that. Then in addition and finally in this section, the review asks the department to develop a process to engage educators in the field in how to address the issues of struggling learners who do not qualify for a modified designation. The recommendation is not to change the designation but to find solutions that will enable the educational needs of struggling learners for whom a modified designation would be inappropriate.

So I would like the minister to address the two questions. Is the legal approach the one that the government intends to use to clarify confusion over perceived contradictions? What kind of timelines do they see for that? Then secondly, the modified designation. This is an issue that has come up long before the special needs review. It came up during the At Risk survey that the minister's own department conducted. It has come up I know in letters to the minister. It comes up at regional meetings with superintendents and with people from the department in various regional meetings. It has

come up over the last three or four years since people have been coping with the New Directions document.

So I am wondering what specifically the minister is going to do in both of those areas to deal with these recommendations.

* (1050)

Mr. McCrae: I appreciate the question, Mr. Chairman, about consistency in legislation and legislation that falls within the limits prescribed by the Charter of Rights and Freedoms and the general question about the legal approach. It is not so much, in my view, all one way or all another way.

I have a fair amount of experience with legislation, and sometimes we tend to say, well, let us have legislation and that will fix all our problems, and yet we spend the rest of our lives after we pass legislation being reminded how many loopholes there are in it and how many areas of legislation can be got through or which could be end-run.

For example, the Schreyer government brought in Bill 58. That bill would have grounded policy documents more firmly in legislation. I do not know what year that was, but I know that the Schreyer government was around in the early '70s and the mid-'70s. That bill was never proclaimed for whatever reasons. I assume it was felt that the government of that particular day felt that grounding policy into legislation was not, after all, the way they wanted to go, even though they had gone to the Legislature and got that sort of legislation passed. The province also chose to focus on developing a range of services at the local level rather than developing legislation as a vehicle for serving special needs students.

I guess where legislation is going to be required, there will be legislation. There is no doubt about that. But I do not see legislation in all things as the panacea or the be-all and the end-all that regulates human activity. Legislation in some provinces has produced onerous demands on school systems and limited benefit for students. In some cases it has restricted options for students. Any legislation

has to be very carefully considered to ensure that its impact is in the best interests of students while minimizing the demand for paperwork. Especially in these changing times, we need to have minds that are open, minds and activities that take into account the myriad issues that come forward in this area.

So I do not want to hobble the system and all of our partners with legislation that is in some way restrictive or in some way limits what a child can get in terms of the assistance a child needs, and I do not think anybody would disagree with that as an approach. I of course have to be guided by what is in the Charter of Rights. We know that that Charter is there for very good reasons; it is to protect people and to protect their rights. So anything we do or any law we enact, that is going to be one of the guiding principles that we are not out to offend the Charter or any natural rights and laws under which we live. But, no, I do not see a legalistic approach being the way to go.

Having said that, I am sure that at some point along the way, someone is going to show me why some legislative requirement needs to be enacted, and we will keep a very open mind about that. Manitoba Education and Training is committed to examining and responding to the recommendations of this report. As government responds to the recommendations, the requirements for policies, regulations and/or legislation will of course be examined and considered in the light of a number of things.

First, The Public Schools Act is very clear on the right for all children to attend school. The act requires that every school board shall provide or make provisions for education in Grades 1 to 12, inclusive, for all resident persons who have the right to attend school. This addresses with clarity the issue of right to access to an education for exceptional children. Legislation, if it is going to be used, must be such that it benefits and protects students with special needs without placing onerous demands on school divisions or districts. Legislation with complex bureaucratic requirements but little impact on increasing the effectiveness of student programming is of little value. Why even have legislation like that? I cannot support that sort of legislation; neither can anybody else. It always becomes a debate

on whether legislation increases or decreases effectiveness of student programming or it becomes a debate on whether it is simply bureaucratic or whether it does meet some legitimate need, and, of course, debate is what makes our society the success that it is.

Policy and support documents have been utilized in Manitoba to capture the ever changing views of educational thought and best practice. The Public Schools Act provides the framework for the organization and administration of school systems in Manitoba; New Directions provides the philosophical frameworks. The rights of all children to an education are clearly defined and, according to a national study on the rights of exceptional children, Manitoba's laws require school boards to provide educational services to all children regardless of their special situation.

It may well be that the bill I referred to, Bill 58, might have further clarified the rights of children for appropriate education, but the government of that day chose not to proclaim it. Now I am not able to comment on whether that was an appropriate thing. I think generally people would say, well, if you are going to pass legislation, you should proclaim it because it reflects the will of the elected majority in the Legislature. I think back to the Freedom of Information legislation that was brought in by the previous government and after more than three years still had not been proclaimed. So somebody needs to comment at some point on that. There may have been some very good reasons that I do not know about why that was not proclaimed, and I need more information about why Bill 58 was not proclaimed. There may be people who would argue that it should have been proclaimed because it would have further clarified the rights of children for appropriate education and, in the absence of its proclamation, where did that leave the children and what did that say about the commitment of the government of that day to the children? I simply do not know all of that right now, but I raise it because the honourable member has raised this as well.

Manitoba has a co-operative approach that works to produce results that are more positive for individual students than might be obtained through a rigid legislative approach. I think,

again, what I am generally saying here is that if we can proceed more effectively without legislation, then I will do it. I think, though, that I leave myself open to criticism when I say that because somebody will say, well, then you are not committed then if you do not put it into legislation. That is a debate, too. I think maybe we all need to be judged by our actions as much as what we put into legislation. We know already you can put legislation on the Order Paper, pass it in the House, and if you are really not committed to it, then all you do is fail to put a bureaucracy in place to enforce that legislation. That says something, in my view, a lot louder than having come forward with the legislation, beating your breast and saying, are we not special, we have legislation to protect this group or that group and then it is toothless and it is a scofflaw. It does not demonstrate in my view any particular commitment.

* (1100)

What I think demonstrates commitment is the work that you are prepared to do and the partnerships you are willing to enter into. That is really a telling piece of evidence in my view. I mean, if you are not prepared to do anything, then you are not going to really want to enter into very many partnerships because your partners really have an expectation of commitment on your part. Well, here is where we have a strong statement to make and that is we do have partnering going on, and we have multi-stakeholder system in all kinds of pursuits.

We have been accused of having too many committees and too many task forces. For the most part, I find that criticism unfounded, because it is made with a view to try to point out that you are really not doing anything, you are just establishing committees. Well, I have heard that, and then if you do not establish committees and work co-operatively with the stakeholders, then you are accused of ramming things down people's throats. I have been on the butt end of both of those criticisms, and I know that they are always so easy to make, those criticisms. It is the difference between being in a position where you are expected to make a difference in the lives of kids or in a position where you are expected simply to be critical. Well, it is a different role, I can tell you that.

Anyway, I maintain and say again that Manitoba has a co-operative approach, and that approach does produce results that are more positive for individual students than you might get through a rigid legislative approach. This is not meant to be said in some kind of philosophical or doctrinaire way, because there are some applications where a legislative approach may well be the only way to go and the best way to go. So you have to keep an open mind and be pragmatic about these things.

Implementation of the appeals process may facilitate those situations where there are disagreements as to placement and could be expanded to include disagreements on outcomes. Clarification of this process and public awareness could ensure that the best interests of all students are addressed. We must, I think, bear in mind that rigid legislation setting a particular standard or level of service has a greater potential to create a burden of onerous results. Local school divisions need the flexibility to program for students within their unique community, and they need the freedom to offer a range of options and services to best meet the individual child's needs.

I have seen examples of that in my travels and have spoken to special needs teachers, who tell me that some of the best things they do for their kids are things they alone do in their classroom. They have a child who has a need that no other known method is addressing very well, and sometimes it is a very human thing. Sometimes it is that special education caregiver's personality that shines through and inspires the young student. No amount of legislation, regulation, rules and books and handbooks and all of these things can substitute for that. All those other things may well be necessary in order to have a certain level of activity going on and some level of effectiveness, but it comes right down to real people in real live human circumstances that no amount of rule making can improve or alter in any way.

So those people are magic. They are special people. You can see the smile on the face of a young child. You can see that something is happening there that you just do not find in the rule book. So I do not want to do anything to restrict that, and yet I want to be part of a system

that creates and maintains the highest standards that we can have, that takes into account all the different types of people, both on the giving and the receiving end of the special education.

Manitoba Education and Training has responded to the recommendations of the Special Education Review, as I have pointed out already. I was really in my first briefing on this topic with Ms. Loepky. I was quite impressed, the little time that she had had; I was quite impressed with the work that had already been achieved. I think anybody getting the same briefing could not help but be impressed with the commitment of the people that we have, not only in our department but also amongst our stakeholder organizations and individuals.

There is a lot of anticipation about this. I think there is a lot of hope that we are going to do an awful lot of good things in the next four to five years in this province and beyond that, which will just make one huge difference, and I am pretty excited about it.

Ms. Friesen: Mr. Chairman, the review offered two remedies. One was the legal one which the minister has addressed; the other was one which I suggested was a long outstanding issue for parents and teachers, and that is the issue of struggling learners who do not qualify for modified designation.

The review had some specific recommendations for the department, and I wondered what kind of implementation plans the minister could tell us that the department has in this area, given that this is a long-standing issue.

Mr. McCrae: The member raised the fact that the Special Education Review supports the department's approach on the M designation for those students with significant cognitive disabilities. As to what we are doing or what we will do for struggling learners, I know there are a lot of things we can do, and we are committed to that. The educational needs of the at-risk and struggling learners, for whom a modified designation would be appropriate, need to be met in a different way.

Manitoba Education and Training recognizes the challenge in striving to keep as

many students as possible engaged in the educational process. This is a key theme in the review. The challenge is surmountable when families, schools, communities and government agencies work in a co-operative and collaborative manner to identify issues, eliminate barriers and produce constructive solutions for our youth. This is why it is so important—I say this sincerely to the honourable member—that we not get off the track. I do not want to address this in any kind of political way because I think that is when we do get off the track with something as important as this.

* (1110)

This is a nonpartisan thing as far as I can tell. There is no political advantage, I do not think. I could be wrong about this, but I do not think there is in this area. Besides its being distasteful for me to want to engage in a political debate over children who need special education opportunities, besides being distasteful, I think we are all on the same side here, and I would implore everybody on all sides here to resist the temptation to get off the track here because we have so much consensus, I think, around this report. There is very little disagreement about it. In my travels, that is what I have been hearing.

Everybody has got an angle; there is no doubt about that. Everybody has got a specific interest. Certainly, anyone who has a child in the system is going to look at special education from the standpoint of a parent of a child with quite unique requirements. I think we have to try to accommodate all of that and give people a sense that everybody in Manitoba, including the three parties, the two parties in the Legislature and the other one as well, that we are working together on this. I really want to see that happen because that will be a very encouraging thing for a lot of parents in Manitoba, and teachers in Manitoba, who are committed to caring for and educating these young Manitobans, who have so much potential and yet present us with a challenge to get them through that education. I really put that out as an appeal to everybody. Let us keep on the track here, and keep moving forward.

The Special Education Review recommends that the department develop a process to engage educators in the field to find solutions on how to

address the issue of struggling learners who do not qualify for an M course designation, and we will do that. We will consult, we will look at best practices, and we will be responding. We increased funding this year. In addition to the annual January announcement, we increased funding by \$2 million which the honourable member supports, and that is for early literacy and for early behaviour intervention. There is more money, \$1.3 million, for struggling learners. This is to show that commitment. This is to demonstrate beyond a shadow of a doubt that the commitment is there. It does demonstrate it, because that is on top of \$111 million, which is twice the level of spending in special education in the past decade. That is significant.

It demonstrates the commitment, but it also demonstrates that the need is there, because we know if we can learn to get it right with the dollars—we know there is a clear commitment that we care, because the dollars are there. We rely on the experts to get us through this so that we have a better learning environment for all young Manitobans, including those who have special requirements. So I wanted to do that early, and it is, in my view, noteworthy that the only thing that has money attached to it that I have been able to do in my first few months is in the area of special education. That happened on purpose. It happened as a result of direct consultation with parents and teachers and others, trustees in the system. I wanted to know what is on people's minds. What are the priorities? What are the issues in education? I think, very clearly, it came out for me, from listening to hundreds and hundreds of people, special education is on the top of everybody's mind.

There are going to be all kinds of strategies in the coming months and years as we develop our system. There are going to be all kinds of think-tank discussions. There will be pilot programs. We know that they were going to—I showed the honourable member yesterday the application form for these best practices coming out of the divisions. We are going to be learning a lot from those things. There is going to be further review of literature and other sources. There is going to be interdepartmental collaboration. We talked about that yesterday.

There are going to be symposiums, meetings, gatherings, to share information and general networking.

In the time that we know that we have to spend to do this, consensus is going to build. We are going to see that, just as we have seen in other areas of longer-term change, for example, in health care or in education renewal. Consensus does happen after a while, if you can demonstrate that you are moving in the right direction, and you demonstrate that it is not all your ideas that you are putting forward, that they are ideas from people who actually, day in and day out, work with children. If people know there is quality in what you are putting forward, at first some people are not going to agree, because immediately, well, it is a change, so, well, it must be bad if it is a change, so let us find out what is bad about it, instead of let us find out what is good about it. Sometimes we start at the other end, and even doing it that way, it takes longer when that attitude is the one that prevails than it would otherwise.

It is difficult, too, but you still get to a point where there is some buy-in, if you want to call it that, but acceptance at least that everybody has the right intentions. I mean, how could you have bad intentions when you are trying to do something right for children with special needs? You must be a monster if you have bad intentions in that particular area. So there are not any bad intentions anywhere that I know of, but, in the human endeavours, everybody has their own way of looking at things. Somebody said once—they were making a joke about their farm friends—that if you had two farmers in a room, you would get three opinions. That sometimes happens in rooms around this building. I know that.

An Honourable Member: I thought that was a lawyer joke. It is a farmer joke as well?

Mr. McCrae: It was a farmer joke. It was a farmer who told me that. It is a joke because I happen to know a lot of farmers—I am looking at one right now. Is there anything that you are not, Peter George? [interjection]

Peter George has one opinion, I think—the honourable member for Pembina (Mr. Dyck)—on any one given topic. Building consensus—

[interjection] Sorry. I will let you know. Building consensus on any topic, when you are dealing with human beings, is a challenging thing to do. When you are dealing with the myriad issues in special education, I think Proactive did a pretty good job coming up with a report that enjoys as much support as it does.

Struggling learners benefit from best practice that demonstrates results. There is no doubt about that. Our Early Literacy Initiative is an example of how we are approaching struggling learners. Manitoba results in this area are very good. I get that from people in the field, that it is just a great investment. We will continue to look at best practice models. That is what we are being asked to do and it makes so much sense. We could spin a lot of wheels for an awful long time, and maybe there has been some of that. Maybe the honourable member, if she is going to be critical, it could be in that area that, you know, more best practices could have been developed earlier or something like that. I am not trying to give her any advice, but that is an easy one. If it is a good idea, then why was it not done before, you know, that sort of thinking. It happens all the time.

The Special Education report strongly endorses the need to continue to examine best practices with respect to policies, protocols, programs, and services. We are committed to this, and we have demonstrated this by much of our previous activity. I mean, we are always open to a better idea, always open to be told that you could have done better. I am. Maybe some of the members of the department are not quite so open to that because they have done such a good job, but that is for them to say on their own.

I think there is reason to be encouraged here. The big thing here that I am happy about is that we have political leaders all onside here. We have stakeholders, almost all. I do not know anybody who has come right out and said: that is a bad report and you should not do anything in there. Nobody has said that to me. So we have got a pretty good piece of consensus going right now.

Along the way, I have no doubt that there will be different ideas coming forward, but I do not think we should be negative about that. I

think that is what made this province as good as it is, the fact that we have opened our minds to every idea that comes along. It does not mean we do them all. It is an open-minded optimism and partnership which makes me so confident that we are going to do a good job with this in the coming months and years.

* (1120)

Well, we are going to see a lot of people taking advantage of opportunities that might not have been able to do that. If you put this into human terms, it magnifies the issues manifold when you look into the face of a child and you picture in your mind's eye what would be under present circumstances and what would be almost guaranteed under changed and improved circumstances. It is going to mean so much to the fabric of our society in the future. So I am pretty excited about this.

I support things like we have talked about already, programs that really help children before they get into the school system to be better prepared for that learning experience. Yes, there are some examples of what I think is failure that are quite demoralizing to see them and to know that they are still going on in our province. It is even worse for me because I know that it did not need to be that way, and there are people who have fallen down on the job. I am not going to identify them because I will get into big trouble if I do that, but there are people who should have done better.

I accept whatever level of responsibility for our whole school system, if we could have done better, but I am, at least, quite willing to address those areas where we should do better and to move forward. My criticism is for those who are not prepared to admit that there has ever been any failure or to admit that improvement is very much needed. I mean, if we are going to get that amongst our stakeholders, we are not going anywhere, and that would be a real indictment of our generation. So that is not meant for anybody in this room, but I know there are some people who tend to look at the relationships in a very political or partisan way. When you are dealing with issues like this—I think you should be partisan about things like taxes and that kind of thing.

An Honourable Member: Well?

Mr. McCrae: Well, I want to be partisan about that, because there are some very clear differences between what I stand for and what some others stand for, but I do not like being partisan when it comes to children who have special education needs and those types of issues, or people in personal care and those sorts of circumstances. I hate it that some people use that as a good reason to be partisan.

No fingers being pointed here today, but there are people outside this room who could very well take heart. Hopefully, they will put the children ahead of their own personal, political, partisan need for advancement and lock arms with us. I think there is good support for this, and let us make the best of it.

Ms. Friesen: Mr. Chairman, I think the nub of the response to the question of the government's response to recommendation B(6)(1) is that they have supported some early literacy programs, and that they are initiating a process of grants, soliciting ideas from which they will select from the field. We anticipate that in the subsequent years there will be other programs that will emerge from the solicitation that you have made to the field in this grant program.

I want to move to Section C of the special needs report, Quality and Cost-Effectiveness of Special Education Programs. This is an area that I think is a very interesting one. There are two areas, I think, of concern: one is the training of teachers, and the second is the assessment of students with special needs. The report makes, in the case of teachers, a number of specific recommendations. In the case of the assessment procedures for special education students and programs, it makes some very broad general ones.

So maybe we should start with the training of teachers. I have heard the deputy minister speak on this. As a challenge, I would like to hear the minister more formally put on the record what his responses are to these very specific recommendations. I am looking at C(6)(2). People who work with students who have special learning needs must be appropriately trained. Now this partly, I assume, refers to both

teachers and to special needs assistants or assistants in the classroom.

Also, it refers, for example, in Section C, to professional development of the school administrators on special ed issues, training for paraprofessionals, reinstatement of minimum qualifications for resource teachers, mandatory preservice training for all teachers in topics related to special education. I think that was the section the deputy minister was referring to as a challenge.

I wonder if the minister could give us the government's response to that particular set of quite specific recommendations, and then I want to come back to look at the assessment issues.

Mr. McCrae: In response to the early part of the honourable member's latest question, I think we are in agreement here. I heard the member refer to programs. Programs are good; however, we have to keep in mind here that if you are going to call something a program in this area of all areas there has to be flexibility, given that every child is different. So I am not into this one-size-fits-all type of programming in this.

I know that you have to have that in certain areas of public endeavour, but I simply want it clear that I want to see developed a system that allows whatever flexibility is required for children whose needs just demand that. If we are going to be narrow in our approach, the kids are going to fall through the cracks a lot, and I do not want that. I believe that everybody can agree with that.

As we have discussed with respect to New Directions and the assessment process, the testing process, there are adaptations of course available for certain of our students and an adaptation can be defined as the act of making changes in the teaching process, materials or student products, to help students achieve the expected learning outcomes. Some examples of adaptations to the test format are Braille or large-print test versions, the audio tape format, oral reading.

If you want examples of adaptations to test administration procedures, there is extra assessment time, there is separate room administration,

supervised breaks during testing, all of these sorts of things. Adaptations should parallel as much as possible any special classroom or school adaptations that are used on an ongoing basis to assist the student during the assessment and evaluation activities, provided such adaptations do not jeopardize the validity of the examination or test or create inequities in examination or test administration procedures for other students. Any request on behalf of a student for an adaptation should be made with the full knowledge and signed consent of the student's parents or guardians or the student if he or she has reached the age of majority.

Approval of additional time to complete an examination or test will be based on practice normally followed by the school in evaluating students. Total time to complete the examination or test generally should not exceed twice the scheduled writing time. Continuous supervision during the additional writing time must be assured. [interjection] Well, I know the honourable member was asking about the training of teachers, and we are going to get some response. The longest way around the mountain can sometimes be the shortest way home.

*(1130)

We want to strengthen the opportunity for educators—and I think this gets a little closer to what the honourable member was asking—to acquire the knowledge and skills to work with diverse needs. Manitoba Education and Training, along with the universities will review on an ongoing basis preservice requirements in continuing education opportunities for all teachers to help them address the diverse learning needs of students. This is getting closer to what the honourable member is talking about. I mean, what are teachers coming out of university with? Are they coming out prepared to deal with the variety of issues in our schools?

In collaboration with universities, Manitoba Education and Training will examine the advisability of changing the program of study for a special education certificate to include a combination of course work and rigorous professional development activities. Manitoba Education and Training will establish an

advisory committee to ensure that the qualifications and certification process for clinicians and resource and special education teachers reflect the skills and knowledge essential to work with students with special needs. Manitoba Education and Training will review the minimum qualifications for school counsellors and to strengthen opportunities that provide paraprofessionals with the knowledge and skills to work in inclusive learning communities. Manitoba Education and Training will provide paraprofessionals across divisions and districts with opportunities for knowledge and skill acquisition.

We want to achieve results for children and youth with special needs. They require skilled professionals and paraprofessionals, and they require the effective allocation, organization, and use of financial resources.

To enhance the expertise of professionals and paraprofessionals working with children and youth currently presenting complex challenges to inclusive learning communities, in collaboration with other government departments and community agencies, Manitoba Education and Training will create cross-jurisdictional training opportunities for staff who work with children and youth in a variety of community settings.

To enhance the learning community's awareness of efficient and effective deployment of human resources, Manitoba Education and Training will work with school divisions and educational organizations to research, review, and share best practices in the deployment of human resources for students with special needs.

To develop improved processes for allocating financial support for children and youth with special needs, Manitoba Education and Training will assess the distribution of the co-ordinator clinician grants to ensure that the grants reflect current enrollment and geographical factors.

Further, I am advised that the Deputy Minister of Education, Mr. Carlyle, has met the deans council to talk about this. The deans, within their own facilities, are looking at the messages in the Special Education Review

respecting teacher training and looking at approaches. So we have certainly begun, more than just begun, to move on these things. Eventually it might be necessary to include specific requirements in teacher certification to ensure the training and education for prospective teachers has in fact occurred.

This is something that we are going to have to engage in some discussion about, because we know that the needs out there will require, as I think the needs always have done, that the curricula for those training to be teachers or educating to be teachers have to change as society changes. That has to be done with appropriate consultation.

Ultimately, I hope that we will be able to consult with a professional organization for teachers. That is what I have been working on. I have been pleased to know Jan Speelman for a long time. With thanks to Mr. MacIntyre, I also offer congratulations to Ms. Speelman for taking over the helm of the Teachers' Society I guess at the end of this month or some point like that, soon anyway. She has been on the executive of the Teachers' Society, Jan has, and we have discussed a number of items with them. One of them is a professional agency or organization for teachers. My mind is open about that. Teachers recognize that they need to be recognized for what they are, i.e., professionals, and there is a function that teachers can handle themselves in terms of protection of the public and in terms of disciplining if there is unfortunately ever any need for that.

I have asked the department to assist me in this endeavour. I have had a couple of discussions with Ms. Speelman about this, and I want to be able to bring forward something that we can talk about together that can work towards the development of a teachers college, if that is what it is going to be called, or whatever it is. So we are moving forward with that.

I am happy about that, because I have a very great respect for members of the teaching profession. I think they do something that is as important in the development of our society as anybody else, any other profession in our society does. I can go by my own experience, but I can look at others around me and ask myself: where

would they be if it had not been for their teachers? Where would the member for Pembina (Mr. Dyck) be? I shudder to think where he would be if it had not been for the impact on his life of members of the teaching profession. Now, I do not even want to go there, where the honourable member for Pembina might be.

An Honourable Member: Did you know that the wonderful singer Loreena McKenitt was a student of mine?

Mr. McCrae: I did not know that. I am going to tell the folks at home about that, because we are fans of Ms. McKenitt out our way. To know that part of her experience has been influenced by one Peter George Dyck will be of interest.

In any event, I make no joke about this. This is a serious matter. The Teachers' Society representatives feel strongly about this. I believe that they are professionals and ought to be dealt with in that way or treated that way, so I am very interested in that. Maybe that is a long way of getting around to the point, but is that not a function also of a professional body, to advise university deans and educators about their views about what ought to be part of a teacher's training.

What about paraprofessionals? I met with teaching assistants a couple of weeks ago, and these people are extremely important in the classroom and in the school. They will probably be needing training and qualifications and something spelled out that suggests some kind of minimum standard here, because I think that there is a sense amongst these paraprofessional teachers that they are not being utilized to the maximum benefit. That is probably true, but we will find out more about that as we go along. As we do that, we are probably going to discover that we need to bring in certain requirements and training opportunities for them, and we are obviously prepared to look at that.

* (1140)

We are going to do all of these things, bearing in mind local hiring issues. If the training and requirements are set too high and too onerous, are we going to be able to attract

people like that, the same kinds of issues as you get with nursing or other professions, as we have addressed nursing issues in the past? Sometimes you end up—in some people's minds at least—creating shortages, or helping to create shortages. We do not want to do that at a time when we need just the opposite, at a time when numbers of teachers are going to be declining if we do not take the appropriate actions.

I mean the average age, I understand it, of teachers is getting on up there, around like where the member for Pembina (Mr. Dyck) and I are, and maybe the member for Sturgeon Creek (Mr. McAlpine) too, getting to an age where people are starting to look at them as approaching retirement. As a matter of fact, I am told that quite a large percentage of our present teaching population in Manitoba will indeed be retirement age or expected to be in that range in the next four or five years. That is pretty significant—well deserved. But, on the other hand, we are left with some pretty significant challenges. Are we training and educating enough to fill in the vacancies as they become available, and are these people going to have the right skills to address the challenges of the future? No more could that be true than in the area of special education. We do not want to have rigid and onerous requirements, but there needs to be some kind of minimum as well in order for us to do the right thing for the children.

So finding that balance is going to be our challenge, one that we accept, and I know from my discussions with Jan Speelman that she and her organization are quite happy to accept the challenge. I have enjoyed my early contacts with members of the Manitoba Teachers' Society. Even though Mr. MacIntyre would not let me take part in a debate, I do not hold that against him personally. I do not agree with the position he took. Maybe he had orders; I do not know. But he was the boss. I just say that maybe he should not have done that, but that is his decision to make. He made it, and he and I both and the Premier (Mr. Filmon) and everybody will all have to live with whatever the result is.

I just think that special education was something that I wanted to talk about. I wanted the people there to know the views of the

government of Manitoba. Somebody made the decision that the views of the government of Manitoba were not required that day and that the more partisan approach taken by the other two leaders was what they wanted that day, and that is what they got.

An Honourable Member: We live in a democracy.

Mr. McCrae: We live in a democracy, and you would think living in a democracy that speech and sharing of ideas would be an important thing. That did not happen that day, and I was not very happy about it. But life goes on. I will try to make up for whatever we lost that day by working as closely as I can with the Manitoba Teachers' Society, because I believe in that group and that relationship that I can develop with that group are some really important results. I like to think I am off to a good start, and I will do nothing to jeopardize that relationship because it is important to me and, through me, the children of Manitoba. If we can only put the children uppermost in our thoughts as we address our responsibilities, we will succeed, we are much more likely to succeed.

On the point raised specifically by the honourable member about the training of teachers and the requirements, I think what I said a few minutes ago addresses that. But, just to be really clear about it, I have to point out that this is a difficult area because not everywhere is the same in Manitoba. That is one of our strengths, but it also presents us with challenges. We need to have skill levels and minimum qualifications at a level that get the job done for the kids but also are sustainable in the sense that you can attract people like that in all of the places where they are needed.

So I look forward to any advice that I might get on that point from the department, from the honourable member, the Teachers' Society, paraprofessional teachers, all of those different points of view. I need to have them all in order to adopt the right policies for the future respecting qualifications and respecting the training that is needed.

Ms. Friesen: So the summary answer is that the government is prepared to move on each of these five recommendations, that they are prepared to look at the reinstatement of minimum

qualifications for resource teachers, and they are prepared to work with the prospect of a college of teachers for professional development.

The issue that I raised of the universities the minister responded to with the fact that the deputy minister had met with the dean's council, and as I said, I have heard the deputy minister speak on this. He refers to it as a challenge and it is a long-standing challenge. There is clearly a difference of opinion between many people in the field, particularly parents, on the nature of teacher training and the required number of specific courses in particular areas. I think everyone has a number of variations on that, but the universities respond—at least I should say that some universities respond—with a quite different perspective on the training of teachers in special education. The incorporation of certain principles into every course, I think, would be the basic assumption versus often a parentally expressed one of requiring specific courses.

I would be interested in hearing from the minister of what kind of report he has had from the deputy minister on his meeting with deans. It is not a new issue. It is a long-standing one and I wondered what position the government was taking on this; he does have a new Faculty of Education. Is there any opportunity there for the minister to stimulate a different kind of thinking, a different kind of construction than has been the long-standing difference of opinion, I would say, within Manitoba?

I also wonder whether the board of teacher education has a role to play in this. The minister has spoken at considerable length about a variety of issues, one of which was teacher education, but there was no mention of the role of BOTEC which the minister—well, I do not know actually offhand what the composition is, but I know that the minister does have a number of appointees, and I think the majority of appointees are government appointees.

I am wondering when the last meeting of BOTEC was and whether this issue in special education and particularly this recommendation has been put before BOTEC.

Mr. McCrae: I thought I was pretty clear, but I do not think I want the honourable member to

jump to conclusions about the reinstatement of minimum qualifications for resource teachers. I mean, it has to be looked at very carefully and I think that is what I am saying, that we will obviously be doing that, but I think I tried to point out that that needs to be done not simply from the standpoint of the view of the Deputy Minister of Education or the view of the Minister of Education or any one person. This would not be consistent with the approach that we have used in the past, that of consensus building.

* (1150)

I mean, anybody who has any common sense will recognize that if you raise the standard too high, you simply will not be able to fill the need. If you set it too low, then you are not going to be spending your money wisely; you are not going to be getting the right results for the children. You are going to create issues with other professionals working in the field, which if you do that needlessly, then you are not being very responsible. So it is a balance that needs to be drawn, and I think what we are saying is that we want to be balanced in our approach, so that at the end of the day anybody, any reasonable person looking at the situation will say that on balance, faced with a difficult task, they did the right thing.

That is what we all strive to get, is the approval of reasonable people. There are some people who are not reasonable and maybe it would be hard to ever get their approval, but even unreasonable people have ideas to offer. You have to be a little more careful with them, about which ones you just buy into. I think the wisdom of all of this is in your ability to perceive which ones are reasonable and which ones are not.

It is not always 100 percent a pure science, so that is where a person's judgment comes into play, and we have to be judged at the end of the day on the judgments we make. One needs to be made here and it will be based on a fair consideration of everybody's point of view.

Mr. Chairman, with respect to the Board of Teacher Education and Certification and the deans, we expect that both those groups would

be part of the consultation process, interested in knowing their point of view. The idea is to be inclusive. As I say, the advice of all of these agencies and people is important to us. Anybody who is in a position to give us some learned advice, we need to get it. Not all the advice we get is going to be the same, and that is where the warning bells start ringing because if you ask somebody's advice and then you do not follow it, they feel offended about it. At this point, I am not able to say what that advice is going to be, nor am I going to be able to say how we are going to respond to it, but we are interested in knowing and having the input.

Ms. Friesen: Mr. Chairman, has this been put before BOTEC yet? Was it specifically addressed with the meeting with the deans? I repeat, I am looking for the government's response to the basic division—division is too strong—a difference of opinion about how special education should be incorporated into the curriculum for new teachers. It is obvious, as the minister said, we are going to have a renewed generation of teachers, and so this issue of the training of new teachers is a very important one.

The government, I think, has been given some very specific recommendations here by the review, and I am interested in their response. I understand the minister to be saying that he is going to be consulting with a wide range of people. I would like to know whether he has met with BOTEC, whether it has been put before BOTEC as a specific series of recommendations, and what the summary of the discussion with the deans was and where the minister intends to take that particular step. What is the next step in that area?

Mr. McCrae: We will, of course, take this to the Board of Teacher Education and Certification, but the honourable member knows the pitfalls very well, the various interests that are part of that. Sometimes, in order to find consensus, you get something that is a little less meaningful than the requirements that the kids might suggest is appropriate. So that is a difficult area. You almost need to have somebody like Job present at all of these—Job was apparently a very wise person in the Old Testament. Was he not the wise one?

[interjection] Job had patience. Who was the wise one? Oh, it was Solomon. Solomon was a really wise king, and I think that while we have quite a few Solomons in Manitoba, we do not have enough yet.

The point that I am getting at is that good quality consensus is what I need and what we all need. I think when you ask a group of people with diverse interests and conflicting interests in some cases to come up with a product, you might be a little bit disappointed. I hope not, but we certainly want their input, and we would like to see what comes out of that. But, please, ask people just to—when you go to the stakeholders' meeting, leave your stakes outside the room. Put the kids first if you can possibly do that. I do not know how many times I have said that but with varying degrees of success, not as much as I would like. But that is understandable in human endeavours. People tend to represent the organization they are sent to represent. Sometimes it would be nice if they did not represent an organization and just represented the kids. However, we will carry on.

This is a very important part of the work. The kids have to benefit here, and at the end of it all, sometimes ministers have to come along and make some decisions and be accountable for it, for the decisions that are made. I have accepted the job; I am prepared to do that. I still hope for the best products I can get from multistakeholder consultations. I hope right down to the wire that we will have good, good quality recommendations for the good of the children.

Mr. Chairperson: Order, please. The hour now being 12 noon, committee rise.

INDUSTRY, TRADE AND TOURISM

Mr. Chairperson (Ben Sveinson): Good morning. Will the Committee of Supply please come to order. The committee will be resuming consideration of the Estimates for the Department of Industry, Trade and Tourism. When the committee last sat, it had been considering item 2. Business Services (a) Industry Development-Consulting Services (1) Salaries and Employee Benefits on page 103. Shall the item pass?

Mr. Tim Sale (Crescentwood): Mr. Chairman, I wonder if the minister would like to introduce the additional staffperson who is here this morning.

Mr. Chairperson: Would the honourable minister like to introduce his additional staff this morning?

Hon. Mervin Tweed (Minister of Industry, Trade and Tourism): Mr. Chairman, I would be happy to. With us today is Mr. Ian Robertson. He is assistant deputy minister of Industry Development. Mr. Jim Kilgour is the director of Financial Services. He is not quite at the table but close by for sound advice.

Mr. Chairperson: Very good, thank you, Mr. Minister.

Mr. Sale: Mr. Chairperson, have there been any material changes in the first line, Salaries and Employee Benefits? Could the minister describe what they are if there have been in the past year?

Mr. Tweed: Mr. Chairman, as part of the discussion that we had yesterday with that one position, there was one position transferred from research to consulting.

Mr. Sale: Mr. Chairperson, as I ended yesterday, I think I had asked for an explanation of the significant difference in the increases in wages in this section versus an earlier section where the increases were in the order of 10 percent. The increase here, I think, is in the order of 4 percent. I am wondering why, in a similar line, Professional/Technical, there is such a difference.

* (1010)

Mr. Tweed: Mr. Chairman, I am advised that, along with the general increases that we had discussed yesterday, some of the staff were qualified for the increment increases, plus the one position transfer.

Mr. Sale: Mr. Chairperson, I think perhaps the minister misunderstood my question. In the previous section where there were eight professional people on section 10.1.(c), the increases were in the order of 10 percent in that

Professional/Technical line. In this area, they are in the order of 4 percent. I am asking for an explanation of why this group did not receive the same level of increase as people in the 10.1.(c) group. Did they not merit the increase? Did they not earn their merit bonuses? What happened here?

Mr. Tweed: Mr. Chairman, they would have received the same general increase, but it would all depend on their position as far as whether they would also receive the benefit of the increments.

Mr. Sale: Mr. Chairperson, that is not an answer that helps me very much to understand what has happened here. I refer the minister back to 10.1.(c), where salaries overall rose by some \$42,000 on a \$382,000 base. He explained that in regard to a general increase of about 2 percent, the increments to which people were entitled by virtue of service of about 1.9 percent, I think he said at the time, and the rest he described as merit increases. So I am wondering why there are no merit increases in this line, as compared to the previous line. Did the staff not merit an increase?

Mr. Tweed: Mr. Chairman, I am wondering if I could offer to the member that we will get the full information and breakdown on the increases to clarify it.

Mr. Sale: Mr. Chairperson, I would appreciate that. If he could provide a comparison between 10.1.(c) and 10.2.(a), in terms of the increases and the reasons for the increases being significantly different, so, yes, I would be glad to have the minister do that.

On that basis, we can pass this line.

Mr. Chairperson: Item 10.2. Business Services (a) Industry Development-Consulting Services (1) Salaries and Employee Benefits \$2,338,000—pass; (2) Other Expenditures \$844,300—pass. (3) Grants \$16,900.

Mr. Sale: Could the minister indicate what these grants are and to what organizations they go?

Mr. Tweed: The grants went to the following organizations: Canada West Foundation, Manitoba School Science Symposium—

Mr. Sale: Could the minister indicate the amounts.

Mr. Tweed: Be happy to. Canada West Foundation, \$10,000; Manitoba Schools Science Symposium, \$1,200; Western Manitoba Science Fair, \$1,200; Northern Manitoba Regional Science Fair, \$1,200; Manitoba Provincial Science Olympics, \$500; the Assiniboine Community College Awards Committee, \$300; the Prairie Implement Manufacturers Association, \$1,500; and the Manitoba Marketing association, \$1,000.

Mr. Sale: Mr. Chairperson, pass.

Mr. Chairperson: Item 10.2. Business Services (a) Industry Development-Consulting Services (3) Grants \$16,900—pass; (b) Industry Development-Financial Services (1) Salaries and Employee Benefits \$749,100—pass. (2) Other Expenditures \$248,900.

Mr. Sale: Earlier in Estimates, the minister indicated that computer services for the desktop initiative and other things were in each line. What line are the computer services in in this particular set of Estimates, because it does not talk about computer support.

Mr. Tweed: I am advised that it falls under Other Expenditures, within the \$248,900, and it is the total. I presume the amount, part of that is \$24,700.

Mr. Sale: My question was in which line is that included, Supplies and Services or Other Operating?

Mr. Tweed: Other Operating.

Mr. Sale: Mr. Chairperson, the minister had agreed to table a list of the Estimates broken out by computer services for Systemhouse. I wonder if that list is ready.

Mr. Tweed: Mr. Chairman, we are still working on gathering all the numbers and, as previously

stated, when it is available we will bring it to the committee.

Mr. Sale: Thank you, Mr. Chairperson. I pass.

Mr. Chairperson: 10.2(b)(2) Other Expenditures \$248,900—pass.

2.(b)(3) Programs (a) Manitoba Industrial Opportunities \$9,714,800.

Mr. Sale: Could the minister table a list of the MIOP grants and loans with the terms attached that are currently outstanding, the complete list. I believe I have asked for this in previous years and I think that it has been supplied. If he has any committed but unannounced amounts that would come out of this \$9,700,000, I think in past years the practice has been to show them as commitments but unannounced in terms of the identity. I wonder if he could table that today, because we are going to spend some time in this area. I am sure he anticipated this request or at least his staff did.

Mr. Tweed: I will ask one of my staff to bring forward and anticipating the honourable member's question, staff have prepared a list and, as he stated, there are some at the bottom that he will see that there have been allocations and obligations shown, but they are unannounced at this point in time.

Mr. Chairperson: We will give a copy to the member for Crescentwood (Mr. Sale) as soon as we get one.

Mr. Tweed: Mr. Chairman, I believe the Inkster (Mr. Lamoureux) has also requested a copy.

Mr. Chairperson: Okay. Everybody at committee will get one.

* (1020)

Mr. Sale: While we are waiting for that to come back, Mr. Chairperson, could I just make a couple of other requests that I am sure staff is also anticipating, since we have been down this road before. It is not in this line. It is 10.3.(b) and (e).

Mr. Chairperson, I am sure the minister is aware of our concerns in regard to the capital invested in both the Vision and Manitoba Capital Fund. What I would like to ask for, and in previous years I have asked for a list of the companies, they have always been refused on the, I think, spurious basis of third-party confidentiality, but I would be happy if the minister would change his view on that ground. What I would like to ask for is a fair market value of the Manitoba government's investment in Vision Capital and the Manitoba Capital Fund as at the most recent evaluation of the portfolios.

We know what we have invested. At least I think we know what we have invested. We would like to know what the fair market value of that investment is as determined by competent authorities.

Mr. Tweed: Mr. Chairman, I am advised that the portfolios are not valued annually, because there is a suggestion that the interim evaluations may not be completely accurate due to market conditions.

Mr. Sale: Mr. Chairperson, this is a new one. On an annual basis, most companies have to report for all kinds of purposes, whether it is capital tax or whether it is income tax or whether it is simply accountability to shareholders. When the minister ran a car dealership, I think he got an annual report. I think at the end of that annual report or at someplace in it there was an inventory evaluation, and his auditor probably had some arguments with him about how much his inventory was worth, but at the end of the day there was a figure.

Now, I do not accept the notion that we should not know the list of companies invested in. I never accepted that notion, but the minister has always maintained that. Surely he is not now saying that we should not even know the value of the portfolio in aggregate. That would be an amazing position to take, given securities laws in this country.

Mr. Tweed: Mr. Chairman, I am advised that these are not publicly traded securities, and that no annual evaluations are done. The reason being is that when people make the investment into these particular funds, they are locked into for the length of the program.

Mr. Sale: Mr. Chairperson, I have to be very careful here, and I want the minister to be very careful. The board of directors of Vision Capital must annually receive and adopt a financial statement by law. In that financial statement, there must be an asset valuation. There is no way that you can adopt an annual statement as a board of directors if you do not adopt a balance sheet, and the balance sheet has to have in it—according to my understanding of standard accounting practices, generally accepted accounting rules—an asset valuation.

We know what portion of the portfolio comes initially, what proportion comes from the province. That is public knowledge. All I am asking is what is the fair market value of our share in Vision Capital as at the last annual meeting of that corporation. Surely, the minister is not maintaining that the board of directors of a corporation does not know the fair market value of its portfolio. That is an incomprehensible position to take.

Mr. Tweed: Mr. Chairman, I am wondering if I could take this as under review and prepare a statement back to the honourable member just to clarify for myself and for him.

Mr. Sale: Well, the minister may have to do that, but, no, I am not prepared to just leave this item at this point because I find this an incomprehensible position for a business person to take.

Is the Vision Capital corporation formed as a limited partnership?

Mr. Tweed: Mr. Chairman, yes, it is.

Mr. Sale: Mr. Chairperson, who is the general partner?

Mr. Tweed: That group would be Westgate Capital Management.

Mr. Sale: Mr. Chairperson, do the limited partners have a board representative, and how is that structure currently constituted?

Mr. Tweed: We have one member sitting on the investment advisory committee.

Mr. Sale: What is that member's name, Mr. Chairperson?

Mr. Tweed: Steve Kupfer.

Mr. Sale: Steve Kup—?

Mr. Tweed: K-U-P-F-E-R.

Mr. Sale: Okay, I did not hear the minister the first time. Mr. Chairperson, when was the last annual meeting of the partnership?

Mr. Tweed: I am advised April 19, 1999.

Mr. Sale: At that meeting, Mr. Chairperson, did the members of the partnership adopt annual statements and proceed to elect officers, et cetera, as they normally would do?

Mr. Tweed: I am advised that yes, they did.

Mr. Sale: Mr. Chairperson, in those statements was there a balance sheet?

Mr. Tweed: Yes, there were.

* (1030)

Mr. Sale: Mr. Chairperson, did our representative on that board vote to adopt the balance sheet as part of the annual statements? Did he vote in favour of the adoption?

Mr. Tweed: Not having seen the minutes of the meeting, I would assume that that would be correct.

Mr. Sale: Mr. Chairperson, the other partners in Vision Capital are whom, the other limited partners, other than the long list? I am not asking for the long list of people who invested in Vision; there are several pages of them. Who are the limited partners along with Manitoba?

Mr. Tweed: I am advised, Mr. Chairman, that that is the long list.

Mr. Sale: So just to clarify then, Manitoba has the same level of representation as all other limited partners, private and public sector, teachers fund, for example? There are many different partners in this investment fund.

Mr. Tweed: I am advised that there are many different partners, and we do have one on the advisory committee.

Mr. Sale: So just to clarify. The scale of our investment has entitled us, in effect, to sit on the investment committee. Other limited partners might only attend annual meetings or have some other lesser role in the day-to-day direction of the corporation.

Mr. Tweed: The general partner runs the day-to-day operations of the fund.

Mr. Sale: I understand that, Mr. Chairperson, but what I am saying is that our scale of investment has essentially levered us. I am not making this as a negative comment, but it has levered us into a role of sitting on the investment advisory committee, whereas an investor that might have put up \$100,000 is not sitting on that committee. His scale of investment is much less.

Mr. Tweed: I am advised that that is correct.

Mr. Sale: Mr. Chairperson, what is the total invested to date by Manitoba in Vision Capital?

Mr. Tweed: Our equity position is \$900,000.

Mr. Sale: Mr. Chairperson, I think that we are talking about two different things, possibly, here. I believe we have somewhat more than \$900,000 invested through Vision Capital, one way or another. I believe that this is perhaps not a complete answer.

Mr. Tweed: Mr. Chairman, I believe the question dealt with the equity, and that, as I am advised, is in the \$900,000 range.

Mr. Sale: Mr. Chairman, what other forms of investment do we have being managed by or through Vision Capital? What is the total amount of provincial funds in and through Vision Capital of all kinds?

Mr. Tweed: Mr. Chairman, I am advised that we have an outstanding loan of approximately \$20 million.

Mr. Sale: I am going to have to look at my companies branch information on Vision Capital to try and make sense out of this information because it is something either I am misunderstanding or perhaps my questions are not clear. Certainly these amounts are not what I expected.

Mr. Chairperson, what is the form of security for the loan? What are the terms of the loan?

Mr. Tweed: I am advised it is a general security agreement of all assets of the fund.

Mr. Sale: Did the minister say all assets of the fund?

Mr. Tweed: Yes.

Mr. Sale: Does the security rank any differently than any other securities in Vision Capital's overall capital base? Are we behind a number of others, in front of a number of others? Where do we rank?

Mr. Tweed: I am told we have first position.

Mr. Sale: The minister undertook that he would provide a statement, and I would like to have that from him, but I want to close on this by saying that I think it is an incomprehensible position if the minister chooses to take, ultimately when he provides a statement, that not only are Manitobans not entitled to know the companies in which they invest through the various vehicles that we have used, Manitoba Capital Fund, Vision Capital, et cetera, we are not even entitled to know whether the total amounts advanced are represented by assets at fair market value that are larger or smaller than the total amounts advanced.

It just does not make any sense to me that the minister would maintain a position that the public sector is not even entitled to know the fair market value of the investment that we have made in a fund. I do not agree with the withholding of companies' names basically because virtually the entire business community knows where loans are made. This is not a secret in the business community. In fact, I would think businesses would feel positively about Vision

Capital investing in them and not worry that this would somehow be negative.

But that aside, I hope the minister does not at the end of the day come to the position that we are not even entitled to know the fair market value of our investment as a proportion of Vision Capital's overall assets.

Mr. Tweed: Mr. Chairman, I am sure we will have further discussions, but just in regards to the investment disclosure practices, I refer to the Provincial Auditor report of June '98 where he states in his conclusion: based on the information gathered in our study, we concur with the current investment disclosure practices of the province regarding publicly supported risk capital funds delivered by a third party.

Mr. Sale: With the understanding that the minister is going to provide a statement, let us pass this line. I am sorry, we are not at that line. We could if you want to, though, pass 3.(b) instead of 3.(a). I do not know how Pat feels about that. Do you want to come back to it and pass it in course, in order?

Mr. Chairperson: Item 10.2.(b)(3)(b)—pass.

Is there agreement by the committee that we had to set (a) aside while we did (b)? [agreed]

It is the committee's will to now go back to (3)(b)(a), and the member for Inkster has some questions.

Mr. Kevin Lamoureux (Inkster): Mr. Chairperson, I do want to try to get a better idea in terms of this particular line. It has actually been the first time in Estimates dealing with this line for me, so it is somewhat new, and I was hoping the minister and his staff might be patient as I try to get a good understanding of it.

Mr. Chairperson: If I might just jump in here for a second, I made a slight error. It is not (3)(b)(a). It is 2.(b)(3)(a) Manitoba Industrial Opportunities.

Mr. Lamoureux: In looking into the Supplementary Estimates on that particular line, it shows the \$9,714,000 and it makes reference to a Citation 2, which says that it "Reflects

adjustments to carrying costs for interest and the provision for losses plus a reduction in the budget for forgivable loans."

Now, the minister had tabled a document, and I believe that that document is associated with this specific line.

Mr. Tweed: Recognizing that the member for Inkster and the minister are quite new at this, he is correct.

* (1040)

Mr. Lamoureux: Okay. So we will both hopefully learn something from this.

On this particular line, maybe the minister can indicate where that \$9.7 million is actually spent. I have made reference to two. With the document that was tabled, am I to understand that this particular line is strictly for loan guarantees, repayable loans, interest-free loans? Is that the sole purpose of this particular line?

Mr. Tweed: Mr. Chairman, the interest costs, including concessionary interest on existing portfolio of loans, it is with the provision for cash flow of an estimated \$10 million for new approvals and \$5 million for approvals during the past year at an estimated 7.5 percent. That represents \$5,639,100. The allowance for forgiveness for loans negotiated with forgivable principal terms is \$3,463,100, and increase in allowance for doubtful accounts \$612,600 which is the \$9,714.8 that you have.

Mr. Lamoureux: So the millions that are being referred to, these are already monies that would have been committed, that there is an obligation of the government to provide for.

Mr. Tweed: I am advised that it covers current existing businesses and also any new applications in this year.

Mr. Lamoureux: What percentage of the 9.7 would be for new that has not been—where the government has not committed or obligated to provide funds for?

Mr. Tweed: I would have to ask for his indulgence to get the exact figures, but I am advised that it is less than a million dollars.

Mr. Lamoureux: So, then, of the 9.7, you are talking at least \$8 million of that the government has made solid commitments in which they could not get out of.

Mr. Tweed: Mr. Chairman, my staff have advised me that they would like to prepare the full details for the member for Inkster, if that is fair.

Mr. Lamoureux: Mr. Chairperson, I ask it because this would have been the particular line where the motion from the NDP was suggesting removal of \$5 million. Is that correct?

Mr. Tweed: You may want to confirm that with the member for Crescentwood (Mr. Sale), but I believe that is correct.

Mr. Lamoureux: The question if that motion was in order and did pass, what impact would that then have on the government commitments?

Mr. Tweed: Mr. Chairman, I am constantly advised never to speculate on what might have happened.

Mr. Lamoureux: If that budget of this particular line, and I think that there is an obligation because if we did have a vote on it, I, as a member of the Legislature, would be obligated to and have a responsibility to vote. It is important that, before I place my vote, I understand the outcome of my action. If there was a question to take \$5 million out of this line, my constituents have a right to know how I would vote on the issue. I do not know how to vote right now because I do not know the actual impact it would have.

So the question to the minister is: What would happen if \$5 million was taken out if you have a solid 6, 7, X number of millions of dollars that have already committed? Does that mean you would have to renege, which could end up in lawsuits against the government from private companies? I am looking for some assistance on that issue.

Mr. Chairperson: I am going to allow this to go ahead a little bit more, but I just wish to let the members know that indeed you are discussing a motion that has been ruled on and

ruled out of order. I am going to allow the minister if he wishes to answer this, but I would like you to consider that.

Mr. Tweed: If I may, Mr. Chairman, again just to advise the member for Inkster, the decision that was asked for was asked for on the decision of the Chair, not on the actual money issue. So I think you could make your decision quite confidently based on whether you support the Chair or not.

Mr. Lamoureux: With all due respect to your comments and the advice that the member for Arthur-Virden (Mr. Downey) is trying to give me, I think there is a responsibility to answer the question that I am posing in terms of what obligation this government has to fulfill that \$9.7-million commitment. Is there a legal obligation for the government to fulfill that \$9.7 million, or what percentage of it?

Mr. Tweed: Again I just have to respond that these are all purely hypothetical propositions that are being put forward. I will be very honest with the member that I have not had time to consider all the implications of what might be brought forward with motions from the floor.

Mr. Lamoureux: I am not talking about a motion from the floor at this point in time. What I am asking the minister is: what legal obligation does this government have in terms of commitments of that \$9.7 million?

Mr. Chairperson: That is different than what I ruled on, definitely.

Mr. Tweed: Similar to all items in the budget, when you set a line, the intention of the department and of the government is to match that line and stay within those boundaries.

* (1050)

Mr. Lamoureux: Again, with due respect, I do not think that is a fair assessment. If you put an expenditure in a particular line, whether it is in health care or education, and this government has a great track record in particular in health care, where they say: we are going to spend X number of dollars. They do not spend X number of dollars. You do not have the Health Sciences

Centre taking the government to court for not spending those dollars or the Cancer Research Foundation taking the government to court because they did not materialize on a promise.

I trust that this particular line, there are a number of documents that are written up in advance. The best I could tell from the earlier response that I was given from the minister was that approximately \$8 million is, in fact, committed. I interpret the word "committed" as, you have had negotiations with private enterprise, with companies that are somewhat listed, at least in part, on the paper that we have before us, and those either individuals or companies would have had some form of, in many cases, legal counsel, the drafting of papers in expectations, maybe blueprints, who knows what. Those individuals, if the government tried to renege, unlike some of the things that happen in, let us say, the Department of Health, those individuals or corporations might be more inclined to take legal actions against the government.

I think that that is a fair assessment of what I just finished saying. I would ask again for the minister to indicate, you know, something that would clarify the numbers for me on this issue. I believe that I have a right to know what sort of an obligation this department has made with taxpayers' dollars which if they withdraw out of that they could suffer some form of legal consequence.

Mr. Peter Dyck, Acting Chairperson, in the Chair

Mr. Tweed: Mr. Chair, I am advised that the member indicates that basically we would keep the commitments to the people that we have already allocated the funding, and if I may, I would just like to thank the member for Inkster (Mr. Lamoureux) for complimenting the government on all the commitments that they have made to health care.

Mr. Lamoureux: Mr. Chairperson, I am intrigued by the way in which the minister would take that as a particular compliment. In fact, it was not meant as a compliment. You know in that particular budget there was a commitment from the government to spend

oodles of money on capital, and, in fact, they did not spend that money on capital. That is why I had indicated that there were different types of obligations in the different lines.

Mr. Tweed: I believe the member for Inkster's words were: The government has done a wonderful job in health care.

Mr. Lamoureux: Well, the wonderful thing about Hansard is, in fact, that one can always take the context in which one puts words, and I will have to reflect on that. But the minister, through making that particular comment, almost causes confusion to the extent that I might have lost my place somewhat, so it will require me to do a little bit of digging. I do want to continue on just for a few more minutes.

The minister in his response to the question said the government would maintain its commitment to those companies. Is it not a fair assessment to say that not only would this minister be obligated to maintain those commitments but any future minister would be obligated to maintain those commitments?

Mr. Tweed: Mr. Chairman, I would suggest that anything that is contractual in nature suggests that there is a commitment made.

Mr. Lamoureux: Now, then, we will go to the question of when we talked about that \$9.7 million, what percentage would be of a contractual nature?

Mr. Tweed: Mr. Chairman, I am advised that that percentage is not available to us immediately, but we will endeavour to get it for the member.

Mr. Lamoureux: Being a person of great flexibility, I like to think, Mr. Chairperson, in acknowledging the amount of expertise that we have in this room, I would be more than happy to get any form of even a guesstimate which I would not necessarily quote from the department.

Mr. Tweed: I do not believe that would be in anyone's best interest to provide a guesstimate. I will endeavour to get you the numbers and provide them to the committee.

Mr. Lamoureux: So the minister is not prepared to say whether it is a 50 percent, give or take 25 percent. As I say, I am not looking for a specific number. What I am looking for is to get some sort of an idea out of that \$9.7 million, a rough idea, of how much of that would be committed.

Mr. Tweed: Mr. Chairman, I would not be prepared to guess at the percentage. I will provide the member with the detail.

Mr. Lamoureux: Having gone through hundreds upon hundreds of hours of the Estimates, one of the biggest scapegoats I have always found that ministers will quite often use is they will say they will get back to me on information. Quite often I never do get the information. I think it is primarily because I do not get any sort of timeline on it. I would ask the minister: when could I anticipate getting the information requested?

Mr. Tweed: As soon as possible.

Mr. Lamoureux: I am not too sure if there are rules on being able to speak during the Estimates at length of time. I am quite prepared to talk about the importance of providing information because indeed it is critical, really and truly. When we talk about the budget Estimates, the first thing we do is we table a document in which there is a great deal of debate, eight days of debate. We pose many questions during Question Period, and quite often in Question Period we are told that this is not a question for Question Period, this is a question for the Estimates, and if you ask the question in the Estimates it would, in fact, be more appropriate.

As a member of an opposition party, I feel that it is important that when we have a question that does warrant an answer and the minister has staff that can provide at least some idea that is even close to the answer that I am looking for, I know the member wanted to—

Mr. Tweed: I will advise the member for Inkster, as you can see the staff are here, and when we break at lunch time I will endeavour to get the information back to him, if not after lunch, tomorrow for sure.

* (1100)

Mr. Lamoureux: I thank the minister, and I will wait for the answer.

Mr. Sale: I think the member for Inkster asked some interesting questions, and I would like to just make a couple of statements about the intention of the opposition in regard to the motion that was made yesterday. First of all, the Chamber of Commerce and the Canadian Federation of Independent Business and virtually all business organizations have long called on governments to stop making grants and loans on a concessionary basis for the purpose of attracting or expanding business because they make the point—and in my view the correct point—that this puts the government in a position of trying to pick winners and losers. It also creates an unlevel playing field for competitors who then either line up at the same trough for equal treatment or find themselves competitively disadvantaged.

Mr. Chairperson in the Chair

So in making the motion that was made yesterday, we are simply following the advice of the Canadian Federation of Independent Business and the Chambers of Commerce to reduce, by a much lower amount than CFIB called for—CFIB identified they believe \$40 million of waste in government's support to industry in the form of one form or other of concession. We do not believe it is that high, so we examined the Estimates very carefully and believe that \$5 million was a reasonable reduction, still leaving the government \$8 million in total in this line so that it was quite possible for them to still make some arrangements that they believed would be advantageous to Manitoba's economy but at a reduced level, in line with the advice of business.

Secondly, the member for Inkster (Mr. Lamoureux) ought to know, and I am sure the member for Turtle Mountain (Mr. Tweed) as minister knows that Estimates are not law until concurrence. So the minister would know and I am sure that his officials know that they cannot make firm commitments until Estimates are concluded unless they use some form of other

loan authority to cover that off, and maybe they would do that.

Thirdly, the member, I am sure, knows that if government finds itself in a situation where it has a commitment that it must meet and cannot do so from within Estimates as approved, cabinet will pass a special warrant and those expenditures will be made, and the effect of a special warrant legally is to adjust the budget. It is not additional expenditure over and above the budget. The effect of a warrant is to actually change the budget. That is why, of course, we have pointed out—and most members of the accounting profession and the press have agreed—that this year's Estimates do not include \$194 million in Health expenditures that are new, as the government repeatedly claims, but something in the order of \$83 million because they passed a special warrant during the previous fiscal year adjusting upward last year's spending by that amount.

So the year-over-year increase is, in legal accounting terms, \$83 million, not \$194 million as the government would like to claim because, in effect, they are then counting \$110 million twice, both last year and this year. I think the government knows that. I am sure the Minister of Finance (Mr. Gilleshammer) knows that, but for political positioning reasons they try to claim the whole amount in the new fiscal year. They know that is not correct, and we know it is not correct, and the public, I think, increasingly understands it is not correct. Certainly, the press does, and that is why the press reported \$83 million and not \$194 million as the government would have liked them to do.

So I guess for the member for Inkster (Mr. Lamoureux) and the minister and the committee's understanding, we know that the government has no right to make commitments out of this year's Estimates until they are passed. That is why we live on warrants until the budget is passed. I am sure his officials have been scrupulous in not committing more than was available to them.

There is a rather nice point that protects these commitments, and that is that under parliamentary convention the amount available last year is the base and cannot be increased

without a vote of the House. So, in fact, they had more available last year to them, and so they may well have made some commitments on that basis believing that they would be able to restore this amount, if it were lost in a motion, either by warrant or by using some other loan authority.

So I think we made a motion that was very based on principle, that maintained the integrity of Estimates as a total because we moved \$5 million by this motion—or attempted to do by the motion that was ruled out of order—for the purpose of reducing corporate welfare and increasing the welfare of our poorest children and their families. We think that that is something that is consistent with our vision of society and, interestingly, consistent with the business community's vision as well. So that is why we did it, and I think that explanation is probably the one the minister might give as well.

I would like to move on now to some questions about this long list that we have.

Mr. Tweed: Mr. Chairman, if I could, I would like to just, with agreement, to respond a little bit to those comments.

Mr. Chairperson: I will allow this to go on a little bit here, but I ask all committee members to consider the comments that I made earlier.

Mr. Tweed: Mr. Chairman, I do not think that you will find any jurisdiction in Canada that would probably disagree with the fact that provinces should try and limit very much the providing of direct loans or subsidies to businesses. We certainly know that we are in a competitive environment, and based on strategic positioning of the provinces, each one sees a strength that their community or their province might have, and when we are providing capital, we certainly do it with the sole intention—as all provinces would, I would suggest—that these businesses need this access to grow and prosper.

I can tell the committee that the recent Business Development Bank study did indicate that venture-backed firms not only in Manitoba, I presume, but across Canada create jobs at a 23 percent annual rate. That is far greater than that of the general business community because of

the risk involved. The ability to grow and the opportunity to grow is that much greater.

Traditionally in today's world these are the new economy businesses that are out there that every province is trying to develop. I would suggest they are quality jobs, well-paying jobs, and provide opportunities for the provinces to not only attract new businesses to their communities in the province but also an ability to maintain and grow within their provinces.

The example of offering high-quality, top-notch jobs to graduates from universities, from community colleges and in general offer opportunities for the province, certainly there are opportunities when those stage of events where there are companies or groups that just cannot deal or cannot find through the existing financial institutions the opportunity that they want to present and advance in the province. That I see is where we must look at strategic investment capital. We must try and develop what we see as best. I think just one example in recent history was the New Flyer Industries.

An Honourable Member: Saved by the NDP.

Mr. Tweed: It is North America's largest bus manufacturer, and I ask, you know, where would the jobs be if not in Manitoba? It was the direct involvement and, as the member for Crescentwood (Mr. Sale)—I accept his willingness to take the credit, but I would, when we talk about venture fund or venture capital, the previous administration's history has not been very successful in that particular field. I am led to believe that there has been a loss of just under 70 percent with the funds that they put out, and the opportunity of recapturing the existing amounts that are out there are very slim.

I think that when you look at those, I can say proudly today that the MIOP program in Manitoba since 1988 has not had a default, a loan write-off, pardon me, just for the correction of the record. I think that identifies that the province has gone out and through partnering has created private risk capital pools that are creating the opportunities that we see in the province. One of the things that I am advised is that the five-year benefit-cost ratio to these types of businesses, industries coming to our province,

it does offer a 3.25 to 1 rate of return for every dollar that is invested in these particular industries. The return on investment is 3.25. I think that speaks very well for identifying and why provinces sometimes I think get involved to create the new economies that are going on in our provinces.

* (1110)

Mr. Sale: Mr. Chairperson, just on this list, which I thank the minister and his staff for, should that read at the top since 1988 rather than since 1998?

Mr. Tweed: The member is correct. It should read "since 1988."

Mr. Sale: Let us go right to the bottom to Loan No. 85, which is an unannounced apparently. This one troubles me somewhat. We have disbursed all kinds of money here, and we have not announced it. Generally speaking, you announce first and disburse second, or at least you would disburse and announce. But to disburse and not announce is strange, I think. The government again is giving money to somebody, and we have no idea who it is.

Mr. Tweed: Mr. Chairman, I am advised that there are times when companies wish not to have an announcement made because of other issues that surround employees or other ventures.

Mr. Sale: Mr. Chairperson, there are times when governments do not want to make announcements about where they have spent their money, and I think that may be what we are looking at here.

How can the minister defend having disbursed—what is it?—four-fifths and a bit of a loan? It is not clear any of the terms in the loan—we could certainly ask about that—but with no announcement of where it is gone. I understand making loans, and I understand this nice long list, but presumably you do not disburse money you have not announced. This is amazing.

Mr. Tweed: Again, I would have to just advise that there has been no agreement between the two parties to make this announcement.

Mr. Sale: Mr. Chairperson, what was the date of the first disbursement under this loan?

Mr. Tweed: I am told approximately one week ago.

Mr. Sale: Oh, yes, the member for Inkster is as perspicacious as usual. It sounds like an election announcement to me. Okay. Mr. Chairperson, when does the minister anticipate making an announcement?

Mr. Tweed: Mr. Chairman, I would suggest that we are currently and continuing negotiations to make that announcement.

Mr. Sale: Would the minister then just confirm that the reason it has not been announced is it because the government does not wish to announce it yet and has nothing to do with the company at all?

Mr. Tweed: Mr. Chairman, I would not be able to say that because, as I understand it, we are in negotiations and announcements have not been confirmed.

Mr. Sale: Mr. Chairperson, how much did the Conservative Party spend on Western Opinion Research polling prior to the 1995 election?

Mr. Tweed: Mr. Chairman, I would not be able to provide those numbers. I would suggest that, if the honourable member wanted to contact the powers that be that would know those, I would welcome him to do so.

Mr. Sale: Mr. Chairman, the powers that be were the Monnin inquiry and all of the cheques written by the Conservative Party were tabled, and the sum paid to Western Opinion Research in the months from January 1995 until June of 1995 were over \$350,000. Why is the government giving money, which is completely forgivable apparently, to its own polling firm that it already gives vast amounts of business to? What kind of cozy relationship does this speak of?

Mr. Tweed: I would not be able to comment on the operations and the business practices of Western Opinion.

Mr. Sale: Mr. Chairperson, I was not asking for the minister to comment on the business practices of Western Opinion Research. They are a very successful business. They called me last night, as a matter of fact, and asked me some very interesting questions, so I have no doubt that they are a competent firm.

My question is the appropriateness of a relationship where the Progressive Conservative Party of Manitoba spends certainly upwards of half a million dollars in an election year or more, more than \$350,000 in the last election year, and this is their polling firm. It has been their polling firm for years, and they are giving them concessionary loans, forgivable loans, that are ostensibly for a call centre. Well, a call centre is who called me last night on the Progressive Conservative Party's behalf. This is just a tad cozy, I would say, in terms of a relationship. How does the minister defend the conflict of interest that is obvious to everybody else in this regard?

Mr. Tweed: Mr. Chairman, I would suggest to the honourable member that government from time to time does business with many of the companies and corporations inside the province. Just a quick glance down the list of names, I am sure we could draw out a few names that as government we have done business with and for. I would suggest to the member that the application was received and with due diligence was approved based on the merit of the proposal.

Mr. Sale: Is the loan entirely conditionally forgivable? The entire amount, interest and capital?

Mr. Tweed: I am advised that when the job obligation of 80 jobs is met, it would be that way.

Mr. Sale: When must this obligation be met by?

Mr. Tweed: Like many of the job obligation requirements, it can be spread over a period of years, but I will get the information for the member and bring it back.

Mr. Sale: I presume most of these jobs are telemarketing jobs. What mechanism does the

government use to calculate 80 jobs? What does a job consist of in this regard because telemarketers do not work normal hours, and they work episodically. The centre is busy, they are busy, and when it is not, they are laid off. How do you calculate a job?

Mr. Tweed: I am told it is based on one 12-month full-time work which would equate to 1,750 hours.

Mr. Sale: How does the department actually determine the number of equivalent full-time positions? What is the actual auditing procedure that is used?

Mr. Tweed: I am advised that we go out annually to review their T4 slips and the employment records.

Mr. Sale: Okay, I appreciate that. I think that it is difficult to conceive of how 80 jobs can be created for \$383,000 unless the call centre previously existed and there was absolutely nothing else invested to produce these jobs. Those would have to be the cheapest jobs that I have ever seen, \$4,000 a job, a little more than that, closer to \$5,000 a job.

Mr. Tweed: I would just advise that, again, when application is made, we do not necessarily look at the high end cost of creating that job. We are always pleased when companies in Manitoba can come forward with an application that creates jobs, that creates wealth in the province, gives people an opportunity to stay in Manitoba and be a part of our economy. We are pleased that they can do it for such an efficient price.

* (1120)

Mr. Sale: Can we look at North West, which is Loan 11? The entire amount is outstanding. It is not a forgivable loan. The current status is active and it has been outstanding since '92-93. It does not seem to me that anything is being paid down here. Does active simply mean they are paying the interest and nothing else? What is the answer here?

Mr. Tweed: Mr. Chairman, I am advised that it was a 10-year loan agreement.

Mr. Sale: Most 10-year loan agreements would have an interest component annually, perhaps with the capital all owed in the last year. Is that the nature of this agreement?

Mr. Tweed: Similar to other situations, the interest is forgiven annually if the job obligations are met.

Mr. Sale: Could the minister indicate—I am not familiar with North West. Is this the North West Company, the Hudson's Bay spin-off of the Northern Stores?

Mr. Tweed: I believe it is the North West warehouse space out in Murray Industrial Park.

Mr. Sale: So that is the North West Company then. That is their major warehouse and distribution centre.

Mr. Tweed: I am told that is correct.

Mr. Sale: GWE, Great Western Entertainment, I believe in Brandon, again, no money repaid, '93-94 date. It is conditionally forgivable. Is there interest attached to this loan?

Mr. Tweed: Similar to the other one that we discussed, the interest is forgiven annually if the job obligations are met.

Mr. Sale: So then just to be clear, the form of the loan may not always indicate the entire form of it. So an IFL is an interest-free loan that is not forgivable, but a CFL is conditionally forgivable and it may be both capital and interest in that case. Is it always capital and interest when it is a CFL? So IFL is interest free, CFL is conditionally forgivable as to both principal and interest.

Mr. Tweed: It can be both. It does not necessarily have to be. It can be just—

An Honourable Member: It might be both.

Mr. Tweed: Yes.

Mr. Sale: Sorry, we are confusing Hansard, Mr. Chairperson. I apologize.

So GWE then, as long as it meets the job obligation of 115, would qualify for forgiveness of both principal and interest. Is this correct?

Mr. Tweed: I am advised that the principal can be forgiven over time if the obligations are met.

Mr. Sale: I am somewhat familiar with GWE, Mr. Chairperson, I guess because of my role on various volunteer organizations. Is the 115 jobs an annual level that must be maintained, the equivalent of 115 full-time positions each year?

Mr. Tweed: Mr. Chairman, I am advised that, although not exactly sure of the numbers, that is the commitment that they made to reach and maintain. They still could be ramping up to that number. I can verify that if the member would wish.

Mr. Sale: Can the minister tell us whether GWE has reached that level and is maintaining it?

Mr. Tweed: Mr. Chairman, I am pleased to indicate that, as of the year ending 1997, they had achieved 122.8 jobs full time.

Mr. Sale: Has that level been maintained since then?

Mr. Tweed: We are just in the process of reviewing all the paperwork on that.

Mr. Sale: Mr. Chairperson, there are a number of notations saying "see FS"—see initials FS. What does that mean?

Mr. Tweed: Mr. Chairman, I would just ask the member for clarification where he sees "see FS"?

Mr. Sale: The current status line of the Loans Repaid, Active, Forgiven. See FS. Loan 31, for example, CalWest.

Mr. Tweed: Mr. Chairman, I am told that it may be just an internal spreadsheet, but I would certainly be able to get the definition for the member.

Mr. Sale: Mr. Chairperson, one of the biggest loan agreements we ever made was to Faneuil. I

think actually it is bigger than Isobord. We have a \$1.25-million conditionally forgivable interest-free loan, which essentially equipped their call centre when it was opened in the end of 1994. I think it was November or December of '94.

In addition, through a very complex mechanism that we have talked about in this committee before, the province loaned \$16 million in convertible debentures, which, I think, have since been converted, and this loan is repayable in full, in my understanding, in November of 1999. It is a complex loan involving Manitoba Trade, then Manitoba Telephone System and the Manitoba government.

What can the minister tell us about the ability of that company to meet the obligation that is due this fall for the \$16 million? In fact, \$19 million were advanced. They have to repay \$16 million. There is an interesting process in there that gets from the one to the other, but what can the minister tell us about that company's ability to repay \$16 million at the end of November, I think it is?

Mr. Tweed: Mr. Chairman, I can advise the honourable member that, again, as of December 1997, they have met their job obligations to within two, of which they have the following year to meet that target. I think at this point in time it would probably be unfair for me to speculate on any company as to what their abilities are or are not.

* (1130)

Mr. Sale: Mr. Chairperson, are any of the member's departmental staff directly involved in oversight of the Faneuil agreement?

Mr. Tweed: I am advised that Mr. Jim Kilgour is on the board of directors.

Mr. Sale: Mr. Chairperson, I guess it would not be appropriate to ask for a member of the board to disclose that kind of information, so I thank the minister for that answer.

There is another one that we have many discussions about, and that is TeleSpectrum. The money was promised and announced and

apparently was never disbursed. The agreement has since been cancelled. Can the minister shed some light on why that happened?

Mr. Tweed: Could I ask the honourable member for the number?

Mr. Sale: Sixty-one.

Mr. Tweed: Sixty-one. Thank you. Mr. Chairman, when negotiations are final, a list of terms are provided to the corporations or companies that are approaching us, and I am advised at this particular juncture TeleSpectrum could not meet the requirements.

Mr. Sale: Mr. Chairperson, what requirements were made as a condition of this proposed loan?

Mr. Tweed: I would suggest, Mr. Chairman, the two most common I think that we see—I would suggest probably not only in Manitoba but across Canada—would be to meet the job obligations and also the security.

Mr. Sale: I am sorry, I did not hear the last part of the minister's answer.

Mr. Tweed: The security required.

Mr. Sale: Mr. Chairperson, I must say that I am glad to know this loan was not advanced, not because I do not want to see entry level jobs in the economy. I think we need those, but I do not know that we need as many as we have, but we do need them. I have never in my four years had as many complaints and concerns raised about any Manitoba company as I have about that one.

I think the minister is probably aware of that. I am glad to see that we are not in the process of loaning that particular company money.

Mr. Tweed: Mr. Chairman, I would just like to note that while the member is free to make his comments on the record, I would suggest we try not to form an opinion on any of the companies that we do business with in the province, be it through our industrial opportunities or for that matter any business that wants to come and

create jobs in Manitoba and create employment and create wealth.

Mr. Sale: Mr. Chairperson, the minister may not want to form an opinion, but those of us who have been on the other end of a litany of complaints about the practises of some employers have formed some opinions. Obviously the province chose not to proceed with this process of doing business with this company and has cancelled that arrangement, and so it obviously formed an opinion too. In this particular case, I concur with the opinion. I am glad they formed that opinion.

Mr. Tweed: Mr. Chairman, I would just like to make sure that there is no mistake on the record, that when we make a commitment or a proposal that we ask the proponents to meet a certain list of requirements, and the decision perhaps was not Manitoba's but the employer himself.

Mr. Sale: Mr. Chairperson, Loan No. 66, was also cancelled, CCSA. I do not know what CCSA is, and perhaps the minister could indicate what. It is a call centre obviously, but I do not know what the initials stand for. Perhaps he could indicate when this was cancelled.

Mr. Tweed: Mr. Chairman, we are not quite sure of the lettering. It is a call centre. Whatever the S stands for and association we believe, but we will get that back to the member.

Mr. Sale: Mr. Chairperson, I believe this issue came up in Estimates last year in regard to this particular company. It was a company that we had asked about last year, and the answer then was that the loan was not proceeding at that particular point. It looks now like the discussions have come to an end and the loan agreement is cancelled, so there is just going to be no further on this. Am I correct that was the case?

Mr. Tweed: I presume, as the member does, when you see "cancelled," it means that the funding was not going forward. If he would like further clarification, I would be happy to ask the department.

Mr. Sale: Mr. Chairperson, I will check my own records, but I believe that is the case, that

this one was in last year's list, and it had not been disbursed. We discussed it at that time and I think that is the same one.

I just want to ask about Akjuit; Akjuit, that is No. 72; and I think there are actually two Akjuits if I am not mistaken. I have trouble seeing the other one, but I thought there were two.

Akjuit at least suspended its operations if it is not winding up operations and going out of business. The loan has been disbursed, does the government expect to write it off? Is that the situation we are in here?

Mr. Tweed: I have been advised that it is under review at this point in time.

Mr. Sale: Mr. Chairperson, what does the "under review" mean? What is the issue that is under review?

Mr. Tweed: I am led to believe that the review, based on the situation there, is to determine what our next steps will be.

Mr. Sale: Mr. Chairperson, is one of the next steps the writing-off of the \$2.5 million that the province advanced to Akjuit?

Mr. Tweed: I am advised that we have made the write-off provision, but we have not taken that next step until the review of the situation is complete.

Mr. Sale: Could I ask, and I am not sure where I would find it in the Estimates, where is the provision for write-offs in the MIOP operation? How do we find that?

Mr. Tweed: Mr. Chairman, I am advised that we annualized the write-off on the loans, and this year it is \$612,600.

Mr. Sale: Mr. Chairperson, from an accounting perspective, where does one find that?

Mr. Tweed: Mr. Chairman, I am just looking for the line. It is included under Program Delivery, and it is listed under the Manitoba Industrial Opportunities Program. It is part of that \$9,714,000.

Mr. Sale: So note 2 on that page, would I be correct in saying that this then is a net figure that has in it \$612,000 for loan write-off? Is that how the accounting works? I am not an accountant, so I am just wanting to understand how this goes.

Mr. Tweed: Mr. Chairman, I am advised that on an annualized basis that would be the correct figure.

* (1140)

Mr. Sale: So this \$9.7 million includes about \$9.1 million of new projects and about \$600,000 of write-offs of existing loans or agreements, essentially.

Mr. Tweed: Mr. Chairman, just for clarity, the member for Inkster (Mr. Lamoureux) had asked for a detailed number on that particular figure, and I will return to the committee with that.

Mr. Sale: Mr. Chairperson, the \$2.5 million for Akjuit potentially is a write-off. Is there any amount included this year in the \$612,000 for Akjuit? It seems like a small proportion of that amount.

Mr. Tweed: Mr. Chairman, I am advised that that amount is fully provided for in the Estimates, although we have not at this point, while under review, made a final decision.

Mr. Sale: Mr. Chairperson, does that mean that some of it was provided in previous years and you have accrued it, because there is not \$2.5 million available in this year's Estimates? There is \$612,000.

Mr. Tweed: Mr. Chairman, as it is an annualized number, it is provided for over a period of time.

Mr. Sale: Mr. Chairperson, then perhaps the minister would also include what the total amount accrued for forgiveness is. Presumably, what he is saying is that there has been sufficient loan loss provisions made in previous years, that in total the amount available would exceed the \$2.5 million for that and whatever else is needed for others that might be in trouble this year. Is that essentially the correct answer?

Mr. Tweed: Mr. Chairman, not being an accountant either, but I believe that, when you annualize loan write-offs over a period of time, you take into consideration past write-offs and future.

Mr. Sale: It seems that the staff were using body language to indicate that, yes, there is an accrued amount sufficient to cover this in the accounts of the fund.

Mr. Tweed: I am advised yes.

Mr. Sale: Mr. Chairperson, I think we can pass this line.

Mr. Chairperson: Item 10.2. Business Services (b) Industry Development-Financial Services (3) Programs (a) Manitoba Industrial Opportunities \$9,714,800—pass. (c) Manitoba Business Development Fund.

Mr. Sale: The Business Development Fund presumably does a number of interesting things. Perhaps the minister could just briefly tell us what some highlights of this might be this year and what his anticipation is that it will achieve this year.

Mr. Tweed: Mr. Chairman, I would be pleased to just identify some of the things that this Business Development Fund is doing. The fund was designed to provide financial assistance to companies and industries in support of projects which have been identified to have a potential significant impact on economic development in Manitoba. It has been available and around since 1992. It came as a result of when a number of I, T and T's financial programs were brought under one umbrella.

It currently has four subdivisions, the Feasibility Studies Program. That is a cost-sharing financial assistance. It is up to a maximum of 50 percent to companies who wish to hire outside consultants to prepare business plans, carry out market research, or study the feasibility of investments in plant equipment. The projects have to have the potential to expand economic activity within Manitoba and create job opportunities. The eligible costs consist of consultant fees and expenses. It is limited to \$25,000 or 50 percent, whichever. I do note that

there are some larger amounts that can be or may be approved under Special Projects.

Mr. Chairman, the second part is the Technology Commercialization Program. That basically provides a cost-sharing financial assistance again to a maximum of 50 percent to companies proposing to develop technically innovative new products and processes. It is a wide range of development costs that may be supported, including prototype, patent fees, tooling, software, and outside consultants. Again, it is limited to a maximum of \$50,000 or 50 percent. I would suggest that there may have been larger amounts approved under the Special Projects allocation.

The third one is the Strategic Studies. It involves industry associations and other studies of a strategic nature, generally involving a particular industry. The assistance may exceed 50 percent of total government involvement, depending on the circumstances of each proposal.

The final one is Special Projects. Those projects support projects that are not covered within budgets from other general program areas. They vary in scope and size, are usually considered as key in relation to the government's overall economic strategic plans. I think that would probably be it.

Mr. Sale: Was the fund fully disbursed last year? Was it fully used?

Mr. Tweed: I am advised that it was not fully disbursed last year.

Mr. Sale: Okay, maybe the minister would tell us how much it was, how much was disbursed.

Mr. Tweed: I am just trying to answer as directly as I can, Mr. Chairman. A total of \$1,509,006 was disbursed.

Mr. Sale: Just for the record, I think this is the kind of useful fund that departments should make available. I think this is a good fund. I would be interested, if I ever had the time, to go back and look at all the studies that have been done and would have yielded further results. I am sure that it would obviously be a mixed bag,

but I think this is how good ideas get started and often people do not have the resources to do the feasibility work properly.

I think also with the staff of the department and their expertise, they can often save people a great deal of time and energy and stop them from going down dead-end roads, so I think this is a very useful kind of fund. I hope that it continues to be utilized. I would be glad if it were fully utilized. If it even got a little bigger, I would not be unhappy about that, because I think these are the kind of things that the government can do well, especially when the grants are not disbursed under a political process but are done essentially on the basis of the expertise of the staff in terms of supporting relatively small studies. So I like this program. Let us pass that line.

Mr. Chairperson: Did the minister want to make a comment on that?

Mr. Tweed: If I may. I take the comments of the member at face value. It is easy to identify some of the companies that have been very successful launching their businesses, and it is something that the business community across Manitoba has made this government aware of the opportunities. The areas that they are focusing on, the feasibility, the technology and the strategic is something that quite often the small business entrepreneur or the new business does not have the wherewithal to do it. I agree with the member that it is an excellent program.

* (1150)

Mr. Chairperson: Item 10.2.(b)(3)(c) Manitoba Business Development Fund \$2,000,000—pass; (d) Small Business Expansion Fund.

Mr. Sale: The Small Business Expansion Fund seems to be contracting. Are we winding this up and rolling it into something else? A hundred thousand dollars is hardly worth even putting in the cents. Given the number of small businesses in Manitoba, it obviously is not going to do much. What is happening here?

Mr. Tweed: I am advised that the Business Expansion Fund has been cancelled. It was a pool of risk capital that assisted banks in making

higher risk loans to Manitoba-based businesses. We have found that history shows us that we have had difficulty getting banks to deliver on the risk capital side. Their projections were considerably higher than the actual. We have reviewed it and basically decided to cancel the program.

Mr. Sale: I believe the TD bank was the delivery agent, along with CIBC I think also was involved in this one. This was projected to be wound up last year in last year's Estimates. We discussed the same issue. I think the staff and the minister at the time indicated that it was being wound up. I was sort of surprised to see it here again. So maybe we are just fulfilling some obligations that were contracted for. Why is it still here, given that it was being wrapped up last year?

Mr. Tweed: The \$100,000 that shows up in the '99-2000 Estimates I am told represents a provision for compensating the banks for the early termination of the program.

Mr. Sale: Mr. Chairperson, I have a particular case which the minister may be aware of, of a gentleman who had I believe a sound business plan, had his track record in an industry. It was the funeral services industry—had a market. I am sure the minister is probably familiar with the case. It was the opening of a funeral home in the riding of Steinbach, I believe. It would be either Steinbach or Emerson. It was at Vita in any case. This person got a ready loan guarantee for the maximum amount, had his own capital and not a lot of it, but I think in the order of \$75,000. He simply was unable to get support from the minister's department to make that service available to the people of the Vita area.

I do not know whether he is still pursuing this business opportunity or not. He worked very hard at it for a couple of years and was the victim of Loewen funeral home's process of going bankrupt, it looks like actually, given that Loewen is in Chapter 3 Protection in the States at this point and I think is probably destined for the high jump sometime fairly soon, but they have left a lot of human carnage in their wake in terms of laid-off staff from the variety of homes that they took over.

Is the minister able with his staff to check back, I am sure, without—I do not want to identify the person, but I am sure the minister knows the case or at least the staff know the case. Is there anything that can be done for this person at this time, particularly in light of the apparent impending failure of the company that put him out of business in the first place?

The citizens of Vita, according to the member Jack Penner, the Honourable Mr. Penner, need this service, would like very much not to have to support the Loewen bought-out chapel in Steinbach. Can the minister shed any light on whether this gentleman has any further recourse with his department?

Mr. Tweed: I am told that the Province of Manitoba or the fund did not deny this gentleman or this company the funding. It was, I think, the combination of a few things, and I am told that one of them was his unfortunate inability to obtain bank financing.

Mr. Sale: My understanding is he did have a ready guarantee for the \$100,000 maximum. I think, while that is not bank financing, it is a guarantee to a bank. Is the minister saying that he needed further bank financing which, of course, he was unable to get because his equity was not sufficient? I know he was in discussion with the department over some of the potential programs, and I thought the Small Business Expansion Fund, even though it was being wound down, might have been a source of support for him.

Mr. Tweed: Mr. Chairman, the REDI, as I think the member knows, is under the Department of Rural Development, but I will certainly be prepared to look into it and give him the answer or report back to him directly.

Mr. Sale: Well, I thank the minister. I would like that report. I must confess that I do not know if the gentleman is still pursuing this opportunity at this point, because he had certainly worked very hard at it, credibly I thought, and simply was not able to put it together and did not seem to be able to get any help from the minister. So I look forward to that report. Pass.

Mr. Chairperson: Item 10.2.(b) Industry Development-Financial Services (3) Programs (d) Small Business Expansion Fund \$100,000—pass. 10.2.(b) (3)(e) Manitoba Capital Fund \$240,000.

Mr. Sale: What is the total amount of capital committed to the Manitoba Capital Fund at the present time?

Mr. Tweed: Just for clarification, by the province or in total?

Mr. Sale: My question was with reference to the province itself, because I think all the limited partners contribute the same amount. I think they move their commitment up in equal amounts because I think they are equal limited partners.

Mr. Tweed: I believe our commitment was \$5 million.

Mr. Sale: Mr. Chairperson, my understanding is that that is the maximum commitment. My question was: what has been committed? Because it is moved up each—if you go and look at the Companies Branch files, you will see, at least I believe you will see that the amount actually committed has moved up towards the \$5 million, but the full \$5 million has not been or at least had not the last time I looked been advanced.

Mr. Tweed: I am sorry, I misunderstood the question. The actual draw-down as of March 31, '99, was \$4,363,200.

Mr. Sale: Is the government contemplating increasing its commitment above the \$5-million limit?

Mr. Tweed: Not at this point.

Mr. Sale: Are we to twelve or twelve-thirty?

Mr. Chairperson: Twelve o'clock.

Mr. Sale: Twelve o'clock. It essentially is. Why do we not stop there?

Mr. Chairperson: You do not want to pass this line?

Mr. Sale: No, I have a number of questions in this line.

Mr. Chairperson: The time being twelve o'clock, committee rise.

HEALTH

Mr. Chairperson (Marcel Laurendeau): The committee will come to order. This section of the Committee of Supply has been dealing with the Estimates of the Department of Health. Would the minister's staff please enter the Chamber at this time.

We are on resolution 1.(b) on page 46, but, as yesterday, I do believe the critic and the minister had agreed we would be dealing in general at this time, not with line by line. Is that the way we will carry forward again today for a little while? [agreed]

Mr. Leonard Evans (Brandon East): Mr. Chairman, I welcome the opportunity to raise a few questions relating to my area in the province, the city of Brandon and, specifically, the Brandon General Hospital, under this particular line where I understand we have an opportunity to raise various miscellaneous policy questions. My concern, of course, is to the future of that particular structure. I know a good hospital means more than bricks and mortar. It takes a good nursing staff; it takes adequate equipment; it takes good doctors. Nevertheless, we still need a roof over our head to do these things, to care for people.

The history of the redevelopment or modernization of the Brandon General Hospital is rather sad. I go back to the previous government of Mr. Pawley when a Mr. Larry Desjardins was the Minister of Health, who had a firm plan that had developed over some years for a new, reconstructed, modernized Brandon General Hospital.

Unfortunately, we were unable to carry through with that because the government changed in 1988. One of the first acts of the new Minister of Health at that time, Mr. Donald Orchard, Donnie Orchard, you may recall that gentleman—one of his first acts as Minister of

Health was to cancel a whole array of capital construction projects, including the Brandon General Hospital.

This was a real setback because we have always felt, and I trust the government shares this view, that the Brandon General Hospital was a major regional centre, not only serving the city of Brandon and the immediate area, but also western Manitoba. Indeed, it does attract people from parts of Saskatchewan.

* (1010)

For it to be a major regional centre it had to have modern equipment, a modern structure. It had to have rooms that were big enough for various purposes; it had to have rooms that, for instance, should have oxygen supplies into them, and so on. I believe that a lot of the rooms, the acute care facilities do not have the level of equipment such as piped-in oxygen that we have in the major hospitals in Winnipeg.

In fact, my information is that Brandon General Hospital is the only major hospital in this province that has not been modernized. We have modernized the, if I may call them, regional or district hospitals in Greater Winnipeg. I am comparing the Brandon hospital with places like Concordia or Seven Oaks or Grace and so on. This is more or less the scale that we are talking about. All of these facilities have been modernized except the Brandon General Hospital—the only hospital of its size in this province that has not been modernized. It is not a matter of changing a model for the sake of changing a model, as we often get with automobiles. We are talking about a need for important structural improvements so that we can deliver care that is fitting for this end of the 20th Century as we go into the 21st Century.

Mr. Orchard, the then minister, cancelled the construction program. It was a number of years before, I believe, he announced that we were going to look at another plan and we would work on it—"we" meaning the government and the hospital officials. Indeed, they did. They worked on this for some years and eventually developed a plan. It was a very frustrating exercise, as I understand from talking to some of the staff at the hospital. Nevertheless, they felt

that some developments were going to occur. The hospital board approved the purchase of land in the area, and they made other decisions with the thought that they would be able to go ahead with the support of the government to construct the new facility. Indeed, we eventually got a plan that was put into a form of an actual model.

A beautiful model was developed, and everyone was very interested in it. The Minister of Education, the MLA for Brandon West (Mr. McCrae), made a big to-do about it. After I had issued a statement criticizing and listing a long-providing a long list of deficiencies of the hospital that I obtained from the hospital itself, he said: Yes, these are all things that are wrong with this hospital. A long list, everything from the state of the operating rooms to the state of some of the acute care bed facilities to the state of the elevator. I think there was at one point even the emergency buzzer in the operating room that was to be used by staff if necessary to bring in other staff if there was a crisis, even that was not working. Of course, more recently, we have heard of mice in the building, mice getting into the hospital. How that happened, I do not know.

At any rate the fact is that we had this beautiful model presented. In response to our criticism, the minister came forward for the government and said: Here is what we are doing; we have developed a plan. Here is the model. It was on display in the foyer for a long time, the lobby of the Brandon General Hospital, for all to see and admire. Lo and behold, we are now told that that model and that plan are out the window. That thing is totally kaput; it is not any longer the plan of development for the Brandon General Hospital or the Brandon regional health care facility.

Having said that, I realize there is a development of the energy plant, the power plant. I know that; I was there with the Minister of Health at that time, the MLA for Brandon West, and others. It was very nice, and we are glad that that is going ahead. That had to go ahead anyway. This is a separate facility that was badly needed; it had to be put in place. I know that the minister will get up and say: Look at all the other developments. We have

psychiatric care facilities and so on. I would remind the minister that what we are doing is simply replacing a huge hospital complex, a health care complex known as the Brandon Mental Health Centre, which was totally shut down. A huge complex has been totally shut down by this government. This other facility, the psychiatric facility building beside the BGH main building, is more or less replacing the BMHC, which has been abolished.

I realize that there are some other elements, and I realize that there is a development of community care. I am not opposing that. I am simply saying there has not been any work done on the main hospital building to modernize it. So the latest information is, and this is where I am getting to my question of the minister, we are back working on a new plan. We are starting from scratch. We have erased the blackboard. We have erased the chalkboard. The old plan is out, and now we are looking at another plan. Goodness knows how long this is going to take.

So, the question, Mr. Chairman, is: is it correct that we are developing a brand-new plan for that health facility? What is the time frame for some action? In other words, where do we go from planning to architectural drawings and then from architectural drawings, I guess, into the actual physical development of that facility? So I would really appreciate it, and I know the people of the Brandon and Westman area would like to know as well.

Hon. Eric Stefanson (Minister of Health): Mr. Chairman, I certainly do not have a problem with the question. My discussions with the member for Kildonan (Mr. Chomiak) yesterday were that today would be some general questions and then we will start going line by line either later this afternoon or on another day. So I think, as the member for Brandon East knows, I have the Deputy Minister of Health and the assistant deputy ministers here. I do not have specific people from our capital projects and so on.

Having said that, I am certainly prepared to respond as best I can at this point. I am more than willing to provide additional information relative to the situation in Brandon, particularly all of their capital projects, but I think what is

important to point out, Mr. Chairman, are the significant number of initiatives that have been put in place and are currently being worked on in the city of Brandon. Obviously, the Brandon Regional Health Centre is an extremely important health care facility not only for Brandon but for that entire region. That is why I think I would like to just remind the member of a number of things that are being done and have been done.

* (1020)

First of all, when you look at the Brandon Regional Health Centre, there was the addition of a 25-bed adult acute psychiatric unit and psychogeriatric assessment and rehabilitation unit. That was completed in March of 1998 at a cost of about \$4.4 million. As well, the Westman Child and Adolescent Treatment Centre was completed in July of 1998 at a cost of about \$3.2 million. There have been roof repairs done at the nurses residence, the auditorium, and the mechanical room. That was about \$140,000, completed a couple of years ago.

Additional roof repairs at Assiniboine Centre, the skylight roof for about \$155,000. That was completed in 1997. Hemodialysis unit expansion was completed in August '96 at a cost of \$665,000. Mr. Chairman, as well, we have the whole redevelopment Phase 1 of the energy centre, which is currently under construction, and this project is expected to be completed by October of this year. It is under construction at a cost of about just under \$15 million.

There is also the issue of the whole redevelopment that the member is asking about, and that redevelopment for the clinical services and building services, Mr. Chairman, has been approved for construction. The scope did change to include the OR, the emergency, the admitting, sterilization and ambulatory care, but that project is now in design.

Design development has commenced for this Phase 2, the clinical services, which includes all of those areas that I have outlined, and that is expected that the tender will be let for that particular project within the next couple of months. That is a \$38-million project,

approximately, again a significant commitment to the redevelopment of the Brandon regional centre.

As well, in our recent capital budget, we also outlined the expansion of the critical services redevelopment project to include new space for obstetrics and neonatal intensive care services. The estimated cost of that, which has just been recently approved, is almost \$5 million, Mr. Chairman.

As well, there was another conversion project included in the current budget having to do with renovating existing space in the general centre to improve the efficiency of several support service programs, including imaging, reception and a number of other functions. That is a new approval of about \$250,000, and the Westman Lab has had approval for a conversion project for some renovations and expansions to increase their pathology and nuclear medicine. Again, that is in the range of about \$300,000.

Now I do not have a calculator here with me, but just looking at that very, very quickly, I think all of those total in the range of about \$65 million focusing on all of the redevelopment needs of the Brandon Regional Health Centre. I think a very, very significant commitment to the improvements and enhancements of that very important facility.

As well, Mr. Chairman, a number of other initiatives have been put in place at Brandon dealing with issues relative to waiting lists having to do with bone density procedures and testing. In fact, just in January, the government announced the approval of some operating fund and some medical remuneration close to \$200,000 to provide that very important service in the Brandon Regional Health Authority, and I certainly could go on with some other issues relative to the operating support and so on for the Brandon Regional Health Centre.

So, again, I think this is important information for the member for Brandon East (Mr. L. Evans) to have. I am not sure that he is necessarily aware of both the numbers of projects, the amount of resources dedicated to these projects, the numbers that have been completed, but, just as importantly, the numbers

of projects that are currently either under construction or in design.

So we certainly recognize the importance of the Brandon Regional Health Centre, and that is why we as a government have committed the kinds of resources we have to continue to enhance and improve that facility for the very important services that it provides to Brandon and surrounding area.

Mr. L. Evans: I thank the minister for that information but I might add that most of it I have heard about and been involved in, as a matter of fact. I guess I was at the sod turning for that psychiatric unit; I was at the official opening of the Child and Adolescent Treatment Centre; and I was at the sod turning at the energy centre, et cetera. But, as I said earlier, Mr. Chairman, the minister has to appreciate that some of those initiatives—the psychiatric unit and the Child and Adolescent Treatment Centre—are repercussions, I suppose, or tied in to the closure of the BMHC. It is a huge complex, a multibillion-dollar complex that has served this province over many, many a year and for various reasons has been closed by this government. In fact, there was a debate in the last election in the community. It was in the election itself as to whether that centre, the BMHC, should be entirely shut down, as it is now, or whether it should have been modified somehow, perhaps allowed to carry on in a modified or perhaps reduced scale and offer the various psychiatric services required to adults and to adolescents.

When we talk about the energy centre, my understanding is that was absolutely necessary. The energy centre, the power plant had to be renovated or replaced. That is going on. I appreciate too some of the miscellaneous things the minister refers to. Bone density, I have been asking a couple of years ago about the need. I have been urging the government about the need to bring in that program and stated all kinds of instances where people were being denied service because of the lack of facilities for bone density screening at the Brandon Hospital, the Regional Health Centre, as it is now called.

At any rate, the minister referred to a \$38-million item. I imagine that is the main building

that he is talking about. I just want to get a little more clarification as to the time line. He gave me some information, but I am not totally clear as to when is his best estimate of actual construction starting for the main building that has to be modernized. The last major hospital of this level in this province has not been modernized. It should have been modernized 10-11 years ago, but we were all set to go with Mr. Desjardins, who was then the minister.

Mr. Stefanson: Mr. Chairman, well, I touched on that and again it is a major commitment. The preliminary capital cost estimate is about \$38 million for all of those redevelopments we talked about in terms of the combination of the emergency, the nuclear medicine and pharmacy, the Westman Lab, the scope change that I referred to in terms of the OR, the emergency admitting, the sterilization, the ambulatory care, and so on.

That project is currently in design, Mr. Chairman. I am told that we can anticipate it being out for tender by July of this year, July of 1999. Obviously, depending on what kind of a timeline they put on tenders, whether it is a month or whatever, I would expect that construction will begin for some elements of the project starting this fall. So again it is moving forward. It has our total support and it is moving forward at a very reasonable pace at this particular point in time. So, again, I think that is good news for the people of Brandon and the people of the surrounding area.

Mr. L. Evans: I thank the minister for the information and certainly people will be relieved to think and believe that something is going to happen, but you could appreciate that they have been frustrated over the years.

I would simply ask a small related question: is the minister going to come up with another model of this new designed building? I sort of laugh when I say that, but seriously, will his department be forthcoming with some sort of a model after the design work has been completed to show the community exactly what is now being proposed for construction?

* (1030)

Mr. Stefanson: I think the member for Brandon East (Mr. L. Evans) knows that the architects basically work for the regional health authorities, and I would expect that when the design is complete that the regional health authority would want to obviously be able to provide those designs to the public and to show the public, the people of Brandon East and surrounding communities, what the design elements are. So it is obviously up to them if they have a model.

I am not sure that a model would necessarily be utilized by them. I guess it might, but for sure I would expect that once they have the detailed design elements that they will want to show the detailed design elements to the people of Brandon and surrounding communities so that they know all aspects of this very comprehensive redevelopment project for the Brandon Hospital.

Mr. L. Evans: As I said, the former Minister of Health and the MLA for Brandon West (Mr. McCrae) made a great to-do about this model, and as I said it was front-page picture, front-page story and big news conference and display in the lobby and so on. There was a lot of interest in it, and I would believe that at some point there is likely to be a model on display somewhere just for public interest. So we will keep our fingers crossed and hope springs eternal and let us hope finally after all these years something will develop, because we were, as I recall back in '87-88, on the verge of going to tender and having a new facility developed at that time.

I wanted to ask a specific question. The minister has made a lot of announcements about different initiatives and so on, including the Westman area, but in the cost-cutting that occurred a few years ago, I believe the palliative care unit was totally eliminated. I wanted to ask the minister specifically: where does that stand now, the palliative care facility or unit, in that hospital complex?

Mr. Stefanson: Mr. Chairman, I just want to assure the member for Brandon East, he talks about hope springing eternal, and so on, I have already outlined for him significant projects that have been completed in Brandon, other projects that are underway at various stages, obviously the construction of the energy centre, the design

elements of the whole redevelopment of the Brandon Regional Health Centre. These are very important projects for Brandon and surrounding community, Mr. Chairman, and we are very dedicated to those projects and seeing them move along expeditiously. We fully expect that on the major redevelopment, as I have said, it is in design and it should be to tender I am told by July of this year and under construction by the fall of 1999, very important capital projects that we wholeheartedly support.

He talks about palliative care. To the best of my knowledge I am not aware of any dedicated funds that were provided to the Brandon Hospital at the time relative to palliative care. Individual facilities made choices about the level of palliative care they were providing and whether or not they dedicated beds or took other steps, Mr. Chairman.

I think what is really important is that the member may have noticed recently that we made an announcement relative to the expansion and enhancement of palliative care services throughout the province of Manitoba where each regional health authority will receive some dedicated funds to provide support for an individual to deal with the whole initiative of palliative care in their region. That is a very important initiative. So all the RHAs receive some operating funds to hire staff to deal with palliative care.

There is also some significant capital dollars being invested here in the city of Winnipeg for some expansion at the St. Boniface Hospital. Certainly we are very committed to continuing to improve the services in the whole area of palliative care, Mr. Chairman.

Mr. L. Evans: Well, if my memory serves me correctly, and I have not had a chance to go back into the files where I could perhaps verify this, as part of the cost cutting that was required a few years back, there was a palliative care unit within the structure, X number of beds. I believe, I serve to be corrected, but I believe that it was just eliminated, this palliative care unit, or however it was administratively described within the Brandon General Hospital. I think if we went back into the records just a few years ago, you will see that.

Mr. Chairman, I wonder, again, you know, I recall a former CEO of the Brandon General Hospital, a Mr. Larry Todd, who resigned and was subsequently replaced a couple of years ago, a year or two ago. I remember him saying to me prior to leaving that for every year that he had been president or CEO of the Brandon General Hospital he had to suffer a cut. Every year his budget was reduced, one year after another, like going down the steps. He said it was a very frustrating exercise, and he said there is no question that the quality of care diminished at the Brandon General Hospital because of these cuts. The nurses were overworked. We had insufficient nursing staff. There were a number of beds that were eliminated, and there were all kinds of problems. Although staff worked very hard and diligently and did their best to offer the finest care they possibly could and people were looked after, nevertheless the overall quality of care had diminished, had deteriorated, this coming from the president, the CEO of the Brandon General Hospital.

I would like to ask the minister specifically whether he can tell me the number of nurses on staff today or the number of nursing positions at the Brandon General or the regional centre, as it is called now, today, as opposed to, say, four or five years ago. Can he give me that information? Because my understanding is that we have fewer nursing staff today than we had a few years back.

* (1040)

Mr. Jack Penner, Acting Chairperson, in the Chair

Mr. Stefanson: Mr. Chairman, first of all, just to conclude on the palliative care, I just want to make it clear for the member for Brandon East that certainly we, as a provincial government, did not remove any program or any initiative from Brandon Hospital relative to palliative care. I am certainly prepared to look into the background in terms of the history of palliative care at Brandon, what services they did have, what service adjustments they made. But I think, more importantly, as I have already outlined for the member, we recently made an announcement of significant enhancements of palliative care services working with Winnipeg,

Brandon, the rural northern health authorities, to continue to enhance a program for palliative care services in both home and institutional settings. Some of the goals of that program are to ensure there are no system barriers for people who wish to remain at home, that they improved standards of care for people in the hospital and the community, and decreased emergency room visits and enhanced client or patient service and satisfaction.

There was an approval of some \$1.2 million in this budget that the member for Brandon East supports to the WHA, the WCA and the Brandon and rural and northern RHAs as the first of a two-year phased program to enhanced palliative care right throughout the province of Manitoba. So, again, palliative care is a very important service. We recognize that and we are continuing to provide resources to enhance that service.

I am a little concerned about some of the comments the member puts on the record about the quality of care diminishing because of cuts in funding, Mr. Chairman, and I am certainly prepared to go back in the records and provide him with a summary in the history of the support for the Brandon Hospital and the Brandon region. I remind him of course what we were facing as a government in the early to mid-'90s with the significant funding cuts from the federal government.

I read the other day from a brochure tabled by one of his federal colleagues, a member of Parliament—I am not sure what the constituency is now called. It is Mr. Martin, it is Winnipeg Centre, I believe, or Winnipeg North Centre, and he points out very clearly the significant funding reduction to health from the federal government during the '90s and is very critical about decisions as we have been. So we certainly have, and certainly a former member here, Judy Wasylycia-Leis who was the Health critic, I believe, before the member for Kildonan, I have read many comments from her about the funding reductions from the Liberal government for health care and so on.

During all of that period, Mr. Chairman, we backfilled that entire amount that was taken out of the system by the federal government and still

put more resources into health care. Our health care spending in this budget from 11 years ago is up \$800 million or 60 percent, and I would certainly compare that commitment to any province right across Canada. As we all know in this Chamber, 35.5 percent of all of our spending goes to health care, only one province spends a higher percentage.

So if we want to talk about dollars and the commitment of our government, I am certainly prepared to do that at length. I think that is one of the reasons that members opposite have supported this budget is because of the significant commitment that we are making to health care. That is an additional \$195 million, 10 percent more, and I am assuming that is one of the reasons that they voted for our 1999 budget.

In terms of nursing staff, I do not think there has been many adjustments, but I am certainly prepared to get the numbers for the member for Brandon East. But I guess if he wants to talk about—I guess, the other issue is on funding. Just recently we approved over \$600,000 more for the Brandon Regional Health Centre, Mr. Chairman, to help them deal with the whole issue of waiting lists. The Brandon authority has implemented a number of measures to reduce waiting lists. It includes the recruitment of two additional anesthetists for a total of six now, I believe, in Brandon. It includes the recruitment of nursing resources, includes the expansion of the day surgery services, includes the additional daily operating room scheduling. They have done a number of things to significantly reduce waiting lists for the people utilizing the Brandon Regional Health Centre.

But if the member for Brandon East (Mr. L. Evans) wants to get into the rhetoric of quality of care diminishing again, that is certainly a debate I am prepared to have at length.

I have a series of articles here, written, interestingly, back in—this one happens to be dated December 24, 1983, by one of our local newspapers, the Winnipeg Free Press. The headline part of it: Hospitals in crisis, it says, Mr. Chairman. I could certainly read these many articles, but I will just read one short paragraph here, and it says—this is 1983. We

recognize and we know what the government of the day was and what people were members of that government. One section out of this, if we want to get into this kind of discussion: More than 1,000 people are on the waiting list for surgery at Brandon General Hospital, and some are going to the United States rather than waiting more than six months.

Mr. Chairman, that is not the case today. Certainly if we want to talk about what has happened to health care services in Brandon, compare what was happening back in 1983, in 1984. I am certainly prepared to take the time to use this and read these many articles into the record to remind the member for Brandon East of many of the challenges that he faced when was in government, many of the criticisms that were being directed at them when they were in government, many of the issues that they did not address when they were in government.

So I will certainly get him the numbers on nursing staff today compared to the last several years and provide that.

Mr. L. Evans: Well, the member can use all the selective statistics he wants, but the record is clear, and I would be very pleased to match our performance with the performance under this government over the period of years. There is absolutely no question.

I invite the minister to go and look at the annual reports of the Brandon General Hospital and see, or look at his own documents, where the basic funding was cut year after year after year, like going down the steps. Throughout the whole period of Mr. Todd, who was the former CEO of the Brandon General Hospital, he told me himself, and I could see it myself, every year they cut. Even today, for all the announcements that have been made and all the initiatives the minister likes to brag about, even today my information is that the current base fund is still not where it was a few years ago when it was at its maximum. It is still below that.

Mr. Chairman, if you take inflation into account, it is seriously below what it was six, seven, eight years ago, seriously below. That is something we never seem to talk about here, the phenomenon of inflation, which does exist. The

hospitals have to pay for heating, they have to pay for food supplies, they have pay for medical supplies, surgical supplies, and so on. These prices go up. This is the way our economy works, inflation. Yet not only was their level of funding not increased, it was decreased for those many years, year after year, while inflation was taking place.

Even today, and I had a number here I raised in Question Period about a week or so ago, the actual number of how much inflation there was in this period of time under this government and what happened to the level of funding. The level of funding was cut and it is still, as I say, even with some monies being put back, over a million below the base, but when you take inflation, it is seriously below what that hospital had to operate with when this government first took office.

I would like to also remind the minister that beyond hospitals there is a lot of other deterioration that has taken place in the health care protection offered by a province to its people. I mentioned Pharmacare, for example. That program has been cut and decimated in such a way that it does not provide for a great many people in this province the kind of security and assistance required for people who need to have medication as prescribed by their doctor.

In another area, the rural and northern Children's Dental Health Program, one of the best in the world, which was basically needed in remote areas, rural areas, was totally abolished. Mr. Orchard came in here and said: I am sorry, it is out, completely out. It was a low-cost, efficient method using dental nurses under the guidance of dentists, but using dental nurses. It was delivered well and effectively and using, by and large, the school system—not entirely, but by and large the school system. That is all gone. It is all eliminated. As I said, when you look at what is happening to our hospitals, and I am using the Brandon General Hospital, because I am more familiar with that, obviously, when we look at the number of staff, the number of beds, and the other factors that are so important to the delivery of health care, one wonders whether we will ever go back to the quality that we had some years ago.

Mr. Chairperson in the Chair

* (1050)

I would like to also before I conclude, Mr. Chairman—of my concern of the very retrogressive, backward-looking system of capital finance of our health care facilities in this province. When we became government under Mr. Schreyer in 1969, we very soon changed the previous policy which did require hospitals to get assistance, to get capital contributions, from local municipalities, from local groups, and so on. We abolished it because we said that it was not fair. The health care responsibility was that of the province and, to a large extent, supported by the federal government, and it was not fair to say to a municipality or to a particular area:

Well, if you want your hospital upgraded or expanded or renovated or whatever, you have to come up with a percentage of the money, without any concern for whether one area was more wealthy than another. That is the case in this province. Some areas are more able to contribute financially to such facilities than others. I believe it is totally inequitable for that reason, and therefore a bad policy.

It is also a poor policy because it is tantamount to double taxation. In the Brandon General facility, renovation that the minister talks about, the modernization, the City of Brandon is asked to come up with a substantial contribution. It has agreed to it, but, as some councillors point out, this is tantamount to double taxation. They pay their provincial taxes to hopefully get a health care system that is going to care for them, and then they have to turn around and pay municipal taxes as well.

Recently the Town of Virden, the town council, agreed to put in its share. Again, quite clear example of double taxation. Often I wonder what would happen if these councils or community groups did not, or could not, come up with their so-called share. What would happen? Would you say: Sorry, we are not going to go ahead with this project now because the local share was not forthcoming, and, too bad, you do not meet the rules, and away we go, and forget it?

I am not only talking about Brandon; I am talking about the whole province. There are

some areas that are not as wealthy as other areas. Those are two reasons, but there are other reasons why I would consider this to be a very backward step. The government should really—and for all the time and energy that it is put into this, to collect money locally, and goodness knows, how many bake sales and so on are going to be required in some communities to come up with the dollars as a so-called local share. Totally backward, totally retrogressive. I do not care, the minister may get up and say: well, in this province, they do it this way; in that province—I do not care. We had a very progressive policy. We assumed, the province assumed a responsibility. We went forward and built the structures that were needed to provide first-class health care.

I do not accept the argument: Well, other provinces do it this way where they require local contributions. If they want to be regressive, it is too bad. That I would object to what is going on there as well. That is no reason for us to turning the clock back, and there is no question in my mind that we have turned the clock back in the way we finance the construction of health care facilities in this province.

I think the people remember this. I have talked to a lot of constituents, and they remember this. They remember, well, years back when you built the Westman Lab in Brandon we did not have to come up with a share for the new Westman Lab. We did not have to come up with a share for a new Assiniboine Centre, a beautiful Assiniboine Centre, which was actually a renovation of an existing building, but it was like a brand-new building. It is still a very lovely building. No one asked the City of Brandon Council to come up with half a million dollars or whatever might be required, or a million dollars, as the local share. We just went ahead and did it because it was our responsibility. It was needed. It was badly needed. We assumed the responsibility and went forward and constructed the Assiniboine Centre. Similarly, I can point to other examples around the province.

I would hope that somewhere, when he ponders this, the minister will reconsider this whole policy and simply wipe it out and say we are going to go forward and we are going to

assume a hundred percent of the capital costs because we want to have modernization of health care facilities around this province, and we do not want any inhibitions caused by lack of local funding. If the minister wants to respond to that, fine, but I certainly wanted to get this on the record, because we are being very, very regressive in this area.

Mr. Stefanson: The member makes a number of points that I think are worth responding to. He starts by talking about inflation and inflation factors in terms of additional expenditures. I would just point out to him that spending on health care in this budget from 11 years ago is up 60 percent. He can go into all the calculations he wants, and I think he will find that when it comes to inflation over that period of time, it is not at that level. Again, I think that points very clearly to the significant priority and commitment that we have made to health care throughout that period of time, Mr. Chairman.

I guess reading just one small excerpt out of about 15 articles set the member for Brandon East (Mr. L. Evans) off. I am certainly not intending to do any more of that, but I would encourage him to read these many articles from late 1983, early 1984, where—I think all I need to do is read him some of the headlines of some of the articles, and he will get a sense of what was happening during his tenure in government.

One headline: Squeezing the hospitals. Another headline: Patient decries bed wait. Another one: Heart surgery wait worries doctors. These are all in late 1983, early 1984, Mr. Chairman. People going blind waiting for eye surgery, doctor says. This is on December 27, 1983. Emergency wards wage uphill battle. Shortage of acute care beds mean long waits for admission, doctor says. This one is on December 28, 1983: Intensive care beds short again—part of that same article, December 28. Another one here: Aging medical equipment worries MDs, technicians—December 29, 1983.

These are only the headlines I am reading. I am certainly prepared to read the articles into the record to remind the member for Brandon East (Mr. L. Evans), who was here during the time. It would probably be useful for the member for Kildonan (Mr. Chomiak), who was not here

during the time, to get a sense of some of the challenges, some of the decisions that that previous, previous government was a part of.

Another headline: Equipment breakdowns seen occurring virtually daily at hospital's laboratories. Another one here: Doctor shortage plagues rural areas. That is on December 30, 1983. I think I have a couple more here: Rural operating room underutilized as city hospitals overburdened—December 30, 1983.

Here are a few more. Here is another one. This was the one on December 24: Experts warn of second-rate hospital care. That is where I read a specific quote relative to Brandon: And more than 1,000 people are on the waiting list for surgery at Brandon General Hospital, and some are going to the United States rather than waiting more than six months.

And I know, Mr. Chairman, and I am certainly prepared to provide the statistics, that the number of residents going to the United States is down significantly from that period of time under a previous administration. Here is another headline. This one is January 6, 1984: Hospital forced to limit admissions.

That is just a sample of the headlines, and I am certainly prepared to provide more details directly from these articles to provide more background on the state of health care under the previous administration, Mr. Chairman.

* (1100)

But the member also talks about our Pharmacare program. This budget that he voted for on Monday, our 1999 budget, includes \$72 million for Pharmacare. That is an increase from the previous year of \$10 million. The budgeted amount in 1998-99 was \$62 million, a significant commitment to our Pharmacare program that is described by most as one of the most comprehensive in all of Canada. It certainly is a fair program in terms of trying to balance the needs of patients with their financial ability to pay for pharmaceutical requirements.

He did not mention the Home Care program, but I am certainly pleased to remind him of our Home Care program, which just last year at a

national conference was described as the most comprehensive in all of Canada. I believe our budget amount here in Home Care is \$147 million. I am just looking for it here in our detailed expenditures. I will just give him the exact amount in a moment. It is right here, Home Care Services, \$147,220,000. Just last year, the budgeted amount was \$126,737,000, a \$20-million increase in the most comprehensive home care program in all of Canada. Again, I am pleased that the member for Brandon East (Mr. L. Evans) with his colleagues supported that increase in funding for Home Care by voting for our 1999 budget.

He talked about the community contribution policy, Mr. Chairman. I think it is important to remember that Manitoba has always had a form of community contribution. If we go back many years, it used to be in many cases 50 percent, where municipalities would contribute 50 percent. I think that is why some of our facilities were called municipal hospitals, because of the significant role in contribution. That changed over time. A few years ago the policy was that while there was no cash contribution from communities, communities were required to contribute serviced land for their facility and also other amenities to their facility. So there has always been a contribution coming from communities in one form or another.

That was formalized through an official community contribution policy, Mr. Chairman, that includes basically the total costs of the project, and it now has that a community will contribute, if they make their contribution right at the front end of the project, 10 percent of the capital cost. If they decide to do it over 10 years, they will do it at 20 percent interest free over that period of time.

So, Mr. Chairman, it is certainly in keeping with the fact that there has always been a contribution. It formalizes the policy. I think it is very important for our communities to be very involved in the kinds of health care facilities that are being put in place in their community and servicing their community and their surrounding areas. I think it is very important for the people of the community to have a strong sense of ownership of their facilities. After all, they really are their facilities. They and their

neighbours and the people who visit them are the ones who utilize these communities. It is very important that it is an inclusive process, which means that we get the most appropriate and the very best facility that is required for that individual community or that individual region. So I think that is a very positive thing, to have people involved in the process.

The member pooh-poohs what other regions are doing, but I think it is important to remind him that the Province of British Columbia has a 40 percent community contribution policy in the Province of British Columbia. The Province of Saskatchewan, our neighbouring province to the west, has a 35 percent community contribution policy. Our neighbouring province to the east, Ontario, has a 50 percent community contribution policy. One of the Maritime provinces, the Province of Nova Scotia, has a 25 percent community contribution policy.

So, again, you can certainly see from what the situation is right across Canada that the concept of community contribution policies is not something that is unique, and it is not something that is necessarily an ideological or political decision. You have got NDP governments in B.C. and Saskatchewan with community contribution policies; you have got Liberal governments in the Maritimes with a community contribution policy, and so on. So certainly the concept behind having communities involved in the development of their project, the nature of their project, making a contribution—again, when you compare Manitoba's 10 or 20 percent, it certainly compares very well to all of these jurisdictions.

Those are just a few comments in response, and I am certainly prepared to continue this discussion about the state of health care in Manitoba back in the 1980s.

Mr. Chairperson: Before we carry on, I do remember that when we started today off we said we would be dealing with wide-ranging discussions. I would like to remind members that, when we do move into the line by line, I will be expecting some relevance to the questions on that line and answers that are relevant to those questions. I will not be allowing the wide-open discussion that we have

at this time. It just will help with the decorum at that time.

Mr. Oscar Lathlin (The Pas): Mr. Chairman, thank you for giving me the opportunity to speak to the minister.

My purpose here this morning is to try to ascertain the depth and the scope of understanding and knowledge that the minister has on the two states of health care that I referred to in Question Period the other day. Six years ago, when the health reform policy was announced, I for one did not have a whole lot of trouble with the direction that it was going to go, provided that certain accommodations were made. Some of those accommodations, as I pointed out to the minister yesterday, were that the new policy placed a great emphasis on prevention and education and so on, which is all fine. I mean, that is good, but what I think the minister and his government and others have failed to take into consideration is the fact that—and this is all evidenced, you know, by numerous reports that have documented the state of aboriginal health. As recently as six months ago, a report said that the state of aboriginal health is worsening, and they give examples like tuberculosis and diabetes, and so on, those two that I can remember.

The point I was making was, when this policy was devised, does the minister, he is the Minister of Health now—did his colleagues, as they were sitting around the table devising this policy, take into consideration the wide gap that existed between aboriginal health and non-aboriginal health? By that I mean aboriginal health right now, as is documented almost every day, is very much in the treatment mode. We have diabetes, people have to get dialysis, so on and so forth, heart problems, so on and so forth.

We are not at the stage yet where his people are right now, where in the city of Winnipeg, yes, we can talk about prevention and education, it is very good, but the policy, I am afraid, took a very big shortcut when it came to aboriginal people because all of sudden aboriginal people were expected to operate in this education and awareness area while they were still about 10 years behind. We are still operating in the treatment area.

I want to ask the minister: did they take that into consideration when they were devising the health reform policy?

* (1110)

Mr. Stefanson: Mr. Chairman, I guess to give the answer, first, did we take into consideration—the way I understood the question after some outline by the member for The Pas, did we take into consideration the status and needs of aboriginal people with our health policy, I think was sort of the ultimate question. If that was the question, the answer is certainly yes.

But I want to move on to some of the specifics that he raised when he talked about diabetes and tuberculosis, and the fact that there really are the two sides to the issues. There certainly has been a great deal of focus on the treatment side, and I think, as he knows, we have continued to significantly expand dialysis services right across Manitoba, and certainly aboriginal people are some of our citizens that are utilizing the treatment side of those services. I can get him the dollar amount in terms of the significant expansion in the treatment side. They are very significant. I had a chance recently to compare them to some other jurisdictions, and certainly again we stack up well on a comparative basis in terms of directing resources to deal with the treatment.

Again, if I partly understand his question, it is: what are we collectively doing as governments, the provincial government, the federal government, in part on the whole issue of prevention? Obviously the more that we can prevent people from getting an illness or getting a disease, I state the obvious to him. It is obviously better for the individual and it is better throughout society and for our health care system.

One of the main initiatives that we announced as part of our health policy reforms late last year was the whole issue of a diabetes strategy, which I think he is quite familiar with. It was released in November of last year. Over a thousand Manitobans contributed to the development of the recommendations. There was a strategy committee, a multisectoral strategy committee, which included First

Nations representatives on that committee, along with some of the academic sector, the government sector and other key stakeholders, to develop the diabetes strategy. It makes a number of recommendations. I am not sure if the member has had the opportunity to see that document, but I am certainly prepared to provide him with a copy of it. Manitoba Health has already started to implement some of those strategies.

We have also committed additional resources to strengthen our ability to implement some of those recommendations. That includes some additional funding that is in place to address diabetes, to develop the Manitoba diabetes care guidelines, obviously the expansion of dialysis services and various projects that are taking place throughout our province.

I have also indicated in response to the question that he referred to that he asked me yesterday about the whole issue of a policy framework for aboriginal people in the province of Manitoba, we have done extensive work on that document, mostly internally, with some consultation with representatives of the aboriginal community. It is certainly my expectation that that would be a document that we can very shortly take out to individuals in our aboriginal communities, to the leadership of the aboriginal communities and have discussions whether or not they are the appropriate strategies in terms of meeting some of the areas of greatest needs.

As I said to him yesterday in Question Period, in my short time in this portfolio, one issue that I do not have a great deal of patience for is this area of jurisdictional squabbling when it comes to the health care of all Manitobans, but certainly our aboriginal people. I have already experienced that with a couple of issues that we are dealing with relative to the federal government and the issue of services to First Nations people on reserve versus off reserve, and so on.

I think the member for The Pas (Mr. Lathlin), I am sure, would be familiar with some of the initiatives that communities are looking at, whether it be nursing stations or whether it be

personal care home requirements and a number of initiatives that really are fundamental requirements in some of our communities that have to be resolved collectively between the federal government, provincial government, and the aboriginal community.

I am certainly committed to doing just that, but I think if one part of his question was the need to focus on doing what we can to prevent illness in the first place, whether it is through information, through services, through some fundamentals on reserve, I agree with him, that we should be taking all those steps. That is probably the most important thing we can do, to be sure that people are healthy and lead healthy lifestyles for their own well-being and for obviously our entire health care system.

Mr. Lathlin: Mr. Chairperson, the question that I was asking the minister was, and I think he was trying to answer it, but my question specifically was: what is his understanding of the gap that I keep referring to? Because I am getting the feeling from his answer that he does not really have a full understanding of the gap that I am referring to, that being: what do you do with those of our people who are in a treatment category? Do we just forget about them and let them die and not give treatment?

Again, I am not sure if the minister is aware, but oftentimes when people from the outlying areas are being medivacked out, hospitals are quite unwilling to take the patients as they come in to places like The Pas, Flin Flon and Thompson.

As a matter of fact, a lot of times the nurses who work in these nursing stations have to more or less shop around. Okay, you do not want us? We will go to Thompson. You do not want us? Well, we will try The Pas, you know, and that is the kind of gap I am talking about.

What is his understanding? Maybe he would like to share his knowledge about that because he is the one charged with the responsibility of devising these policies. If he is not working with enough information base, then sure as hell he is going to miss in some places. What I am suggesting to him now is he has

missed the aboriginal people and they are being left behind.

* (1120)

Mr. Stefanson: Yes, I do understand the issue that the member for The Pas raises here today. If he has any specific examples of difficulties with accessing a bed or what he referred to as having to shop around to find a bed, and so on, I would welcome receiving those because the whole issue is one of co-ordinating access to our beds and our hospital beds, and so on, whether it is First Nations people on reserve or off reserve or Manitobans elsewhere who need a bed in our hospital system, whether it is to come in to Winnipeg to Health Sciences Centre or whatever.

So, if he has specific examples, I would welcome receiving those because the whole objective is to make sure that people do have access when they need it. Even more so, the other part of his question is a continual focus to try and provide them in regions that make more sense in terms of service and economics. Obviously, in northern Manitoba, the more services that Thompson can provide, the better that can be in terms of service to the patient and actually the efficiency of providing that service.

So, again, we continue to look at the kinds of services we can provide outside of Winnipeg to meet the needs of First Nations people on reserves or other Manitobans. I could certainly go through various instances where we continue to improve the ability of communities to provide services closer to home.

Another issue that has been raised with the regional health authorities is this whole issue of where people go, including our aboriginal people, where they go to access their care. They were directed back in the fall just of last year to do work on that whole initiative so that we can obviously have that database as a resource to then say how can we improve it, how can we address the very issue that he raises in terms of providing the services where and when people need them. I do not have that report back from the RHAs at this point in time, but I will certainly follow up with them because obviously

that can improve access to care and quality of life for individuals.

I also had a recent experience of an issue, and I touched on it relative to a personal care home request from a northern reserve community. I have since written the federal government about that issue and their policy where they—I think as the member for The Pas knows—currently have a policy of a moratorium on personal care beds on reserve.

So, in effect, what that policy does is people who are at the stage of requiring a personal care home are basically driven out of their community if the personal care home is the most appropriate and the type of service that they want or need or their family wants them to have. So, instead of being able to stay in their community with their family and their friends, they then end up going to another community and getting a personal care home bed.

So I have written the federal government. My deputy, along with I believe the deputies from the other prairie provinces, are working to address that issue. It comes back to that point that I touched on that I am having difficulty accepting, this issue of jurisdiction that continues to get in the way of co-operating to provide the services that are needed.

That is one good example that I have had to—when I say good, not good in the sense of not being able to meet the need immediately, but it is a good example of this whole issue of jurisdiction and the fact that the federal government has a moratorium on personal care homes on reserve, but yet they will provide a certain level of funding for I believe Level 1, 2 and 3 in a personal care home. Surely we can get on the same page in terms of an approach and a policy that we can co-operate on to meet the needs.

So I would say, yes, I am aware of the issue that he raises, and I share his concern. I think we have made some progress. We are taking steps to address it. We have the RHAs doing the work that I have already outlined, and we are trying to work with the federal government on the issue and taking a number of initiatives to I

think address the very issue that he has raised here this morning.

Mr. Lathlin: Mr. Chairperson, I thank the minister for those responses. However, if he were to ask for my advice as to how he was to avoid any jurisdictional disputes, right off the top the first advice I would give him is to once and for all—the staff sitting around the table will attest to this—the long-standing issue of the 1964 agreement regarding Moose Lake, Easterville, and Grand Rapids.

The former ministers have taken the position that they did not want to opt out of that agreement for reasons I am not aware of. It is an agreement whereby the federal government contracted with the provincial government to provide health services for First Nations people who were situated right adjacent to Metis communities back in 1964.

For a number of years now, the Swampy Cree Tribal Council have been negotiating with the provincial government to do away with that agreement so that the First Nations people can get control of everything and deal directly with the federal government instead of having to deal with two provincial governments who are often not on the same page when it comes to funding issues.

The second part of my question to the minister is: I would like to ask him if he is aware of just exactly how many nurses are short, in other words, how many nurses do we need in the North, particularly in the First Nations communities?

Not long ago, I was in a conversation with the Health Canada representatives from Winnipeg and they advised me—and I was aware of this all along, having been chief for a while—that there is a formula that they use to determine the number of nurses to go into a Health Canada nursing station on Indian reserves. For example, in Cross Lake, the formula might call for 13 nurses but they only have six. Mathias Colomb calls for eight nurses, but they are lucky if they have three, and so on and so on. The MKO bands, there are 26 of them.

* (1130)

When I talk to people like MARN because, again, there does not seem to be any interest because my point with MARN was, you know, if there are supposed to be 13 nurses carrying on this type of workload according to government formulas, would there not be a tendency to run into trouble with standards and so on. So, it is a three-prong question, I guess.

Mr. Stefanson: Mr. Chairman, I do thank the member for The Pas for his advice and some of his outlining of the 1964 agreement. My understanding of the current status—and he would know better than I that there have been ongoing discussions for a long period of time.

I gather the current status, if this information is accurate as of today, is that the Swampy Cree Tribal Council filed a statement of claim I guess against the federal government on March 9, 1998. Manitoba was served on October 6, 1998, as a co-defendant. Obviously that has had an impact on the ongoing negotiations, which for all intents and purposes have been suspended during this process of legal action.

I am certainly prepared to have a lengthier discussion with the member and to get his views and thoughts on the issue. I understand that the province certainly made certain offers relative to the whole issue of doing away with the agreement, made certain financial offers, and an agreement was not able to be reached during that process. I would certainly welcome any further suggestions the member for The Pas might have.

His question about nurses in the North. Again, I am certainly aware of the nursing shortage in the North; I would think most people would be just, if for no other reason, from the media coverage, let alone other ways of being made aware of it. From our department, as we discussed in this House, we have a provincial need for more nurses, but we certainly have a need on our reserves in many cases in Manitoba. My department is certainly working and committed to work to bring more nurses onto the reserves to meet the needs.

The member for The Pas, I believe, yesterday asked me about the opportunity to access the nurse recruitment fund of \$7 million, and I indicated to him that I felt there was no

reason that that could not or should not be the case, that that fund should be available to help with just that and that still is my view. I am following up with that committee to make sure that they are aware that that is our view. I do not anticipate that being a problem at all, that they should be using that fund to help with recruitment in the North.

I want to follow up and I will follow up on the final point that he raised, which I would agree is an important one, where he talks about a formula being in place. I need to get a little more information on the nature of this formula to determine nurses. He obviously makes the connection that if there is a formula in place for a certain number of nurses, how does that then relate to standards of care and quality of care.

So I will definitely undertake to review the formula, confirm the nature of the formula and follow up on that issue.

Mr. Lathlin: Mr. Chairman, perhaps this will be my last question, but I want to assure the minister that—I know he is new in the portfolio that he has now, and I am quite encouraged by the responses that he has given me so far.

I just want to tell him that it does not make a person less of a person if one admits I do not have information, I am not aware of this, I did not know, but after having found out, you know, to do something, because I went through that experience, and I do not think I am such a bad person today. Before I ever came to Winnipeg I had no idea what Winnipeg was all about—no idea. I did not know there were that many people in Winnipeg, as a matter of fact.

When I first came to Winnipeg, I was just amazed by what I saw. It was a new experience. There were a lot of things I had to learn and adjust to. So today I can say I think with some authority that I do have the best of both worlds. I have a good understanding of where I am from: the culture and the environment that I come from, and I am also, I think I can say safely, that I have a pretty good handle of the other culture that I deal with almost every day. I know the language, I know the culture a little bit, the history. So therefore I can sort of operate in two houses.

Unfortunately, the minister does not have that luxury, because I am afraid he is being disadvantaged by not really knowing what happens in Gods Lake Narrows, for example, where if—let us take the Minister of Justice (Mr. Toews) for example. If he was living in Gods Lake Narrows and he, for some unfortunate reason, broke his leg, he would have to be taken to the nursing station first, be examined, not by a doctor, by a nurse, diagnosed, and then put onto a truck down to the lake onto a boat, up a steep embankment, onto another vehicle, and finally into the plane to come to Thompson or Winnipeg. That is the reality that exists in these communities.

I am not trying to be negative or anything. I just want the minister to know that I know at what level he is operating when he comes to the northern—because he does not know. He has been there to visit maybe, but he has to do that more often to get a real good understanding.

So I thank him for the information that he has given me, and I would also ask him to perhaps follow up his verbal answers that he has given me today. I would like to ask him to follow it up in writing at his earliest opportunity. Thank you.

* (1140)

Mr. Stefanson: I am assuming the final question was to follow some of these issues up in writing to the member for The Pas. There is certainly a record in Hansard, but I am prepared to follow up in terms of how we continue to go forward and some of the issues that I also said that I would be pursuing, the issue of the formula for nursing and the shortages in those areas and so on. So I will definitely do that with the member for The Pas.

Again, I appreciate his closing comments about—well, first of all, people acknowledging that you maybe do not have enough information in certain situations. I agree with him on that—nothing wrong with admitting that you need more information; you need to get a better understanding of an issue. Far better to do that than to try to deal with an issue in the absence of reasonable information, so I certainly agree with that.

His comments about his fortunate opportunity to have a good understanding of his own history and culture and communities and, of course, now Winnipeg, again I cannot disagree with. I have certainly travelled to northern Manitoba. I have been on some of our reserves. I have many contacts and friends who have had significant dealings. They would certainly raise many of these issues that he has touched on today, and his description of what would happen to you at Cross Lake if you broke your leg or something happened to you—

An Honourable Member: Gods Lake Narrows.

Mr. Stefanson: Or Gods Lake Narrows. I can certainly, again, understand it, but obviously I have not experienced living in any of those communities or spending very much time in any of those communities. So I, in this portfolio, do look forward to the opportunity to get a better understanding of that by at least being able to meet some people in their home communities on the reserves and get an even better appreciation. It is one thing to have something like that described to you. It is obviously somewhat different to deliver that on a day-to-day basis.

So, again, I cannot disagree with what he is saying in terms of my personal experiences or my background relative to many of the challenges that our people are facing on reserves. But I very much look forward to the continued opportunity to get a better understanding and a better appreciation and be able to be a part of continuing to address them to improve services for people on our reserves, certainly in northern Manitoba and throughout Manitoba over the next weeks and months, Mr. Chairman.

Mr. Dave Chomiak (Kildonan): I just want to indicate for the record that I thought the last 40 minutes of exchange was one of the most useful I have heard in this Chamber during the course of all of the years I have done Estimates. I am very impressed with the educative role that is played by the member for The Pas (Mr. Lathlin), whose experience and whose overall commitment is so strong. I am very impressed with the fact the minister did not take a defensive posture, but rather took a role and a position of wanting to listen and learn. I think that is a very positive step to build on, and I

think is part of the role and the nature of what this Chamber should do. So I am encouraged by the comments, and I only urge the minister to continue. If the minister continues in that vein, particularly in listening to the words of the member for The Pas and some of our other northern members in particular, then I think there is a chance of some advancement and some improvement in terms of the conditions. So I take that very much as a positive.

I would just like to ask the minister if he can give an outline as to what legislation he is proposing or will be coming forward during this particular session of the Legislature.

Mr. Stefanson: I am not sure if we are in Estimates this afternoon—

Some Honourable Members: We do not know.

Mr. Stefanson: We do not know yet? I am certainly prepared to return with a listing and just a thumbnail sketch of the acts. I know three of the acts that were referred to I think in the throne speech all have to do with the various nurses acts, The Licensed Practical Nurses Act, The Registered Nurses Act and The Registered Psychiatric Nurses Act. We are looking at introducing amendments in those areas relative to the role that nurses are playing in our health care system. I tabled—I think it was two acts—on our Order Paper The Chiropodists Act, and The Ophthalmic Dispensers Act, I think, is the other one.

I believe those really have to do with the whole issue primarily with internal trade in terms of the mobility of individuals in those particular areas to comply with the mobility provisions. Those are a few of the acts. I know there are a couple of other amendments that we were looking at potentially to The Medical Act and one or two other acts, but what I will do is I will give the member an overview of the acts we are looking at and a thumbnail sketch of the key elements of the amendments, Mr. Chairman.

Mr. Chomiak: Mr. Chairperson, I thank the minister for that response. We will be dealing with the privacy act and issues surrounding issues of privacy in a particular line item in the

Supplementary Estimates, but I am wondering if the minister can update me as to whether or not he has received any correspondence or follow-up with respect to his letter that he wrote several weeks ago concerning the issue of chiropractic potentially inappropriate use of information.

Mr. Stefanson: Mr. Chairman, I thought I had the letters here with me, but I do not, but I did receive a response. As the member knows, I wrote to both the Ombudsman and I wrote to the Chiropractors' Association, and I did receive a response from both organizations and I will provide a copy of both of those responses to the member.

I believe, and I am just going from memory now, that the Chiropractors' Association indicated they were going to look into the issue and that the Ombudsman indicated the same thing from his perspective under the personal privacy protection act. So I will certainly provide the member with a copy of both of those letters.

* (1150)

Mr. Chomiak: Mr. Chairperson, has the minister, again this is just a general question, there may be more specifics down the line item when we are dealing with mental health—has there been any follow-up with respect to the recent amendments to The Mental Health Act and any data or information the minister can provide, not necessarily today but perhaps later on in the Estimates process, as to how in effect the new system and the new regime is working. ? Specifically I am talking about the amendment that went through recently.

Mr. Stefanson: I do not have any of that information with me here this morning, but I will definitely provide a status report to the member on those amendments and that issue and what activity there has been to date.

Mr. Chomiak: Yesterday, during Question Period, the minister talked about the number of individuals waiting for personal care homes in acute care facilities and beds and had some data and statistics. I wonder if the minister—again I appreciate it may not be available today, but in the near future—can table that information.

Mr. Stefanson: The member is correct in response to one question, I believe, from him. I refer to the fact that approximately a year ago there were about 250 panelled individuals in our acute care settings, in our hospitals. I said that today that number is down around 50. I believe that number is even lower than 50 today in terms of what I am told from officials here this morning. So, again, I will provide him information of what the number was roughly a year ago and show him the changes over the recent period of time and what that number is as of now.

Mr. Chomiak: Mr. Chairperson, just to inform the minister as to, from our perspective, what we see developing. I anticipate several hours of general questions followed by a movement of the line-by-line items.

I think the minister and I ought to have a discussion in terms of how it can best be allocated next week, in terms of bringing in staff, because I anticipate something like moving relatively quickly through down to the portion dealing with the information services where we will spend some time. Then we will be relatively quickly into the major expenditure items which will be the acute care, the personal care homes, Pharmacare, which is now by virtue of the Estimates all bundled up into one area. The minister may have suggestions as to who he wants to bring in and what we want to do to best utilize staff resources.

I wanted to let the minister know roughly a couple more hours on general questions, and then we will start moving, at least from my perspective, down the line items into info services, and then we will be getting into those issues. The minister can determine in terms of what staff he wants to bring in. Certainly, last year the minister brought in staff from the WHA and the Long Term Care Authority, as well as officials from USSC. We may want to talk about how the minister feels he wants to deal with those issues.

I anticipate, if we are into Estimates all of next week—and everything is a hedge, I recognize. I recognize we are all kind of looking at this Tuesday pivotal date, but if we are in Estimates all next week then we will be down

into the latter part of next week into some of these issues where the minister may have to bring staff in.

My final question, I assume, for this session is I notice there is now a disaster management component of the department. That has not been identified before, and I wonder if the minister might outline for me. It may have existed, but I was unaware of its existence. It may be formalized now. Can the minister give me an update or information in respect to that?

Mr. Stefanson: I appreciate the member's comments about how we will proceed on a go-forward basis. I certainly agree with that. If we are in Estimates this afternoon, then I assume we will have the same people and the same format that we followed this morning. Really, there are no changes other than to hive that element out, the disaster assistance, on the organizational chart. In fact, there is not a separate appropriation when we do get into the detailed expenditures. They are still included under appropriation Emergency Health and Ambulance Services, which is appropriation 21.3.(e), so the appropriation is the same.

Really, I believe just on the organizational chart was separating what the disaster assistance unit, which provides education, information to the RHAs in terms of that entire issue and how to prepare and how to be ready—really I am told has always been in place and just was hived out on the organizational chart. But the money is allocated in the same area. It just shows it separately, and the other part of it is just a continued provision of our northern patient medical services and other emergency medical service provisions.

Mr. Chomiak: Just for my own understanding, would it be possible for the minister to provide a note in terms of the function and role of that component, that management component, disaster management? I assume we saw its function during the recent flood, and I am curious as to the functioning and the structure and the design, more the operation, actually.

Mr. Stefanson: I will definitely provide that information, and I just received a copy of the two letters that the member asked me about, the

one from the Ombudsman, a brief letter, and the Ombudsman concludes that in consideration of the circumstances and further to your letter, the letter I sent him, this is to advise that we will be contacting the trustee to advise of our intention to investigate this matter. Our office will advise you of the outcome of our investigation. Once again, thank you for raising your concerns with our office. That was dated April 14. I have not received the outcome of his investigation yet.

The chiropractic association wrote me on Tuesday, the 20th, and basically, I believe: This

matter has been brought to the association's attention and pursuant to the act's regulations and by-laws was immediately forwarded to the complaints chair for a review of the findings and a recommendation of required action.

So both of those organizations are following up, and I will provide copies for the member.

Mr. Chairperson: The hour being twelve o'clock, committee rise, with the understanding that the Speaker will resume the Chair at 1:30 p.m. today.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 13, 1999

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